

UNIFIED SCHOOL DISTRICT NO. 258

Humboldt, Kansas

Financial Statements
and
Supplemental Information

with Report of Independent Auditors
For the Year Ended June 30, 2010

Unified School District No. 258
Humboldt, Kansas
Special Financial Statements
For the Fiscal Year Ended June 30, 2010

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Unified School District No. 258
Humboldt, Kansas
Special Financial Statements
For the Fiscal Year Ended June 30, 2010

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Unified School District No. 258
Humboldt, Kansas

We have audited the accompanying statutory basis financial statements of Unified School District No. 258, Humboldt, Kansas, as of and for the year ended June 30, 2010, as listed in the table of contents. These financial statements are the responsibility of Unified School District No. 258, Humboldt, Kansas, management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, Unified School District No. 258, Humboldt, Kansas, prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effect on the financial statements of the differences between this regulatory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, is presumed to be material.

The financial statements referred to above include only the primary government of the District, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the District's legal entity. The financial statements do not include the financial data of any legally separate component units which accounting principles generally accepted in the United States of America require to be reported with the financial data of the District's primary government.

In our opinion, because of the District's policy to prepare its financial statements on the basis of accounting discussed in the preceding two paragraphs, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District No. 258, Humboldt, Kansas as of June 30, 2010, or changes in financial position for the year then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of Unified School District No. 258, Humboldt, Kansas, as of June 30, 2010, and the revenues it received and expenditures it paid 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 March 31, 2011, on our consideration of Unified School District No. 258, Humboldt, Kansas, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Unified School District No. 258, Humboldt, Kansas, statutory basis financial statements. The information identified in the table of contents as supplementary information is presented for purposes of additional analysis and is not a required part of the statutory basis 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 also not a required part of the statutory basis financial statements of Unified School District No. 258, Humboldt, Kansas. This supplemental information has been subjected to the auditing procedures applied in the audit of the statutory basis financial statements, and, in our opinion, is fairly stated, in all material respects in relation to the statutory basis financial statements taken as a whole, on the basis of accounting described in Note 1.

This report is intended solely for the information and use of the governing body and management of Unified School District No. 258, Humboldt, Kansas, and for filing with the Kansas Department of Education, the Kansas Department of Administration, Division of Accounts and Reports, the cognizant federal agency, and other federal audit agencies. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Respectfully Submitted,

Schlottbeck and Burns, LLC

March 31, 2011

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Unified School District No. 258
 Summary of Cash Receipts, Expenditures, and Unencumbered Cash
 For the Year Ended June 30, 2010

Statement 1

		Beginning Unencumbered Cash Balance	Beginning Balance Adjustment	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds:								
General	(2)	\$ 176	100	4,028,307	4,028,503	80		80
Supplemental General	(2)	20,603	194	931,861	937,000	15,658	22,271	37,929
Special Revenue:								
At Risk 4 Year Old	(2)	2,029	1	62,593	64,614	9	10,427	10,436
At Risk K-12				245,000	245,000			
Capital Outlay		678,517		206,556	183,360	701,713	50,610	752,323
Driver Training		80		6,744	5,215	1,609	114	1,723
Food Service	(2)	7,043	452	280,702	278,052	10,145	24	10,169
Special Education		692		732,513	724,890	8,315	159,396	167,711
Vocational Education		247		284,018	277,915	6,350	11,472	17,822
KPERS Special Retirement Contribution				126,604	251,236	(124,632)	124,632	
Contingency Reserve		245,367		157,478		402,845		402,845
Textbook and Student Material Revolving		11,541		7,350	6,208	12,683	5,610	18,293
Recreation Commission		25,970		69,204	66,635	28,539		28,539
Charter Schools	(2)		20	155,000	117,753	37,267	6,786	44,053
Technology Literacy Challenge Grant		34		14,822	12,018	2,838	350	3,188
REAP Grant		1,126		21,526	22,468	184		184
Special Mini-Grants	(2)	6,377	45	6,325	6,619	6,128	153	6,281
Energy Incentive Program		4,098				4,098		4,098
Title I	(2)	1,892	640	94,634	90,634	6,532	409	6,941
Title I ARRA				33,079	21,321	11,758		11,758
Improving Teacher Quality		5,450		14,752	12,906	7,296	62	7,358
Comprehensive School Reform		8				8		8
Title II ARRA				2,025		2,025		2,025
Health Care Grant		(5,000)		44,599	43,648	(4,049)	1,734	(2,315)
School Nurse Grant		1,944		46,251	28,925	19,270		19,270
ARRA Technology Rich Classroom Grant					91,658	(91,658)	72,138	(19,520)
Gate Receipts		541		24,362	23,971	932		932
Special Projects		9,272		32,427	32,357	9,342		9,342
Debt Service:								
Bond and Interest		507,093		811,317	779,358	539,052		539,052
Capital Projects:								
School Building Remodeling Project		4				4		4
Expendable Trusts:								
Youth Friends		4,704		100	2,707	2,097	907	3,004
Total Primary Government	(1)	<u>1,529,808</u>	<u>1,452</u>	<u>8,440,149</u>	<u>8,354,971</u>	<u>1,616,438</u>	<u>467,095</u>	<u>2,083,533</u>

See accompanying notes to financial statements

Unified School District No. 258
 Summary of Cash Receipts, Expenditures, and Unencumbered Cash
 For the Year Ended June 30, 2010

Statement 1

	<u>Beginning Unencumbered Cash Balance</u>	<u>Beginning Balance Adjustment</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Outstanding Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
Composition of Cash:							
Certificates of Deposit							1,080,861
Demand Deposits							576,643
Due from State of Kansas							448,283
Petty Cash Advance							825
Less: Agency Funds per Statement 4							(23,081)
Adjustment for Rounding							2
Total Primary Government (1)							<u>2,083,533</u>

- (1) Excluding Agency Funds
- (2) Beg Bal Adjust - Prior Year Encumbrances Cancelled

See accompanying notes to financial statements

Unified School District No. 258
 Summary of Expenditures - Actual and Budget
 (Budgeted Funds Only)
 For the Year Ended June 30, 2010

Statement 2

	Certified Budget	Legal Max. Adjustment	Qualified Budget Cr. Adjustment	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Favorable (Unfavorable)
Governmental Type Funds:						
General	\$ 4,028,449		54	4,028,503	4,028,503	
Supplemental General	937,000			937,000	937,000	
Special Revenue:						
At Risk 4 Year Old	72,029			72,029	64,614	7,415
At Risk K-12	245,000			245,000	245,000	
Capital Outlay	829,000			829,000	183,360	645,640
Driver Training	12,000			12,000	5,215	6,785
Food Service	323,000		36,683	359,683	278,052	81,631
Special Education	735,354			735,354	724,890	10,464
Vocational Education	457,042			457,042	277,915	179,127
KPERs Special Retirement Contribution	301,588			301,588	251,236	50,352
Recreation Commission	67,075			67,075	66,635	440
Debt Service:						
Bond and Interest	779,455			779,455	779,358	97
Totals	<u>8,786,992</u>		<u>36,737</u>	<u>8,823,729</u>	<u>7,841,778</u>	<u>981,951</u>

See accompanying notes to financial statements

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)

	Prior Year Actual	Current Year		Variance Favorable (Unfavor)
		Current Year Actual	Budget	
Cash Receipts				
Revenue from Local Sources				
Ad Valorem Taxes	\$ 444,560	439,822	428,548	11,274
Delinquent Taxes	3,421	2,529	4,538	(2,009)
Reimbursements	741	54		54
Total Revenue from Local Sources	<u>448,722</u>	<u>442,405</u>	<u>433,086</u>	<u>9,319</u>
Revenue from County Sources				
Revenue in Lieu of Taxes	454	422		422
Revenue from State Sources				
General State Aid	3,171,192	2,889,982	2,899,897	(9,915)
Mineral Production Tax	85	292	85	207
Machinery and Equipment State Aid	33			
Special Education Aid	610,724	515,183	515,183	
Total Revenue from State Sources	<u>3,782,034</u>	<u>3,405,457</u>	<u>3,415,165</u>	<u>(9,708)</u>
Revenue from Federal Sources				
Federal Financial Assistance ARRA		180,023	180,023	
Total Cash Receipts	<u>4,231,210</u>	<u>4,028,307</u>	<u>4,028,274</u>	<u>33</u>
Expenditures and Transfers				
Instruction				
Certified Salaries	1,585,640	1,394,887	1,410,643	15,756
Non-Certified Salaries	403	533	403	(130)
Group Insurance	134,710	108,790	143,389	34,599
Social Security	117,602	105,102	122,843	17,741
Other Employee Benefits	6,753			
Other Miscellaneous Purchased Services		197		(197)
General Supplies and Materials	2,914	984	3,000	2,016
Miscellaneous Supplies	1,582	4,537	1,600	(2,937)
Total Instruction	<u>1,849,604</u>	<u>1,615,030</u>	<u>1,681,878</u>	<u>66,848</u>
Support Services - Students				
Certified Salaries	98,524	92,494	105,784	13,290
Group Insurance	9,722	7,890	9,722	1,832
Social Security	7,001	7,199	7,001	(198)
General Supplies and Materials	79		80	80
Total Support Services - Students	<u>115,326</u>	<u>107,583</u>	<u>122,587</u>	<u>15,004</u>
Support Services - Instr. Staff				
Non-Certified Salaries	12,707	13,334	13,200	(134)
Social Security	287	233	300	67
General Supplies and Materials	218		218	218
Books and Periodicals	595	495	595	100
Audio Visual and Software	23		23	23
Other	48	375	48	(327)
Total Support Services - Instr. Staff	<u>13,878</u>	<u>14,437</u>	<u>14,384</u>	<u>(53)</u>
General Administration				
Certified Salaries	86,500	97,339	86,500	(10,839)
Non-Certified Salaries	58,141	57,265	57,051	(214)
Group Insurance	5,507	16,924	6,000	(10,924)
Social Security	11,278	11,604	13,135	1,531
Other Employee Benefits	109,105	94,781	147,864	53,083
Purchased Professional and Technical Services	3,944	10,374	3,944	(6,430)
Other Purchased Services	10,309	11,566	11,000	(566)
Insurance	28,247	27,807	29,000	1,193
Communication Services	2,975	2,803	3,000	197
General Supplies and Materials	2,884	3,011	3,554	543
Miscellaneous Supplies	670	479		(479)
Other	13,646	13,311	14,000	689
Total General Administration	<u>333,206</u>	<u>347,264</u>	<u>375,048</u>	<u>27,784</u>

See accompanying notes to financial statements

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)

	Prior Year Actual	Current Year		Variance Favorable (Unfavor)
		Current Year Actual	Budget	
School Administration				
Certified Salaries	\$ 204,414	193,690	240,675	46,985
Non-Certified Salaries	79,582	83,044	82,562	(482)
Group Insurance	7,557	11,948	8,000	(3,948)
Social Security	20,905	21,759	27,746	5,987
Other Employee Benefits			1,250	1,250
Other Purchased Services	1,241	360	13,000	12,640
Communication Services	11,930	12,066		(12,066)
General Supplies and Materials	3,704	2,766	4,600	1,834
Miscellaneous Supplies	847	4		(4)
Other	1,924	566	1,925	1,359
Total School Administration	<u>332,104</u>	<u>326,203</u>	<u>379,758</u>	<u>53,555</u>
Support Services - Business				
Non-Certified Salaries	67	1,646	67	(1,579)
Social Security	178	169	180	11
Other Employee Benefits	34,400	36,580	35,600	(980)
General Supplies and Materials		3,996		(3,996)
Total Support Services - Business	<u>34,645</u>	<u>42,391</u>	<u>35,847</u>	<u>(6,544)</u>
Operations and Maintenance				
Non-Certified Salaries	201,989	205,385	207,173	1,788
Group Insurance	3,972		4,284	4,284
Social Security	13,895	13,036	18,956	5,920
Purchased Property Services	27,000	23,395		(23,395)
Water/Sewer Services (Non-Energy)	7,715	7,780	8,000	220
Repair of Buildings		385	686	301
Other Purchased Property Services			30,000	30,000
General Supplies and Materials	16,228	17,825	16,500	(1,325)
Energy	101,974			
Heating	24,971	21,714	43,136	21,422
Electricity	31,045	105,129	50,000	(55,129)
Other	1,210	517	1,210	693
Total Operations and Maintenance	<u>429,999</u>	<u>395,166</u>	<u>379,945</u>	<u>(15,221)</u>
Vehicle Operation Services				
Non-Certified Salaries	51,624	49,437	51,000	1,563
Social Security	3,553	3,495	4,000	505
Purchased Property Services	5,743	5,444		(5,444)
Repairs and Maintenance	11,895	8,128		(8,128)
Insurance	3,816	5,021	3,820	(1,201)
Motor Fuel	22,139	25,076	23,138	(1,938)
Other	2,888	3,811	3,000	(811)
Total Vehicle Operation Services	<u>101,658</u>	<u>100,412</u>	<u>84,958</u>	<u>(15,454)</u>
Vehicle Servicing/Maintenance				
Purchased Property Services			5,800	5,800
Other Purchased Services			12,000	12,000
Total Vehicle Servicing/Maintenance			<u>17,800</u>	<u>17,800</u>
Fund Transfers				
At Risk 4-Year Old	58,515	62,593	70,000	7,407
At Risk K-12	245,000	245,000	245,000	
Capital Outlay		59,764		(59,764)
Special Education	622,816	555,182	521,244	(33,938)
Vocational Education	10,000		100,000	100,000
Contingency Reserve	87,229	157,478		(157,478)
Total Fund Transfers	<u>1,023,560</u>	<u>1,080,017</u>	<u>936,244</u>	<u>(143,773)</u>
Budget Credit Adjustment			54	54
Total Expenditures and Transfers	<u>4,233,980</u>	<u>4,028,503</u>	<u>4,028,503</u>	

See accompanying notes to financial statements

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)

	Prior Year Actual	Current Year		Variance Favorable (Unfavor)
		Current Year Actual	Budget	
Receipts Over (Under) Expenditures and Transfers	\$ (2,770)	(196)		
Unencumbered Cash, Beginning	2,770	176		
Prior Year Encumbrances Cancelled	176	100		
Unencumbered Cash, Ending	<u>176</u>	<u>80</u>		

See accompanying notes to financial statements

Unified School District No. 258
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)

	Prior Year Actual	Current Year		Variance Favorable (Unfavor)
		Current Year Actual	Budget	
Cash Receipts				
Revenue from Local Sources				
Ad Valorem Taxes	\$ 387,929	449,414	434,503	14,911
Delinquent Taxes	4,655	6,081	4,003	2,078
16/20M Truck Tax	1,942	1,728		1,728
Total Revenue from Local Sources	<u>394,526</u>	<u>457,223</u>	<u>438,506</u>	<u>18,717</u>
Revenue from County Sources				
Motor Vehicle Tax	35,931	33,135	34,436	(1,301)
Recreational Vehicle Tax	565	524	466	58
Revenue in Lieu of Taxes	358	391		391
Total Revenue from County Sources	<u>36,854</u>	<u>34,050</u>	<u>34,902</u>	<u>(852)</u>
Revenue from State Sources				
Supplemental State Aid	364,577	328,856	442,901	(114,045)
Machinery and Equipment State Aid	2			
Total Revenue from State Sources	<u>364,579</u>	<u>328,856</u>	<u>442,901</u>	<u>(114,045)</u>
Revenue from Federal Sources				
Federal Financial Assistance ARRA		111,732		111,732
Total Cash Receipts	<u>795,959</u>	<u>931,861</u>	<u>916,309</u>	<u>15,552</u>
Expenditures and Transfers				
Instruction				
Certified Salaries	14,495	123,200	14,800	(108,400)
Group Insurance	76,829	86,754	81,112	(5,642)
Social Security	5,582	5,909	5,582	(327)
Purchased Property Services	12,727	10,845	12,727	1,882
General Supplies and Materials	43,709	91,859	95,234	3,375
Textbooks	40	13,992	50	(13,942)
Workbooks		2,411		(2,411)
Miscellaneous Supplies	15,195	22,290	15,195	(7,095)
Property (Equipment & Furnishings)	1,259	1,279	48,759	47,480
Total Instruction	<u>169,836</u>	<u>358,539</u>	<u>273,459</u>	<u>(85,080)</u>
Operations and Maintenance				
Repairs and Maintenance	3,681	11,980	3,681	(8,299)
Rentals/Leases			101,974	101,974
Repair of Buildings	12,405	14,317	12,405	(1,912)
Other Purchased Property Services	13,059	117,780	13,059	(104,721)
Electricity	73,977			
Other	33		33	33
Total Operations and Maintenance	<u>103,155</u>	<u>144,077</u>	<u>131,152</u>	<u>(12,925)</u>
Vehicle Operation Services				
Vehicles (Including school buses)		69,917		(69,917)
Fund Transfers				
Driver Training	100	3,868	8,176	4,308
Food Service	40,000		74,000	74,000
Special Education	184,459	177,331	213,418	36,087
Vocational Education	304,600	183,268	236,795	53,527
Total Fund Transfers	<u>529,159</u>	<u>364,467</u>	<u>532,389</u>	<u>167,922</u>
Total Expenditures and Transfers	<u>802,150</u>	<u>937,000</u>	<u>937,000</u>	
Receipts Over (Under)				
Expenditures and Transfers	(6,191)	(5,139)		
Unencumbered Cash, Beginning	24,305	20,603		
Prior Year Encumbrances Cancelled	2,489	194		
Unencumbered Cash, Ending	<u>20,603</u>	<u>15,658</u>		

See accompanying notes to financial statements

Unified School District No. 258
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)

	Prior Year Actual	Current Year		Variance Favorable (Unfavor)
		Current Year Actual	Budget	
Cash Receipts				
Operating Transfers				
Transfer from General Fund	\$ 58,515	62,593	70,000	(7,407)
Total Cash Receipts	<u>58,515</u>	<u>62,593</u>	<u>70,000</u>	<u>(7,407)</u>
Expenditures and Transfers				
Instruction				
Certified Salaries	30,570	37,069	50,000	12,931
Social Security	3,580	2,661	4,029	1,368
Other Professional and Technical Services	6,137	12,222	10,000	(2,222)
Communication Services	700			
Other Miscellaneous Purchased Services			1,500	1,500
General Supplies and Materials	13,666	10,145	6,500	(3,645)
Total Instruction	<u>54,653</u>	<u>62,097</u>	<u>72,029</u>	<u>9,932</u>
Operations and Maintenance				
Non-Certified Salaries		2,517		(2,517)
Repair of Buildings	1,833			
Total Operations and Maintenance	<u>1,833</u>	<u>2,517</u>		<u>(2,517)</u>
Total Expenditures and Transfers	<u>56,486</u>	<u>64,614</u>	<u>72,029</u>	<u>7,415</u>
Receipts Over (Under)				
Expenditures and Transfers	2,029	(2,021)		
Unencumbered Cash, Beginning		2,029		
Prior Year Encumbrances Cancelled		1		
Unencumbered Cash, Ending	<u>2,029</u>	<u>9</u>		

See accompanying notes to financial statements

Unified School District No. 258
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)

	Prior Year Actual	Current Year		Variance Favorable (Unfavor)
		Current Year Actual	Budget	
Cash Receipts				
Operating Transfers				
Transfer from General Fund	\$ 245,000	245,000	245,000	
Total Cash Receipts	<u>245,000</u>	<u>245,000</u>	<u>245,000</u>	
Expenditures and Transfers				
Instruction				
Certified Salaries	146,637	164,611	150,000	(14,611)
Non-Certified Salaries	79,186	67,304	85,000	17,696
Group Insurance	4,592			
Social Security	14,585	13,085	10,000	(3,085)
Total Expenditures and Transfers	<u>245,000</u>	<u>245,000</u>	<u>245,000</u>	
Receipts Over (Under) Expenditures and Transfers				
Unencumbered Cash, Beginning	<u> </u>	<u> </u>		
Unencumbered Cash, Ending	<u> </u>	<u> </u>		

See accompanying notes to financial statements

Unified School District No. 258
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)

	Prior Year Actual	Current Year		Variance Favorable (Unfavor)
		Current Year Actual	Budget	
Cash Receipts				
Revenue from Local Sources				
Ad Valorem Taxes	\$ 96,979	121,962	119,758	2,204
Delinquent Taxes	163	892	1,002	(110)
16/20M Truck Tax	28	267		267
Interest on Investments	24,621	13,393	15,000	(1,607)
Other Revenue From Local Sources	147,023	2,190	10,000	(7,810)
Total Revenue from Local Sources	<u>268,814</u>	<u>138,704</u>	<u>145,760</u>	<u>(7,056)</u>
Revenue from County Sources				
Motor Vehicle Tax	95	7,855	6,443	1,412
Recreational Vehicle Tax	2	127	87	40
Revenue in Lieu of Taxes	90	106		106
Total Revenue from County Sources	<u>187</u>	<u>8,088</u>	<u>6,530</u>	<u>1,558</u>
Revenue from State Sources				
General State Aid	<u>29,905</u>			
Operating Transfers				
Transfer from General Fund		59,764		59,764
Total Cash Receipts	<u>298,906</u>	<u>206,556</u>	<u>152,290</u>	<u>54,266</u>
Expenditures and Transfers				
Instruction				
Property (Equipment & Furnishings)	<u>72,012</u>		490,000	490,000
Support Services - Students				
Property (Equipment & Furnishings)	<u>63,486</u>	104,679	75,000	(29,679)
General Administration				
Property (Equipment & Furnishings)	<u>25,969</u>		40,000	40,000
Operations and Maintenance				
Property (Equipment & Furnishings)	<u>89,268</u>	75,853	100,000	24,147
Student Transportation				
Property (Equipment & Furnishings)			25,000	25,000
Monitoring Services				
Property (Equipment & Furnishings)	<u>17,768</u>			
Facilities Acquisition/Construction				
Site Acquisition Services	9,612		14,000	14,000
Site Improvement Services	643	389	10,000	9,611
New Buildings Acquisition and Construction	42,792			
Building Repair and Remodeling		2,439	75,000	72,561
Total Facilities Acquisition/Construction	<u>53,047</u>	<u>2,828</u>	<u>99,000</u>	<u>96,172</u>
Total Expenditures and Transfers	<u>321,550</u>	<u>183,360</u>	<u>829,000</u>	<u>645,640</u>
Receipts Over (Under)				
Expenditures and Transfers	(22,644)	23,196		
Unencumbered Cash, Beginning	701,161	678,517		
Prior Year Encumbrances Cancelled				
Unencumbered Cash, Ending	<u>678,517</u>	<u>701,713</u>		

See accompanying notes to financial statements

Unified School District No. 258
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)

		Current Year		
	Prior Year Actual	Current Year Actual	Budget	Variance Favorable (Unfavor)
Cash Receipts				
Revenue from Local Sources				
User Charges and Fines	\$ 3,404	1,726	3,000	(1,274)
Revenue from State Sources				
General State Aid	570	1,150	1,200	(50)
Operating Transfers				
Transfer from Supplemental General Fund	100	3,868	8,176	(4,308)
Total Cash Receipts	<u>4,074</u>	<u>6,744</u>	<u>12,376</u>	<u>(5,632)</u>
Expenditures and Transfers				
Instruction				
Certified Salaries	4,200	4,200	7,500	3,300
Social Security	321	321	575	254
General Supplies and Materials			2,625	2,625
Miscellaneous Supplies	61		300	300
Total Instruction	<u>4,582</u>	<u>4,521</u>	<u>11,000</u>	<u>6,479</u>
Operations and Maintenance				
Motor Fuel		694	1,000	306
Total Expenditures and Transfers	<u>4,582</u>	<u>5,215</u>	<u>12,000</u>	<u>6,785</u>
Receipts Over (Under)				
Expenditures and Transfers	(508)	1,529		
Unencumbered Cash, Beginning	482	80		
Prior Year Encumbrances Cancelled	106			
Unencumbered Cash, Ending	<u>80</u>	<u>1,609</u>		

Unified School District No. 258
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)

	Prior Year Actual	Current Year		Variance Favorable (Unfavor)
		Current Year Actual	Budget	
Cash Receipts				
Revenue from Local Sources				
Student Sales	\$ 81,678	79,396	70,820	8,576
Adults and Non-Reimbursable Programs	9,085	10,685	10,668	17
Other Revenue From Local Sources	20,458	17,671	31,851	(14,180)
Total Revenue from Local Sources	<u>111,221</u>	<u>107,752</u>	<u>113,339</u>	<u>(5,587)</u>
Revenue from State Sources				
General State Aid	3,181	3,230	2,825	405
Revenue from Federal Sources				
Federal Financial Assistance	146,621	162,476	125,793	36,683
Other Federal Financial Assistance	5,606	7,244		7,244
Total Revenue from Federal Sources	<u>152,227</u>	<u>169,720</u>	<u>125,793</u>	<u>43,927</u>
Operating Transfers				
Transfer from Supplemental General Fund	40,000		74,000	(74,000)
Total Cash Receipts	<u>306,629</u>	<u>280,702</u>	<u>315,957</u>	<u>(35,255)</u>
Expenditures and Transfers				
Food Service Operations				
Non-Certified Salaries	111,024	108,248	120,000	11,752
Group Insurance	31,464	28,161	34,000	5,839
Social Security	6,910	6,706	7,500	794
Purchased Professional and Technical Services	1,508	771	2,000	1,229
Food and Milk	138,917	115,391	145,000	29,609
Miscellaneous Supplies	9,500	7,329	11,000	3,671
Property (Equipment & Furnishings)		8,565	1,000	(7,565)
Other	2,232	2,881	2,500	(381)
Total Food Service Operations	<u>301,555</u>	<u>278,052</u>	<u>323,000</u>	<u>44,948</u>
Budget Credit Adjustment			36,683	36,683
Total Expenditures and Transfers	<u>301,555</u>	<u>278,052</u>	<u>359,683</u>	<u>81,631</u>
Receipts Over (Under)				
Expenditures and Transfers	5,074	2,650		
Unencumbered Cash, Beginning	1,678	7,043		
Prior Year Encumbrances Cancelled	291	452		
Unencumbered Cash, Ending	<u>7,043</u>	<u>10,145</u>		

See accompanying notes to financial statements

Unified School District No. 258
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)

	Prior Year Actual	Current Year		Variance Favorable (Unfavor)
		Current Year Actual	Budget	
Cash Receipts				
Operating Transfers				
Transfer from General Fund	\$ 622,816	555,182	521,244	33,938
Transfer from Supplemental General Fund	184,459	177,331	213,418	(36,087)
Total Cash Receipts	<u>807,275</u>	<u>732,513</u>	<u>734,662</u>	<u>(2,149)</u>
Expenditures and Transfers				
Instruction				
LEA Payments to COOP's/Interlocals	200,912	207,339	207,339	
LEA State Aid Flowthrough Payments to	592,650	515,183	489,756	(25,427)
Total Instruction	<u>793,562</u>	<u>722,522</u>	<u>697,095</u>	<u>(25,427)</u>
Vehicle Operation Services				
Non-Certified Salaries	11,084	2,065	22,250	20,185
Group Insurance			1,966	1,966
Social Security	773	135	1,900	1,765
Other Purchased Services			3,235	3,235
Motor Fuel	1,209	168	2,500	2,332
Other			6,408	6,408
Total Vehicle Operation Services	<u>13,066</u>	<u>2,368</u>	<u>38,259</u>	<u>35,891</u>
Total Expenditures and Transfers	<u>806,628</u>	<u>724,890</u>	<u>735,354</u>	<u>10,464</u>
Receipts Over (Under)				
Expenditures and Transfers	647	7,623		
Unencumbered Cash, Beginning	45	692		
Unencumbered Cash, Ending	<u>692</u>	<u>8,315</u>		

See accompanying notes to financial statements

Unified School District No. 258
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)

	Prior Year Actual	Current Year		Variance Favorable (Unfavor)
		Current Year Actual	Budget	
Cash Receipts				
Revenue from Local Sources				
Other Revenue From Local Sources	\$	100,750	120,000	(19,250)
Revenue from Federal Sources				
Federal Financial Assistance	1,331			
Operating Transfers				
Transfer from General Fund	10,000		100,000	(100,000)
Transfer from Supplemental General Fund	304,600	183,268	236,795	(53,527)
Total Operating Transfers	314,600	183,268	336,795	(153,527)
Total Cash Receipts	315,931	284,018	456,795	(172,777)
Expenditures and Transfers				
Instruction				
Certified Salaries	265,904	129,693	270,000	140,307
Non-Certified Salaries			4,095	4,095
Group Insurance	16,398	17,084	15,892	(1,192)
Social Security	19,524	18,086	19,755	1,669
Repairs and Maintenance	2,266	2,106		(2,106)
Other Miscellaneous Purchased Services			2,000	2,000
General Supplies and Materials	10,205	108,054	25,000	(83,054)
Textbooks			500	500
Audio Visual and Software			1,700	1,700
Miscellaneous Supplies	200	153	18,000	17,847
Property (Equipment & Furnishings)	1,779	1,380	100	(1,280)
Other			100,000	100,000
Total Instruction	316,276	276,556	457,042	180,486
Operations and Maintenance				
Purchased Property Services		260		(260)
Water/Sewer Services (Non-Energy)		232		(232)
Electricity		867		(867)
Total Operations and Maintenance		1,359		(1,359)
Total Expenditures and Transfers	316,276	277,915	457,042	179,127
Receipts Over (Under)				
Expenditures and Transfers	(345)	6,103		
Unencumbered Cash, Beginning	592	247		
Unencumbered Cash, Ending	247	6,350		

See accompanying notes to financial statements

Unified School District No. 258
 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)

	Prior Year Actual	Current Year		Variance Favorable (Unfavor)
		Current Year Actual	Budget	
Cash Receipts				
Revenue from State Sources				
General State Aid	\$ 247,204	126,604	301,588	(174,984)
Total Cash Receipts	<u>247,204</u>	<u>126,604</u>	<u>301,588</u>	<u>(174,984)</u>
Expenditures and Transfers				
Instruction				
Other Employee Benefits	<u>178,315</u>	<u>175,734</u>	<u>217,544</u>	<u>41,810</u>
Support Services - Students				
Other Employee Benefits	<u>10,069</u>	<u>11,275</u>	<u>12,284</u>	<u>1,009</u>
Support Services - Instr. Staff				
Other Employee Benefits	<u>1,258</u>	<u>1,313</u>	<u>1,535</u>	<u>222</u>
General Administration				
Other Employee Benefits	<u>10,304</u>	<u>11,162</u>	<u>12,571</u>	<u>1,409</u>
School Administration				
Other Employee Benefits	<u>21,811</u>	<u>24,259</u>	<u>26,609</u>	<u>2,350</u>
Support Services - Business				
Other Employee Benefits	<u>217</u>	<u>251</u>	<u>265</u>	<u>14</u>
Operations and Maintenance				
Other Employee Benefits	<u>14,466</u>	<u>15,944</u>	<u>17,648</u>	<u>1,704</u>
Student Transportation				
Other Employee Benefits	<u>1,461</u>	<u>834</u>	<u>1,782</u>	<u>948</u>
Operation of Non-Instruction Services				
Other Employee Benefits	<u>9,303</u>	<u>10,464</u>	<u>11,350</u>	<u>886</u>
Total Expenditures and Transfers	<u>247,204</u>	<u>251,236</u>	<u>301,588</u>	<u>50,352</u>
Receipts Over (Under)				
Expenditures and Transfers		(124,632)		
Unencumbered Cash, Beginning				
Unencumbered Cash, Ending		<u>(124,632)</u>		

See accompanying notes to financial statements

Unified School District No. 258
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)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Operating Transfers		
Transfer from General Fund	\$ 87,229	157,478
Total Cash Receipts	<u>87,229</u>	<u>157,478</u>
Expenditures and Transfers		
None		
Receipts Over (Under)		
Expenditures and Transfers	87,229	157,478
Unencumbered Cash, Beginning	<u>158,138</u>	<u>245,367</u>
Unencumbered Cash, Ending	<u><u>245,367</u></u>	<u><u>402,845</u></u>

See accompanying notes to financial statements

Unified School District No. 258
Textbook and Student Material Revolving 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)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Local Sources		
User Charges and Fines	\$ 2,264	2,274
Textbook Sales and Rentals	4,458	4,902
Reimbursements	170	174
Total Cash Receipts	<u>6,892</u>	<u>7,350</u>
Expenditures and Transfers		
Instruction		
General Supplies and Materials	65	508
Textbooks	107	90
Workbooks	30	5,610
Total Expenditures and Transfers	<u>202</u>	<u>6,208</u>
Receipts Over (Under)		
Expenditures and Transfers	6,690	1,142
Unencumbered Cash, Beginning	4,559	11,541
Prior Year Encumbrances Cancelled	292	
Unencumbered Cash, Ending	<u>11,541</u>	<u>12,683</u>

See accompanying notes to financial statements

Unified School District No. 258
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)

		Current Year		
	Prior Year Actual	Current Year Actual	Budget	Variance Favorable (Unfavor)
Cash Receipts				
Revenue from Local Sources				
Ad Valorem Taxes	\$ 61,234	60,854	60,335	519
Delinquent Taxes	543	962	628	334
16/20M Truck Tax	213	334		334
Total Revenue from Local Sources	<u>61,990</u>	<u>62,150</u>	<u>60,963</u>	<u>1,187</u>
Revenue from County Sources				
Motor Vehicle Tax	3,916	6,890	6,254	636
Recreational Vehicle Tax	62	111	84	27
Revenue in Lieu of Taxes	56	53		53
Total Revenue from County Sources	<u>4,034</u>	<u>7,054</u>	<u>6,338</u>	<u>716</u>
Total Cash Receipts	<u>66,024</u>	<u>69,204</u>	<u>67,301</u>	<u>1,903</u>
Expenditures and Transfers				
Community Services Operations				
Community Service Operations	64,828	66,635	67,075	440
Total Expenditures and Transfers	<u>64,828</u>	<u>66,635</u>	<u>67,075</u>	<u>440</u>
Receipts Over (Under)				
Expenditures and Transfers	1,196	2,569		
Unencumbered Cash, Beginning	<u>24,774</u>	<u>25,970</u>		
Unencumbered Cash, Ending	<u>25,970</u>	<u>28,539</u>		

See accompanying notes to financial statements

Unified School District No. 258
Charter 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)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Federal Financial Assistance	\$ 230,500	155,000
Total Cash Receipts	<u>230,500</u>	<u>155,000</u>
Expenditures and Transfers		
Instruction		
Certified Salaries	17,275	14,771
Group Insurance		3,663
Social Security	1,295	949
Purchased Professional and Technical Services	18,805	1,000
General Supplies and Materials	193,125	97,370
Total Expenditures and Transfers	<u>230,500</u>	<u>117,753</u>
Receipts Over (Under)		
Expenditures and Transfers		37,247
Unencumbered Cash, Beginning		
Prior Year Encumbrances Cancelled		20
Unencumbered Cash, Ending		<u><u>37,267</u></u>

See accompanying notes to financial statements

Unified School District No. 258
Technology Literacy Challenge 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)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Federal Financial Assistance	\$ 883	14,822
Total Cash Receipts	<u>883</u>	<u>14,822</u>
Expenditures and Transfers		
Instruction		
Certified Salaries		900
Social Security		69
General Supplies and Materials	1,063	415
Equipment	1,276	10,634
Total Expenditures and Transfers	<u>2,339</u>	<u>12,018</u>
Receipts Over (Under)		
Expenditures and Transfers	(1,456)	2,804
Unencumbered Cash, Beginning	784	34
Prior Year Encumbrances Cancelled	706	
Unencumbered Cash, Ending	<u>34</u>	<u>2,838</u>

See accompanying notes to financial statements

Unified School District No. 258
REAP 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>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Revenue from Federal Sources		
Federal Financial Assistance	\$ 29,557	21,526
Total Cash Receipts	<u>29,557</u>	<u>21,526</u>
Expenditures and Transfers		
Instruction		
Certified Salaries		2,165
General Supplies and Materials		20,303
Property (Equipment & Furnishings)	7,020	
Other	1,255	
Total Expenditures and Transfers	<u>8,275</u>	<u>22,468</u>
Receipts Over (Under)		
Expenditures and Transfers	21,282	(942)
Unencumbered Cash, Beginning	(20,755)	1,126
Prior Year Encumbrances Cancelled	599	
Unencumbered Cash, Ending	<u>1,126</u>	<u>184</u>

See accompanying notes to financial statements

Unified School District No. 258
Special Mini-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>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Revenue from Local Sources		
Other Revenue From Local Sources	\$ 885	745
Donations	273	
Total Revenue from Local Sources	<u>1,158</u>	<u>745</u>
Revenue from State Sources		
Other State Aid	<u>7,995</u>	<u>4,830</u>
Revenue from Federal Sources		
Federal Financial Assistance		750
Total Cash Receipts	<u>9,153</u>	<u>6,325</u>
Expenditures and Transfers		
Instruction		
Non-Certified Salaries	1,183	
Social Security	1,348	1,789
Other	6,951	4,830
Total Instruction	<u>9,482</u>	<u>6,619</u>
Operations and Maintenance		
Social Security	77	
Total Expenditures and Transfers	<u>9,559</u>	<u>6,619</u>
Receipts Over (Under)		
Expenditures and Transfers	(406)	(294)
Unencumbered Cash, Beginning	6,783	6,377
Prior Year Encumbrances Cancelled		45
Unencumbered Cash, Ending	<u>6,377</u>	<u>6,128</u>

See accompanying notes to financial statements

Unified School District No. 258
Energy Incentive Program 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>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
None	\$ _____	_____
Expenditures and Transfers		
None	_____	_____
Receipts Over (Under) Expenditures and Transfers		
Unencumbered Cash, Beginning	<u>4,098</u>	<u>4,098</u>
Unencumbered Cash, Ending	<u><u>4,098</u></u>	<u><u>4,098</u></u>

See accompanying notes to financial statements

Unified School District No. 258
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>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Revenue from Federal Sources		
Federal Financial Assistance	\$ 92,350	94,634
Total Cash Receipts	<u>92,350</u>	<u>94,634</u>
Expenditures and Transfers		
Instruction		
Certified Salaries	76,262	79,412
Group Insurance	4,572	4,884
Social Security	5,446	5,346
General Supplies and Materials	5,414	992
Total Expenditures and Transfers	<u>91,694</u>	<u>90,634</u>
Receipts Over (Under)		
Expenditures and Transfers	656	4,000
Unencumbered Cash, Beginning	1,040	1,892
Prior Year Encumbrances Cancelled	196	640
Unencumbered Cash, Ending	<u>1,892</u>	<u>6,532</u>

See accompanying notes to financial statements

Unified School District No. 258
Title I ARRA 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>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Revenue from Federal Sources		
Federal Financial Assistance ARRA	\$	33,079
Total Cash Receipts		<u>33,079</u>
Expenditures and Transfers		
Instruction		
Certified Salaries		19,744
Social Security		1,577
Total Expenditures and Transfers		<u>21,321</u>
Receipts Over (Under)		
Expenditures and Transfers		11,758
Unencumbered Cash, Beginning		
Unencumbered Cash, Ending		<u>11,758</u>

See accompanying notes to financial statements

Unified School District No. 258
Improving 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)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Federal Financial Assistance	\$ 29,111	14,752
Total Cash Receipts	<u>29,111</u>	<u>14,752</u>
Expenditures and Transfers		
Instruction		
Certified Salaries	3,075	4,155
Social Security	616	318
Purchased Professional and Technical Services	25,455	8,433
Total Expenditures and Transfers	<u>29,146</u>	<u>12,906</u>
Receipts Over (Under)		
Expenditures and Transfers	(35)	1,846
Unencumbered Cash, Beginning	<u>5,485</u>	<u>5,450</u>
Unencumbered Cash, Ending	<u><u>5,450</u></u>	<u><u>7,296</u></u>

See accompanying notes to financial statements

Unified School District No. 258
Comprehensive School Reform 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>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
None	\$ _____	_____
Expenditures and Transfers		
None	_____	_____
Receipts Over (Under) Expenditures and Transfers		
Unencumbered Cash, Beginning		8
Prior Year Encumbrances Cancelled	8	
Unencumbered Cash, Ending	<u>8</u>	<u>8</u>

See accompanying notes to financial statements

Unified School District No. 258
Title II ARRA 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)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Federal Financial Assistance ARRA	\$	2,025
Total Cash Receipts		<u>2,025</u>
Expenditures and Transfers		
None		
Receipts Over (Under)		
Expenditures and Transfers		2,025
Unencumbered Cash, Beginning		
Unencumbered Cash, Ending		<u><u>2,025</u></u>

See accompanying notes to financial statements

Unified School District No. 258
Health Care 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>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Revenue from Local Sources		
Donations	\$ 19,329	44,599
Total Cash Receipts	<u>19,329</u>	<u>44,599</u>
Expenditures and Transfers		
Instruction		
Certified Salaries	200	2,000
Non-Certified Salaries	38,300	37,618
Social Security	2,749	2,610
Purchased Professional and Technical Services	1,880	1,420
Total Expenditures and Transfers	<u>43,129</u>	<u>43,648</u>
Receipts Over (Under)		
Expenditures and Transfers	(23,800)	951
Unencumbered Cash, Beginning	<u>18,800</u>	(5,000)
Unencumbered Cash, Ending	<u>(5,000)</u>	<u>(4,049)</u>

See accompanying notes to financial statements

Unified School District No. 258
Carl Perkins Reserve 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>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
None	\$ _____	_____
Expenditures and Transfers		
Instruction		
Professional-Education Services	300	
Staff Travel	1,348	
Property (Equipment & Furnishings)	<u>100</u>	_____
Total Expenditures and Transfers	<u>1,748</u>	_____
Receipts Over (Under)		
Expenditures and Transfers	(1,748)	
Unencumbered Cash, Beginning	<u>1,748</u>	_____
Unencumbered Cash, Ending	<u>_____</u>	<u>_____</u>

See accompanying notes to financial statements

Unified School District No. 258
School Nurse 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)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from State Sources		
General State Aid	\$ 26,000	46,251
Total Cash Receipts	<u>26,000</u>	<u>46,251</u>
Expenditures and Transfers		
Support Services - Instr. Staff		
Non-Certified Salaries	20,000	23,079
Group Insurance	1,986	3,901
Social Security	1,499	1,679
Purchased Professional and Technical Services	377	63
General Supplies and Materials	124	28
Property (Equipment & Furnishings)	70	100
Other		75
Total Expenditures and Transfers	<u>24,056</u>	<u>28,925</u>
Receipts Over (Under)		
Expenditures and Transfers	1,944	17,326
Unencumbered Cash, Beginning		<u>1,944</u>
Unencumbered Cash, Ending	<u>1,944</u>	<u>19,270</u>

See accompanying notes to financial statements

Unified School District No. 258
ARRA Technology Rich Classroom 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>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
None	\$	
Expenditures and Transfers		
Instruction		
Equipment		91,658
Total Expenditures and Transfers		<u>91,658</u>
Receipts Over (Under)		
Expenditures and Transfers		(91,658)
Unencumbered Cash, Beginning		
Unencumbered Cash, Ending		<u>(91,658)</u>

See accompanying notes to financial statements

Unified School District No. 258
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)

	Prior Year Actual	Current Year		Variance Favorable (Unfavor)
		Current Year Actual	Budget	
Cash Receipts				
Revenue from Local Sources				
Ad Valorem Taxes	\$ 513,040	494,642	487,518	7,124
Delinquent Taxes	4,971	7,451	5,284	2,167
16/20M Truck Tax	2,280	2,473		2,473
Other Revenue From Local Sources	591			
Total Revenue from Local Sources	<u>520,882</u>	<u>504,566</u>	<u>492,802</u>	<u>11,764</u>
Revenue from County Sources				
Motor Vehicle Tax	43,712	48,366	48,058	308
Recreational Vehicle Tax	687	769	651	118
Revenue in Lieu of Taxes	472	429		429
Total Revenue from County Sources	<u>44,871</u>	<u>49,564</u>	<u>48,709</u>	<u>855</u>
Revenue from State Sources				
General State Aid	216,825	257,187	257,220	(33)
Total Cash Receipts	<u>782,578</u>	<u>811,317</u>	<u>798,731</u>	<u>12,586</u>
Expenditures and Transfers				
Debt Service				
Redemption of Principal	385,000	450,000	450,000	
Interest (Coupons)	340,540	329,355	329,355	
Commission and Postage		3	100	97
Total Expenditures and Transfers	<u>725,540</u>	<u>779,358</u>	<u>779,455</u>	<u>97</u>
Receipts Over (Under)				
Expenditures and Transfers	57,038	31,959		
Unencumbered Cash, Beginning	450,055	507,093		
Prior Year Encumbrances Cancelled				
Unencumbered Cash, Ending	<u>507,093</u>	<u>539,052</u>		

See accompanying notes to financial statements

Unified School District No. 258
School Building Remodeling Project 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)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Local Sources		
Interest on Investments	\$ 846	
Other Revenue From Local Sources	324	
Total Cash Receipts	<u>1,170</u>	<u> </u>
Expenditures and Transfers		
Facilities Acquisition/Construction		
Building Repair and Remodeling	17,138	
Total Expenditures and Transfers	<u>17,138</u>	<u> </u>
Receipts Over (Under)		
Expenditures and Transfers	(15,968)	
Unencumbered Cash, Beginning	2,921	4
Prior Year Encumbrances Cancelled	13,051	
Unencumbered Cash, Ending	<u>4</u>	<u>4</u>

See accompanying notes to financial statements

Unified School District No. 258
Youth Friends 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>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Revenue from Local Sources		
Donations	\$	100
Total Cash Receipts	<u> </u>	<u>100</u>
Expenditures and Transfers		
Instruction		
General Supplies and Materials	<u>3,019</u>	<u>2,707</u>
Total Expenditures and Transfers	<u>3,019</u>	<u>2,707</u>
Receipts Over (Under)		
Expenditures and Transfers	(3,019)	(2,607)
Unencumbered Cash, Beginning	<u>7,723</u>	<u>4,704</u>
Unencumbered Cash, Ending	<u><u>4,704</u></u>	<u><u>2,097</u></u>

See accompanying notes to financial statements

Unified School District No. 258
Humboldt, Kansas
Agency Funds
Statement of Cash Receipts and Disbursements
For the Year Ended June 30, 2010

<u>Fund</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Student Organization Funds:				
Elementary:				
Activity	\$ 500	368	368	500
Middle School:				
Activity	189	14		203
Pep Club	314	3,437	3,520	231
Student Council	1,613	1,376	1,187	1,802
High School:				
Art Club	280		41	239
Band	856	15,975	11,894	4,937
Class of '07	389			389
Class of '08	431			431
Class of '09	1,683			1,683
Class of '10	1,805	1,725	2,801	729
Class of '11	954	8,274	7,497	1,731
Class of '12	139	186		325
Class of '13		145		145
FFA	247	21,870	18,159	3,958
FHA	2,384	3,484	5,398	470
H-Club	6			6
Keys/Kayettes	112			112
National Honor Society	923	1,030	1,359	594
Spirit Club	246	1,427	1,195	478
Student Council	838	336	1,074	100
Leo Club	528			528
Woodshop	751			751
FCA	450		18	432
Baseball	344		300	44
High School Boys Basketball	296			296
Cross Country	230	500	631	99
FFA Milk	1,323	1,535	2,650	208
HHS Volleyball	218	420	428	210
Other Agency Funds:				
Board Office:				
City Sales Tax	25	127	124	28
Collections	25			25
County Sales Tax	25	127	124	28
Health Insurance	(136)	20,522	19,069	1,317
Operations	(224)	1,669	1,733	(288)
State Sales Tax	288	1,669	1,617	340
Elementary:				
Sales Tax	0	115	115	0
Middle School:				
Sales Tax	0	183	183	0
High School:				
Sales Tax	0	1,336	1,336	0
Payroll Clearing	(785)	1,546,160	1,545,375	0
Total Agency Funds	<u>17,267</u>	<u>1,634,010</u>	<u>1,628,196</u>	<u>23,081</u>

See accompanying notes to financial statements.

Unified School District No. 258
Humboldt, Kansas
District Activity Funds
Statement of Cash Receipts, Expenditures and Unencumbered Cash
For the Year Ended June 30, 2010

<u>Fund</u>	<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>
<u>Gate Receipts:</u>						
Middle School: Athletics	\$ 0			0		0
High School: Athletics	541	24,362	23,971	932		932
Subtotal Gate Receipts	541	24,362	23,971	932	0	932
<u>Special Projects:</u>						
Elementary School: Library	2,556	6,177	7,307	1,426		1,426
Middle School: Pictures Technology	23 89	573	550 5	46 84		46 84
High School: Library Publications Special Project	572 4,838 1,194	318 20,562 4,797	19,216 5,279	890 6,184 712		890 6,184 712
Subtotal Special Projects	9,272	32,427	32,357	9,342	0	9,342
Total District Activity Funds	9,813	56,789	56,328	10,274	0	10,274

See accompanying notes to financial statements.

Unified School District No. 258
Humboldt, Kansas
Statement of Changes in Long Term Debt
For the Year Ended June 30, 2010

Statement 6
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<u>Issue</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Net Change</u>	<u>Balance end of Year</u>	<u>Interest Paid</u>
<u>Outstanding Obligations:</u>										
<u>General Obligation Bonds:</u>										
G.O. Improvement and Refunding Bonds	3.50-5.00%	12/28/2005	6,875,000	9/1/2021	\$ 5,910,000		300,000		5,610,000	258,907
G.O. Refunding Bonds 2008 Series A	3.00-4.50%	9/4/2008	910,000	9/1/2021	910,000		150,000		760,000	33,915
G.O. Refunding Bonds 2008 Series B	4.65-5.50%	9/4/2008	715,000	9/1/2015	715,000				715,000	36,532
<u>Lease Purchase Agreements:</u>										
Energy Conservation Improvements	4.58%	6/26/2006	1,100,000	7/15/2021	959,929		58,254		901,675	43,721
QZAB Energy System Improvements	1.50%	7/1/2007	600,000	7/10/2017	540,000		60,000		480,000	7,650
<u>Early Retirement Plan:</u>										
Contract Liability (Option to retire exercised)					111,180		50,022		61,158	-
<u>Potential Obligations:</u>										
<u>Compensated Absences:</u>										
Sick Leave Maximum Potential Liability					72,888			1,451	74,339	-
<u>Early Retirement Plan:</u>										
Additional Potential Liability (Option to retire not exercised)					-				-	-
Total Long-Term Debt					<u>9,218,997</u>	<u>-</u>	<u>618,276</u>	<u>1,451</u>	<u>8,602,172</u>	<u>380,725</u>

<u>Schedule of Maturity of Long-Term Debt:</u>									
	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16 to 2019-20</u>	<u>2020-21 to 2021-22</u>	<u>Total</u>	
General Obligation Bonds									
Principal	\$ 475,000	480,000	500,000	520,000	540,000	3,115,000	1,455,000	7,085,000	
Interest	312,574	293,580	273,017	251,308	227,295	728,545	72,426	2,158,745	
Lease Purchase Agreements									
Principal	120,978	123,830	126,816	129,941	133,212	600,746	146,152	1,381,675	
Interest	47,746	43,994	40,108	36,083	31,912	93,174	6,809	299,826	
Early Retirement Plan:									
Contracted Payments	28,295	16,863	9,841	4,417	1,742	-	-	61,158	
Total									
	<u>984,593</u>	<u>958,267</u>	<u>949,782</u>	<u>941,749</u>	<u>934,161</u>	<u>4,537,465</u>	<u>1,680,387</u>	<u>10,986,404</u>	

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

Unified School District No. 258
Humboldt, Kansas
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2010

Note 1 Summary of Significant Accounting Policies

A. Reporting Entity

Principles Used in Determining Scope of Entity

The basic criterion used for including or excluding other governmental organizations as part of the financial statements of the School District is financial accountability. Financial accountability is derived from the District's powers and includes, but is not limited to, appointment of a voting majority of the governing body, imposition of will, financial benefit/burden on primary government and fiscal dependency. The District has waived the application of generally accepted accounting principles and as such, have not included any component units in these financial statements.

B. Basis of Presentation

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

The following types of funds comprise the financial activities of the school district for the year of 2010:

Governmental Funds:

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

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

Debt Service Funds--to account for the accumulation of resources for and the payment of, interest and principal on general long-term debt and the financing of special assessments which are general obligations of the school district.

Capital Project Funds--to account for financial resources to be used for the acquisition or construction of major capital facilities.

Fiduciary Funds:

Trust and Agency Funds--to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. These include (a) Expendable Trust Funds, (b) Nonexpendable Trust Funds, (c) Pension Trust Funds and (d) Agency Funds.

Unified School District No. 258
Humboldt, Kansas
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2010

C. Basis of Accounting

These financial statements are presented on a basis of accounting which demonstrates compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased (see Note 6 for a special exception). For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund. Cash disbursements are recognized when the cash balance of a fund is decreased. For an interfund transaction, a cash disbursement is recorded in the fund from which the cash is transferred. Expenditures include disbursements, accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services, and are usually evidenced by a purchase order or written contract.

The District has waived the application of generally accepted accounting principles until June 30, 2010, in accordance with K.S.A. 75-1120(a) which thereby requires this type of special reporting.

Departure from Generally Accepted Accounting Principles

The basis of accounting described above results in a financial statement presentation which shows cash receipts, cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown non-cash 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 generally accepted accounting principles, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. General fixed assets that account for the land, buildings and equipment owned by the School District are not presented in the financial statements. Also, general long-term debt such as general obligation bonds, temporary notes, and compensated absences are not presented in the financial statements.

D. Budgets

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds, and enterprise funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

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

Unified School District No. 258
Humboldt, Kansas
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2010

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. During the year ended June 30, 2010, the District amended the following funds in the amounts indicated:

	Original Budget	Amended Budget
General Fund	\$ 3,915,148	4,028,449
Special Education Fund	706,067	735,354

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.

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

A legal operating budget is not required for capital project funds, fiduciary funds, and the following special revenue funds of the District:

- Contingency Reserve Fund
- Textbook and Student Material Revolving Fund
- Charter Schools Fund
- Technology Literacy Challenge Grant Fund
- REAP Grant Fund
- Special Mini-Grants Fund
- Energy Incentive Program Fund
- Title I Fund
- Title I ARRA Fund
- Improving Teacher Quality Fund
- Comprehensive School Reform Fund
- Title II ARRA Fund
- Health Care Grant Fund
- School Nurse Grant Fund
- ARRA Technology Rich Classroom Grant Fund
- Gate Receipts Fund
- Special Projects Fund

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

Unified School District No. 258
Humboldt, Kansas
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2010

E. Assets, Liabilities, and Fund Equity

Cash

To facilitate better management of the District's cash resources, excess cash is combined in pooled operating accounts. Each fund's portion of total cash is based on its equity in the pooled cash amount. Cash in excess of current operating needs is invested on a pooled investment basis and earnings thereon are credited to the special revenue funds designated by Kansas statutes.

Property Taxes and Other Receivables

Collection of current year property tax by the County Treasurer is not completed, apportioned nor distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes.

It is not practicable to apportion delinquent taxes held by the County Treasurer at the end of the audit period and further, the amounts thereof are not material in relationship to the financial statements taken as a whole.

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 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.

K.S.A. 12-1675 allows the District to deposit idle funds in time deposits-open accounts, and certificates of deposit with allowable financial institutions; and to invest idle funds in U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool.

The District held no investments at June 30, 2010 and held no investments throughout the year.

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 a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District has not designated any peak periods.

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

Unified School District No. 258
Humboldt, Kansas
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2010

At June 30, 2010, the carrying amount of the District's deposits was \$1,657,504 and the bank balance was \$2,043,984. Of the bank balance, \$286,793 was covered by FDIC insurance and the remaining \$1,757,192 was collateralized by pledged securities or letters of credit held under joint custody receipts issued by a third-party bank in the District's name. The third-party bank holding the pledged securities is independent of the pledging bank. The pledged securities are covered by a tri-party custodial agreement signed by all three parties.

Inventories and Prepaid Expenses

Inventories and prepaid expenses which benefit future periods are recorded as an expenditure during the year of purchase as required by State statutes. No physical inventories were taken at year end and no accounting controls exist for control of materials inventory.

Long-Term Debt

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

F. Revenues and Expenditures

Property Tax Revenue Recognition

Property taxes become a lien against all property November 1st. Taxpayers have the option of paying in full or in two installments. The delinquency dates are December 20th and May 10th. Delinquent taxes are assessed interest at rates established by State Statute. This interest is retained by the county.

Taxes levied to finance the budget are made available to the school after January 1st and are distributed by the county treasurer approximately every month and a half. At least 50% of the taxes levied are available in January.

Reimbursed Expenses

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

Vacation and Sick Pay

The School District's policies regarding sick leave and vacation pay permit employees to accumulate 15 days of sick leave per year up to a maximum of 60 days and permit non-teaching personnel to accumulate one day per month vacation pay for the first ten years of service and one and one-half day per month thereafter. Policies prohibit payment for vacation time in lieu of time off and require the cancellation of unused vacation at the time of employment termination.

Unified School District No. 258
Humboldt, Kansas
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2010

Early Retirement Incentive Plan

The School District has adopted an early retirement incentive plan for teaching personnel. Under this plan, teachers who were hired prior to the 2007-2008 school year, have six or more years service with the District and have achieved their fifty-fifth, but not their sixty-fifth birthday, or have 85 Kpers points, can receive a percentage of their final contracted salary per year, each year, until the age of sixty-five. Any teachers retiring under this plan can only draw benefits for a maximum of five years. Benefits are computed using the following scale:

<u>Year after Retirement</u>	<u>Years of Service</u>		
	<u>15 or more</u>	<u>10-14</u>	<u>6-10</u>
1st	18.4%	10.8%	6.6%
2nd	18.4%	10.8%	6.6%
3rd	18.4%	10.8%	6.6%
4th	18.4%	10.8%	6.6%
5th	18.4%	10.8%	6.6%

Interfund Transactions

Quasi-external transactions are accounted for as revenue, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Note 2 Stewardship, Compliance, and Accountability

Compliance with Kansas Cash Basis Law

Expenditures and encumbrances exceeded the available cash in the following funds, in the amounts indicated, as of June 30, 2010:

KPERS Special Retirement Contrib. Fund	\$ 124,632 (1)
Health Care Grant	4,049 (2)
ARRA Technology Rich Classroom Grant Fund	91,658 (2)

(1) The State of Kansas pays the employer share of KPERS for each Unified School District in the State. The Kansas Legislature, by statute, created a KPERS fund in each school district. The State of Kansas automatically deposits state aid to the District's bank account, then withdraws the KPERS amount attributable to each School District through this KPERS fund once each quarter. School District personnel have no control over these deposits and withdrawals. At June 30, 2010, the State of Kansas had not deposited the KPERS amount attributable to Unified School District No. 258 for the two quarters ending June 30, 2010, in the amount of \$124,632. Since the liability was due and payable, but the funds had not been received as of June 30, 2010, a cash basis violation resulted and is displayed as such in Statement 1. The State of Kansas subsequently deposited these funds on July 7 and July 8, 2010.

(2) Federal/State monies were received early in the 2010-11 school year to cover these funds.

Unified School District No. 258
Humboldt, Kansas
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2010

Compliance with Kansas Budget Law

No violations.

Compliance with Kansas Depository Security Law

No violations.

Note 3 Detail Notes on All Funds and Account Groups

A. Assets:

General Fixed Assets

The School has not maintained a record of fixed assets used in performance of general governmental operations as required by generally accepted accounting principles.

The School has adopted a resolution waiving generally accepted accounting principles until June 30, 2010, in accordance with K.S.A. 75-1120(a).

B. Liabilities:

Defined Benefit Pension Plan

Plan Description. The District contributes to the Kansas Public Employees Retirement System (KPERs), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. KPERs provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERs issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERs (611 S Kansas, Suite 100, 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% or 6% of covered salary, depending on date of employment. 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. Kansas contributed 8.57% of covered payroll during the period covered by this report. 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 \$248,468,186, \$242,277,363, and \$220,815,154, respectively, equal to the required contributions for each year.

Other Employee Benefits

At June 30, 2010, the maximum potential liability under the School's vacation and sick leave policy is \$74,339.

At June 30, 2010, the District is obligated to pay \$61,158 to teachers who have retired under the District's Early Retirement Plan. A schedule of payments due in years subsequent to June 30, 2010 is presented in Statement 6.

Unified School District No. 258
Humboldt, Kansas
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2010

General Obligation Bonds

Kansas schools are limited to aggregate debt not to exceed 14% of assessed valuation of tangible taxable property within the district (not including motor vehicle valuation). The School District's assessed valuation at June 30, 2010 was \$25,017,834, resulting in an initial debt limitation of \$3,502,497.

At June 30, 2010, the District has outstanding bonded indebtedness in the amount of \$7,085,000. This includes a \$1,475,000 in Advance Refunding Bonds issued in September, 2008, plus \$795,599 of the 2005 School Building/Advance Refunding bond issue, which are Advance Refunding Bonds as well. This \$2,270,599 in Advance Refunding debt is exempt from the debt limitation, however Kansas Statutes require the \$255,000 in debt which was defeased through refunding, but is still outstanding, to still be included in the debt limit computation (see next note). Therefore the adjusted debt outstanding is \$5,069,401. This exceeds the legal debt limitation in the amount of \$1,566,904. Authority to exceed the debt limitation was granted by the Kansas State Board of Education prior to the 2005 bond issue.

All of the above outstanding debt issues are to be retired through an annual property tax levy. A statement of changes in General Long-Term debt during the year ended June 30, 2010, along with payments due subsequent to June 30, 2010, is presented in Statement 6.

Prior Year Refunding of Debt

On December 28, 2005 the District issued \$6,875,000 in General Obligation Advance Refunding and School Improvement Bonds with interest rates ranging from 3.50% to 5.00%. \$5,900,000 of the proceeds of this issue were used in conjunction with a building project. The remaining \$975,000 was used to advance refund the remaining \$870,000 of the outstanding 1995 School Improvement bonds which were originally issued on February 15, 1995 with interest rates ranging from 5.30% to 7.00%. The net proceeds of the refunding portion of the bond issue (after 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 on the refunded portion of the bonds until their final maturity in 2010. As of June 30, 2010, \$240,000 of the 1995 School Improvement bonds are still outstanding, and are considered to be defeased and the liability for those bonds has been removed from the District's financial statements.

On September 4, 2008 the District issued a total of \$1,625,000 in General Obligation Advance Refunding Bonds, in two series, with interest rates ranging from 3.00% to 5.50%. The proceeds of these issues were used to advance refund the remaining \$850,000 of the outstanding 1998 Advance Refunding bonds, along with \$695,000 of the 2005 Advance Refunding/School Improvement bonds, in an effort to smooth out future payments and prevent spikes in the local tax levy. The refunded 1998 bonds were called and retired immediately while the remainder of the proceeds were placed into an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded portion of the bonds until their final maturity in 2010. As of June 30, 2010, \$15,000 of the of the refunded bonds are still outstanding, and are considered to be defeased and the liability for those bonds has been removed from the District's financial statements.

Unified School District No. 258
Humboldt, Kansas
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2010

C. Operating Transfers:

<u>From</u>	<u>To</u>	<u>Amount</u>
General Fund	At Risk 4-Year Old Fund	\$ 62,593
General Fund	At Risk K-12 Fund	245,000
General Fund	Capital Outlay Fund	59,764
General Fund	Special Education Fund	555,182
General Fund	Contingency Reserve Fund	157,478
Supp. General Fund	Driver Training Fund	3,868
Supp. General Fund	Special Education Fund	177,331
Supp. General Fund	Vocational Education Fund	183,268

Note 4 Summary Disclosure of Significant Contingencies

Federally Assisted Programs - Compliance Audits

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the School expects such amounts, if any, to be immaterial.

Note 5 Joint Venture

The District is a participant in a joint venture agreement with seven other school districts for the operation of the ANW Special Education Cooperative. This Coop was formed under an inter-local agreement provided for by Kansas Statutes. Each school district appoints one of its board members to serve as a member of the Coop governing board. Each school district's annual contribution to the Coop is based on full time enrollment plus other minor adjustment factors. Each school district has an unrecorded value equity interest in the Coop which is based on their percentage of contribution. Complete separate statutory basis financial statements for the Coop are available at the ANW Special Education Cooperative administrative office in Humboldt, Kansas. The District's operating contribution to the Coop for the 2009-2010 fiscal year, including State Aid passed through to the Coop from the State of Kansas, was \$722,522, which represents 9.15% of all contributions made by the participating school districts.

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

K.S.A. 72-6417(d) and K.S.A. 72-6434(d) requires the School District to record any payment of General State Aid that is due to be paid during the month of June, but is not paid to the School District until after June 30, as a receipt for the school year ending on June 30. This method of revenue recognition is an exception to the basis of accounting described in Note 1 of these financial statements, which requires revenue to be recognized when the cash is actually received. As a result, Statement 1 includes \$448,283 in State Aid which is due from the State of Kansas at June 30, 2010. These funds were received in July, 2010. This amount consisted of \$362,015 for the General Fund and \$86,268 for the Supplemental General Fund. These amounts have been included as revenue for the 2009-2010 fiscal year in the respective funds in accordance with K.S.A. 72-6417 (d) and K.S.A 72-6434 (d) and are shown as "Due from State of Kansas" on Statement 1.

Note 7 Economic Dependency

The State of Kansas provides general financial aid to the school district's General and Supplemental General funds for normal operating expenditures. This state aid represents 89.0% and 47.0% of the General fund and Supplemental General fund revenues respectively.

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S & B

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

Board of Education
Unified School District No. 258
Humboldt, Kansas

We have audited the statutory basis financial statements of Unified School District No. 258, Humboldt, Kansas, as of and for the year ended June 30, 2010, and have issued our report thereon dated March 31, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Unified School District No. 258, Humboldt, Kansas, internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Unified School District No. 258, Humboldt, Kansas, internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Unified School District No. 258, Humboldt, Kansas internal control over financial reporting.

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 entity'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 entity's financial statements 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 a material misstatement of the financial statements will not be prevented or detected by the entity'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 internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Unified School District No. 258, Humboldt, Kansas statutory basis 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*.

This report is intended solely for the information and use of the governing body and management of the Unified School District No. 258, Humboldt, Kansas, and for filing with the Kansas Department of Education, the Kansas Department of Administration, Division of Accounts and Reports, the cognizant federal agency, and other federal audit agencies. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Respectfully Submitted,

Schlottbeck and Burns, LLC

March 31, 2011

SCHLOTTERBECK AND BURNS, LLC

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INDEPENDENT AUDITOR'S 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 No. 258
Humboldt, Kansas

Compliance

We have audited the compliance of Unified School District No. 258, Humboldt, Kansas, 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. Unified School District No. 258, Humboldt, Kansas, major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Unified School District No. 258, Humboldt, Kansas, management. Our responsibility is to express an opinion on Unified School District No. 258, Humboldt, Kansas, compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Unified School District No. 258, Humboldt, Kansas compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Unified School District No. 258, Humboldt, Kansas compliance with those requirements.

In our opinion, Unified School District No. 258, Humboldt, Kansas, 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

The management of Unified School District No. 258, Humboldt, Kansas, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Unified School District No. 258, Humboldt, Kansas 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, 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 Unified School District No. 258, Humboldt, Kansas, 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 a 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 the 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 the governing body and management of the Unified School District No. 258, Humboldt, Kansas, and for filing with the Kansas Department of Education, the Kansas Department of Administration, Division of Accounts and Reports, the cognizant federal agency, and other federal audit agencies. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Respectfully Submitted,

Schlatterbeck and Burns, LLC

March 31, 2011

Unified School District No. 258
Humboldt, Kansas
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2010

A. Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the special purpose financial statements of Unified School District No. 258, Humboldt, Kansas.
2. No reportable conditions relating to the audit of the financial statements are reported in the "Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards".
3. No instances of noncompliance material to the financial statements of Unified School District No. 258, Humboldt, Kansas were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award programs are reported in the "Independent Auditor's 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 No. 258, Humboldt, Kansas expresses an unqualified opinion.
6. There were no findings relating to the major federal award programs for Unified School District No. 258, Humboldt, Kansas, that are required to be reported in Part C of this Schedule.
7. The programs tested as major programs were: CFDA #84.282 Charter Schools and #84.394 State Fiscal Stabilization Fund-Education State Grants, Recovery Act.
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Unified School District No. 258, Humboldt, Kansas was not determined to be a low-risk auditee.

B. Findings - Financial Statements Audit

None.

C. Findings and Questioned Costs - Major Federal Awards Program Audit

None.

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Unified School District No. 258
Humboldt, Kansas
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2010

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
U.S. Department of Agriculture		
Passed through State Department of Education		
School Breakfast Program	10.553 \$	35,964
National School Lunch Program	10.555	126,512
Fresh Fruit and Vegetable Program	10.582	7,244
Total U.S. Department of Agriculture		<u>169,720</u>
U.S. Department of Education		
Rural Education		
Passed through State Department of Education		
Title I Grants to Local Educational Agencies	84.010	94,583
Charter Schools	84.282	164,936 (1)
Education Technology State Grants	84.318	14,007
Improving Teacher Quality State Grants	84.367	20,296
Statewide Data Systems	84.372	800
Education Technology State Grants, Recovery Act (ARRA)	84.386	19,520
Title I Grants to Local Educational Agencies, Recovery Act (ARRA)	84.389	21,321
State Fiscal Stabilization Fund - Education State Grants, Recovery Act (ARR)	84.394	291,755 (1)
Total U.S. Department of Education		<u>649,686</u>
U.S. Department of Health and Human Services		
Passed through State Department of Education		
Cooperative Agreements to Support Comprehensive School Health Programs	93.938	500
U.S. Department of Homeland Security		
Passed through State Department of Education		
Emergency Management Performance Grants	97.042	750
Total Expenditures of Federal Awards		<u>820,656</u>

(1) These programs were considered major programs.

Note - Basis of Presentation

The schedule of expenditures of federal awards includes the federal grant activity of Unified School District No. 258 and is presented on the cash basis of accounting, and accordingly, represents the total cash expended for each program. It does not include transactions that might be included using the modified accrual basis of accounting which is the basis used in the District's financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Government, and Non-Profit Organizations*.

Reconciliation of federal expenditures to the financial statements:

	Actual Cash	Transfers	Expenditures	<u>Adjustment for Encumbrances</u>		Expenditures as
	<u>Received</u>	<u>Among Programs</u>	<u>per Statement 3</u>	<u>July 1, 2009</u>	<u>June 30, 2010</u>	<u>Presented Above</u>
School Breakfast Program	10.553	35,964	35,964			35,964
National School Lunch Program	10.555	126,512	126,512			126,512
Fresh Fruit and Vegetable Program	10.582	7,244	7,244			7,244
Rural Education	84.358	21,525	22,468			22,468
Title I Grants to Local Educational Agencies	84.010	94,634	90,634	4,358	(409)	94,583
Charter Schools	84.282	155,000	117,753	53,969	(6,786)	164,936
Education Technology State Grants	84.318	823	12,018	2,339	(350)	14,007
Improving Teacher Quality State Grants	84.367	28,752	12,906	7,452	(62)	20,296
Statewide Data Systems	84.372	800	800			800
Education Technology State Grants, Recovery Act (ARRA)	84.386	2,025	91,658		(72,138)	19,520
Title I Grants to Local Educational Agencies, Recovery Act (ARRA)	84.389	33,079	21,321			21,321
State Fiscal Stabilization Fund - Education State Grants, Recovery Act (ARRA)	84.394	291,755	291,755			291,755
Cooperative Agreements to Support Comprehensive School Health Programs	93.938	500	500			500
Emergency Management Performance Grants	97.042	750	750			750
		<u>799,363</u>	<u>832,283</u>	<u>68,118</u>	<u>(79,745)</u>	<u>820,656</u>