

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

FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2010

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

Fiscal Year Ended June 30, 2010

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

Fiscal Year Ended June 30, 2010

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of Unified School District Number 405, Lyons, Kansas, as of and for the year ended June 30, 2010. These financial statements are the responsibility of Unified School District Number 405's management. Our responsibility is to express an opinion on these special financial statements based on our audit. The prior year partial (and summarized) comparative information has been derived from the District's 2009 financial statements and, in our report dated September 21, 2009, we express an unqualified opinion on the financial statements taken as a whole.

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

As described in Note 1, Unified School District Number 405 Lyons, Kansas, prepares its financial statements in conformity with the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District Number 405 Lyons, Kansas, as of June 30, 2010, or changes in financial position for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of Unified School District Number 405 Lyons, Kansas, as of June 30, 2010, and its cash receipts and expenditures, and budgetary comparisons for the year then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2010 on our consideration of the Unified School District Number 405's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Unified School District Number 405, Lyons, Kansas' financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is not a required part of the financial statements of Unified School District Number 405, Lyons, Kansas. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole, on the basis of accounting described in Note 1.

Swindoll, Janzen, Hawk & Loyd, LLC

Swindoll, Janzen, Hawk & Loyd, LLC

October 22, 2010



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

Board of Education
Unified School District Number 405
Lyons, Kansas

We have audited the financial statements of the Unified School District Number 405 as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements and have issued our report thereon dated October 22, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Kansas Municipal Auditing Guide*.

Internal Control Over Financial Reporting

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

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

A control deficiency 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 significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the District's financial statements that is more than inconsequential will not be prevented or detected by the District's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting and are listed as reference numbers 10-1 and 10-2. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

Our consideration of the 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 the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

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

We noted certain matters that we reported to management of the District, in a separate letter dated October 22, 2010.

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

Swindoll, Janzen, Hawk & Loyd, LLC

Swindoll Janzen Hawk & Loyd, LLC

October 22, 2010



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

Board of Education
Unified School District Number 405
Lyons, Kansas

Compliance

We have audited the compliance of the Unified School District Number 405 with the types of compliance requirements described in the U.S. Office of 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, 2010. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements. In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

Management of the Unified School District Number 405 is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance 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 compliance that we consider to be material weaknesses, as defined above.

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

Swindoll, Janzen, Hawk & Loyd, LLC

Swindoll Janzen Hawk & Loyd, LLC

October 22, 2010

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

SUMMARY OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
For the Year Ended June 30, 2010

Fund	Beginning Unencumbered Cash Balance 7-1-09	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance 6-30-10	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance 6-30-10
GOVERNMENTAL TYPE FUNDS:						
GENERAL OPERATING FUNDS						
General Fund	\$ (629,819)	\$ 6,605,966	\$ 6,353,451	\$ (377,304)	\$ 42,854	\$ (334,450)
Supplemental General Fund	(112,022)	1,740,521	1,731,419	(102,920)	52,023	(50,897)
SPECIAL REVENUE FUNDS						
At Risk (4 Year Old) Fund	5,487	64,000	38,844	30,643	-	30,643
At Risk (K-12) Fund	10,818	1,297,662	1,212,031	96,449	387	96,836
Bilingual Education Fund	36,228	285,070	250,257	71,041	1,392	72,433
Capital Outlay Fund	672,367	342,755	233,411	781,711	5,221	786,932
Driver Training Fund	16,931	7,200	6,339	17,792	381	18,173
Food Service Fund	92,147	415,715	392,321	115,541	7,471	123,012
Professional Development Fund	66,694	16,343	15,336	67,701	283	67,984
Parent Education Fund	-	95,700	95,700	-	2,623	2,623
Recreation Commission Fund	9,636	193,939	188,000	15,575	-	15,575
Recreation Commission Employee Benefits Fund	1,952	38,705	38,100	2,557	-	2,557
Special Education Fund	378,733	1,099,922	971,308	507,347	-	507,347
Special Education Cooperative Fund	936,526	3,090,145	3,039,609	987,062	15,276	1,002,338
Summer School Fund	17,834	10,000	9,852	17,982	63	18,045
Technology Revolving Fund	20,602	20,559	5,796	35,365	-	35,365
Vocational Education Fund	68,333	259,000	159,593	167,740	1,818	169,558
Virtual Education Fund	-	14,443	7,816	6,627	-	6,627
KPERS Special Retirement Contribution Fund	-	254,515	521,482	(266,967)	-	(266,967)
Carl Perkins Consortium Fund	-	3,493	3,493	-	-	-
Contingency Reserve Fund	415,494	211,259	-	626,753	-	626,753
Title IV - Drug Free Schools Fund	-	4,578	4,578	-	774	774
Title I Fund	6,500	310,690	317,190	-	9,542	9,542
Title II-A Teacher Quality Fund	-	41,701	41,701	-	1,737	1,737
Title VI-B Discretionary Fund	-	20,783	20,783	-	-	-
Title II-D Education Technology Fund	-	4,723	4,723	-	850	850
Other Federal Funds Fund	-	13,710	13,710	-	186	186
Smart Start Grant Fund	-	7,415	7,415	-	-	-
Gifts and Grants Fund	4,789	2,920	5,257	2,452	499	2,951
Fatherhood Grant Fund	7,599	37,500	36,647	8,452	92	8,544
Gate Receipts Funds	648	106,094	106,070	672	14,134	14,806
School Project Funds	26,085	61,761	53,816	34,030	754	34,784
DEBT SERVICE FUND						
Bond and Interest Fund	259,197	430,421	406,945	282,673	-	282,673
FIDUCIARY TYPE FUNDS:						
PRIVATE PURPOSE TRUST FUNDS						
John Lawrence Fund	822	1	-	823	-	823
Needy Children Fund	3,301	965	1,226	3,040	-	3,040
Total Reporting Entity	\$ 2,316,882	\$ 17,110,174	\$ 16,294,219	\$ 3,132,837	\$ 158,360	\$ 3,291,197

COMPOSITION OF CASH:

Lyons State Bank - Super NOW	\$ 2,760
Lyons State Bank - Hi Fi	2,561
First Bank - NOW	3,110
First Bank - Maximizer	3,243
First Bank - LHS Activity Fund	48,513
Lyons Federal Savings - Super Advantage	8,405
Lyons Federal Savings - Advantage	767,753
Lyons State Bank - Checking #90417	3,040
Lyons State Bank - Passbook Savings # 610410	823
Lyons State Bank - LMS Activity	6,637
Lyons State Bank - Park Elementary Activity	4,934
Lyons State Bank - Central Elementary Activity	1,675
Lyons Federal Savings - Certificates of Deposit	2,500,000
Total Cash	3,353,454
Agency Funds per Statement 4 and 5	(62,257)
Total (Excluding Agency Funds)	\$ 3,291,197

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

**SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
(Budgeted Funds Only)
For the Year Ended June 30, 2010**

<u>Fund</u>	<u>Certified Budget</u>	<u>Adjustment to Comply With Legal Max</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Favorable (Unfavorable)</u>
GOVERNMENTAL TYPE FUNDS:						
GENERAL OPERATING FUNDS						
General Fund	\$ 6,817,975	\$ (550,429)	\$ 85,905	\$ 6,353,451	\$ 6,353,451	\$ -
Supplemental General Fund	1,725,000	-	6,419	1,731,419	1,731,419	-
SPECIAL REVENUE FUNDS						
At Risk (4 Yr Old) Fund	81,449	-	-	81,449	38,844	42,605
At Risk (K-12) Fund	1,212,818	-	-	1,212,818	1,212,031	787
Bilingual Education Fund	259,728	-	-	259,728	250,257	9,471
Capital Outlay Fund	689,500	-	23,459	712,959	233,411	479,548
Driver Training Fund	27,432	-	-	27,432	6,339	21,093
Food Service Fund	463,050	-	6,383	469,433	392,321	77,112
Professional Development Fund	76,830	-	725	77,555	15,336	62,219
Parent Education Fund	95,700	-	-	95,700	95,700	-
Recreation Commission Fund	188,000	-	-	188,000	188,000	-
Recreation Commission Employee Benefits Fund	38,100	-	-	38,100	38,100	-
Special Education Fund	1,493,103	-	-	1,493,103	971,308	521,795
Special Education Cooperative Fund	3,243,090	-	23,418	3,266,508	3,039,609	226,899
Summer School Fund	15,625	-	-	15,625	9,852	5,773
Vocational Education Fund	235,333	-	-	235,333	159,593	75,740
Virtual Education Fund	50,000	-	-	50,000	7,816	42,184
KPERS Special Retirement Contribution Fund	652,813	-	-	652,813	521,482	131,331
DEBT SERVICE FUND						
Bond and Interest Fund	407,046	-	-	407,046	406,945	101
Total	\$ 17,772,592	\$ (550,429)	\$ 146,309	\$ 17,368,472	\$ 15,671,814	\$ 1,696,658

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

Unified School District Number 405
Lyons, Kansas

GENERAL OPERATING FUND

GENERAL FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2010

(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	2010		Budget	Variance Favorable (Unfavorable)
	2009 Actual	Actual		
Cash Receipts:				
Taxes and Shared Revenue:				
Ad valorem property				
Prior year	\$ 7,050	\$ 7,350	\$ 274	\$ 7,076
Current year	569,071	616,803	578,723	38,080
Delinquent tax	16,935	13,680	11,867	1,813
In lieu of taxes - industrial revenue bonds	-	3,623	-	3,623
Mineral production tax	1,877	322	2,000	(1,678)
General state aid	5,362,496	4,659,253	4,863,216	(203,963)
Machinery & equipment state aid	6,211	-	-	-
Special Education aid	661,928	919,335	1,062,200	(142,865)
Federal aid - ARRA	-	299,695	299,695	-
Miscellaneous reimbursements	65,178	85,905	-	85,905
Total Cash Receipts	6,690,746	6,605,966	\$ 6,817,975	\$ (212,009)
Expenditures:				
Instruction -				
Certified salaries	1,445,374	1,233,861	\$ 990,775	\$ (243,086)
Certified salaries - ARRA	-	111,853	-	(111,853)
Non-certified salaries	82,622	84,161	104,400	20,239
Insurance	78,369	65,593	76,500	10,907
Social Security	118,642	117,616	135,000	17,384
Social Security - ARRA	-	9,069	-	(9,069)
Other employee benefits	30,845	49,243	48,300	(943)
Purchased professional services	170,351	86,789	119,000	32,211
Other purchased services	17,051	15,336	12,300	(3,036)
Teaching supplies	8,705	6,079	10,700	4,621
Textbooks	3,733	1,341	3,250	1,909
Miscellaneous supplies	4,200	4,200	5,200	1,000
Property and equipment	29,971	35,879	35,000	(879)
Other	133,262	90,353	120,700	30,347
Student Support Services -				
Certified salaries	97,262	90,636	106,000	15,364
Certified salaries - ARRA	-	6,718	-	(6,718)
Non-certified salaries	4,010	1,910	4,500	2,590
Insurance	8,920	3,331	8,600	5,269
Social Security	7,761	7,661	8,000	339
Other employee benefits	440	551	655	104
Purchased professional services	4,176	3,032	4,200	1,168
Supplies	3,604	3,044	2,000	(1,044)
Instruction Support Staff -				
Certified salaries	115,449	48,280	124,350	76,070
Certified salaries - ARRA	-	3,568	-	(3,568)
Non-certified salaries	114,789	100,857	120,000	19,143
Non-certified salaries - ARRA	-	18,596	-	(18,596)
Insurance	22,616	22,239	22,500	261
Social Security	17,631	13,117	19,950	6,833
Other employee benefits	6,360	6,799	6,390	(409)
Purchased professional services	32,246	-	32,000	32,000
Books and periodicals	3,107	5,146	3,700	(1,446)
Miscellaneous supplies	-	-	500	500

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

Unified School District Number 405
Lyons, Kansas

GENERAL OPERATING FUND

GENERAL FUND (cont.)

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	2009		2010		Variance Favorable (Unfavorable)
	Actual	Actual	Actual	Budget	
Expenditures: (cont.)					
General Administration -					
Certified salaries	\$ 152,887	\$ 109,449	\$ 176,260	\$ 66,811	
Certified salaries - ARRA	-	34,693	-	(34,693)	
Non-certified salaries	7,243	7,127	8,876	1,749	
Insurance	7,115	7,613	5,942	(1,671)	
Social Security	12,242	11,545	12,500	955	
Other employee benefits	7,692	7,809	8,880	1,071	
Purchased professional services	18,856	17,081	23,500	6,419	
Purchased property services	3,462	3,098	3,100	2	
Communications	4,890	6,375	5,000	(1,375)	
Supplies	4,316	2,322	3,100	778	
Property and equipment	-	223	1,000	777	
School Administration -					
Certified salaries	267,187	188,915	296,750	107,835	
Certified salaries - ARRA	-	63,426	-	(63,426)	
Non-certified salaries	105,598	105,937	115,450	9,513	
Insurance	26,119	23,233	25,277	2,044	
Social Security	28,614	27,643	30,000	2,357	
Other employee benefits	2,764	2,498	2,725	227	
Communications	241	331	750	419	
Other purchased services	710	1,627	3,000	1,373	
Property and equipment	2,000	4,049	3,750	(299)	
Operations & Maintenance -					
Non-certified salaries	210,214	144,403	214,750	70,347	
Non-certified salaries - ARRA	-	51,773	-	(51,773)	
Insurance	7,377	6,914	9,000	2,086	
Social Security	16,055	15,023	16,500	1,477	
Other employee benefits	8,215	12,718	9,500	(3,218)	
Purchased professional services	15,244	-	14,205	14,205	
Water/sewer	5,478	6,460	7,250	790	
Cleaning	19,343	19,375	19,000	(375)	
Repairs and maintenance	46,282	28,055	27,000	(1,055)	
Rentals	8,100	8,100	8,100	-	
Other	16,512	12,085	17,000	4,915	
Insurance	83,717	85,685	95,750	10,065	
Heating	90,738	80,412	136,000	55,588	
Electricity	113,305	104,602	128,350	23,748	
Motor fuel	-	719	-	(719)	
Student Transportation Services:					
Vehicle Operating Services -					
Non-certified salaries	46,290	39,911	50,000	10,089	
Insurance	1,793	1,506	2,000	494	
Social Security	3,486	2,905	4,000	1,095	
Other employee benefits	1,811	1,971	1,510	(461)	
Other purchased services	6,504	8,205	7,125	(1,080)	

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

Unified School District Number 405
Lyons, Kansas

GENERAL OPERATING FUND

GENERAL FUND (cont.)

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2010

(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	2010			
	2009 Actual	Actual	Budget	Variance Favorable (Unfavorable)
Expenditures: (cont.)				
Student Transportation Services:				
Vehicle Operating Services -				
Supplies	\$ 22,015	\$ 23,464	\$ 26,045	\$ 2,581
Property and equipment	6,244	3,611	1,000	(2,611)
Other	2,783	2,272	2,950	678
Student Transportation Services:				
Vehicle and Maintenance Services -				
Non-certified salaries	10,342	10,678	12,500	1,822
Social Security	791	817	1,000	183
Other employee benefits	285	227	350	123
Other purchased services	7,432	15,446	8,500	(6,946)
Supplies	6,541	4,835	7,500	2,665
Equipment	403	172	500	328
Other Student Transportation Services -				
Certified salaries	25,811	26,173	28,750	2,577
Insurance	2,376	2,353	2,300	(53)
Social security	1,986	2,020	2,060	40
Other employee benefits	2,448	2,302	2,685	383
Other Supplemental Service -				
Non-certified salaries	65,620	60,997	68,500	7,503
Insurance	4,639	6,788	5,000	(1,788)
Social Security	5,039	4,740	5,200	460
Other employee benefits	2,790	2,740	2,825	85
Outgoing transfers -				
Bilingual Education	10,000	35,000	-	(35,000)
Capital Outlay	152,418	260,016	-	(260,016)
Professional Development	33,000	5,000	-	(5,000)
Parent Education	16,698	16,248	16,698	450
Special Education	1,070,087	736,176	1,062,200	326,024
Summer School	10,000	10,000	-	(10,000)
Virtual Education	-	14,443	50,000	35,557
Vocational Education	116,693	259,000	667,429	408,429
Contingency Reserve	200,000	211,259	-	(211,259)
At Risk (4 Year Old)	40,266	64,000	75,813	11,813
At Risk (K-12)	1,210,454	1,070,000	1,150,800	80,800
Adjustment for Legal Max	-	-	(550,429)	(550,429)
Legal General Fund Budget	6,941,057	6,353,451	6,267,546	(85,905)
Adjustment for Qualifying Budget Credits	-	-	85,905	85,905
Total Expenditures	6,941,057	6,353,451	\$ 6,353,451	\$ -
Receipts Over (Under) Expenditures	(250,311)	252,515		
Unencumbered Cash, Beginning	(379,508)	(629,819)		
Unencumbered Cash, Ending	\$ (629,819)	\$ (377,304)	*	

* See Note 7 (Statutory Presentation)

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

Unified School District Number 405
Lyons, Kansas

GENERAL OPERATING FUND

SUPPLEMENTAL GENERAL FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2010

(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	2009 Actual	2010		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Taxes and Shared Revenue:				
Ad valorem property				
Prior year	\$ 10,093	\$ 10,486	\$ 7,071	\$ 3,415
Current year	664,476	743,378	676,675	66,703
Delinquent tax	21,543	19,305	13,998	5,307
Reimbursements	9,535	6,419	-	6,419
Motor and recreational vehicle tax	82,611	67,130	68,942	(1,812)
In lieu of taxes - industrial revenue bonds	1	3,899	-	3,899
Machinery & equipment state aid	6,540	-	-	-
Supplemental state aid	735,729	662,314	902,158	(239,844)
Federal aid - ARRA	-	227,590	227,590	-
Total Cash Receipts	1,530,528	1,740,521	\$ 1,896,434	\$ (155,913)
Expenditures:				
Instruction -				
Certified salaries	84,676	75,580	\$ 340,680	\$ 265,100
Certified salaries - ARRA	-	227,590	-	(227,590)
Non-certified salaries	1,626	1,405	2,000	595
Insurance	156,139	121,662	160,000	38,338
Social Security	6,816	5,597	7,000	1,403
Other employee benefits	632	694	750	56
Purchased property services	-	-	10,000	10,000
Other purchased services	40,952	26,912	43,950	17,038
Supplies	98,665	55,768	104,400	48,632
Textbooks	4,869	3,640	37,500	33,860
Property and equipment	421,799	23,141	224,000	200,859
Other	7,710	7,683	8,700	1,017
Student Support Services -				
Certified salaries	1,076	720	1,500	780
Non-certified salaries	-	580	250	(330)
Insurance	8,595	8,093	9,200	1,107
Social Security	82	99	175	76
Other employee benefits	54	88	110	22
Other purchased services	-	247	1,250	1,003
Supplies	403	23	500	477
Instructional Support -				
Certified salaries	2,730	2,022	3,750	1,728
Non-certified salaries	779	408	2,000	1,592
Insurance	22,484	20,416	25,000	4,584
Social Security	268	186	610	424
Other employee benefits	35	50	90	40
Books	27,678	16,464	28,100	11,636
Miscellaneous supplies	6,820	2,634	6,150	3,516
Property and equipment	-	-	700	700
General Administration -				
Certified salaries	676	11,544	2,000	(9,544)
Insurance	8,945	8,806	10,000	1,194
Social Security	52	883	250	(633)
Other employee benefits	54	55	75	20
Purchased professional services	10,076	11,697	12,600	903
Other purchased services	15,349	14,277	16,400	2,123
Property and equipment	505	-	500	500
Other	8,387	8,387	8,800	413

Unified School District Number 405
Lyons, Kansas

GENERAL OPERATING FUND

SUPPLEMENTAL GENERAL FUND (cont.)

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2010

(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	2010			
	2009 Actual	Actual	Budget	Variance Favorable (Unfavorable)
Expenditures: (cont.)				
School Administration -				
Certified salaries	\$ 3,700	\$ 2,798	\$ 4,500	\$ 1,702
Non-certified salaries	5,243	2,854	6,400	3,546
Insurance	28,045	30,138	29,000	(1,138)
Social Security	649	413	700	287
Other employee benefits	63	49	75	26
Other purchased services	3,056	2,166	2,150	(16)
Supplies	2,816	2,989	3,050	61
Operations & Maintenance -				
Certified salaries	158	-	175	175
Non-certified salaries	44,223	39,170	50,000	10,830
Insurance	33,027	31,607	33,000	1,393
Social Security	3,380	2,978	4,000	1,022
Other employee benefits	1,345	1,295	1,265	(30)
Purchased property services	74,802	82,705	97,900	15,195
Other purchased services	157	228	250	22
Supplies	46,753	29,099	55,000	25,901
Motor fuel	2,541	1,510	4,000	2,490
Property and equipment	21,397	20,539	25,500	4,961
Student Transportation Services -				
Certified salaries	315	405	350	(55)
Non-certified salaries	-	-	5,000	5,000
Insurance	4,080	1,656	5,000	3,344
Social Security	22	29	50	21
Other employee benefits	80	130	175	45
Other Student Transportation Services -				
Insurance	2,080	2,100	3,000	900
Other Supplemental Services -				
Certified salaries	-	-	600	600
Non-certified salaries	6,322	6,877	9,800	2,923
Insurance	7,106	7,457	7,250	(207)
Social Security	480	512	600	88
Other employee benefits	23	28	50	22
Outgoing Transfers -				
Bilingual Education	221,570	211,000	200,000	(11,000)
Driver Training	6,000	2,000	5,000	3,000
Special Education	52,170	363,746	52,170	(311,576)
Vocational Education	69,000	-	50,000	50,000
At Risk (K-12)	-	227,590	-	(227,590)
Legal Supplemental General Fund Budget	1,579,535	1,731,419	1,725,000	(6,419)
Adjustment for Qualifying Budget Credits	-	-	6,419	6,419
Total Expenditures	1,579,535	1,731,419	\$ 1,731,419	\$ -
Receipts Over (Under) Expenditures	(49,007)	9,102		
Unencumbered Cash, Beginning	(63,015)	(112,022)		
Unencumbered Cash, Ending	\$ (112,022)	\$ (102,920)	*	

* See Note 7 (Statutory Presentation)

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

SPECIAL REVENUE FUND

AT RISK (4 YEAR OLD) FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2010

(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	<u>2009 Actual</u>	<u>2010</u>		<u>Variance Favorable (Unfavorable)</u>
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts:				
Miscellaneous revenue	\$ 106	\$ -	\$ 150	\$ (150)
Transfer from General Fund	<u>40,266</u>	<u>64,000</u>	<u>75,813</u>	<u>(11,813)</u>
Total Cash Receipts	<u>40,372</u>	<u>64,000</u>	<u>\$ 75,963</u>	<u>\$ (11,963)</u>
Expenditures:				
Instruction -				
Certified salaries	-	126	\$ -	\$ (126)
Social security	-	10	-	(10)
Other employee benefits	566	566	566	-
Purchased professional services	36,300	38,115	73,883	35,768
Teaching supplies	3,400	27	4,000	3,973
Equipment	<u>-</u>	<u>-</u>	<u>3,000</u>	<u>3,000</u>
Total Expenditures	<u>40,266</u>	<u>38,844</u>	<u>\$ 81,449</u>	<u>\$ 42,605</u>
Receipts Over (Under) Expenditures	106	25,156		
Unencumbered Cash, Beginning	<u>5,381</u>	<u>5,487</u>		
Unencumbered Cash, Ending	<u>\$ 5,487</u>	<u>\$ 30,643</u>		

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

SPECIAL REVENUE FUND

AT RISK (K-12) FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2010

(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	2009	2010		Variance
	Actual	Actual	Budget	Favorable (Unfavorable)
Cash Receipts:				
Miscellaneous revenue	\$ 1,096	\$ 72	\$ 1,200	\$ (1,128)
Transfer from General Fund	1,169,454	1,070,000	1,150,800	(80,800)
Transfer from Supplemental General Fund	41,000	227,590	-	227,590
Total Cash Receipts	1,211,550	1,297,662	\$ 1,152,000	\$ 145,662
Expenditures:				
Instruction -				
Certified salaries	983,818	942,712	\$ 990,000	\$ 47,288
Non-certified salaries	9,141	3,978.00	9,000.00	5,022
Insurance	106,445	167,224.00	110,000.00	(57,224)
Social security	74,417	72,749.00	75,000.00	2,251
Other employee benefits	800	3,072.00	818.00	(2,254)
Purchased professional services	150	3,239.00	-	(3,239)
Teaching supplies	25,961	19,057.00	28,000.00	8,943
Total Expenditures	1,200,732	1,212,031	\$ 1,212,818	\$ 787
Receipts Over (Under) Expenditures	10,818	85,631		
Unencumbered Cash, Beginning	-	10,818		
Unencumbered Cash, Ending	\$ 10,818	\$ 96,449		

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

SPECIAL REVENUE FUND

AFJROTC FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2010

(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	<u>2009 Actual</u>	<u>2010 Actual</u>
Cash Receipts:		
Miscellaneous reimbursements	\$ 3,912	\$ -
Expenditures:		
Instruction -		
Certified salaries	848	-
Non-certified salaries	3,064	-
Total Expenditures	3,912	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

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

SPECIAL REVENUE FUND

BILINGUAL EDUCATION FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2010

(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	2009 Actual	2010		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Other revenue from local source	\$ -	\$ 5,345	\$ -	\$ 5,345
Federal Aid	21,588	33,725	23,500	10,225
Transfer from General Fund	10,000	35,000	-	35,000
Transfer from Supplemental General Fund	221,570	211,000	200,000	11,000
Total Cash Receipts	253,158	285,070	\$ 223,500	\$ 61,570
Expenditures:				
Instruction -				
Certified salaries	42,445	38,315	\$ 47,000	\$ 8,685
Non-certified salaries	141,084	136,686	146,000	9,314
Insurance	29,324	39,528	32,500	(7,028)
Social Security	14,078	13,446	15,000	1,554
Other employee benefits	663	818	1,250	432
Purchased professional services	-	203	-	(203)
Other purchased services	-	-	1,508	1,508
General teaching supplies	-	5,131	-	(5,131)
School Administration -				
Certified salaries	13,333	13,730	13,800	70
Insurance	1,316	1,332	1,550	218
Social Security	1,024	1,055	1,100	45
Other employee benefits	15	13	20	7
Total Expenditures	243,282	250,257	\$ 259,728	\$ 9,471
Receipts Over (Under) Expenditures	9,876	34,813		
Unencumbered Cash, Beginning	26,352	36,228		
Unencumbered Cash, Ending	\$ 36,228	\$ 71,041		

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

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

SPECIAL REVENUE FUND

CAPITAL OUTLAY FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2010

(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	2010		Budget	Variance Favorable (Unfavorable)
	2009 Actual	Actual		
Cash Receipts:				
Taxes and Shared Revenue:				
Ad valorem property				
Prior year	\$ 693	\$ 695	\$ 470	\$ 225
Current year	44,048	16,993	16,071	922
Delinquent tax	2,287	1,402	928	474
Motor vehicle tax	5,597	4,501	4,622	(121)
Recreational vehicle tax	80	69	62	7
In lieu of taxes - industrial revenue bonds	-	165	-	165
Interest on idle funds	74,706	32,724	85,000	(52,276)
Miscellaneous income	6,196	2,731	22,000	(19,269)
State Aid	17,542	-	-	-
Machinery & equipment state aid	434	-	-	-
Transfer from General Fund	152,418	260,016	-	260,016
Miscellaneous reimbursements	18,227	23,459	-	23,459
Total Cash Receipts	<u>322,228</u>	<u>342,755</u>	<u>\$ 129,153</u>	<u>\$ 213,602</u>
Expenditures:				
Instruction -				
Property and equipment	1,603	144,938	\$ 75,500	\$ (69,438)
General Administration -				
Property and equipment	-	-	5,000	5,000
School Administration -				
Property and equipment	-	3,900	10,000	6,100
Operations & Maintenance -				
Property and equipment	58,113	9,660	70,000	60,340
Facilities Acquisition Services -				
Repair & remodel building	79,786	-	429,000	429,000
Site Improvement	9,234	74,913	100,000	25,087
Legal Capital Outlay Fund Budget	148,736	233,411	689,500	456,089
Adjustment for Qualifying Budget Credits	-	-	23,459	23,459
Total Expenditures	<u>148,736</u>	<u>233,411</u>	<u>\$ 712,959</u>	<u>\$ 479,548</u>
Receipts Over (Under) Expenditures	173,492	109,344		
Unencumbered Cash, Beginning	<u>498,875</u>	<u>672,367</u>		
Unencumbered Cash, Ending	<u>\$ 672,367</u>	<u>\$ 781,711</u>		

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

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

SPECIAL REVENUE FUND

DRIVER TRAINING FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2010

(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	2009 Actual	2010		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
State aid	\$ 1,520	\$ 1,450	\$ 2,500	\$ (1,050)
Miscellaneous income	3,625	3,750	5,000	(1,250)
Transfer from Supplemental General Fund	6,000	2,000	5,000	(3,000)
Total Cash Receipts	11,145	7,200	\$ 12,500	\$ (5,300)
Expenditures:				
Instruction -				
Certified salaries	7,085	5,029	\$ 9,500	\$ 4,471
Social Security	542	385	725	340
Other employee benefits	24	5	35	30
Purchased professional & technical services	-	-	925	925
Textbooks	-	-	2,000	2,000
Miscellaneous supplies	884	60	4,000	3,940
Other	-	19	512	493
Operation and Maintenance -				
Rental of vehicles	-	-	2,500	2,500
Vehicle insurance	267	340	535	195
Motor fuel	993	437	1,500	1,063
Miscellaneous supplies	78	-	200	200
Other	141	64	5,000	4,936
Total Expenditures	10,014	6,339	\$ 27,432	\$ 21,093
Receipts Over (Under) Expenditures	1,131	861		
Unencumbered Cash, Beginning	15,800	16,931		
Unencumbered Cash, Ending	\$ 16,931	\$ 17,792		

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

SPECIAL REVENUE FUND

FOOD SERVICE FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2010

(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	2009 Actual	2010		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Student sales	\$ 82,710	\$ 73,007	\$ 87,470	\$ (14,463)
Adult meals	22,235	8,421	17,000	(8,579)
Ala carte meals	8,914	7,853	7,000	853
State aid	4,621	4,748	5,087	(339)
Federal aid	286,987	311,676	269,792	41,884
Miscellaneous income	3,225	3,627	20,000	(16,373)
Miscellaneous reimbursements	16,137	6,383	-	6,383
Total Cash Receipts	424,829	415,715	\$ 406,349	\$ 9,366
Expenditures:				
Food Service Operation -				
Non-certified salaries	117,707	111,873	\$ 126,350	\$ 14,477
Insurance	24,425	19,117	25,500	6,383
Social Security	8,744	8,587	10,000	1,413
Other employee benefits	5,807	3,210	5,200	1,990
Other purchased services	347	428	1,500	1,072
Food and milk	224,791	216,973	252,500	35,527
Miscellaneous supplies	19,333	17,818	25,000	7,182
Property and equipment	-	8,134	5,000	(3,134)
Other	6,243	6,181	12,000	5,819
Legal Food Service Fund Budget	407,397	392,321	463,050	70,729
Adjustment for Qualifying Budget Credits	-	-	6,383	6,383
Total Expenditures	407,397	392,321	\$ 469,433	\$ 77,112
Receipts Over (Under) Expenditures	17,432	23,394		
Unencumbered Cash, Beginning	74,715	92,147		
Unencumbered Cash, Ending	\$ 92,147	\$ 115,541		

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

SPECIAL REVENUE FUND

PROFESSIONAL DEVELOPMENT FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2010

(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	2009 Actual	2010		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
State aid	\$ 3,093	\$ -	\$ -	\$ -
Miscellaneous income	10,764	10,618	15,000	(4,382)
Transfer from General Fund	33,000	5,000	-	5,000
Miscellaneous reimbursements	322	725	-	725
	<u>47,179</u>	<u>16,343</u>	<u>\$ 15,000</u>	<u>\$ 1,343</u>
Expenditures:				
Instructional Support Staff -				
Certified salaries	15,784	2,066	\$ 27,000	\$ 24,934
Non-certified salaries	1,226	231	1,550	1,319
Social Security	1,297	-	2,000	2,000
Other employee benefits	35	143	80	(63)
Purchased professional services	4,277	270	7,000	6,730
Other purchased services	13,403	12,626	35,000	22,374
Books and periodicals	-	-	2,000	2,000
Miscellaneous supplies	-	-	2,200	2,200
	<u>36,022</u>	<u>15,336</u>	<u>76,830</u>	<u>61,494</u>
Legal Professional Development Fund Budget				
Adjustment for Qualifying Budget Credits	-	-	725	725
	<u>36,022</u>	<u>15,336</u>	<u>\$ 77,555</u>	<u>\$ 62,219</u>
Receipts Over (Under) Expenditures	11,157	1,007		
Unencumbered Cash, Beginning	<u>55,537</u>	<u>66,694</u>		
Unencumbered Cash, Ending	<u>\$ 66,694</u>	<u>\$ 67,701</u>		

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

SPECIAL REVENUE FUND

PARENT EDUCATION FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2010

(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	2009 Actual	2010		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Payments from other school districts	\$ 21,002	\$ 21,452	\$ 21,002	\$ 450
State aid	58,000	58,000	58,000	-
Transfer from General Fund	16,698	16,248	16,698	(450)
Total Cash Receipts	<u>95,700</u>	<u>95,700</u>	<u>\$ 95,700</u>	<u>\$ -</u>
Expenditures:				
Student Support Services -				
Certified salaries	58,114	60,060	\$ 77,200	\$ 17,140
Insurance	14,087	18,430	8,160	(10,270)
Social Security	4,275	4,574	2,970	(1,604)
Other employee benefits	98	57	20	(37)
Purchased professional services	20	-	10	10
Other purchased services	10,090	7,791	4,300	(3,491)
Books and periodicals	166	-	-	-
Miscellaneous supplies	5,724	3,946	2,540	(1,406)
Property and equipment	3,126	842	500	(342)
Total Expenditures	<u>95,700</u>	<u>95,700</u>	<u>\$ 95,700</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

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

SPECIAL REVENUE FUND

RECREATION COMMISSION FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2010

(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	<u>2010</u>		<u>Variance Favorable (Unfavorable)</u>	
	<u>2009 Actual</u>	<u>Actual</u>		<u>Budget</u>
Cash Receipts:				
Taxes and Shared Revenue:				
Ad valorem property				
Prior year	\$ 2,477	\$ 2,482	\$ 1,674	\$ 808
Current year	157,291	169,710	160,665	9,045
Delinquent tax	5,031	4,523	3,314	1,209
Motor vehicle tax	19,982	16,072	16,492	(420)
Recreational vehicle tax	287	247	222	25
In lieu of taxes - industrial revenue bonds	-	905	-	905
Machinery & equipment state aid	1,548	-	-	-
	<u>186,616</u>	<u>193,939</u>	<u>\$ 182,367</u>	<u>\$ 11,572</u>
Total Cash Receipts				
Expenditures:				
Appropriation to Recreation Commission	<u>176,980</u>	<u>188,000</u>	<u>\$ 188,000</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	9,636	5,939		
Unencumbered Cash, Beginning	<u>-</u>	<u>9,636</u>		
Unencumbered Cash, Ending	<u>\$ 9,636</u>	<u>\$ 15,575</u>		

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

SPECIAL REVENUE FUND

RECREATION COMMISSION EMPLOYEE BENEFITS FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2010

(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	<u>2010</u>		<u>Variance Favorable (Unfavorable)</u>
	<u>2009 Actual</u>	<u>Actual</u>	
Cash Receipts:			
Taxes and Shared Revenue:			
Ad valorem property			
Prior year	\$ 495	\$ 496	\$ 334 \$ 162
Current year	31,427	33,915	32,120 1,795
Delinquent tax	901	851	662 189
Motor vehicle tax	3,994	3,212	3,293 (81)
Recreational vehicle tax	57	49	44 5
In lieu of taxes - industrial revenue bonds	-	182	- 182
Machinery & equipment state aid	78	-	- -
Total Cash Receipts	<u>36,952</u>	<u>38,705</u>	<u>\$ 36,453 \$ 2,252</u>
Expenditures:			
Appropriation to Recreation Commission	<u>35,000</u>	<u>38,100</u>	<u>\$ 38,100 \$ -</u>
Receipts Over (Under) Expenditures	1,952	605	
Unencumbered Cash, Beginning	<u>-</u>	<u>1,952</u>	
Unencumbered Cash, Ending	<u>\$ 1,952</u>	<u>\$ 2,557</u>	

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

SPECIAL REVENUE FUND

SPECIAL EDUCATION FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2010

(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	<u>2009 Actual</u>	<u>2010</u>		<u>Variance Favorable (Unfavorable)</u>
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts:				
Transfer from General Fund	\$ 1,070,087	\$ 736,176	\$ 1,062,200	\$ (326,024)
Transfer from Supplemental General Fund	52,170	363,746	52,170	311,576
Total Cash Receipts	1,122,257	1,099,922	<u>\$ 1,114,370</u>	<u>\$ (14,448)</u>
Expenditures:				
Transfers to Special Education Cooperative	1,119,982	971,308	<u>\$ 1,493,103</u>	<u>\$ 521,795</u>
Receipts Over (Under) Expenditures	2,275	128,614		
Unencumbered Cash, Beginning	<u>376,458</u>	<u>378,733</u>		
Unencumbered Cash, Ending	<u>\$ 378,733</u>	<u>\$ 507,347</u>		

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

SPECIAL REVENUE FUND

SPECIAL EDUCATION COOPERATIVE FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2010

(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	2009 Actual	2010		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Payments from other districts	\$ 1,435,889	\$ 1,312,153	\$ 1,327,701	\$ (15,548)
Federal aid	429,523	430,746	430,746	-
Federal aid - ARRA	-	211,003	422,006	(211,003)
Miscellaneous income	46,286	49,235	46,000	3,235
Medicaid reimbursement	92,218	92,282	90,000	2,282
Transfer from Special Education Fund	1,119,982	971,308	1,065,615	(94,307)
Miscellaneous reimbursements	23,890	23,418	20,000	3,418
Total Cash Receipts	3,147,788	3,090,145	\$ 3,402,068	\$ (311,923)
Expenditures:				
Instruction -				
Certified salaries	1,031,936	916,883	\$ 1,077,347	\$ 160,464
Certified salaries - ARRA	-	8,528	-	(8,528)
Non-certified salaries	827,475	817,091	874,000	56,909
Insurance	296,940	308,198	300,000	(8,198)
Social Security	142,512	134,030	143,000	8,970
Other employee benefits	18,553	14,850	27,676	12,826
Purchased professional services	46,885	45,250	47,000	1,750
Other purchased services	15,304	12,338	22,900	10,562
General teaching supplies	12,988	6,379	12,800	6,421
Textbooks	582	649	500	(149)
Miscellaneous supplies	-	-	2,000	2,000
Property and equipment	3,038	18,671	8,000	(10,671)
Student Support Services -				
Certified salaries	286,971	349,076	344,941	(4,135)
Insurance	50,069	45,834	54,400	8,566
Social Security	22,096	27,007	25,500	(1,507)
Other employee benefits	1,420	2,115	2,975	860
Purchased professional services	44,840	80,171	48,500	(31,671)
Supplies	4,955	2,642	6,000	3,358
Special Area Administrative Services -				
Certified salaries	91,774	100,016	91,600	(8,416)
Non-certified salaries	47,295	46,157	50,000	3,843

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

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

SPECIAL REVENUE FUND

SPECIAL EDUCATION COOPERATIVE FUND (cont.)

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2010

(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	2009 Actual	2010		Variance Favorable (Unfavorable)
		Actual	Budget	
Expenditures: (cont.)				
Special Area Administrative Services -				
Insurance	\$ 18,349	\$ 20,769	\$ 22,000	\$ 1,231
Social Security	11,307	11,346	13,000	1,654
Other employee benefits	3,901	3,727	4,951	1,224
Purchased professional services	-	2,500	500	(2,000)
Other purchased services	6,832	7,451	8,500	1,049
Supplies	1,097	502	1,300	798
Property and equipment	131	-	500	500
Operations and Maintenance -				
Other employee benefits	273	433	500	67
Repairs and maintenance	45	4,937	1,000	(3,937)
Other	-	-	50	50
Other purchased services	267	1,199	950	(249)
Student Transportation Services -				
Supervision -				
Non-certified salaries	4,113	10,250	5,000	(5,250)
Insurance	-	1,799	2,000	201
Social Security	303	782	1,000	218
Other employee benefits	278	443	700	257
Vehicle Operating Services -				
Insurance	1,247	1,587	1,500	(87)
Motor fuel	4,352	7,584	5,000	(2,584)
Vehicle Services and Maintenance Services -				
Other purchased services	30,343	28,415	35,500	7,085
Legal Special Cooperative Fund Budget	3,028,471	3,039,609	3,243,090	203,481
Adjustment for Qualifying Budget Credits	-	-	23,418	23,418
Total Expenditures	<u>3,028,471</u>	<u>3,039,609</u>	<u>\$ 3,266,508</u>	<u>\$ 226,899</u>
Receipts Over (Under) Expenditures	119,317	50,536		
Unencumbered Cash, Beginning	<u>817,209</u>	<u>936,526</u>		
Unencumbered Cash, Ending	<u>\$ 936,526</u>	<u>\$ 987,062</u>		

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

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

SPECIAL REVENUE FUND

SUMMER SCHOOL FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2010

(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	2010			Variance Favorable (Unfavorable)
	2009 Actual	Actual	Budget	
Cash Receipts:				
Transfer from General Fund	\$ 10,000	\$ 10,000	\$ -	\$ 10,000
Expenditures:				
Instruction -				
Certified salaries	-	-	\$ 1,250	\$ 1,250
Non-certified salaries	-	-	2,000	2,000
Supplies	271	163	3,000	2,837
School Administration -				
Certified salaries	6,864	6,947	7,500	553
Non-certified salaries	952	2,063	1,200	(863)
Social Security	580	671	650	(21)
Other employee benefits	9	8	25	17
Total Expenditures	8,676	9,852	\$ 15,625	\$ 5,773
Receipts Over (Under) Expenditures	1,324	148		
Unencumbered Cash, Beginning	16,510	17,834		
Unencumbered Cash, Ending	\$ 17,834	\$ 17,982		

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

SPECIAL REVENUE FUND

TECHNOLOGY REVOLVING FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2010

(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	<u>2009 Actual</u>	<u>2010 Actual</u>
Cash Receipts:		
Rental fees and books	\$ 19,509	\$ 20,559
Expenditures:		
Instruction - Supplies	<u>6,979</u>	<u>5,796</u>
Receipts Over (Under) Expenditures	12,530	14,763
Unencumbered Cash, Beginning	<u>8,072</u>	<u>20,602</u>
Unencumbered Cash, Ending	<u>\$ 20,602</u>	<u>\$ 35,365</u>

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

SPECIAL REVENUE FUND

VOCATIONAL EDUCATION FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2010

(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	2009 Actual	2010		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Transfer from General Fund	\$ 116,693	\$ 259,000	\$ 117,000	\$ 142,000
Transfer from Supplemental General Fund	69,000	-	50,000	(50,000)
Total Cash Receipts	<u>185,693</u>	<u>259,000</u>	<u>\$ 167,000</u>	<u>\$ 92,000</u>
Expenditures:				
Instruction -				
Certified salaries	138,437	113,602	\$ 157,217	\$ 43,615
Insurance	10,204	12,011	12,500	489
Social Security	10,626	8,722	12,750	4,028
Other employee benefits	3,092	3,114	3,311	197
Teaching supplies	8,420	6,327	7,750	1,423
Textbooks	-	919	2,000	1,081
Property and equipment	163	1,413	5,600	4,187
Other	-	-	15,000	15,000
Instructional Support Staff -				
Property and equipment	-	-	3,000	3,000
School Administration -				
Administrative Salaries	12,168	11,102	13,200	2,098
Insurance	1,541	1,520	2,000	480
Social Security	933	852	985	133
Other employee benefits	14	11	20	9
Total Expenditures	<u>185,598</u>	<u>159,593</u>	<u>\$ 235,333</u>	<u>\$ 75,740</u>
Receipts Over (Under) Expenditures	95	99,407		
Unencumbered Cash, Beginning	<u>68,238</u>	<u>68,333</u>		
Unencumbered Cash, Ending	<u>\$ 68,333</u>	<u>\$ 167,740</u>		

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

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

SPECIAL REVENUE FUND

VIRTUAL EDUCATION FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2010

(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	<u>2009</u> <u>Actual</u>	<u>2010</u>		<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts:				
Transfer from General Fund	\$ -	\$ 14,443	\$ 50,000	\$ (35,557)
Expenditures:				
Instruction -				
Certified salaries	-	6,116	\$ 48,300	\$ 42,184
Social Security	-	468	468	-
Other employee benefits	-	6	6	-
General Administration -				
Certified salaries	-	1,139	1,139	-
Social Security	-	87	87	-
Total Expenditures	-	7,816	\$ 50,000	\$ 42,184
Receipts Over (Under) Expenditures	-	6,627		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ 6,627		

Unified School District Number 405
Lyons, Kansas

SPECIAL REVENUE FUND

KPERS SPECIAL RETIREMENT CONTRIBUTION FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2010

(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	2009 <u>Actual</u>	<u>2010</u>		Variance Favorable (Unfavorable)
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts:				
State Sources - KPERS	\$ 514,026	\$ 254,515	\$ 652,813	\$ (398,298)
Expenditures:				
Employee Benefits -				
Instruction	359,818	338,963	\$ 427,014	\$ 88,051
Student Support	35,982	36,504	45,802	9,298
Instructional Support	20,561	20,859	28,972	8,113
General Administration	25,701	26,074	35,215	9,141
School Administration	30,842	31,289	40,459	9,170
Other Supplemental Services	5,140	10,430	10,543	113
Operations & Maintenance	20,561	31,289	36,972	5,683
Student Transportation Services	5,140	10,430	10,243	(187)
Food Service	10,281	15,644	17,593	1,949
Total Expenditures	<u>514,026</u>	<u>521,482</u>	<u>\$ 652,813</u>	<u>\$ 131,331</u>
Receipts Over (Under) Expenditures	-	(266,967)		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ (266,967)</u>		

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

SPECIAL REVENUE FUND

CARL PERKINS CONSORTIUM FUND

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)**

	<u>2009</u> <u>Actual</u>	<u>2010</u> <u>Actual</u>
Cash Receipts:		
Federal aid	\$ 7,922	\$ 3,493
Expenditures:		
Instruction -		
Certified salaries	-	680
Other purchased services	823	-
Staff travel	779	813
Supplies and software	2,124	-
Property and equipment	3,800	2,000
Instructor Support Services -		
Contracted services	<u>396</u>	<u>-</u>
Total Expenditures	<u>7,922</u>	<u>3,493</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

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

SPECIAL REVENUE FUND

CONTINGENCY RESERVE FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

For the Year Ended June 30, 2010

(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	<u>2009 Actual</u>	<u>2010 Actual</u>
Cash Receipts:		
Transfer from General Fund	\$ 200,000	\$ 211,259
Total Expenditures	<u> -</u>	<u> -</u>
Receipts Over (Under) Expenditures	200,000	211,259
Unencumbered Cash, Beginning	<u>215,494</u>	<u>415,494</u>
Unencumbered Cash, Ending	<u>\$ 415,494</u>	<u>\$ 626,753</u>

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

SPECIAL REVENUE FUND

TITLE IV - DRUG FREE SCHOOLS FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	<u>2009</u> <u>Actual</u>	<u>2010</u> <u>Actual</u>
Cash Receipts:		
Federal aid	\$ 3,911	\$ 4,578
Expenditures:		
Instruction -		
Purchased property services	936	1,531
Other purchased services	1,309	2,297
Supplies	1,666	750
Total Expenditures	<u>3,911</u>	<u>4,578</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

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

SPECIAL REVENUE FUND

TITLE I FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	<u>2009</u> <u>Actual</u>	<u>2010</u> <u>Actual</u>
Cash Receipts:		
Federal aid	\$ 233,328	\$ 239,763
Federal aid - ARRA	6,500	70,927
	<u>239,828</u>	<u>310,690</u>
Total Receipts		
Expenditures:		
Instruction -		
Certified salaries	197,730	200,656
Certified salaries - ARRA	-	48,645
Other employee benefits	35,062	27,458
Other employee benefits - ARRA	-	6,819
Purchased professional services - ARRA	-	1,578
Supplies	-	11,148
Supplies - ARRA	-	641
Property and Equipment ARRA	-	19,424
Other	536	500
Other - ARRA	-	321
	<u>233,328</u>	<u>317,190</u>
Total Expenditures		
Receipts Over (Under) Expenditures	6,500	(6,500)
Unencumbered Cash, Beginning	<u>-</u>	<u>6,500</u>
Unencumbered Cash, Ending	<u>\$ 6,500</u>	<u>\$ -</u>

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

SPECIAL REVENUE FUND

TITLE II-A TEACHER QUALITY FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	<u>2009</u> <u>Actual</u>	<u>2010</u> <u>Actual</u>
Cash Receipts:		
Federal aid	\$ 41,580	\$ 41,023
Miscellaneous reimbursements	-	678
	<u>41,580</u>	<u>41,701</u>
Total Receipts		
Expenditures:		
Instruction -		
Salaries	4,615	11,849
Social Security	-	1,051
Other employee benefits	-	13
Purchased professional services	36,154	26,868
Supplies	811	1,920
	<u>41,580</u>	<u>41,701</u>
Total Expenditures		
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

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

SPECIAL REVENUE FUND

TITLE VI-B DISCRETIONARY FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	<u>2009</u> <u>Actual</u>	<u>2010</u> <u>Actual</u>
Cash Receipts:		
Federal aid	\$ 20,834	\$ 20,783
Expenditures:		
Instruction -		
Certified salaries	336	10,332
Purchased professional services	12,112	2,570
Teaching supplies	4,360	4,700
Property and equipment	4,026	3,181
Total Expenditures	<u>20,834</u>	<u>20,783</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

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

SPECIAL REVENUE FUND

TITLE II-D EDUCATION TECHNOLOGY FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	<u>2009 Actual</u>	<u>2010 Actual</u>
Cash Receipts:		
Federal aid	\$ 2,230	\$ 2,118
Federal aid - ARRA	-	2,605
Total Receipts	<u>2,230</u>	<u>4,723</u>
Expenditures:		
Instruction -		
Purchased professional services - ARRA	-	2,605
Other purchased services	<u>2,230</u>	<u>2,118</u>
Total Expenditures	<u>2,230</u>	<u>4,723</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

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

SPECIAL REVENUE FUND

OTHER FEDERAL FUNDS FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	<u>2009 Actual</u>	<u>2010 Actual</u>
Cash Receipts:		
Federal aid	\$ 13,599	\$ 13,710
Expenditures:		
Instruction -		
Purchased professional and technical services	2,802	231
Supplies	10,797	13,479
Total Expenditures	<u>13,599</u>	<u>13,710</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

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

SPECIAL REVENUE FUND

SMART START GRANT FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	<u>2009 Actual</u>	<u>2010 Actual</u>
Cash Receipts:		
Miscellaneous income	\$ 4,272	\$ 7,415
Expenditures:		
Student Support Service -		
Purchased professional and technical services	2,540	6,568
Other purchased services	<u>1,732</u>	<u>847</u>
Total Expenditures	<u>4,272</u>	<u>7,415</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

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

SPECIAL REVENUE FUND

GIFTS AND GRANTS FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	<u>2009</u> <u>Actual</u>	<u>2010</u> <u>Actual</u>
Cash Receipts:		
Miscellaneous reimbursements	\$ 11,612	\$ 2,920
Expenditures:		
Instruction -		
Supplies	<u>11,996</u>	<u>5,257</u>
Receipts Over (Under) Expenditures	(384)	(2,337)
Unencumbered Cash, Beginning	<u>5,173</u>	<u>4,789</u>
Unencumbered Cash, Ending	<u>\$ 4,789</u>	<u>\$ 2,452</u>

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

SPECIAL REVENUE FUND

FATHERHOOD GRANT FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	<u>2009</u> <u>Actual</u>	<u>2010</u> <u>Actual</u>
Cash Receipts:		
Grant	\$ 25,658	\$ 37,500
Expenditures:		
Student Support Services		
Certified salaries	20,973	13,570
Insurance	978	-
Social Security	1,139	835
Other employee benefits	17	11
Purchased property services	45	-
Other purchased services	11,875	1,785
Supplies	3,226	5,491
Miscellaneous supplies	1,500	-
Other	-	14,955
Total Expenditures	<u>39,753</u>	<u>36,647</u>
Receipts Over (Under) Expenditures	(14,095)	853
Unencumbered Cash, Beginning	<u>21,694</u>	<u>7,599</u>
Unencumbered Cash, Ending	<u>\$ 7,599</u>	<u>\$ 8,452</u>

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

DEBT SERVICE FUND

BOND AND INTEREST FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2010

(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	2009 Actual	2010		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Taxes and Shared Revenue:				
Ad valorem property				
Prior year	\$ 3,470	\$ 3,473	\$ 2,343	\$ 1,130
Current year	220,081	237,471	224,825	12,646
Delinquent tax	8,416	6,637	4,636	2,001
Motor vehicle tax	28,006	22,512	23,110	(598)
Recreational vehicle tax	402	346	312	34
In lieu of taxes - industrial revenue bonds	-	1,266	-	1,266
State aid	153,400	158,709	158,709	-
Machinery & equipment state aid	2,166	-	-	-
Miscellaneous income	-	7	-	7
Total Cash Receipts	415,941	430,421	\$ 413,935	\$ 16,486
Expenditures:				
Interest	183,685	166,945	\$ 167,046	\$ 101
Principal	220,000	240,000	240,000	-
Total Expenditures	403,685	406,945	\$ 407,046	\$ 101
Receipts Over (Under) Expenditures	12,256	23,476		
Unencumbered Cash, Beginning	246,941	259,197		
Unencumbered Cash, Ending	\$ 259,197	\$ 282,673		

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

PRIVATE PURPOSE TRUST FUNDS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
For the Year Ended June 30, 2010

	<u>John Lawrence</u>	<u>Needy Children</u>	<u>Total (Memo Only)</u>
Cash Receipts:			
Contributions	\$ -	\$ 965	\$ 965
Interest	1	-	1
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	1	965	966
Expenditures:			
Other	-	1,226	1,226
	<hr/>	<hr/>	<hr/>
Total Expenditures	-	1,226	1,226
Receipts Over (Under) Expenditures	1	(261)	(260)
Unencumbered Cash, Beginning	<hr/> 822	<hr/> 3,301	<hr/> 4,123
Unencumbered Cash, Ending	<u>\$ 823</u>	<u>\$ 3,040</u>	<u>\$ 3,863</u>

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

AGENCY FUNDS

STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS

For the Year Ended June 30, 2010

	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Health Insurance	\$ 51,696	\$ -	\$ 1,608	\$ 50,088
High School Activity Fund Sales Tax	<u>-</u>	<u>5,741</u>	<u>5,316</u>	<u>425</u>
 Total Agency Funds	 <u>\$ 51,696</u>	 <u>\$ 5,741</u>	 <u>\$ 6,924</u>	 <u>\$ 50,513</u>

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

STUDENT ORGANIZATION FUNDS

**STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
For the Year Ended June 30, 2010**

	<u>Beginning</u> <u>Cash Balance</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Ending</u> <u>Unencumbered</u> <u>Cash Balance</u>	<u>Ending</u> <u>Cash Balance</u>
Middle School -					
Builders Club	\$ 828	\$ 1,193	\$ 1,079	\$ 942	\$ 942
Cheerleaders	228	1,234	1,052	410	410
DFYIT	200	-	-	200	200
FACS	70	156	149	77	77
Scholar's Bowl	137	1,479	1,446	170	170
Student Council	496	448	776	168	168
High School -					
Art Club	155	-	75	80	80
Class of 2005	75	-	75	-	-
Class of 2008	240	-	240	-	-
Class of 2009	368	-	368	-	-
Class of 2010	359	1,684	1,837	206	206
Class of 2011	1,971	2,671	4,352	290	290
Class of 2012	856	1,490	329	2,017	2,017
Class of 2013	-	801	233	568	568
Family Career & Community	361	1,960	2,059	262	262
Foreign Language Club	120	-	-	120	120
Letterman Club	4,350	-	1,735	2,615	2,615
National Honor Society Club	380	2,614	2,170	824	824
ROTC Student	2,217	8,460	9,588	1,089	1,089
Scholar's Bowl	160	300	170	290	290
Student Council	2,639	5,860	7,083	1,416	1,416
	<u>2,639</u>	<u>5,860</u>	<u>7,083</u>	<u>1,416</u>	<u>1,416</u>
Total Student Organization Funds	\$ 16,210	\$ 30,350	\$ 34,816	\$ 11,744	\$ 11,744

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

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES
For the Year Ended June 30, 2010**

GATE RECEIPTS FUNDS

	<u>Beginning Unencumbered Cash Balance</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add Outstanding Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
Middle School - Athletics	\$ 648	\$ 14,534	\$ 14,510	\$ 672	\$ -	\$ 672
High School - Athletics	-	91,560	91,560	-	14,134	14,134
Total Gate Receipts	\$ 648	\$ 106,094	\$ 106,070	\$ 672	\$ 14,134	\$ 14,806

SCHOOL PROJECT FUNDS

	<u>Beginning Unencumbered Cash Balance</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add Outstanding Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
Central Elementary School - Student Project	\$ 1,625	\$ 2,995	\$ 2,945	\$ 1,675	\$ -	\$ 1,675
Park Elementary School - Student Project	3,190	5,566	3,822	4,934	-	4,934
Middle School - Library	71	365	346	90	-	90
Student Assistance	1,600	1,302	1,154	1,748	-	1,748
Yearbook	1,488	2,877	2,205	2,160	-	2,160
High School - AFROTC	-	649	649	-	-	-
AFROTC Reimbursable	1,619	3,380	3,811	1,188	-	1,188
Band Trip	651	812	72	1,391	-	1,391
Baseball Student Projects	-	1,406	1,376	30	-	30
Boys Basketball Uniforms	4,059	3,231	3,270	4,020	-	4,020
Boys Golf	70	-	60	10	-	10
Cheerleader Uniforms	1,497	6,744	7,302	939	754	1,693
Cross Country	300	4	293	11	-	11
Football	595	6,089	5,166	1,518	-	1,518
Girls Basketball Student Project	65	829	372	522	-	522
National Forensics	1,353	4,470	3,832	1,991	-	1,991
Peer Mediation Student Project	110	-	110	-	-	-
Photography	585	187	-	772	-	772
Powerlifting Projects	46	-	46	-	-	-
Science/Sci. Olympiad	297	619	430	486	-	486
Softball Student Project	431	1,983	1,439	975	-	975
Special Education Student Projects	788	810	1,074	524	-	524
Special Olympics	400	-	-	400	-	400
Track Student Project	196	-	103	93	-	93
Video Production	199	443	47	595	-	595
Vocal Music	1	4,438	1,464	2,975	-	2,975
Volleyball Student Projects	1,459	100	466	1,093	-	1,093
Wrestling Student Project	590	-	142	448	-	448
Yearbook	2,800	12,462	11,820	3,442	-	3,442
Total School Projects	\$ 26,085	\$ 61,761	\$ 53,816	\$ 34,030	\$ 754	\$ 34,784

UNIFIED SCHOOL DISTRICT NUMBER 405

LYONS, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

Unified School District Number 405 is a municipal corporation governed by an elected seven-member board. These financial statements present Unified School District Number 405 (the primary government). There were no component units in the year ended June 30, 2010.

(b) Reimbursed Expenses

The District records reimbursable expenditures in the fund that makes the disbursement and records reimbursements to revenue of that fund. For purposes of budgetary comparisons, the expenditures are properly reflected as offset by the reimbursements. Expenditures for the year ended June 30, 2010, in the amount of \$85,905, \$6,419, \$23,459, \$6,383, \$725, and \$23,418 are classified as reimbursed expenses in the General Fund, Supplemental General Fund, Capital Outlay Fund, Food Service Fund, Professional Development Fund, and Special Education Cooperative Fund, respectively. These expenditures are for general purposes and are exempt from the budget law under K.S.A. 72-5390.

(c) Basis of Presentation - Fund Accounting

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

Governmental Fund Types

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

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

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

Fiduciary Fund Types

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(d) Statutory Basis of Accounting

The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transactions, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure would be charged in the fund from which the transfer is made.

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

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

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

(f) Budget and Tax Cycle

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

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no budget amendments made for the current year. The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(f) Budget and Tax Cycle (cont.)

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

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

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

2. COMPLIANCE WITH KANSAS STATUTES

In violation of K.S.A. 10-1113 and 10-1121, indebtedness in excess of cash balance was created at year end in the KPERs Special Retirement Contribution Fund.

3. DEPOSITS AND INVESTMENTS

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

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

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

Custodial credit risk - deposits. Custodial credit risk is the risk that in the event of bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at June 30, 2010.

Deposits

At year end the carrying amount of the District's deposits, including certificates of deposit, was \$3,353,454. The bank balance was \$4,876,803. The bank balance was held by three banks resulting in a concentration of credit risk. The difference between the carrying amount and the bank balance is outstanding checks and deposits in transit. Of the bank balance, \$526,628 was covered by FDIC insurance and the remaining \$4,350,175 was collateralized by pledged securities held under joint custody receipts issued by a third-party bank in the District's name under joint custody arrangements or by letters of credit. The third-party bank holding the pledged securities is independent of the pledging bank. The pledged securities are held under a tri-party agreement signed by all three parties: The District, the pledging bank, and the independent third-party bank holding the pledged securities.

4 LONG-TERM DEBT

Changes in long-term liabilities for the District for the year ended June 30, 2010, were as follows:

STATEMENT OF CHANGES IN LONG TERM DEBT For the Year Ended June 30, 2010

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
General Obligations Bonds: Series 2000	5.00% to 7.80%	10-1-00	\$ 4,883,000	10-1-20	\$ 215,000	\$ -	215,000	\$ (215,000)	\$ -	\$ 8,385
General Obligation Refund Bonds: Series 2005	3.00% to 5.00%	07-1-05	3,985,000	10-1-20	3,875,000	-	25,000	(25,000)	\$ 3,850,000	158,560
Total Contractual Indebtedness					4,090,000	-	240,000	(240,000)	3,850,000	166,945
Compensated Absences	N/A	N/A	N/A	N/A	32,798	-	4,917	(4,917)	27,881	-
Total Long-Term Debt					<u>\$4,122,798</u>	<u>\$ -</u>	<u>\$ 244,917</u>	<u>\$ (244,917)</u>	<u>\$3,877,881</u>	<u>\$166,945</u>

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

STATEMENT OF MATURITY OF LONG TERM DEBT For the Year Ended June 30, 2009

	Year							Total
	2011	2012	2013	2014	2015	2016-2020	2021	
Principal:								
General Obligation Bonds: Series 2005	\$ 275,000	\$ 280,000	\$ 300,000	\$ 325,000	\$ 350,000	\$ 2,095,000	\$ 225,000	\$ 3,850,000
Total Principal	275,000	280,000	300,000	325,000	350,000	2,095,000	225,000	3,850,000
Interest:								
General Obligation Bonds: Series 2005	154,060	143,985	130,535	114,910	98,035	259,298	4,500	905,323
Total Interest	154,060	143,985	130,535	114,910	98,035	259,298	4,500	905,323
Total Principal and Interest	<u>\$ 429,060</u>	<u>\$ 423,985</u>	<u>\$ 430,535</u>	<u>\$ 439,910</u>	<u>\$ 448,035</u>	<u>\$ 2,354,298</u>	<u>\$ 229,500</u>	<u>\$ 4,755,323</u>

On July 1, 2005, the District issued \$3,985,000 of General Obligation Refunding Bonds Series 2005 with interest rates ranging from 3.00% to 5.00% to advance refund \$3,820,000 of the General Obligation School Building Bonds, Series 2000 with rates ranging from 5.00% to 7.80%. The proceeds were also used to pay the costs of issuance. The net proceeds of \$4,046,003 (after payment of \$64,113 of underwriting fees and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments of the 2000 Series bonds. As a result, \$3,820,000 of the 2000 Series bonds are considered defeased and the liability for those bonds will be removed from long-term debt. For the year ended June 30, 2010, outstanding defeased bonds totaled \$3,820,000.

5. INTERFUND TRANSACTIONS

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General Fund	At Risk (4 Year Old)	K.S.A. 72-6428	\$ 64,000
General Fund	At Risk (K-12)	K.S.A. 72-6428	1,070,000
General Fund	Bilingual Education	K.S.A. 72-6428	35,000
General Fund	Capital Outlay	K.S.A. 72-6428	260,016
General Fund	Professional Development	K.S.A. 72-6428	5,000
General Fund	Parent Education	K.S.A. 72-6428	16,248
General Fund	Special Education	K.S.A. 72-6428	736,176
General Fund	Summer School	K.S.A. 72-6428	10,000
General Fund	Virtual Education	K.S.A. 72-6428	14,443
General Fund	Vocational Education	K.S.A. 72-6428	259,000
General Fund	Contingency Reserve	K.S.A. 72-6428	211,259
Supplemental General	Bilingual Education	K.S.A. 72-6433	211,000
Supplemental General	Driver Training	K.S.A. 72-6433	2,000
Supplemental General	Special Education	K.S.A. 72-6433	363,746
Supplemental General	At Risk (K-12)	K.S.A. 72-6433	227,590
Special Education	Special Education Coop	K.S.A. 72-6420	971,308

6. RELATED PARTY TRANSACTIONS

Unified School District Number 405 is the taxing authority for the Lyons Recreation Commission. During the fiscal year ended June 30, 2010, the District levied a total tax of 5.99 mills for the Recreation Commission and the Recreation Commission Employee Benefits Fund, which is in turn appropriated to the Lyons Recreation Commission for its operations. Also, there is an informal agreement between the District and the Recreation Commission for use of District facilities when they are not otherwise being used by the District.

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

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

STATUTORY REVENUES AND EXPENDITURES - STATUTORY AND BUDGET

For the Year Ended June 30, 2010

GENERAL FUND

	<u>Statutory Transactions</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Statutory Revenues			
General Property Taxes			
Ad Valorem Property			
Prior Year	\$ 7,350	\$ 274	\$ 7,076
Current Year	616,803	578,723	38,080
Delinquent Tax	13,680	11,867	1,813
Mineral Production Tax	322	2,000	(1,678)
Machinery & equipment state aid	-	-	-
State Aid	4,589,897	4,863,216	(273,319)
Special Education State Aid	736,176	1,062,200	(326,024)
Federal Aid - ARRA	299,695	299,695	-
Miscellaneous reimbursements	85,905	-	85,905
Total Statutory Revenues	<u>6,353,451</u>	<u>\$ 6,817,975</u>	<u>\$ (464,524)</u>
Expenditures			
Instruction	1,911,376	\$ 1,661,125	\$ (250,251)
Student Support Services	116,882	133,955	17,073
Instructional Support Staff	218,602	329,390	110,788
General Administration	207,334	248,158	40,824
School Administration	417,657	477,702	60,045
Operations & Maintenance	576,325	702,405	126,080
Transportation Services - Vehicle Operating Services	83,845	94,630	10,785
Transportation Services - Vehicle & Maintenance Serv	32,175	30,350	(1,825)
Other Student Transportation Services	32,848	35,795	2,947
Other Supplemental Services	75,265	81,525	6,260
Outgoing Transfers	2,681,142	2,472,511	(208,631)
Legal General Fund Budget	6,353,451	6,267,546	(85,905)
Adjustment for qualifying budget credits	-	85,905	85,905
Total Expenditures	<u>6,353,451</u>	<u>\$ 6,353,451</u>	<u>\$ -</u>
Statutory Revenues Over (Under) Expenditures	-		
Modified Unencumbered Cash, July 1, 2009	-		
Modified Unencumbered Cash, June 30, 2010	-		

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

STATUTORY REVENUES AND EXPENDITURES - STATUTORY AND BUDGET

For the Year Ended June 30, 2010

SUPPLEMENTAL GENERAL FUND

	<u>Statutory Transactions</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Statutory Revenues			
General Property Taxes			
Ad Valorem Property			
Prior Year	\$ 10,487	\$ 7,071	\$ 3,416
Current Year	743,378	576,265	167,113
Delinquent Tax	19,305	13,998	5,307
Motor Vehicle Tax	67,130	68,942	(1,812)
In Lieu of Taxes - IRB	3,897	-	3,897
State Aid	669,857	902,158	(232,301)
Federal Aid - ARRA	227,590	227,590	-
Miscellaneous reimbursements	6,419	-	6,419
	<hr/>	<hr/>	<hr/>
Total Statutory Revenues	1,748,063	\$ 1,796,024	\$ (47,961)
	<hr/>	<hr/>	<hr/>
Expenditures			
Instruction	549,675	\$ 938,980	\$ 389,305
Student Support Services	9,849	12,985	3,136
Instructional Support Staff	42,179	66,400	24,221
General Administration	55,650	50,625	(5,025)
School Administration	41,405	45,875	4,470
Operations & Maintenance	209,130	271,090	61,960
Student Transportation Services	2,221	10,575	8,354
Other Student Transportation Services	2,100	3,000	900
Other Supplemental Services	14,874	18,300	3,426
Outgoing Transfers	804,336	307,170	(497,166)
	<hr/>	<hr/>	<hr/>
Legal General Fund Budget	1,731,419	1,725,000	(6,419)
Adjustment for qualifying budget credits	-	6,419	6,419
	<hr/>	<hr/>	<hr/>
Total Expenditures	1,731,419	\$ 1,731,419	\$ -
	<hr/>	<hr/>	<hr/>
Statutory Revenues Over (Under) Expenditures	16,644		
Modified Unencumbered Cash, July 1, 2009	56,156		
	<hr/>		
Modified Unencumbered Cash, June 30, 2010	\$ 72,800		
	<hr/>		

8. PENSION COSTS AND EMPLOYEE BENEFITS

Defined Benefit Pension Plan

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

Funding Policy. K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary. Member-employees' contributions are withheld by their employer and paid to KPERS according to the provisions of section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. State law sets a limitation on annual increases in the contribution rates. For fiscal year 2010, the State of Kansas contributed 8.57% of covered payroll. These contribution requirements are established by KPERS and are periodically revised. Kansas' contributions to KPERS for all Kansas public school employees for the years ending June 30, 2010, 2009, and 2008 were \$140,318,394 received as of June 30, 2010, (with the remaining balance of \$108,149,792 received July 9, 2010), \$242,277,363, and \$220,815,154, respectively, equal to the statutory required contributions for each year.

9. LEAVE POLICIES

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

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

The Superintendent is given 20 vacation days to accumulate to 40 after the first year of service. Days will be paid at termination at a rate of 75% of the daily rate. Days in excess of 40 will be forfeited.

10. EARLY RETIREMENT INCENTIVE

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

Payments to retired employees under this plan were \$21,717 for the year ended June 30, 2010.

11. OTHER POST EMPLOYMENT BENEFITS

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

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

12. CLAIMS AND JUDGMENTS

The District participates in federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of October 22, 2010, grant expenditures have not been audited but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

The District is exposed to various risks of loss related to property loss, torts, and errors and omissions. The District has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage from fiscal year end June 30, 2009 to fiscal year end June 30, 2010, and there were no settlements that exceeded insurance coverage in the past three years.

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

13. SUBSEQUENT EVENTS

Management has evaluated the effects on the financial statements of subsequent events occurring through October 22, 2010 which is the date at which the financial statements were available to be issued.

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

ADDITIONAL INFORMATION

FISCAL YEAR ENDED JUNE 30, 2010

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2010

<u>Pass-Through Grantor/ Federal Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass Through Entity Identifying Number</u>	<u>Expenditures</u>
<u>U.S. Department of Agriculture</u>			
Passed through Kansas Department of Education			
School Breakfast Program	10.553	DO405	\$ 58,400
National School Lunch Program	10.555	DO405	235,030
Summer Reimbursement	10.559	DO405	12,729
Child and Adult Care Food Program	10.558	DO405	5,517
TOTAL U.S. DEPARTMENT OF AGRICULTURE			311,676
<u>U.S. Department of Education</u>			
Passed through Kansas Department of Education			
Title I Grants to Local Educational Agencies	84.010	DO405	239,763
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389	DO405	77,427
Title I, Part C - Carl Perkins Vocational Education	84.048	DO405	3,493
Title II-A - Improving Teacher Quality	84.367	DO405	41,023
Title II-D - Technology Literacy Challenge	84.318	DO405	2,118
ARRA - Title II-D - Education Technology State Grants, Recovery Act	84.386	DO405	2,605
Title III, Part A English Language Acquisition	84.365	DO405	13,710
Title IV, Part A - Safe and Drug-Free Schools	84.186	DO405	3,828
Special Education - Grants to States - IDEA Part B	84.027	DO405	406,552
Special Education - Discretionary Spending Projects	84.027	DO405	20,783
Special Education - Preschool Grants	84.173	DO405	24,194
ARRA - Special Education Grants to States, Recovery Act IDEA Part B	84.391	DO405	202,475
ARRA - Title VIB - Special Education - Preschool Grants, Recovery Act	84.392	DO405	8,528
ARRA - State Fiscal Stabilization Fund - Education State Grants, Recovery Act	84.394	DO405	527,285
TOTAL U.S. DEPARTMENT OF EDUCATION			1,573,784
<u>U.S. Department of Health and Human Services</u>			
Passed through Circle of Parents, Inc.			
Healthy Marriage Promotion and Responsible Fatherhood Grant	93.086	90FR0098	37,500
TOTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS			\$ 1,922,960

NOTE 1 BASIS OF PRESENTATION

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

**UNIFIED SCHOOL DISTRICT NUMBER 418
LYONS, KANSAS**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2010**

FINDINGS AND QUESTIONED COSTS- MAJOR FEDERAL AWARD PROGRAMS AUDIT

DEPARTMENT OF EDUCATION

Special Education cluster – CFDA Number 84.027 and 84.173
Grant Number D0405

NONE

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2010**

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses a unqualified opinion on the financial statements of Unified School District Number 405, Lyons, Kansas.
2. Significant deficiencies relating to the audit of the financial statements are reported in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Unified School District Number 405, Lyons, Kansas, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for Unified School District Number 405, Lyons, Kansas expresses an unqualified opinion on all major federal programs.
6. There are no audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133.

7. The programs tested as a major program included:

	<u>CFDA No.</u>
Title I, Part A Cluster:	
Title I, Part A	84.010
ARRA – Title I, Part A	84.389
Special Education Cluster (IDEA):	
Special Education – Grants to States	84.027
ARRA – Special Education – Grants to States	84.391
Special Education – Preschool Grants	84.173
ARRA – Special Education – Preschool Grants	84.392
ARRA – State Fiscal Stabilization Fund –	
Education State Grants, Recovery Act	84.394
Child Nutrition Cluster	
School Breakfast Program	10.553
National School Lunch Program	10.555
Summer Reimbursement	10.559

8. The threshold used for distinguishing between Type A and B programs was \$300,000.
9. Unified School District Number 405, Lyons, Kansas did not qualify as a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

SIGNIFICANT DEFICIENCY

Number 10-01 Lack of Segregation of Duties

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

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

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

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

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

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

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

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

Number 10-02 Financial Statement Reporting

- Condition: Our firm has been asked to prepare the financial statements for the District; however, our firm cannot be considered part of the internal control structure of the District in regard to the preparation of the financial statements.
- Criteria: The District prepares its financial statements in accordance with the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, in accordance with the reporting and formatting requirements displayed in the *Kansas Municipal Audit Guide* (KMAG).
- Effect: We consider this condition related to external financial statement and other supplemental information preparation to be a significant deficiency under the standards established by the American Institute of Certified Public Accountants.
- Cause: District personnel do have the skill and knowledge to process all the basic financial transactions and the ability to issue the internal financial statements needed to provide appropriate budget and operating information to the District governing body on an as needed basis. However, the District either has no documented policy or procedures related to the preparation of the external financial statements and other supplemental information and/or the policies and procedures are not implemented and adequately followed to ensure the accuracy and completeness of the external financial statements and other supplemental information.
- Recommendation: To strengthen internal control over financial statement preparation, we recommend:
- a) Obtain a current copy of the Kansas Municipal Audit Guide (KMAG);
 - b) Obtain a report check list for KMAG financial statements;
 - c) Participate in a training session on financial statement preparation and review; and
 - d) Adopt a policy that annual financial statements will be reviewed prior to being subjected to audit.

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

U.S. DEPARTMENT OF AGRICULTURE

Child Nutrition Cluster CFDA Number 10.553, 10.555, & 10.559

NONE

U.S. DEPARTMENT OF EDUCATION

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

NONE

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

NONE

Title I, Part A Cluster CFDA Number 84.010 & 84.389

NONE

See Accompanying Independent Auditor's Report.