

LANSING UNIFIED SCHOOL DISTRICT NO. 469

STATUTORY BASIS FINANCIAL STATEMENTS
For the year ended June 30, 2012

And

INDEPENDENT AUDITORS' REPORTS

Long CPA, PA
A Professional Association
Certified Public Accountants

LANSING UNIFIED SCHOOL DISTRICT # 469
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Long CPA, PA

James M. Long, CPA
Shareholder

901 Kentucky, Suite 104
Lawrence, KS 66044
jim@jlongcpa.com

785-312-9091
Fax 785-312-9249
Cell 785-766-7556

Board of Education
Unified School District No. 469
Lansing, Kansas 66043

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

We have audited the financial statements of the individual funds of Unified School District No. 469, Lansing, 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 the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As described more fully in Note 1, Unified School District No. 469 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 reasonable determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District No. 469 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 the Unified School District No. 469, as of June 30, 2012, and its cash receipts and expenditures, budgetary comparisons, and changes in long-term debt and long-term debt maturities for the year then ended, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated October 10, 2012, on our consideration of Unified School District No. 469's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Unified School District No. 469's basic financial statements. The accompanying schedule of expenditures of federal awards and schedule of findings and questioned costs are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of State and Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements of Unified School District No. 469. The schedule of expenditures of federal awards and schedule of findings and questioned costs have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink that reads "Long CPA, PA". The signature is written in a cursive, flowing style.

Long CPA, PA
A Professional Association
Certified Public Accountants

October 10, 2012

USD #469 LANSING, KANSAS
Summary 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	\$ (926,486)	\$ 1,155	\$ 13,404,300	\$ 13,473,036	\$ (994,067)	\$ 17,564	\$ (976,503)
Supplemental General	130,388	8,716	4,564,130	4,502,520	200,714	720,200	920,914
Special Revenue Funds							
Vocational Education	27,979	1,137	200,000	194,800	34,316	6,155	40,471
Special Education	2,376,021	-	3,663,924	3,259,356	2,780,589	486	2,781,075
Driver Education	5,003	-	13,238	8,963	9,278		9,278
Food Service	292,904	710	1,203,949	1,184,459	313,104	250,000	563,104
Capital Outlay	2,194,855	-	1,042,786	401,566	2,836,075	38,747	2,874,822
Gifts and Grants	15,216	-	-	-	15,216		15,216
Parent Education	3,736	-	72,952	68,580	8,108		8,108
Professional Development	6,378	120	47,000	48,347	5,151		5,151
KPERS Special Contribution	-	-	1,036,720	1,036,720	-		-
At Risk (K-12)	392,447	4,721	501,125	842,397	55,896	33,710	89,606
Bilingual	3,968	-	10,851	10,924	3,895		3,895
District Activity Funds	54,373	-	752,196	752,022	54,547		54,547
Textbook Rental Fund	120,923	3,540	59,094	108,793	74,764	57,958	132,722
Contingency Reserve Fund	1,419,767	-	-	-	1,419,767		1,419,767
Title I	59,603	-	258,010	317,613	-	10,449	10,449
Special Assessment	49,937	-	90,890	80,093	60,734		60,734
Title IIA - Teacher Quality	2,795	-	47,119	49,914	-		-
Debt Service Fund							
Bond and Interest	2,042,679	-	2,103,377	2,399,436	1,746,620		1,746,620
Total Reporting Entity	\$ 8,272,486	\$ 20,099	\$ 29,071,661	\$ 28,739,539	\$ 8,624,707	\$ 1,135,269	\$ 9,759,976
Composition of Cash							
Checking Accounts							\$ 6,835,560
Savings Accounts							-
Certificates of Deposit							3,054,764
Total Cash							9,890,324
Agency Funds per Statement 4							130,348
Total Reporting Entity							\$ 9,759,976

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

USD #469 LANSING, KANSAS
Summary of Expenditures - Actual and Budget
For the Year Ended June 30, 2012

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustments to Comply with Legal Max</u>	<u>Adjustments for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Governmental Type Funds</u>						
General Funds						
General	\$ 14,680,383	\$ (1,223,388)	\$ 16,041	\$ 13,473,036	\$ 13,473,036	\$ 0
Supplemental General	4,618,886	(116,366)	0	4,502,520	4,502,520	0
Special Revenue Funds						
Vocational Education	210,000	0	0	210,000	194,800	15,200
Special Education	5,579,871	0	0	5,579,871	3,259,356	2,320,515
Driver Training	18,841	0	0	18,841	8,963	9,878
Food Service	1,192,000	0	0	1,192,000	1,184,459	7,541
Capital Outlay	3,002,791	0	0	3,002,791	401,566	2,601,225
Gifts and Grants	15,216	0	0	15,216	0	15,216
Parent Education	89,353	0	0	89,353	68,580	20,773
Professional Development	70,000	0	0	70,000	48,347	21,653
KPERS Special Contribution	1,102,081	0	0	1,102,081	1,036,720	65,361
At-Risk Fund	1,004,706	0	0	1,004,706	842,397	162,309
Bilingual	53,968	0	0	53,968	10,924	43,044
Bond and Interest	2,399,436	0	0	2,399,436	2,399,436	0

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

USD #469 LANSING, KANSAS
GENERAL FUND
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)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 2,096,246	\$ 1,998,574	\$ 97,672
Delinquent tax	43,445	53,824	(10,379)
Motor vehicle tax	836		836
RV tax			0
Mineral production tax	54	0	54
Federal grants	42,703	7,000	35,703
State aid/grants	11,204,975	11,905,056	(700,081)
Charges for services			0
Interest income			0
Miscellaneous revenues	16,041		16,041
Operating transfers			0
	<u>13,404,300</u>	<u>13,964,454</u>	<u>(560,154)</u>
EXPENDITURES			
Instruction	7,733,976	7,860,000	126,024
Student support services	480,498	548,500	68,002
Instruction support staff	350,114	509,000	158,886
General administration	424,042	402,000	(22,042)
School administration	798,227	850,000	51,773
Operations and maintenance	135,468	123,000	(12,468)
Student transportation services	437,464	496,500	59,036
Central support services			0
Other support services	52,748	54,500	1,752
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers	3,060,499	3,836,883	776,384
Adjustment to comply with legal max		(1,223,388)	(1,223,388)
Adjustment for qualifying budget credits		16,041	16,041
	<u>13,473,036</u>	<u>\$ 13,473,036</u>	<u>\$ 0</u>
Total Expenditures			
Receipts Over (Under) Expenditures	(68,736)		
Unencumbered Cash, Beginning	(926,486)		
Prior Year Cancelled Encumbrances	<u>1,155</u>		
Unencumbered Cash, Ending	<u>\$ (994,067)</u>		

See Note 11 (Cash Basis Exception)

See Note 12 (Statutory Presentation)

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

USD #469 LANSING, KANSAS
SUPPLEMENTAL GENERAL FUND
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)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 2,056,637	\$ 2,204,975	\$ (148,338)
Delinquent tax	40,864	50,212	(9,348)
Motor vehicle tax	254,037	267,945	(13,908)
RV tax	4,026	4,479	(453)
Mineral production tax			0
Federal grants	0		0
State aid/grants	2,206,066	2,172,927	33,139
Charges for services			0
Interest income			0
Miscellaneous revenues	2,500		2,500
Operating transfers			0
	<u>4,564,130</u>	<u>4,700,538</u>	<u>(136,408)</u>
EXPENDITURES			
Instruction	915,931	354,886	(561,045)
Student support services	188,244	300,000	111,756
Instruction support staff	243,675	331,000	87,325
General administration	43,731	200,000	156,269
School administration	0	0	0
Operations and maintenance	1,321,963	895,000	(426,963)
Student transportation services	16,976	50,000	33,024
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers	1,772,000	2,488,000	716,000
Adjustment to comply with legal max		(116,366)	(116,366)
Adjustment for qualifying budget credits		0	0
	<u>4,502,520</u>	<u>\$ 4,502,520</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	61,610		
Unencumbered Cash, Beginning	130,388		
Prior Year Cancelled Encumbrances	<u>8,716</u>		

Unencumbered Cash, Ending \$ 200,714

See Note 11 (Cash Basis Exception)

See Note 12 (Statutory Presentation)

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

USD #469 LANSING, KANSAS
 VOCATIONAL EDUCATION FUND
 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)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants			0
Charges for services			0
Interest income			0
Miscellaneous revenues		10,000	(10,000)
Operating transfers	<u>200,000</u>	<u>175,000</u>	<u>25,000</u>
Total Cash Receipts	<u>200,000</u>	<u>185,000</u>	<u>15,000</u>
EXPENDITURES			
Instruction	125,561	210,000	84,439
Student support services	68,051		(68,051)
Instruction support staff			0
General administration			0
School administration	1,188		(1,188)
Operations and maintenance			0
Student transportation services			0
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>194,800</u>	<u>\$ 210,000</u>	<u>\$ 15,200</u>
Receipts Over (Under) Expenditures	5,200		
Unencumbered Cash, Beginning	27,979		
Prior Year Cancelled Encumbrances	<u>1,137</u>		
Unencumbered Cash, Ending	\$ <u>34,316</u>		

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

USD #469 LANSING, KANSAS
SPECIAL EDUCATION FUND
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)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants	19,501	5,000	14,501
State aid/grants			0
Charges for services			0
Interest income			0
Miscellaneous revenues	20,838	5,000	15,838
Operating transfers	<u>3,623,585</u>	<u>4,299,886</u>	<u>(676,301)</u>
Total Cash Receipts	<u>3,663,924</u>	<u>4,309,886</u>	<u>(645,962)</u>
EXPENDITURES			
Instruction	3,135,428	4,759,871	1,624,443
Student support services			0
Instruction support staff			0
General administration			0
School administration	5,941		(5,941)
Operations and maintenance	3,498	200,000	196,502
Student transportation services	110,782	520,000	409,218
Central support services			0
Other support services	3,707		(3,707)
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers		100,000	100,000
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>3,259,356</u>	<u>\$ 5,579,871</u>	<u>\$ 2,320,515</u>
Receipts Over (Under) Expenditures	404,568		
Unencumbered Cash, Beginning	2,376,021		
Prior Year Cancelled Encumbrances			
Unencumbered Cash, Ending	<u>\$ 2,780,589</u>		

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

USD #469 LANSING, KANSAS
 DRIVER TRAINING FUND
 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)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants	3,666	5,920	(2,254)
Charges for services	9,572		9,572
Interest income			0
Miscellaneous revenues			0
Operating transfers		10,000	(10,000)
Total Cash Receipts	<u>13,238</u>	<u>15,920</u>	<u>(2,682)</u>
EXPENDITURES			
Instruction	8,792	17,539	8,747
Student support services			0
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance	171	1,302	1,131
Student transportation services			0
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>8,963</u>	<u>\$ 18,841</u>	<u>\$ 9,878</u>
Receipts Over (Under) Expenditures	4,275		
Unencumbered Cash, Beginning	5,003		
Prior Year Cancelled Encumbrances			
Unencumbered Cash, Ending	<u>\$ 9,278</u>		

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

USD #469 LANSING, KANSAS
FOOD SERVICE FUND
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)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants	448,765	387,012	61,753
State aid/grants	13,506	10,564	2,942
Charges for services	739,047	781,884	(42,837)
Interest income			0
Miscellaneous revenues	2,631		2,631
Operating transfers			0
	<u>1,203,949</u>	<u>1,179,460</u>	<u>24,489</u>
EXPENDITURES			
Instruction			0
Student support services			0
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance	173		(173)
Student transportation services			0
Central support services			0
Other support services			0
Food service operations	1,184,286	1,192,000	7,714
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
	<u>1,184,459</u>	<u>\$ 1,192,000</u>	<u>\$ 7,541</u>
Total Expenditures	<u>1,184,459</u>	<u>\$ 1,192,000</u>	<u>\$ 7,541</u>
Receipts Over (Under) Expenditures	19,490		
Unencumbered Cash, Beginning	292,904		
Prior Year Cancelled Encumbrances	<u>710</u>		
Unencumbered Cash, Ending	\$ <u>313,104</u>		

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

USD #469 LANSING, KANSAS
CAPITAL OUTLAY FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2012

	Actual	Budget	Variance- Favorable (Unfavorable)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 456,754	\$ 432,461	\$ 24,293
Delinquent tax	9,097	11,659	(2,562)
Motor vehicle tax	45,932	49,571	(3,639)
RV tax	741	829	(88)
Mineral production tax			0
Federal grants	15,712	3,000	12,712
State aid/grants			0
Charges for services			0
Interest income	62,562	85,000	(22,438)
Miscellaneous revenues	25,925	75,000	(49,075)
Operating transfers	426,063	273,516	152,547
Total Cash Receipts	<u>1,042,786</u>	<u>931,036</u>	<u>111,750</u>
EXPENDITURES			
Instruction		500,000	500,000
Student support services		500,000	500,000
Instruction support staff		500,000	500,000
General administration	16,899	100,000	83,101
School administration	1,565	100,000	98,435
Operations and maintenance	46,875	500,000	453,125
Student transportation services			0
Central support services		100,000	100,000
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services	336,227	702,791	366,564
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>401,566</u>	<u>\$ 3,002,791</u>	<u>\$ 2,601,225</u>
Receipts Over (Under) Expenditures	641,220		
Unencumbered Cash, Beginning	2,194,855		
Prior Year Cancelled Encumbrances			
Unencumbered Cash, Ending	<u>\$ 2,836,075</u>		

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

USD #469 LANSING, KANSAS
GIFTS AND GRANTS FUND
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)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants			0
Charges for services			0
Interest income			0
Miscellaneous revenues			0
Operating transfers			0
	<u>0</u>	<u>0</u>	<u>0</u>
Total Cash Receipts			
	<u>0</u>	<u>0</u>	<u>0</u>
EXPENDITURES			
Instruction		15,216	15,216
Student support services			0
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance			0
Student transportation services			0
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
	<u>0</u>	<u>15,216</u>	<u>15,216</u>
Total Expenditures			
	<u>0</u>	<u>\$ 15,216</u>	<u>\$ 15,216</u>
Receipts Over (Under) Expenditures	0		
Unencumbered Cash, Beginning	15,216		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	\$ <u>15,216</u>		

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

USD #469 LANSING, KANSAS
PARENT EDUCATION FUND
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)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants		5,000	(5,000)
State aid/grants	37,853	37,853	0
Charges for services			0
Interest income			0
Miscellaneous revenues	10,099	5,000	5,099
Operating transfers	<u>25,000</u>	<u>38,000</u>	<u>(13,000)</u>
Total Cash Receipts	<u>72,952</u>	<u>85,853</u>	<u>(12,901)</u>
EXPENDITURES			
Instruction			0
Student support services	68,580	89,353	20,773
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance			0
Student transportation services			0
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			<u>0</u>
Total Expenditures	<u>68,580</u>	<u>\$ 89,353</u>	<u>\$ 20,773</u>
Receipts Over (Under) Expenditures	4,372		
Unencumbered Cash, Beginning	3,736		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	\$ <u>8,108</u>		

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

USD #469 LANSING, KANSAS
PROFESSIONAL DEVELOPMENT FUND
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)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants			0
Charges for services			0
Interest income			0
Miscellaneous revenues			0
Operating transfers	<u>47,000</u>	<u>65,000</u>	<u>(18,000)</u>
Total Cash Receipts	<u>47,000</u>	<u>65,000</u>	<u>(18,000)</u>
EXPENDITURES			
Instruction			0
Student support services			0
Instruction support staff	48,347	70,000	21,653
General administration			0
School administration			0
Operations and maintenance			0
Student transportation services			0
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>48,347</u>	<u>\$ 70,000</u>	<u>\$ 21,653</u>
Receipts Over (Under) Expenditures	(1,347)		
Unencumbered Cash, Beginning	6,378		
Prior Year Cancelled Encumbrances	<u>120</u>		
Unencumbered Cash, Ending	\$ <u>5,151</u>		

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

USD #469 LANSING, KANSAS
 KPERS SPECIAL RETIREMENT CONTRIBUTION FUND
 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)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants	1,036,720	1,102,081	(65,361)
Charges for services			0
Interest income			0
Miscellaneous revenues			0
Operating transfers			0
	<u>1,036,720</u>	<u>1,102,081</u>	<u>(65,361)</u>
EXPENDITURES			
Instruction	1,036,720	850,225	(186,495)
Student support services		60,000	60,000
Instruction support staff		54,800	54,800
General administration		20,000	20,000
School administration		60,000	60,000
Operations and maintenance		6,000	6,000
Student transportation services		10,056	10,056
Central support services			0
Other support services		1,000	1,000
Food service operations		40,000	40,000
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
	<u>1,036,720</u>	<u>\$ 1,102,081</u>	<u>\$ 65,361</u>
Total Expenditures	<u>1,036,720</u>	<u>\$ 1,102,081</u>	<u>\$ 65,361</u>
 Receipts Over (Under) Expenditures	 0		
Unencumbered Cash, Beginning	0		
Prior Year Cancelled Encumbrances	<u>0</u>		
 Unencumbered Cash, Ending	 \$ <u>0</u>		

Note - Pass through fund for KPERS payments not subject to the budget law.

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

USD #469 LANSING, KANSAS
 AT RISK FUND (K-12)
 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)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants			0
Charges for services			0
Interest income			0
Miscellaneous revenues	1,125		1,125
Operating transfers	<u>500,000</u>	<u>900,018</u>	<u>(400,018)</u>
Total Cash Receipts	<u>501,125</u>	<u>900,018</u>	<u>(398,893)</u>
EXPENDITURES			
Instruction	671,475	894,500	223,025
Student support services	78,150		(78,150)
Instruction support staff	3,888		(3,888)
General administration			0
School administration	83,293	5,225	0
Operations and maintenance			0
Student transportation services	3,540		0
Central support services			0
Other support services			0
Food service operations	2,051		0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers		104,981	104,981
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>842,397</u>	<u>\$ 1,004,706</u>	<u>\$ 245,968</u>
Receipts Over (Under) Expenditures	(341,272)		
Unencumbered Cash, Beginning	392,447		
Prior Year Cancelled Encumbrances	<u>4,721</u>		
Unencumbered Cash, Ending	\$ <u>55,896</u>		

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

USD #469 LANSING, KANSAS
 BILINGUAL EDUCATION FUND
 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)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants			0
Charges for services			0
Interest income			0
Miscellaneous revenues			0
Operating transfers	<u>10,851</u>	<u>50,000</u>	<u>(39,149)</u>
Total Cash Receipts	<u>10,851</u>	<u>50,000</u>	<u>(39,149)</u>
EXPENDITURES			
Instruction	10,924	53,968	43,044
Student support services			0
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance			0
Student transportation services			0
Community support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>10,924</u>	<u>\$ 53,968</u>	<u>\$ 43,044</u>
Receipts Over (Under) Expenditures	(73)		
Unencumbered Cash, Beginning	3,968		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	\$ <u>3,895</u>		

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

USD #469 LANSING, KANSAS
BOND AND INTEREST FUND
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)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 1,031,811	\$ 978,218	\$ 53,593
Delinquent tax	23,055	28,105	(5,050)
Motor vehicle tax	130,637	138,830	(8,193)
RV tax	2,082	2,321	(239)
Mineral production tax			0
Federal grants			0
State aid/grants	915,792	915,792	0
Charges for services			0
Interest income			0
Miscellaneous revenues			0
Operating transfers			0
Total Cash Receipts	<u>2,103,377</u>	<u>2,063,266</u>	<u>40,111</u>
EXPENDITURES			
Instruction			0
Student support services			0
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance			0
Student transportation services			0
Community support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service	2,399,436	2,399,436	0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>2,399,436</u>	<u>\$ 2,399,436</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	(296,059)		
Unencumbered Cash, Beginning	2,042,679		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 1,746,620</u>		

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

USD #469 LANSING, KANSAS
 ANY NONBUDGETED FUNDS
 Statement of Cash Receipts and Expenditures
 For the Year Ended June 30, 2012

	<u>Textbook</u>	<u>Contingency Reserve</u>	<u>Title I</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$
Delinquent tax			
Motor vehicle tax			
RV tax			
Mineral production tax			
Federal grants			258,010
State aid/grants			
Charges for services	59,094		
Interest income			
Miscellaneous revenues			
Operating transfers			
	<u>59,094</u>	<u>0</u>	<u>258,010</u>
EXPENDITURES			
Instruction	108,793		184,921
Student support services			
Instruction support staff			10,141
General administration			
School administration			10,000
Operations and maintenance			
Student transportation services			
Central support services			
Other support services			
Food service operations			
Student activities			
Facility acquisition and construction services			112,551
Debt service			
Operating transfers			
Adjustment for qualifying budget credits			
	<u>108,793</u>	<u>0</u>	<u>317,613</u>
Receipts Over (Under) Expenditures	(49,699)	0	(59,603)
Unencumbered Cash, Beginning	120,923	1,419,767	59,603
Prior Year Cancelled Encumbrances	<u>3,540</u>	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	\$ <u>74,764</u>	\$ <u>1,419,767</u>	\$ <u>0</u>

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

USD #469 LANSING, KANSAS
 ANY NONBUDGETED FUNDS
 Statement of Cash Receipts and Expenditures
 For the Year Ended June 30, 2012

	<u>Special Assessment</u>	<u>Title IIA</u>
CASH RECEIPTS		
Taxes and Shared Revenue		
Ad valorem property tax	\$ 74,362	\$
Delinquent tax	1,520	
Motor vehicle tax	14,780	
RV tax	228	
Mineral production tax		
Federal grants		47,119
State aid/grants		
Charges for services		
Interest income		
Miscellaneous revenues		
Operating transfers		
	<u>90,890</u>	<u>47,119</u>
EXPENDITURES		
Instruction	80,093	49,914
Student support services		
Instruction support staff		
General administration		
School administration		
Operations and maintenance		
Student transportation services		
Central support services		
Other support services		
Food service operations		
Student activities		
Facility acquisition and construction services		
Debt service		
Operating transfers		
Adjustment for qualifying budget credits		
	<u>80,093</u>	<u>49,914</u>
Receipts Over (Under) Expenditures	10,797	(2,795)
Unencumbered Cash, Beginning	49,937	2,795
Prior Year Cancelled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	\$ <u>60,734</u>	\$ <u>0</u>

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

USD #469 LANSING, KANSAS
 AGENCY FUNDS
 Statement of Cash Receipts and Cash Disbursements
 For the Year Ended June 30, 2012

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Student activity funds:				
Lansing High School				
National Art Honor Society	\$ 1,153	\$ -	\$ -	\$ 1,153
Baseball club	5,896	8,158	8,463	5,591
Band club	1,875	38,499	28,331	12,043
Boosters - Band	7,123	18,224	18,198	7,149
Boosters - Boys soccer	4,504	5,485	5,067	4,922
Boosters - Girls soccer	4,553	7,073	6,146	5,480
Bowling club	7			7
Cheerleaders	5,162	19,501	22,189	2,474
Choir	7,557	53,472	52,150	8,879
DECA	1,373	24,618	23,736	2,255
Art	204	489	30	663
Drama	4,316	2,085	2,867	3,534
Track	2,194	3,933	5,676	451
Football	2,641	15,305	15,090	2,856
Cross Country Club	-	2,712	2,129	583
FBLA	2,432			2,432
Lady Lion basketball	(326)	3,165	2,644	195
Leadership club	1,889	8,527	8,955	1,461
National forensics club	(150)	5,489	4,761	578
National honor society	312	537	564	285
Kay	2,092	570	415	2,247
In House training	2,977	1,240	2,717	1,500
Kayettes	1,438	8,654	7,483	2,609
Ski club	62			62
L club	1,489	9,434	10,495	428
Leadership social club	2,903			2,903
Wrestling	2,739	6,148	6,479	2,408
Volleyball club	3,160	6,147	6,206	3,101
Tennis club	-	4,414	4,254	160
Lionettes	2,038	22,743	22,834	1,947
Literary Lions club	46			46
Math club	685	1,160	1,071	774
Music theatre club	4,387	10,373	12,070	2,690
Softball	3,694	4,368	5,679	2,383
Swim club - Boys	461	1,208	1,303	366
Swim club - Girls	283	1,697	1,620	360
French club	221	263	286	198
Class of 2011	2,152		2,152	-
Class of 2012	1,975	1,269	1,405	1,839
Class of 2013	3,109	3,438	3,979	2,568
Class of 2014	155	3,362	665	2,852
Class of 2015	-	200	14	186
Pen paw club	126	1,427	1,290	263
Science club	1,702	70	117	1,655
Video production	6,721	589	672	6,638
Tri-M music honor society	334	105	430	9
Subtotal Lansing High School	<u>97,664</u>	<u>306,151</u>	<u>300,632</u>	<u>103,183</u>

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

USD #469 LANSING, KANSAS
 AGENCY FUNDS
 Statement of Cash Receipts and Cash Disbursements
 For the Year Ended June 30, 2012

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Student activity funds:				
Lansing Middle School				
Donations	360			360
Drama	1,012	628	1,086	554
Just say no	979	1,820	2,213	586
Math club	354			354
STUCO	2,932	7,832	10,037	727
8th grade celebratin	1,175	4,269	4,139	1,305
Fundraising	13,170	53,816	56,959	10,027
Pep club	4,541	12,162	14,972	1,731
Builders club	-	1,102		1,102
Science club	687	1,636	1,302	1,021
Subtotal Lansing Middle School	<u>25,210</u>	<u>83,265</u>	<u>90,708</u>	<u>17,767</u>
Lansing Intermediate School				
STUCO	9,416		1,550	7,866
LES Fitness club	-	809		809
Lansingers	674	974	925	723
Subtotal Lansing Intermediate Schoo	<u>10,090</u>	<u>1,783</u>	<u>2,475</u>	<u>9,398</u>
Total agency funds	<u>\$ 132,964</u>	<u>\$ 391,199</u>	<u>\$ 393,815</u>	<u>\$ 130,348</u>

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

USD #469 LANSING, 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
Gate Receipts							
High School activity fund							
Athletics	\$ 12,834		\$ 93,870	\$ 96,222	\$ 10,482		\$ 10,482
District activity	15,029		286,352	287,830	13,551		13,551
Total High School activity fund	<u>27,863</u>	<u>0</u>	<u>380,222</u>	<u>384,052</u>	<u>24,033</u>	<u>0</u>	<u>24,033</u>
Middle School activity fund							
Athletics	12,307		20,519	21,734	11,092		11,092
District activity	2,199		137,414	136,850	2,763		2,763
Total Middle School activity fund	<u>14,506</u>	<u>0</u>	<u>157,933</u>	<u>158,584</u>	<u>13,855</u>	<u>0</u>	<u>13,855</u>
Subtotal Gate Receipts	<u>42,369</u>	<u>0</u>	<u>538,155</u>	<u>542,636</u>	<u>37,888</u>	<u>0</u>	<u>37,888</u>
School Projects							
Lansing High School							
Yearbook	2,085		29,141	27,983	3,243		3,243
Technology	-		3,341	3,341	-		-
Library	521				521		521
Student Activities	1,043		7,360	6,099	2,304		2,304
Special Projects	-				-		-
Newspaper	598		1,495		2,093		2,093
Payment plan	2,169				2,169		2,169
Lansing Middle School							
Yearbook	397		11,536	10,713	1,220		1,220
Library	16		7,100	6,639	477		477
Student Activities	285		1,283	617	951		951
Lansing Intermediate School							
Interest	1,080		130,024	130,010	1,094		1,094
Lansing Elementary School							
Library	512		329	174	667		667
Field trips	2,481		21,703	22,616	1,568		1,568
Recycling	799		729	1,194	334		334
Yearbook	18				18		18
Subtotal School Projects	<u>12,004</u>	<u>-</u>	<u>214,041</u>	<u>209,386</u>	<u>16,659</u>	<u>-</u>	<u>16,659</u>
Total District Activity Funds	<u>\$ 54,373</u>	<u>\$ 0</u>	<u>\$ 752,196</u>	<u>\$ 752,022</u>	<u>\$ 54,547</u>	<u>\$ 0</u>	<u>\$ 54,547</u>

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

UNIFIED SCHOOL DISTRICT NO. 469
Lansing, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies

Financial Reporting Entity

USD No.469 is a municipal corporation governed by an elected seven member board. The district as an entity has been defined to include, on a combined basis, (a) USD No.469 (b) organizations for which USD No. 469 is financially accountable, and (c) other organizations for which the nature and significance of their relationship with USD No.469 are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. There are currently no organizations which meet the foregoing criteria for being combined in the District's report.

Fund Descriptions

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

The following types of funds comprise the financial activities of the District for the year 2012:

Governmental Funds

General Fund – To account for the resources except those required to be accounted for in another fund.

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

Debt Service Funds – To account for the accumulation of resources for and the payments of, interest and principal and related costs, on general long-term debt.

UNIFIED SCHOOL DISTRICT NO. 469
Lansing, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Fiduciary Funds

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

Statutory Basis of Accounting

The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable and encumbrances. 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 municipality has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the statutory basis of accounting.

Departure from Generally Accepted Accounting Principles (GAAP)

The basis of accounting described above results in a financial statement presentation which shows cash receipts, cash disbursement, 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 and matured principle and interest payable, and reservations of 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 United States generally accepted accounting principles. 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

UNIFIED SCHOOL DISTRICT NO. 469
Lansing, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies (Continued)

general obligation bonds, temporary notes, and compensated absences are not presented in the financial statements.

Reimbursed Expenses

Expenditures in the amount of \$ 16,041 are classified as reimbursed expenses in the General Fund. The purpose of these expenditures is payment for goods and services in which fees are collected and such expenditures are exempt from the budget law under K.S.A. 79-2934.

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statements meet the following criteria: 1) the related disbursement was made in the current year on behalf of the payee, 2) the item paid for was directly identifiable as having been used by or provided to the payee, and 3) the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

Budgetary Information

Kansas Statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds, and enterprise funds. 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 calendar year on or before August 1st.
2. Publication in 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.

UNIFIED SCHOOL DISTRICT NO. 469
Lansing, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Budgetary Information (Continued)

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenues other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget and 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 during the year 2012.

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

All legal annual operating budgets are prepared using the 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 city 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 projects funds and trust funds and the following special revenue funds:

Contingency Reserve Fund	District Activity Funds
Title I Fund	Special Assessment
Textbook Rental Fund	Title IIA 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.

UNIFIED SCHOOL DISTRICT NO. 469
Lansing, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Inventories and Prepaid Expenses

Inventories and prepaid expenses which benefit future periods are recorded as expenditures.

Use of Estimates

The process of preparing financial statements requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates relate primarily to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

NOTE 2 – Deposits and Investments

Deposits

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 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 investments of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The district has no investment policy that would further limit its investment choices. The district had no investments during 2012.

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 K.S.A. 9-1405.

UNIFIED SCHOOL DISTRICT NO. 469
Lansing, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – Deposits and Investments (continued)

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the district's deposits may not be returned to it. State statutes require the district's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at June 30, 2012.

At June 30, 2012, the government's carrying amount of deposits was \$ 9,759,976 and the bank balance was \$ 11,015,736. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$ 505,084 was covered by federal depository insurance and the balance was collateralized with securities held by the pledging financial institutions' agents in the district's name.

Custodial Credit Risk – Investments

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

NOTE 3 – Defined Benefit Pension Plan

Plan Description – USD No. 469 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; Topeka, KS 66603) or by calling 1-888-275-5737.

UNIFIED SCHOOL DISTRICT NO. 469
Lansing, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 3 – Defined Benefit Pension Plan (continued)

Funding Policy – K.S.A. 74-4919 and K.S.A. 74-4921 establishes the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depending on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate of 4% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. 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 statutory required employers share.

NOTE 4 – Risk Management

The District is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the county carries commercial insurance. There have been no significant reductions in coverage from prior years and settlements have not exceeded coverage in the past three years.

NOTE 5 – Compliance with Kansas Statutes

We noted no violations of Kansas Statutes during the period under examination.

NOTE 6 – Compensated Absences

Vacation Leave: Full-time, 12 month classified employees are entitled to 10 days annual vacation leave per year. During the sixth year of employment through the tenth year of employment, the employee earns one additional vacation day per year for each year after five years or a maximum of 15 days per year. Teachers' vacations are regulated by their contracts.

Sick Leave: Classified employees are allowed to accumulate a maximum of six times their yearly allowance. Upon leaving employment, except when terminated, the employee is paid for up to 10 days of unused sick leave that has accumulated above the maximum amount to be carried forward. This is paid at 20% of the substitute daily rate. If no substitute rate is available, the

UNIFIED SCHOOL DISTRICT NO. 469
Lansing, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 6 – Compensated Absences (continued)

employee is paid at 20% of their daily rate. Classified employees earn sick leave at different rates depending on their position. All teachers receive leave of 12 days at the beginning of each contract year. Additional days are granted based on the years of service in the District. Days not used may accumulate up to 95 days; however, no more than 80 days may be carried forward from the preceding year. Any liability for absences is considered immaterial by management.

NOTE 7 – Interfund Transactions

Operating transfers were as follows:

General Fund	Special Education Fund	K.S.A 72-6428	\$ 2,123,585
General Fund	At Risk (K-12) Fund	K.S.A 72-6428	500,000
General Fund	Bilingual Education Fund	K.S.A 72-6428	10,851
General Fund	Capital Outlay	K.S.A 72-6428	426,063
Supplemental General Fund	Special Education Fund	K.S.A 72-6425	200,000
Supplemental General Fund	Parent Education Fund	K.S.A 72-6425	1,500,000
Supplemental General Fund	Textbook Rental Fund	K.S.A 72-6425	25,000
Supplemental General Fund	Inservice Education Fund	K.S.A. 72-6425	47,000

NOTE 8 – Other Post Employment Benefits

As provided by K.S.A. 12-5040, the local government allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the local government 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 statements. Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government makes health care 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 government under this program.

UNIFIED SCHOOL DISTRICT NO. 469
Lansing, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – Contingencies

The District receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statements of the District at June 30, 2012.

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. There has been no significant change in insurance coverage from the previous fiscal year and settlements have not exceeded coverage in the past three years.

NOTE 10 – Subsequent Events

Subsequent events for management's review have been evaluated through October 10, 2012. The date in the prior sentence is the date the financial statements were available to be issued

NOTE 11 – Cash Basis Exception

The State of Kansas statutes exempt all funds from a cash basis violation if the violation was as result of delayed payment by the state.

NOTE 12 – 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) requires 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:

Note 12

USD #469 LANSING, KANSAS
GENERAL FUND
STATUTORY REVENUES AND EXPENDITURES - STATUTORY AND BUDGET
For the Year Ended June 30, 2012

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 2,096,246	\$ 1,998,574	\$ 97,672
Delinquent tax	43,445	53,824	(10,379)
Motor vehicle tax	836		836
RV tax			0
Mineral production tax	54		54
Federal grants	42,703	7,000	35,703
State aid/grants	11,272,556	11,905,056	(632,500)
Charges for services			0
Interest income			0
Miscellaneous revenues	16,041		16,041
Operating transfers		715,929	(715,929)
	<u>13,471,881</u>	<u>14,680,383</u>	<u>(1,208,502)</u>
Total Cash Receipts			
	<u>13,471,881</u>	<u>14,680,383</u>	<u>(1,208,502)</u>
EXPENDITURES			
Instruction	7,733,976	7,860,000	126,024
Student support services	480,498	548,500	68,002
Instruction support staff	350,114	509,000	158,886
General administration	424,042	402,000	(22,042)
School administration	798,227	850,000	51,773
Operations and maintenance	135,468	123,000	(12,468)
Student transportation services	437,464	496,500	59,036
Central support services			0
Other support services	52,748	54,500	1,752
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers	3,060,499	3,836,883	776,384
Adjustment to comply with legal max		(1,223,388)	(1,223,388)
Adjustment for qualifying budget credits		16,041	16,041
	<u>13,473,036</u>	<u>\$ 13,473,036</u>	<u>\$ 0</u>
Total Expenditures			
	<u>13,473,036</u>	<u>\$ 13,473,036</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	(1,155)		
Unencumbered Cash, Beginning	0		
Prior Year Cancelled Encumbrances	<u>1,155</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>		

Note 12

USD #469 LANSING, KANSAS
SUPPLEMENTAL GENERAL FUND
STATUTORY REVENUES AND EXPENDITURES - STATUTORY AND BUDGET
For the Year Ended June 30, 2012

	Actual	Budget	Variance- Favorable (Unfavorable)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 2,056,637	\$ 2,204,975	\$ (148,338)
Delinquent tax	40,864	50,212	(9,348)
Motor vehicle tax	254,037	267,945	(13,908)
RV tax	4,026	4,479	(453)
Mineral production tax			0
Federal grants			0
State aid/grants	2,197,296	2,172,927	24,369
Charges for services			0
Interest income			0
Miscellaneous revenues	2,500		2,500
Operating transfers			0
Total Cash Receipts	<u>4,555,360</u>	<u>4,700,538</u>	<u>(145,178)</u>
EXPENDITURES			
Instruction	915,931	354,886	(561,045)
Student support services	188,244	300,000	111,756
Instruction support staff	243,675	331,000	87,325
General administration	43,731	200,000	156,269
School administration			0
Operations and maintenance	1,321,963	895,000	(426,963)
Student transportation services	16,976	50,000	33,024
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers	1,772,000	2,488,000	716,000
Adjustment to comply with legal max		(116,366)	(116,366)
Adjustment for qualifying budget credits			0
Total Expenditures	<u>4,502,520</u>	<u>\$ 4,502,520</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	52,840		
Unencumbered Cash, Beginning	262,439		
Prior Year Cancelled Encumbrances	<u>8,716</u>		
Unencumbered Cash, Ending	<u>\$ 323,995</u>		

USD #469 LANSING, KANSAS
Lansing, Kansas

NOTES TO FINANCIAL STATEMENTS

Note 13 - Long Term Debt

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

Issue	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
General Obligation Bonds										
Series 2005A	3.75-5.00%	5/1/05	\$ 23,600,000	9/1/26	\$ 23,600,000	\$	\$ 15,745,000	\$ (15,745,000)	\$ 7,855,000	\$ 743,862
Series 2005B	4.85%	5/1/05	295,000	9/1/13	250,000		90,000	(90,000)	160,000	9,943
Series 2006	4.00-4.45%	8/1/06	795,000	9/1/16	515,000		75,000	(75,000)	440,000	20,502
Series 2007A	4.00-4.25%	3/1/07	8,455,000	9/1/26	8,375,000		30,000	(30,000)	8,345,000	344,732
Series 2007B	4.00%	6/1/07	6,340,000	9/1/13	3,430,000		1,065,000	(1,065,000)	2,365,000	115,900
Series 2011	3.00%	3/1/12	8,340,000	9/1/23	-	8,340,000		8,340,000	8,340,000	47,380
Leases										
Energy lease	4.00-5.10%	11/1/02	800,000	12/1/17	435,000		55,000	(55,000)	380,000	20,074
Total Long Term Debt					<u>\$ 36,605,000</u>	<u>\$ 8,340,000</u>	<u>\$ 17,060,000</u>	<u>\$ (8,720,000)</u>	<u>\$ 27,885,000</u>	<u>\$ 1,302,393</u>
Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:										
	2013	2014	2015	2016	2017	2018-2022	2023-2027	Total		
Principal										
General Obligation Bonds										
Series 2005A	\$ -	\$ 120,000	\$ 1,000,000	\$ 1,100,000	\$ 1,220,000	\$ 4,415,000	\$	\$ 7,855,000	\$	\$
Series 2005B	110,000	50,000			95,000			160,000		
Series 2006	80,000	85,000	90,000	90,000	35,000			440,000		
Series 2007A	30,000	30,000	30,000	35,000		200,000	7,985,000	8,345,000		
Series 2007B	1,145,000	1,220,000			75,000	3,995,000	4,270,000	2,365,000		
Series 2011					70,000	70,000		8,340,000		
Capital leases:								0		
Energy lease	55,000	60,000	60,000	65,000			-	380,000		
Total Principal	1,420,000	1,565,000	1,180,000	1,290,000	1,495,000	8,680,000	12,255,000	27,885,000		
Interest										
General Obligation Bonds										
Series 2005A	743,862	741,612	715,112	476,400	231,438	322,057		3,230,481		
Series 2005B	5,093	1,212						6,305		
Series 2006	17,286	13,819	10,077	6,185	2,114			49,481		
Series 2007A	343,532	342,331	341,132	339,832	338,432	1,669,458	1,166,910	4,541,627		
Series 2007B	71,700	24,400	247,200	247,200	246,450	1,101,450	130,050	96,100		
Series 2011	247,200	247,200						2,466,750		
Capital leases:								0		
Energy lease	17,461	14,730	11,880	8,797	5,355	1,785	-	60,008		
Total Interest	1,446,134	1,385,304	1,325,401	1,078,414	823,789	3,094,750	1,296,960	10,450,752		
Total Principal and Interest	\$ 2,866,134	\$ 2,950,304	\$ 2,505,401	\$ 2,368,414	\$ 2,318,789	\$ 11,774,750	\$ 13,551,960	\$ 38,335,752		

Long CPA, PA

James M. Long, CPA
Shareholder

901 Kentucky, Suite 104
Lawrence, KS 66044
jim@jlongcpa.com

785-312-9091
Fax 785-312-9249
Cell 785-766-7556

Board of Education
Unified School District No. 469
Lansing, Kansas 66043

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

We have audited the financial statements of Unified School District No. 469, Lansing, Kansas as of and for the year ended June 30, 2012, and have issued our report thereon dated October 10, 2012. In our report, our opinion was qualified due to the use of another comprehensive basis of accounting. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Unified School District No. 469's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Unified School District No. 469's internal control over financial reporting. Accordingly we do not express an opinion on the effectiveness of the Organization'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 misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the organization's financial statements will not be prevented, or detected and corrected on a timely basis.

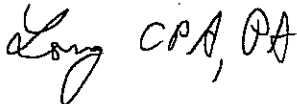
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies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

Board of Education
Unified School District No. 469
Lansing, Kansas 66043

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Unified School District No. 469's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statements 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 that are required to be reported under Government Auditing Standards.

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

A handwritten signature in cursive script that reads "Long CPA, PA".

Long CPA, PA
A Professional Association
Certified Public Accountants

October 10, 2012

Long CPA, PA

James M. Long, CPA
Shareholder

901 Kentucky, Suite 104
Lawrence, KS 66044
jim@jlongcpa.com

785-312-9091
Fax 785-312-9249
Cell 785-766-7556

Board of Education
Unified School District No. 469
Lansing, Kansas 66043

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Compliance

We have audited the compliance of Unified School District No. 469 Lansing, Kansas with the types of compliance requirements described in the U.S. Office Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2012. Unified School District No. 469'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 Unified School District No. 469's management. Our responsibility is to express an opinion on Unified School District No. 469's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Unified School District No. 469'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 Unified School District No. 469's compliance with those requirements.

In our opinion, Unified School District No. 469 complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2012.

Board of Education
Unified School District No. 469
Lansing, Kansas 66043

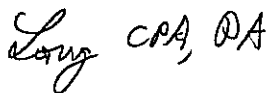
Internal Control Over Compliance

The management of Unified School District No. 469 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 Unified School District No. 469's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

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 the 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 the audit committee, management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Long CPA, PA".

Long CPA, PA
A Professional Association
Certified Public Accountants

October 10, 2012

UNIFIED SCHOOL DISTRICT NO. 469
Lansing, Kansas

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2012

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass- Through Grantor Number	Federal Expenditures
<hr/> U.S. Department of Education <hr/>			
Passed through State Department of Education:			
Title I	84.010	*	\$ 258,010
Title II - Teacher Quality	84.367	*	47,119
Education Jobs Fund	84.410	*	6,042
<hr/> U.S. Department of Agriculture <hr/>			
Passed through State Department of Education:			
School Breakfast	10.553	*	67,401
National School Lunch Program	10.555	*	381,364
Federal School Food Service	10.560	*	50
<hr/> Other Federal Assistance <hr/>			
Direct Programs:			
P.L. 103-372, Impact Aid	103.372	*	<u>52,373</u>
Total Federal Assistance			<u><u>\$ 812,359</u></u>

* Not available

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

LANSING UNIFIED SCHOOL DISTRICT #469
Lansing, Kansas

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended June 30, 2012

A. Summary of Audit Results

1. The auditors' report expresses a qualified opinion on the general purpose financial statements of Lansing USD #469.
2. No reportable conditions relating to the audit of the general purpose financial statements are reported in the Independent Auditors' Report on Compliance and on Internal Control over Financial Reporting Based on a Audit of Financial Statements Performed in accordance with Government Auditing Standards.
3. No instances of noncompliance material to the general purpose financial statements of Lansing USD #469 were disclosed during the audit.
4. The auditors' report on compliance for the major federal award programs for Lansing USD #469 expresses an unqualified opinion on all major federal programs.
5. Audit findings relative to the major federal award programs for Lansing USD #469 are reported in this schedule.
6. The programs tested as major programs included:
Department of Education
Food Service Cluster CFDA No. 10.560, 10.553, 10.555
7. Lansing USD #469 was determined to not be a low-risk auditee.
8. The threshold for distinguishing types A and B programs was \$300,000.

B. Findings – Financial Statement Audit
None

C. Findings and Questioned Costs – Major Federal Awards Programs Audit
Department of Education
Food Service Cluster CFDA No. 10.560, 10.553, 10.555

No findings of noncompliance or questioned costs were noted.

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

LANSING UNIFIED SCHOOL DISTRICT NO. 469
Lansing, Kansas

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2012

NOTE 1 – Basis of Accounting

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Unified School District No. 469 Lansing, Kansas and is presented on the statutory basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Statutory Basis of Accounting – The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable, and encumbrances. 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.

Unified School District No. 469 has obtained a waiver from generally accepted accounting principles which allows the district to revert to statutory basis of accounting.

Departure from Generally Accepted Accounting Principles – 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 mature principal and interest payable, and reservations of the fund balance are not presented. Under generally accepted accounting principles, 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.

LANSING UNIFIED SCHOOL DISTRICT NO. 469
Lansing, Kansas

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2012

NOTE 1 – Basis of Accounting (continued)

Departure from Generally Accepted Account Principles (ctd.) - 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 are not presented in the financial statements.

NOTE 2 – Pass-Through Awards

Unified School District No. 469 receives certain federal awards in the form of pass-through awards from the State of Kansas. Such amounts received as pass-through awards are specifically identified on the Schedule of Expenditures of Federal Awards.

NOTE 3 – Major Programs

In accordance with OMB Circular A-133, major programs are determined using a risk-based approach. Education Jobs Fund has been determined by the independent auditor to be a major program.

NOTE 4 – Contingencies

The District receives funds under various federal grant programs and such awards are to be expended in accordance with provisions of the various grants. Compliance with the grants is subject to audit by various government agencies which may impose sanctions in the event of non-compliance. Managements believes that they have complied with all aspects of the various grant provisions and the results of adjustments, if any, relating to such audits would not have any material financial impact.