

**BALDWIN CITY
UNIFIED SCHOOL DISTRICT NUMBER 348**

FINANCIAL STATEMENTS
AND
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

June 30, 2010

Baldwin City Unified School District Number 348

FINANCIAL STATEMENTS
For the Year Ended June 30, 2010

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Education
Unified School District Number 348
Baldwin City, Kansas

We have audited the accompanying financial statements of the individual funds of Baldwin City Unified School District Number 348, Baldwin City, Kansas as of and for the year ended June 30, 2010, which collectively comprise the basic financial statements of the District's primary government as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

The financial statements referred to above include only the primary government of Baldwin City Unified School District Number 348, Baldwin City, Kansas, which consists of all funds, organizations, institutions, agencies, departments, and offices that comprise the District's legal entity. The financial statements do not include financial data for the District's legally separate component unit, 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. As a result, the primary government financial statements do not purport to, and do not, present fairly the financial position of the reporting entity of Baldwin City Unified School District Number 348, Baldwin City, Kansas, as of June 30, 2010, the changes in its financial position, or, where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. In accordance with accounting principles generally accepted in the United States of America, the component unit has issued separate audited statements.

The financial statements do not include financial data for the District's legally separate component unit. Accounting practices prescribed or permitted by the State of Kansas, Division of Accounts and Reports require the financial data for the component unit to be reported with the financial data of the District's primary government unless the District also issues financial statements for the financial reporting entity that include the financial data for its component unit. The District has not issued such reporting entity financial statements. Because of this departure from accounting practices prescribed or permitted by the State of Kansas, Division of Accounts and Reports, the cash, accounts payable and encumbrances, unencumbered cash, cash receipts, and expenditures of the discretely presented component unit would have been reported as \$308,539, \$16,994, \$291,545, \$580,860 and \$573,520.

As described in Note I-B, the District prepared these financial statements using accounting practices prescribed or permitted by the State of Kansas, Division of Accounts and Reports, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the statutory basis financial statement referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Baldwin City Unified School District Number 348, Baldwin City, Kansas, as of June 30, 2010, or the changes in its financial position for the year then ended.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the cash and unencumbered cash balances of the individual funds of the primary government of Baldwin City Unified School District Number 348, Baldwin City, Kansas, as of June 30, 2010, and its cash receipts and expenditures, for the year then ended on the basis of accounting described in Note I-B.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2011 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to determine the scope of our testing of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

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

Ayles & Heddert, Chartered

Ottawa, Kansas
February 24, 2011

Baldwin City Unified School District Number 348

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

	Unencumbered Cash Balance (Deficit) <u>July 1, 2009</u>	Prior Year Cancelled <u>Encumbrances</u>
Governmental type funds		
General funds		
General	\$ (694,546)	\$ 0
Supplemental general	(167,379)	0
Special revenue funds		
At risk (4 yr old)	0	0
At risk (K-12)	0	0
Bilingual education	0	0
Capital outlay	534,428	0
Driver training	13,758	0
Food service	109,620	0
Professional development	1,097	0
Parent education program	(21,922)	0
Special education	198,534	0
Vocational education	0	0
KPERs special retirement contribution	0	0
Contingency reserve	96,000	0
Textbook & student materials revolving	121,192	0
Federal grants	0	0
State and local funds	1,811	0
District activity funds		
Gate receipts	6,065	0
School projects	31,274	0
Debt service fund		
Bond and interest	553,653	0
Capital projects fund		
New construction	<u>4,629,298</u>	<u>0</u>
 Total reporting entity (excluding agency funds)	 <u>\$ 5,412,883</u>	 <u>\$ 0</u>

The accompanying notes are an integral part of this statement.

Statement 1

<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Unencumbered Cash Balance (Deficit) June 30, 2010</u>	<u>Outstanding Encumbrances and Accounts Payable</u>	<u>Cash Balance (Deficit) June 30, 2010</u>
\$ 8,294,828	\$ 8,115,242	\$ (514,960)	\$ 13,000	\$ (501,960)
2,550,455	2,610,339	(227,263)	0	(227,263)
104,509	104,509	0	0	0
334,670	316,397	18,272	0	18,272
1,537	1,537	0	0	0
701,134	863,800	371,762	35,601	407,363
12,467	9,881	16,345	0	16,345
559,230	566,661	102,189	0	102,189
17,060	14,693	3,464	0	3,464
166,610	144,688	0	0	0
1,594,017	1,577,629	214,922	0	214,922
331,597	291,450	40,147	0	40,147
539,552	539,552	0	0	0
48,000	0	144,000	0	144,000
123,548	120,976	123,764	3,613	127,377
170,376	166,727	3,649	0	3,649
91,684	92,857	638	1,769	2,407
70,876	70,351	6,590	0	6,590
102,644	96,786	37,132	0	37,132
2,084,180	1,741,315	896,518	0	896,518
<u>13,489,131</u>	<u>17,597,176</u>	<u>521,253</u>	<u>9,792,308</u>	<u>10,313,561</u>
<u>\$ 31,388,103</u>	<u>\$ 35,042,566</u>	<u>\$ 1,758,422</u>	<u>\$ 9,846,291</u>	<u>\$ 11,604,714</u>

Composition of ending statutory cash

Time deposits

Baldwin State Bank, Baldwin, Kansas	\$ 3,745,892
Kansas State Bank, Baldwin, Kansas	5,913,562
Mid America Bank	<u>2,000,000</u>

Total statutory cash 11,659,454

Agency funds per Statement 4 54,740

\$ 11,604,714

Baldwin City Unified School District Number 348

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET

(Budgeted Funds Only)

For the Year Ended June 30, 2010

	<u>Certified Budget</u>	<u>Adjustment To Comply With Legal Max *</u>
Governmental type funds		
General funds		
General	\$ 8,234,801	\$ (275,394)
Supplemental general	2,644,147	0
Special revenue funds		
At risk (4yr old)	105,450	0
At risk (K-12)	403,240	0
Bilingual education	3,856	0
Capital outlay	974,493	0
Driver training	17,034	0
Food service	670,289	0
Professional development	29,077	0
Parent education program	144,688	0
Special education	1,578,833	0
Vocational education	298,775	0
KPERs special retirement contribution	712,865	0
Debt service fund		
Bond and interest	1,741,779	0

* See definitions at Note II-A.

The accompanying notes are an integral part of this statement.

Statement 2

<u>Adjustment for Qualifying Budget Credits *</u>	<u>Total Budget For Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Favorable (Unfavorable)</u>
\$ 155,835	\$ 8,115,242	\$ 8,115,242	\$ 0
0	2,644,147	2,610,339	33,808
0	105,450	104,509	941
0	403,240	316,396	86,844
0	3,856	1,537	2,319
0	974,493	863,800	110,693
0	17,034	9,882	7,153
0	670,289	566,660	103,629
0	29,077	14,693	14,384
0	144,688	144,688	0
0	1,578,833	1,577,629	1,204
0	298,775	291,450	7,325
0	712,865	539,552	173,313
0	1,741,779	1,741,315	464

Baldwin City Unified School District Number 348

Statement 3

GENERAL FUNDS
GENERAL

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

	2009	2010		Variance
	Actual	Actual	Budget	Favorable
				(Unfavorable)
Cash receipts				
Local sources				
Ad valorem tax	\$ 1,320,424	\$ 1,309,571	\$ 1,278,701	\$ 30,870
Delinquent tax	16,442	26,441	15,841	10,600
Other				
Other	0	59,765	0	59,765
Rent	16,672	11,964	0	11,964
Reimbursements	161,660	84,106	0	84,106
Federal Sources				
ARRA funds	0	373,384	373,384	0
State sources				
General state aid	6,082,482	5,216,158	5,611,483	(395,325)
Mineral production tax	110	0	0	0
Machinery & equipment state aid	15,095	0	0	0
Special education aid	933,926	1,213,439	955,392	258,047
	<u>8,546,811</u>	<u>8,294,828</u>	<u>\$ 8,234,801</u>	<u>\$ 60,027</u>
Expenditures				
Instruction				
Salaries				
Certified	2,838,828	2,392,688	\$ 2,393,416	\$ 728
Non-certified	52,082	36,859	23,000	(13,859)
Employee benefits				
Insurance	128	345,846	363,000	17,154
Social security	210,989	183,477	189,742	6,265
Other	70,493	63,390	54,000	(9,390)
Purchased property services	19,023	21,052	19,000	(2,052)
Other purchased services				
Other	36,615	17,530	18,335	805
Supplies				
General supplemental	107,471	58,455	11,340	(47,115)
Other	2,199	99	20,000	19,901
Student support services				
Salaries				
Certified	204,371	122,156	142,318	20,162
Employee benefits				
Social security	13,373	8,580	11,013	2,433
Insurance	0	18,740	13,866	
Other	209	136	0	(136)
Other purchased services	13,989	679	0	(679)

The accompanying notes are an integral part of this statement.

Baldwin City Unified School District Number 348

Statement 3

GENERAL FUNDS
GENERAL

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

	2009		2010		Variance Favorable (Unfavorable)
	Actual	Actual	Actual	Budget	
Expenditures - continued					
Student support services - continued					
Supplies	\$ 10,750	\$ 8,452	\$ 5,500	\$	(2,952)
Property	445	436	500		64
Other	53,897	29,054	0		(29,054)
Instructional support staff					
Salaries					
Certified	146,969	148,205	258,852		110,647
Non-certified	167,408	122,814	45,480		(77,334)
Employee benefits					
Social security	24,664	22,286	23,444		1,158
Insurance	0	8,372	23,186		14,814
Other	411	363	0		(363)
Purchased professional and technical services					
Other purchased services	5,809	905	0		(905)
Supplies					
Books and periodicals	12,378	1,757	3,250		1,493
Technology	13,997	8,282	0		(8,282)
Miscellaneous	922	372	6,000		5,628
General administration					
Salaries					
Certified	2,350	514	0		(514)
Non-certified	112,262	82,516	109,862		27,346
Other	48,915	72,072	44,426		(27,646)
Employee benefits					
Social security	11,157	11,542	12,094		552
Insurance	1,275	22,396	20,043		(2,353)
Other	192	6,147	6,000		(147)
Purchased professional and technical services					
Communications	30,296	24,742	28,600		3,858
Other	1,166	108	3,050		2,942
Supplies	3,903	3,291	2,700		(591)
Other	953	309	500		191
School administration					
Salaries					
Certified	618,587	522,144	519,182		(2,962)
Non-certified	358,484	281,032	300,318		19,286
Employee benefits					
Social security	70,334	58,371	63,822		5,451
Insurance	0	55,802	67,560		11,758
Other	1,187	21,002	20,024		(978)

The accompanying notes are an integral part of this statement.

Baldwin City Unified School District Number 348

Statement 3

GENERAL FUNDS
GENERAL

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

	2010		Variance Favorable (Unfavorable)
	2009 Actual	Actual	
Expenditures - continued			
School administration - continued			
Other purchased services			
Communications	\$ 32,326	\$ 50,181	\$ 36,500 \$ (13,681)
Other	147	1,228	6,050 4,822
Operations & maintenance			
Salaries			
Non-certified	496,145	382,959	434,434 51,475
Employee benefits			
Social security	36,712	29,329	33,867 4,538
Insurance	0	52,098	59,534 7,436
Other	628	402	0 (402)
Purchased professional services	0	315	0 (315)
Purchased property services			
Water/sewer	48,429	83,374	45,000 (38,374)
Cleaning	0	0	16,270 16,270
Repair and maintenance	130,223	96,346	110,000 13,654
Other purchased services			
Insurance	132,888	0	0 0
Other	1,313	1,222	1,000 (222)
Supplies	54,883	48,459	56,000 7,541
Energy			
Heating	100,796	92,963	115,000 22,037
Electricity	258,558	243,162	298,000 54,838
Student transportation service			
Supervision			
Salaries			
Non-certified	31,452	32,234	33,480 1,247
Employee benefits			
Social security	2,561	2,561	2,605 44
Insurance	0	4,577	4,660 83
Other	44	42	0 (42)
Vehicle operating services			
Salaries			
Non-certified	180,417	154,565	180,000 25,435
Employee benefits			
Social security	12,721	11,134	13,978 2,844
Insurance		3,635	3,320 (315)
Other	209	188	500 312
Other purchased services			
Mileage in lieu of trans	255	0	0 0
Motor fuel	76,699	57,103	92,100 34,997

The accompanying notes are an integral part of this statement.

Baldwin City Unified School District Number 348

Statement 3

GENERAL FUNDS
GENERAL

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

	2009 Actual	2010		Variance Favorable (Unfavorable)
		Actual	Budget	
Expenditures - continued				
Student transportation service				
Vehicle services & maintenance services - continued				
Salaries				
Non-certified	\$ 25,560	\$ 30,052	\$ 32,324	\$ 2,272
Employee benefits				
Social security	2,390	2,292	2,474	182
Insurance	0	3,771	4,560	789
Other	41	37	0	(37)
Supplies	28,536	37,572	31,260	(6,312)
Other supplemental services				
Salaries				
Certified	0	68,502	68,982	480
Non-certified	203,169	145,979	130,585	(15,394)
Employee benefits				
Social security	13,870	13,741	15,498	1,757
Insurance	0	15,408	17,940	2,532
Other	232	221	0	(221)
Purchased professional and technical services	14,033	14,866	14,000	(866)
Other purchased services	1,194	2,324	3,000	676
Supplies	4,619	4,739	4,700	(39)
Operating transfers				
Bilingual education	0	849	0	(849)
Special education	1,163,458	984,014	955,392	(28,622)
Vocational education	72,160	173,410	69,175	(104,235)
Contingency reserve	32,000	48,000	0	(48,000)
At risk (4 yr old)	114,400	102,901	105,450	2,549
At risk (K-12)	311,177	334,670	403,240	68,570
Adjustment to comply with legal max	0	0	(275,394)	(275,394)
Legal general fund budget	8,862,573	8,115,242	7,959,407	(150,960)
Adjustment for qualifying budget credits	0	0	155,835	155,835
Total expenditures	8,862,573	8,115,242	\$ 8,115,242	\$ 0
Receipts over (under) expenditures	\$ (315,762)	\$ 179,586		
Unencumbered cash (deficit), July 1	(378,912)	(694,546)		
Prior year cancelled encumbrances	128	0		
Unencumbered cash, June 30	\$ (694,546)	\$ (514,960)		

The accompanying notes are an integral part of this statement.

Baldwin City Unified School District Number 348

Statement 3

GENERAL FUNDS
SUPPLEMENTAL GENERAL

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

	2009 Actual	2010		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash receipts				
Local sources				
Ad valorem tax	\$ 1,287,826	\$ 1,226,241	\$ 1,254,364	\$ (28,123)
Delinquent tax	17,477	26,069	72,679	(46,610)
County sources				
Motor vehicle tax	184,842	147,916	238,061	(90,145)
Recreational vehicle tax	3,554	2,942	4,633	(1,691)
Rental excise tax	30	81	0	81
Federal sources				
ARRA funds	0	294,348	0	294,348
State sources				
Equalization aid	948,375	852,858	1,166,783	(313,925)
Machinery and equipment aid	13,502	0	0	0
Total cash receipts	2,455,606	2,550,455	2,736,520	(186,065)
Expenditures				
Instruction				
Salaries				
Certified	1,038,056	1,360,613	1,391,470	30,857
Employee benefits				
Insurance	341,688	15,595	18,500	2,905
Social security	79,476	96,678	102,062	5,384
Insurance	0	2,925	10,000	7,075
Other	41	58,592	63,000	4,408
Student support services				
Purchased professional services	0	14,436	13,900	(536)
Instructional support staff				
Supplies	0	5,923	0	(5,923)
Purchased professional services	0	26,281	5,800	(20,481)
Other	0	16,000	8,600	(7,400)
School administration				
Other	10,278	10,267	10,300	33
Operations & maintenance				
Purchased property services				
Rentals	25,500	26,500	25,500	(1,000)
Other purchased services				
Insurance	0	67,461	66,400	(1,061)
Supplies	1,045	1,211	1,800	589
Other	1,551	1,435	1,600	165
Student transportation services				
Other transportation services	0	11,303	9,600	(1,703)

The accompanying notes are an integral part of this statement.

Baldwin City Unified School District Number 348

Statement 3

GENERAL FUNDS
SUPPLEMENTAL GENERAL

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

		2010		
	2009 Actual	Actual	Budget	Variance Favorable (Unfavorable)
Expenditures - continued				
Operating transfers				
Bilingual Education	\$ 3,193	\$ 688	\$ 3,856	\$ 3,168
Food service	90,779	0	75,000	75,000
Professional development	24,000	14,680	26,000	11,320
Parent education program	56,998	56,998	56,998	0
Special education	579,322	609,741	535,261	(74,480)
Vocational education	194,016	153,012	218,500	65,488
Textbook & student materials revolving	86,000	60,000	0	(60,000)
At risk (K-12)	88,000	0	0	0
Total expenditures	\$ 2,619,943	\$ 2,610,339	\$ 2,644,147	\$ 33,808
Receipts over (under) expenditures	(164,337)	(59,884)		
Unencumbered cash, July 1	(3,042)	(167,379)		
	\$			
Unencumbered cash, June 30	(167,379)	\$ (227,263)		

The accompanying notes are an integral part of this statement.

Baldwin City Unified School District Number 348

Statement 3

SPECIAL REVENUE FUNDS
AT RISK (4 YR OLD)

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

	2009 Actual	2010		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash receipts				
Local sources				
Other	\$ 0	\$ 1,608	\$ 0	\$ 1,608
Other				
Transfer from General	114,400	102,901	105,450	(2,549)
Total cash receipts	<u>114,400</u>	<u>104,509</u>	<u>\$ 105,450</u>	<u>\$ (941)</u>
Expenditures				
Instruction				
Salaries				
Certified	51,234	51,500	\$ 51,750	\$ 250
Non-certified	22,789	19,308	23,076	3,768
Employee benefits				
Social security	5,800	5,099	5,724	625
Insurance	0	7,027	6,560	(467)
Other	95	86	0	(86)
Other purchased services	353	0	0	0
Supplies				
General teaching supplies	844	286	750	464
Student transportation services				
Salaries	0	14,447	0	(14,447)
Employee benefits				
Social Security	0	932	0	(932)
Other	0	4	0	(4)
Other	27,456	0	11,770	11,770
Food service				
Supplies				
Food and milk	5,829	5,820	5,820	0
Total expenditures	<u>114,400</u>	<u>104,509</u>	<u>\$ 105,450</u>	<u>\$ 941</u>
Receipts over (under) expenditures	0	0		
Unencumbered cash, July 1	<u>0</u>	<u>0</u>		
Unencumbered cash, June 30	<u>\$ 0</u>	<u>\$ 0</u>		

The accompanying notes are an integral part of this statement.

Baldwin City Unified School District Number 348

Statement 3

SPECIAL REVENUE FUNDS
AT RISK (K-12)

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

	2009 Actual	2010		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash receipts				
Other				
Transfer from General	\$ 311,177	\$ 334,670	\$ 403,240	\$ (68,570)
Transfer from Supplemental general	88,000	0	0	0
Total cash receipts	<u>399,177</u>	<u>334,670</u>	<u>\$ 403,240</u>	<u>\$ (68,570)</u>
Expenditures				
Instruction				
Salaries				
Certified	342,264	226,347	\$ 345,880	\$ 119,533
Non-certified	30,294	1,612	6,400	4,788
Employee benefits				
Social security	26,453	17,373	26,960	9,587
Insurance	0	8,004	0	(8,004)
Other	185	285	0	(285)
Supplies				
Other purchased services	0	4,200	0	(4,200)
Property	0	517	0	(517)
Student Support Services				
Salaries				
Certified	0	50,171	0	(50,171)
Employee benefits				
Social security	0	3,732	0	(3,732)
Insurance	0	4,089	0	(4,089)
Other	0	67	0	(67)
Student Transportation Services				
Other	0	0	24,000	24,000
Total Expenditures	<u>399,196</u>	<u>316,397</u>	<u>\$ 403,240</u>	<u>\$ 86,843</u>
Receipts over (under) expenditures	(19)	18,273		
Unencumbered cash, July 1	<u>19</u>	<u>0</u>		
Unencumbered cash, June 30	<u>\$ 0</u>	<u>\$ 18,273</u>		

The accompanying notes are an integral part of this statement.

Baldwin City Unified School District Number 348

Statement 3

SPECIAL REVENUE FUNDS
BILINGUAL EDUCATION

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

	2009 Actual	2010		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash receipts				
Other				
Transfer from General	\$ 0	\$ 849	\$ 0	\$ 849
Transfer from Supplemental General	3,193	688	3,856	(3,168)
Total cash receipts	3,193	1,537	3,856	(2,319)
Expenditures				
Instruction				
Salaries				
Certified	2,925	1,485	3,485	2,000
Employee benefits				
Social security	224	26	271	245
Other	1	1	0	(1)
Purchased Professional services	43	25	100	75
Total expenditures	3,193	1,537	3,856	2,319
Receipts over (under) expenditures	0	0		
Unencumbered cash, July 1	0	0		
Unencumbered cash, June 30	\$ 0	\$ 0		

The accompanying notes are an integral part of this statement.

Baldwin City Unified School District Number 348

Statement 3

SPECIAL REVENUE FUNDS
CAPITAL OUTLAY

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

		<u>2010</u>		
	<u>2009</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
	<u>Actual</u>			<u>Favorable</u>
				<u>(Unfavorable)</u>
Cash receipts				
Local sources				
Ad valorem tax	\$ 577,330	\$ 573,866	\$ 560,726	\$ 13,140
Delinquent tax	7,032	11,210	6,929	4,281
Interest on idle funds	16,307	3,754	0	3,754
Other	7,277	41,888	0	41,888
County sources				
Motor vehicle tax	68,439	69,006	25,828	43,178
Recreational vehicle tax	1,313	1,373	503	870
Rental excise tax	39	37	0	37
State sources				
Capital outlay state aid	160,955	0	0	0
Machinery and equipment aid	6,042	0	0	0
Total cash receipts	<u>844,734</u>	<u>701,134</u>	<u>\$ 593,986</u>	<u>\$ 107,148</u>
Expenditures				
Instruction				
Property	311,858	241,180	\$ 377,169	\$ 135,989
Instructional support staff				
Property	14,551	14,551	14,554	3
General administration				
Property	0	0	500	500
School administration				
Property	1,132	0	1,000	1,000
Central Services				
Property	18,554	12,401	26,000	13,599
Operations and maintenance				
Property	110,191	71,134	102,294	31,160
Transportation				
Property	102,966	191,641	100,000	(91,641)
Facilities acquisition and construction				
Land acquisition	89,711	89,711	89,711	0
Architectural and engineering	4,421	0	4,000	4,000
Site improvement	95,794	26,011	22,265	(3,746)
Outside contractors	122,753	80,172	100,000	19,828
Debt service				
Interest	11,393	7,000	7,000	0
Principal	121,000	130,000	130,000	0
Total expenditures	<u>1,004,324</u>	<u>863,800</u>	<u>\$ 974,493</u>	<u>\$ 110,693</u>
Receipts over (under) expenditures	(159,590)	(162,666)		
Unencumbered cash, July 1	<u>694,018</u>	<u>534,428</u>		
Unencumbered cash, June 30	<u>\$ 534,428</u>	<u>\$ 371,762</u>		

The accompanying notes are an integral part of this statement.

Baldwin City Unified School District Number 348

Statement 3

SPECIAL REVENUE FUNDS
DRIVER TRAINING

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

	2009 Actual	2010		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash receipts				
Local sources				
Other	\$ 9,041	\$ 10,467	\$ 9,000	\$ 1,467
State sources				
State safety aid	2,394	2,000	2,150	(150)
Total cash receipts	<u>11,435</u>	<u>12,467</u>	<u>\$ 11,150</u>	<u>\$ 1,317</u>
Expenditures				
Instruction				
Salaries				
Certified	14,243	8,300	14,790	6,490
Employee benefits				
Social security	1,091	643	1,150	507
Other	23	(2)	14	16
Other purchased services	14	0	0	0
Supplies				
Miscellaneous supplies	0	190	200	10
Operating Maintenance				
Other	0	750	880	130
Total expenditures	<u>15,371</u>	<u>9,881</u>	<u>\$ 17,034</u>	<u>\$ 7,153</u>
Receipts over (under) expenditures	(3,936)	2,586		
Unencumbered cash, July 1	<u>17,694</u>	<u>13,758</u>		
Unencumbered cash, June 30	<u>\$ 13,758</u>	<u>\$ 16,344</u>		

The accompanying notes are an integral part of this statement.

Baldwin City Unified School District Number 348

Statement 3

SPECIAL REVENUE FUNDS
FOOD SERVICE

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

	2009 Actual	2010		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash receipts				
Local sources				
Interest on idle funds	\$ 660	\$ 236	\$ 800	\$ (564)
Food service				
Student sales - lunch	387,043	351,922	352,200	(278)
Student sales - breakfast	0	0	21,289	(21,289)
Student sales - milk	0	0	2,527	(2,527)
Adult and student - non-reimbursable	0	0	11,530	(11,530)
Miscellaneous	11,534	12,117	10,500	1,617
State sources				
School food assistance	7,118	6,615	8,011	(1,396)
Other	215	200	0	200
Federal sources				
Child nutrition programs	177,997	188,140	175,036	13,104
Other				
Transfer from Supplemental general	90,779	0	75,000	(75,000)
Total cash receipts	675,346	559,230	656,893	(97,663)
Expenditures				
Operations & maintenance				
Employee benefits				
Social security	1,347	0	0	0
Other	23	0	0	0
Food service operation				
Salaries				
Certified	0	0	19,449	19,449
Non-certified	248,876	210,481	203,167	(7,314)
Employee benefits				
Social security	17,238	15,877	17,336	1,459
Insurance	0	2,452	6,760	4,308
Other	280	253	0	(253)
Supplies				
Food and milk	387,269	317,396	407,077	89,681
Miscellaneous supplies	11,093	6,453	10,900	4,447
Property	2,669	9,349	2,500	(6,849)
Other	3,150	4,400	3,100	(1,300)
Total expenditures	671,945	566,661	670,289	103,628
Receipts over (under) expenditures	3,401	(7,431)		
Unencumbered cash, July 1	106,219	109,620		
Unencumbered cash, June 30	\$ 109,620	\$ 102,189		

The accompanying notes are an integral part of this statement.

Baldwin City Unified School District Number 348

Statement 3

SPECIAL REVENUE FUNDS
PROFESSIONAL DEVELOPMENT

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

	2009 Actual	2010		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash receipts				
Local sources				
Other	\$ 81	\$ 0	\$ 0	\$ 0
State sources				
In-service aid	1,015	2,380	0	2,380
Other				
Transfer from Supplemental general	24,000	14,680	26,000	(11,320)
Total cash receipts	25,096	17,060	26,000	(8,940)
Expenditures				
Instructional support staff				
Salaries				
Certified	5,243	0	5,100	5,100
Non-certified	1,830	0	2,460	2,460
Employee benefits				
Social security	140	0	580	580
Purchased Professional and Tech Services	1,802	2,629	537	(2,092)
Other purchased services	18,341	12,064	20,400	8,336
Total expenditures	27,356	14,693	29,077	14,384
Receipts over (under) expenditures	(2,260)	2,367		
Unencumbered cash, July 1	3,357	1,097		
Unencumbered cash, June 30	\$ 1,097	\$ 3,464		

The accompanying notes are an integral part of this statement.

Baldwin City Unified School District Number 348

Statement 3

SPECIAL REVENUE FUNDS
PARENT EDUCATION PROGRAM

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

	2009 Actual	2010		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash receipts				
State sources				
Parent education aid	\$ 65,768	\$ 109,612	\$ 87,690	\$ 21,922
Other				
Transfer from Supplemental general	56,998	56,998	56,998	0
Total cash receipts	<u>122,766</u>	<u>166,610</u>	<u>\$ 144,688</u>	<u>\$ 21,922</u>
Expenditures				
Instruction				
Other	144	0	0	0
Student support services				
Salaries				
Certified	101,793	97,477	100,900	3,423
Non-certified	11,666	14,075	0	(14,075)
Employee benefits				
Insurance	0	8,869	10,300	1,431
Social security	8,852	7,346	8,194	848
Other	124	115	0	(115)
Purchased professional and technical services	990	1,350	2,000	650
Other purchased services	9,878	8,366	7,627	(739)
Supplies				
Books and Periodicals	3,093	2,270	7,405	5,135
Property	4,596	1,411	1,000	(411)
Instructional support services				
Salaries				
Non-certified	0	0	7,262	7,262
Operations and maintenance				
Salaries				
Non-certified	250	0	0	0
Employee benefits				
Social security	17	0	0	0
Supplies				
Utilities	2,852	2,759	0	(2,759)
Other supplemental service				
Purchased professional and technical service	\$ 500	\$ 650	\$ 0	\$ (650)
Total expenditures	<u>144,755</u>	<u>144,688</u>	<u>\$ 144,688</u>	<u>\$ 0</u>
Receipts over (under) expenditures	(21,989)	21,922		
Unencumbered cash, July 1	<u>67</u>	<u>(21,922)</u>		
Unencumbered cash, June 30	<u>\$ (21,922)</u>	<u>\$ 0</u>		

The accompanying notes are an integral part of this statement.

Baldwin City Unified School District Number 348

Statement 3

SPECIAL REVENUE FUNDS
SPECIAL EDUCATION

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

	2009 Actual	2010		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash receipts				
Local sources				
Interest on idle funds	\$ 1,535	\$ 262	\$ 4,000	\$ (3,738)
Other	0	0	50,000	(50,000)
Other				
Transfer from General	1,163,458	984,014	955,392	28,622
Transfer from Supplemental general	579,322	609,741	535,261	74,480
Total cash receipts	<u>1,744,315</u>	<u>1,594,017</u>	<u>\$ 1,544,653</u>	<u>\$ 49,364</u>
Expenditures				
Instruction				
Salaries				
Certified	49,305	47,871	\$ 47,871	\$ 0
Employee benefits				
Social security	3,963	3,550	3,736	186
Insurance	0	4,543	4,622	79
Other	65	9,700	9,574	(126)
Other purchased services				
Payment to special education coop	450,849	479,013	469,825	(9,188)
Payment to tech school	1,006,988	877,525	821,032	(56,493)
Other	932	687	800	113
Supplies				
Miscellaneous	0	0	41,109	41,109
Student support				
Salaries				
Certified	84,312	83,673	91,596	7,923
Employee benefits				
Social security	5,383	6,274	6,980	706
Insurance	0	7,202	4,622	(2,580)
Other	17,212	10,554	10,045	(509)
Vehicle operating services				
Salaries				
Non-certified	36,885	29,291	38,663	9,372
Employee benefits				
Social security	2,829	2,101	2,958	857
Insurance	0	7	0	(7)
Other	48	34	0	(34)
Other purchased services				
Insurance	1,574	1,892	1,600	(292)
Supplies				
Motor fuel	8,295	9,787	9,800	13
Other	14,010	3,925	14,000	10,075
Total expenditures	<u>1,682,650</u>	<u>1,577,629</u>	<u>\$ 1,578,833</u>	<u>\$ 1,204</u>

The accompanying notes are an integral part of this statement.

Baldwin City Unified School District Number 348

Statement 3

SPECIAL REVENUE FUNDS
SPECIAL EDUCATION

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

	2009	2010		
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Variance Favorable (Unfavorable)
Receipts over (under) expenditures	\$ 61,665	\$ 16,388		
Unencumbered cash, July 1	<u>136,869</u>	<u>198,534</u>		
Unencumbered cash, June 30	\$ <u><u>198,534</u></u>	\$ <u><u>214,922</u></u>		

The accompanying notes are an integral part of this statement.

Baldwin City Unified School District Number 348

Statement 3

SPECIAL REVENUE FUNDS
VOCATIONAL EDUCATION

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

	2009 Actual	2010		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash receipts				
Local sources				
Other				
User Charges	\$ 4,725	\$ 5,175	\$ 6,600	\$ (1,425)
State sources				
Grants	999	0	0	0
Federal sources				
Other	23,327	0	4,500	(4,500)
Other				
Transfer from General	72,160	173,410	69,175	104,235
Transfer from Supplemental general	194,016	153,012	218,500	(65,488)
Total cash receipts	<u>295,227</u>	<u>331,597</u>	<u>\$ 298,775</u>	<u>\$ 32,822</u>
Expenditures				
Instruction				
Salaries				
Certified	246,013	237,314	\$ 237,313	\$ (1)
Employee benefits				
Social security	17,574	17,746	18,354	608
Insurance	0	18,090	18,300	210
Other	272	305	4,508	4,203
Other purchased services	14,846	1,165	0	(1,165)
Supplies				
General supplemental (teaching)	16,522	16,830	20,300	3,470
Total expenditures	<u>295,227</u>	<u>291,450</u>	<u>\$ 298,775</u>	<u>\$ 7,325</u>
Receipts over (under) expenditures	0	40,147		
Unencumbered cash, July 1	<u>0</u>	<u>0</u>		
Unencumbered cash, June 30	<u>\$ 0</u>	<u>\$ 40,147</u>		

The accompanying notes are an integral part of this statement.

Baldwin City Unified School District Number 348

Statement 3

SPECIAL REVENUE FUNDS
KPERs SPECIAL RETIREMENT CONTRIBUTION

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

	<u>2009</u>	<u>2010</u>		<u>Variance</u>
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Favorable</u>
				<u>(Unfavorable)</u>
Cash receipts				
State sources				
KPERs	\$ 609,287	\$ 539,552	\$ <u>712,865</u>	\$ <u>(173,313)</u>
Expenditures				
Instruction				
Employee benefits	365,756	333,658	\$ 437,386	\$ 103,728
Student support				
Employee benefits	14,684	29,999	40,283	10,284
Instructional support				
Employee benefits	34,973	22,607	30,153	7,546
General administration				
Employee benefits	12,795	11,223	14,428	3,205
School administration				
Employee benefits	90,296	59,513	80,950	21,437
Other supplemental services				
Employee benefits	14,440	14,514	18,956	4,442
Operations and maintenance				
Employee benefits	43,320	32,643	43,947	11,304
Student transportation services				
Employee benefits	16,694	24,295	27,446	3,151
Food service				
Employee benefits	<u>16,329</u>	<u>11,100</u>	<u>19,316</u>	<u>8,216</u>
Total expenditures	<u>609,287</u>	<u>539,552</u>	\$ <u>712,865</u>	\$ <u>173,313</u>
Receipts over (under) expenditures	0	0		
Unencumbered cash, July 1	<u>0</u>	<u>0</u>		
Unencumbered cash, June 30	\$ <u>0</u>	\$ <u>0</u>		

The accompanying notes are an integral part of this statement.

Baldwin City Unified School District Number 348

Statement 3

SPECIAL REVENUE FUNDS
CONTINGENCY RESERVE

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, 2008)

	<u>2009</u> <u>Actual</u>	<u>2010</u> <u>Actual</u>
Cash receipts		
Other		
Transfer from General	\$ 0	\$ 48,000
Transfer from Supplemental General	<u>32,000</u>	<u>0</u>
Total cash receipts	32,000	48,000
Expenditures	<u>0</u>	<u>0</u>
Receipts over (under) expenditures	32,000	48,000
Unencumbered cash, July 1	<u>64,000</u>	<u>96,000</u>
Unencumbered cash, June 30	<u>\$ 96,000</u>	<u>\$ 144,000</u>

The accompanying notes are an integral part of this statement.

Baldwin City Unified School District Number 348**Statement 3**SPECIAL REVENUE FUNDS
TEXTBOOK & STUDENT MATERIAL REVOLVINGSTATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
For the Year Ended June 30, 2010
(With Comparative Actual Totals for the Prior Year Ended June 30, 2009)

	<u>2009</u> <u>Actual</u>	<u>2010</u> <u>Actual</u>
Cash receipts		
Local sources		
Book rental fees	\$ 61,441	\$ 62,664
Other	759	884
Other		
Transfer from General	0	0
Transfer from Supplemental general	86,000	60,000
Total cash receipts	<u>148,200</u>	<u>123,548</u>
Expenditures		
Instruction		
Other purchased services		
Other	105	610
Supplies		
Textbook purchases	50,102	118,918
Property	628	1,448
Total expenditures	<u>50,835</u>	<u>120,976</u>
Receipts over (under) expenditures	97,365	2,572
Unencumbered cash, July 1	20,604	121,192
Prior year cancelled encumbrances	<u>3,223</u>	<u>0</u>
Unencumbered cash, June 30	<u>\$ 121,192</u>	<u>\$ 123,764</u>

The accompanying notes are an integral part of this statement.

Baldwin City Unified School District Number 348

SPECIAL REVENUE FUNDS
FEDERAL GRANTS

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>Title I</u>	<u>Title II-A</u>
Cash receipts		
Federal sources		
Federal aid	\$ 113,075	\$ 33,873
	<u>113,075</u>	<u>33,873</u>
Total cash receipts		
Expenditures		
Instruction		
Salaries		
Certified	91,547	28,197
Employee benefits		
Social security	5,857	2,241
Insurance	1,352	3,395
Other	117	40
Purchased professional and technical services	0	0
Other purchased services	0	0
Supplies		
General supplemental (teaching)	10,390	0
Miscellaneous	163	0
Equipment	0	0
General Administration		
Purchased professional and technical services	0	0
Operations and maintenance		
Property	<u>0</u>	<u>0</u>
	<u>109,426</u>	<u>33,873</u>
Total expenditures		
Receipts over (under) expenditures	3,649	0
Unencumbered cash (deficit), July 1	<u>0</u>	<u>0</u>
Unencumbered cash, June 30	\$ <u><u>3,649</u></u>	\$ <u><u>0</u></u>

The accompanying notes are an integral part of this statement.

Statement 3

<u>Title II-D</u>	<u>Title IV Drug Free</u>	<u>Title V Carl Perkins</u>	<u>Total June 30, 2010</u>	<u>Total June 30, 2009</u>
\$ 977	\$ 3,273	\$ 19,178	\$ 170,376	\$ 145,841
<u>977</u>	<u>3,273</u>	<u>19,178</u>	<u>170,376</u>	<u>145,841</u>
0	0	0	119,744	133,673
0	0	0	8,098	9,199
0	0	0	4,746	
0	0	0	157	150
0	0	0	0	830
977	0	19,178	20,155	0
0	3,067	0	13,457	874
0	0	0	163	135
0	0	0	0	228
0	34	0	34	102
<u>0</u>	<u>172</u>	<u>0</u>	<u>172</u>	<u>650</u>
<u>977</u>	<u>3,273</u>	<u>19,178</u>	<u>166,727</u>	<u>145,841</u>
0	0	0	3,649	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,649</u>	<u>\$ 0</u>

The accompanying notes are an integral part of this statement.

Baldwin City Unified School District Number 348

Statement 3

SPECIAL REVENUE FUNDS
STATE AND LOCAL FUNDS

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>Pre K Pilot Grant</u>	<u>Other Grants</u>	<u>Total June 30, 2010</u>	<u>Total June 30, 2009</u>
Cash receipts				
Local sources				
Other	\$ 0	\$ 35,288	\$ 35,288	\$ 58,289
State sources	<u>56,396</u>	<u>0</u>	<u>56,396</u>	<u>39,741</u>
Total cash receipts	<u>56,396</u>	<u>35,288</u>	<u>91,684</u>	<u>98,030</u>
Expenditures				
Instruction				
Salaries				
Certified	32,500	16,605	49,105	39,877
Non certified	13,749	0	13,749	20,632
Employee benefits				
Insurance	4,559	0	4,559	779
Social security	3,235	1,239	4,474	4,456
Other	55	21	76	67
Other purchased services	0	0	0	180
Supplies				
General supplemental (teaching)	2,358	18,536	20,894	20,696
Other	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,000</u>
Total expenditures	<u>56,456</u>	<u>36,401</u>	<u>92,857</u>	<u>96,687</u>
Receipts over (under) expenditures	(60)	(1,113)	(1,173)	1,343
Unencumbered cash, July 1	<u>(1,340)</u>	<u>3,151</u>	<u>1,811</u>	<u>468</u>
Unencumbered cash, June 30	<u><u>\$ (1,400)</u></u>	<u><u>\$ 2,038</u></u>	<u><u>\$ 638</u></u>	<u><u>\$ 1,811</u></u>

The accompanying notes are an integral part of this statement.

Baldwin City Unified School District Number 348

Statement 3

DEBT SERVICE FUND
BOND AND INTEREST

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

	2009	2010		Variance
		Actual	Actual	
				Favorable
				(Unfavorable)
Cash receipts				
Local sources				
Ad valorem tax	\$ 741,052	\$ 1,450,731	\$ 1,411,800	\$ 38,931
Delinquent tax	9,790	15,436	8,894	6,542
Interest on idle funds	0	0	2,500	(2,500)
County sources				
Motor vehicle tax	89,459	88,468	33,174	55,294
Recreational vehicle tax	1,717	1,760	646	1,114
Rental excise tax	49	76	0	76
State sources				
State aid	306,299	504,971	504,971	0
Machinery and equipment aid	7,761	0	0	0
Other				
Transfer from New construction	21,889	22,738	0	22,738
	<u>1,178,016</u>	<u>2,084,180</u>	<u>\$ 1,961,985</u>	<u>\$ 122,195</u>
Total cash receipts				
Expenditures				
Debt services				
Interest	494,740	1,071,311	\$ 1,071,279	\$ (32)
Commission & postage	0	4	500	496
Principal	640,000	670,000	670,000	0
	<u>1,134,740</u>	<u>1,741,315</u>	<u>\$ 1,741,779</u>	<u>\$ 464</u>
Total expenditures				
Receipts over (under) expenditures	43,276	342,865		
Unencumbered cash, July 1	<u>510,377</u>	<u>553,653</u>		
Unencumbered cash, June 30	<u>\$ 553,653</u>	<u>\$ 896,518</u>		

The accompanying notes are an integral part of this statement.

Baldwin City Unified School District Number 348

Statement 3

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

	<u>2009</u> <u>Actual</u>	<u>2010</u> <u>Actual</u>
Cash receipts		
Local sources		
Bond revenue	\$ 10,021,889	\$ 12,922,738
Interest on idle funds	21,765	54,189
Federal sources		
FEMA grant	<u>0</u>	<u>512,204</u>
Total cash receipts	<u>10,043,654</u>	<u>13,489,131</u>
 Expenditures		
General Administration		
Bond issue cost	24,032	0
Other supplemental services		
Technology improvements	268,197	138,247
Facilities acquisition and construction		
Land improvement	50,353	158,222
Architectural and engineering	1,251,632	451,327
Manager fees	980,000	3,635
Building construction	265	15,517,245
Site improvement	12,895	1,078,315
Building improvements	2,805,093	227,446
Operating transfers		
Transfers to bond and interest	<u>21,889</u>	<u>22,738</u>
Total expenditures	<u>5,414,356</u>	<u>17,597,176</u>
Receipts over (under) expenditures	4,629,298	(4,108,045)
Unencumbered cash, July 1	<u>0</u>	<u>4,629,298</u>
Unencumbered cash, June 30	<u>\$ 4,629,298</u>	<u>\$ 521,253</u>

The accompanying notes are an integral part of this statement.

Baldwin City Unified School District Number 348

Statement 4

AGENCY FUNDS

PAYROLL CLEARING, RECREATION COMMISSION AND STUDENT ORGANIZATION ACCOUNTS

STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS

For the Year Ended June 30, 2010

<u>Fund</u>	<u>Cash Balance July 1, 2009</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Cash Balance June 30, 2010</u>
Payroll Clearing	\$ 3,923	\$ 5,504	\$ 4,012	\$ 5,415
Recreation Commission				
General	0	248,780	248,780	0
Employee benefit and special liability	<u>0</u>	<u>79,266</u>	<u>79,266</u>	<u>0</u>
Total recreation commission	<u>0</u>	<u>328,046</u>	<u>328,046</u>	<u>0</u>
Student Organization Accounts				
Baldwin High School				
Art	0	53	0	53
Band	45	2,457	2,257	245
Band trip	27	87	114	0
Baseball	0	6,405	6,396	9
BBB	2,554	3,756	5,094	1,216
Booster Club	0	2,122	2,122	0
Cheerleaders	2,771	16,718	15,247	4,242
Class of 07	190	0	190	0
Class of 10	1,528	1,896	1,498	1,926
Class of 11	541	1,831	1,399	973
Class of 12	801	1,317	1,315	803
Class of 13	0	1,065	200	865
Close up	518	1,620	2,016	122
Cross country	1,438	2,722	3,190	970
Debate	34	6	27	13
FACS	2,713	1,157	951	2,919
FCCLA	882	1,099	1,067	914
Football	1,101	8,133	8,951	283
Forensics	2,505	1,407	1,451	2,461
Girls BB	2,284	1,403	2,732	955
Golf	392	403	373	422
Honor banquet	900	2,137	2,560	477
Honor society	501	527	588	440
International club	67	500	484	83
Letterman club	2,088	1,120	1,236	1,972
Mardi gras game day	0	306	201	105
Pepsi	0	3,500	1,245	2,255
Pom squad	2,284	6,627	6,402	2,509
Scholars' bowl	78	0	0	78
Senior projects	26	346	359	13
Soccer	184	0	21	163
Softball	388	2,079	2,320	147
Spanish trip	0	659	622	37
Stuco	1,862	6,437	7,134	1,165
Student rewards	0	100	35	65

The accompanying notes are an integral part of this statement.

Baldwin City Unified School District Number 348

Statement 4

AGENCY FUNDS

PAYROLL CLEARING, RECREATION COMMISSION AND STUDENT ORGANIZATION ACCOUNTS

STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS

For the Year Ended June 30, 2010

<u>Fund</u>	<u>Cash Balance July 1, 2009</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Cash Balance June 30, 2010</u>
Student Organizations Accounts - continued				
Baldwin High School - continued				
Stuco concessions	\$ 0	\$ 6,264	\$ 6,264	\$ 0
Tennis	353	2,240	2,164	429
Volleyball	1,113	1,693	2,776	30
Winners circle	141	80	220	1
Wrestling	242	4,864	4,830	276
Subtotal Baldwin High School	<u>30,551</u>	<u>95,136</u>	<u>96,051</u>	<u>29,636</u>
Baldwin Junior High				
Band	476	2,065	2,046	495
Cheerleaders	162	5,060	5,166	56
Chorus	513	5,838	4,952	1,399
Football	3,825	1,476	3,243	2,058
Stuco	3,545	12,340	7,526	8,359
Volleyball	134	1,276	1,402	8
Yearbook	1,907	4,612	3,741	2,778
Subtotal Baldwin Junior High	<u>10,562</u>	<u>32,667</u>	<u>28,076</u>	<u>15,153</u>
Marion Springs Elementary				
Student council	1,356	1,457	2,155	658
Music	141	0	60	81
Building rental fee	0	190	170	20
Yearbook	1,012	1,011	1,367	656
Subtotal Marion Springs Elementary School	<u>2,509</u>	<u>2,658</u>	<u>3,752</u>	<u>1,415</u>
Baldwin Elementary Intermediate Center				
Enrollment fees	0	9,311	9,276	35
Student council	1,924	1,181	1,268	1,837
Subtotal Baldwin Elementary Intermediate Center	<u>1,924</u>	<u>10,492</u>	<u>10,544</u>	<u>1,872</u>
Baldwin Elementary Primary School				
All day kindergarten fees	0	21,364	21,334	30
Student council	964	962	707	1,219
Subtotal Baldwin Elementary Primary Center	<u>964</u>	<u>22,326</u>	<u>22,041</u>	<u>1,249</u>
Total student organizations	<u>46,510</u>	<u>163,279</u>	<u>160,464</u>	<u>49,325</u>
Total agency funds	\$ <u>50,433</u>	\$ <u>496,829</u>	\$ <u>492,522</u>	\$ <u>54,740</u>

The accompanying notes are an integral part of this statement.

Baldwin City Unified School District Number 348

DISTRICT ACTIVITY FUNDS

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

	<u>Unencumbered Cash Balance July 1, 2009</u>	<u>Prior Year Cancelled Encumbrances</u>
Gate receipts		
Baldwin High School		
Athletics	\$ 0	\$ 0
Musical	6,065	0
	<hr/>	<hr/>
Subtotal Baldwin High School gate receipts	6,065	0
Baldwin Junior High School		
Athletics	0	0
	<hr/>	<hr/>
Subtotal gate receipts	6,065	0
	<hr/>	<hr/>
School projects		
Baldwin High School		
A.P. Testing	0	0
Administration	1,065	0
Calendar	0	0
Dcoke	121	0
Field trips	184	0
France trip	1,252	0
Graduation	98	0
Journalism	307	0
Lock	68	0
Lib aide club	221	0
Lunch cards	25	0
Parking permits	0	0
Safety day	226	0
Sales tax	0	0
School store	134	0
Staff concessions	169	0
Testing	1,261	0
Training aide	20	0
Video yearbook	520	0
Vocal music	26	0
VPL	0	0
Yearbook	1,549	0
	<hr/>	<hr/>
Subtotal Baldwin High School	7,246	0
	<hr/>	<hr/>

The accompanying notes are an integral part of this statement.

Statement 5

<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Unencumbered Cash Balance June 30, 2010</u>	<u>Outstanding Encumbrances and Accounts Payable</u>	<u>Cash Balance June 30, 2010</u>
\$ 45,502	\$ 45,395	\$ 107	\$ 0	\$ 107
4,188	3,770	6,483	0	6,483
49,690	49,165	6,590	0	6,590
21,186	21,186	0	0	0
70,876	70,351	6,590	0	6,590
4,558	4,558	0	0	0
2,874	3,796	143	0	143
2,727	2,246	481	0	481
0	60	61	0	61
973	1,084	73	0	73
62	33	1,281	0	1,281
0	98	0	0	0
619	809	117	0	117
0	0	68	0	68
69	203	87	0	87
5	0	30	0	30
315	315	0	0	0
0	226	0	0	0
5,257	5,257	0	0	0
1,291	632	793	0	793
0	91	78	0	78
1,051	1,022	1,290	0	1,290
272	292	0	0	0
0	0	520	0	520
5,932	3,210	2,748	0	2,748
300	300	0	0	0
13,134	14,427	256	0	256
39,439	38,659	8,026	0	8,026

Baldwin City Unified School District Number 348

DISTRICT ACTIVITY FUNDS

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

	<u>Unencumbered Cash Balance July 1, 2009</u>	<u>Prior Year Cancelled Encumbrances</u>
School projects- continued		
Baldwin Junior High School		
Building	\$ 1,857	\$ 0
Building concessions	3,611	0
Building improvement	5	0
Bulldog den	38	0
Grants	712	0
Library	82	0
Student	934	0
	<hr/>	<hr/>
Subtotal Baldwin Junior High School	7,239	0
	<hr/>	<hr/>
Vinland Elementary School		
Library	91	0
Planners	9	0
Yearbook	16	0
Greenhouse & landscaping	7	0
Classroom grant	1	0
Classroom projects	75	0
Activity account	33	0
Author visit	68	0
Owl grant	1,014	0
Leadership team	456	0
Music	90	0
Sales tax	0	0
Transportation	0	0
Playground grant	4	0
	<hr/>	<hr/>
Subtotal Vinland Elementary School	1,864	0
	<hr/>	<hr/>
Marion Springs Elementary Center		
4 year olds	129	0
Art	39	0
Classroom projects	577	0
Environmental	351	0
Student planner	347	0
Library	140	0
Field trips	0	0
Playground	779	0
	<hr/>	<hr/>
Subtotal Marion Springs Elementary Center	2,362	0
	<hr/>	<hr/>

The accompanying notes are an integral part of this statement.

Statement 5

<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Unencumbered Cash Balance June 30, 2010</u>	<u>Outstanding Encumbrances and Accounts Payable</u>	<u>Cash Balance June 30, 2010</u>
\$ 12,920	\$ 12,622	\$ 2,155	\$ 0	\$ 2,155
15,956	17,616	1,951	0	1,951
0	0	5	0	5
0	0	38	0	38
0	712	0	0	0
2,477	2,344	215	0	215
4,897	4,262	1,569	0	1,569
<u>36,250</u>	<u>37,556</u>	<u>5,933</u>	<u>0</u>	<u>5,933</u>
57	0	148	0	148
0	0	9	0	9
1,548	1,373	191	0	191
150	0	157	0	157
3,797	2,883	915	0	915
15	80	10	0	10
0	0	33	0	33
0	0	68	0	68
444	1,191	267	0	267
82	5	533	0	533
0	0	90	0	90
52	52	0	0	0
472	470	2	0	2
0	0	4	0	4
<u>6,617</u>	<u>6,054</u>	<u>2,427</u>	<u>0</u>	<u>2,427</u>
45	174	0	0	0
0	0	39	0	39
2,593	664	2,506	0	2,506
750	80	1,021	0	1,021
220	0	567	0	567
20	37	123	0	123
894	861	33	0	33
0	37	742	0	742
<u>4,522</u>	<u>1,853</u>	<u>5,031</u>	<u>0</u>	<u>5,031</u>

Baldwin City Unified School District Number 348

DISTRICT ACTIVITY FUNDS

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

	<u>Unencumbered Cash Balance July 1, 2009</u>	<u>Prior Year Cancelled Encumbrances</u>
School projects- continued		
Baldwin Elementary Intermediate Center		
Bank charges	\$ 0	\$ 0
Classroom support	1,780	0
Yearbook	1,366	0
MARS	1,419	0
Transportation	0	0
Library	312	0
	<hr/>	<hr/>
Subtotal Baldwin Elementary Intermediate Center	4,877	0
	<hr/>	<hr/>
Baldwin Elementary Primary Center		
Classroom support	3,734	0
Family aid	57	0
Library	375	0
Yearbook	3,520	0
	<hr/>	<hr/>
Subtotal Baldwin Elementary Primary Center	7,686	0
	<hr/>	<hr/>
Subtotal school projects	31,274	0
	<hr/>	<hr/>
Total district activity funds	\$ <u>37,339</u>	\$ <u>0</u>

The accompanying notes are an integral part of this statement.

Statement 5

<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Unencumbered Cash Balance June 30, 2010</u>	<u>Outstanding Encumbrances and Accounts Payable</u>	<u>Cash Balance June 30, 2010</u>
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
5,852	5,278	2,354	0	2,354
2,890	2,052	2,204	0	2,204
1,250	1,494	1,175	0	1,175
702	0	702	0	702
126	238	200	0	200
<u>10,820</u>	<u>9,062</u>	<u>6,635</u>	<u>0</u>	<u>6,635</u>
2,383	1,464	4,653	0	4,653
0	0	57	0	57
100	80	395	0	395
2,513	2,058	3,975	0	3,975
<u>4,996</u>	<u>3,602</u>	<u>9,080</u>	<u>0</u>	<u>9,080</u>
<u>102,644</u>	<u>96,786</u>	<u>37,132</u>	<u>0</u>	<u>37,132</u>
<u>\$ 173,520</u>	<u>\$ 167,137</u>	<u>\$ 43,722</u>	<u>\$ 0</u>	<u>\$ 43,722</u>

Baldwin City Unified School District Number 348

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Baldwin City Unified School District Number 348 is a municipal corporation governed by an elected seven-member board. These financial statements present the primary government financial statements and do not include all the entities for which the District is considered to be financially accountable, as required by generally accepted accounting principles. A primary government is a legal entity or public politic and includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. Such legally separate entities are referred to as component units. The Recreation Commission financial data is not included as a component unit in these financial statements. A separate audited financial statement of the Recreation Commission can be obtained from the Recreation Commission. The Foundation financial data is not included as a component unit in these financial statements.

Recreation Commission is a joint recreation system established by the District and the City of Baldwin, Kansas, in accordance with K.S.A. 12-1925. The Commission oversees recreational activities. The tax funds for the operation of the Commission are levied by the District and are remitted directly to the Commission by the County. Bond issues for the Commission must be approved by the District. The Commission can sue and be sued. The acquisition of real property by the Commission must be approved by the District. The Commission as a component unit is not included in these financial statements.

Foundation is a not-for-profit corporation formed under the laws of the State of Kansas. The entity benefits the District's students by raising funds to be used for the students' benefit. The Foundation as a component unit is not included in these financial statements.

B. Basis of Accounting

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

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

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

Baldwin City Unified School District Number 348

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

C. Fund Descriptions

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

The following types of funds comprise the financial activities of the District.

General Funds - to account for all unrestricted resources except those required to be accounted for in other funds.

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

Debt Service Fund - to account for accumulation of resources for, and the payment of, interest and principal on general long-term debt.

Capital Project Fund - to account for bond proceeds used to acquire or construct major capital facilities.

Internal Service Fund - to account for operations that provide service to other funds on a cost-reimbursement basis.

Agency Funds - to account for assets held as an agent for individuals, other governmental units, private organizations, and/or other funds.

D. Assets and Liabilities

1. Cash and Investments

Cash balances from all funds are combined and invested to the extent available in certificates of deposit and other authorized investments. Earnings from these investments are allocated to designated funds. All investments are stated at cost.

2. Compensated Absences

Classified. Twelve-month employees are eligible for vacation leave after completion of one year of continuous employment. Vacation time allowed is based upon years of service. Vacation days must be taken by October 31, following the fiscal year in which the days were earned. Vacation days shall not be cumulative or reimbursable. However, after five years of service, employees may carry five vacation days over to the next fiscal year. A classified employee earns a maximum of one day of sick leave for each month of service with a total accumulation of 65 days. Leave accrued after the 65 day maximum will be reimbursed at a rate of \$20 per day. Four days of personal leave are allowed each year to be used at the employee's discretion. These days can be reimbursed depending on the number of days used at one-half of the employee's daily rate of pay as per their job description. If a staff member uses none of the four personal days, they are reimbursed for two of those days; if one of the four days is used, they are reimbursed for one of the remaining personal days. If two or more of the four personal days are used, the remaining personal days shall become sick days and added to the employee's accumulated sick leave. A sick leave pool is available for employees to participate in at their discretion. A maximum of 15 days may be awarded from the sick leave pool to those members who have applied and are eligible.

Baldwin City Unified School District Number 348

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

2. Compensated Absences - continued

Certified. Each Baldwin certified staff member shall be allowed 12 discretionary days per school year. Any unused days at the end of the school year shall become sick days and be added to the employee's accumulated sick leave. Sick leave can accrue to a maximum of 65 days. Teachers will be reimbursed at a rate equal to 60% of the daily substitute pay for sick leave accrued after the 65-day maximum. Administrators will be reimbursed at a rate equal to 65% of the employee's daily rate of pay for sick leave accrued after the 65-day maximum. Payment will be made by June 30. A sick leave pool is available for all certified teaching staff members to participate in. Not more than 100 days can be awarded from the pool in a given year.

Current year payments for excess accumulated sick leave were \$8,876.

E. Receipts and Expenditures

1. Ad Valorem Tax Revenue

The determination of assessed valuation and the collection of property taxes for all political subdivisions in the State of Kansas are the responsibility of the various counties. The County Appraiser annually determines assessed valuation and the County Clerk spreads the annual assessment on the tax rolls. One-half of the property taxes are due December 20 and distributed to the District by January 20. The second half is due May 10 and distributed to the District by June 5. The District Treasurer draws other available funds from the County Treasurer at designated times throughout the year.

2. Reimbursements

The District records reimbursable expenditures (or expenses) in the fund that makes the disbursement and records reimbursements as revenue to the fund. For purposes of budgetary comparisons, the expenditures (or expenses) are properly offset by the reimbursements.

3. Comparative Prior Year Amounts

The 2009 actual amounts presented in the financial statements have been taken from the audit report for the year ended June 30, 2009 and are presented for comparative purposes only. Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year's presentation.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

- a) Preparation of the budget for the succeeding eighteen month period on or before August 1.
- b) Publication in a local newspaper on or before August 5 of the proposed budget and notice of public hearing on the budget.
- c) Public hearing on or before August 15, but at least ten days after publication of notice of hearing.
- d) Adoption of the final budget on or before August 25.

Baldwin City Unified School District Number 348

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - continued

A. Budgetary Information - continued

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no amendments for June 30, 2010.

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.

Adjustment to Comply with Legal Max. Unified school districts should use this line item (for use in the budget column only) to adjust the certified budget to comply with the "Legal Max" budget. The State Board of Education calculates the "Legal Max" budget using enrollment figures. The District's budgeted expenditures are limited to the lower of the published budget or the "Legal Max" budget.

Adjustment for Qualifying Budget Credits. Municipalities may use this line item for any budgeted fund. The adjustment would be a positive amount. All budget adjustments must be authorized by Kansas statutes. Examples include: expenditure of federal grant monies, reimbursements, gifts and donations, and receipts authorized by law to be spent as if they were reimbursed expenses.

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

A legal operating budget is not required for capital project funds, internal service funds, agency funds and the following special revenue funds:

Textbook & student materials revolving	Gate receipts
Federal grants	School projects
State and local funds	New construction
Contingency reserve	

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

B. Legal Debt Margin

The District is subject to the municipal finance laws of the State of Kansas which limits the net bonded debt (exclusive of revenue bonds and special assessment bonds) the District may have outstanding to 14% of the assessed value of all tangible taxable property within the District, as certified to the County Clerk on the preceding August 25. Additional authority may be granted by the Kansas State Board of Education. At June 30, 2010, the statutory limit for the District was \$10,291,222 thus creating an excess over the limit of \$22,738,778. The outstanding bond principal represents 44.93% of the District valuation. The District obtained permission from the Kansas State Board of Education to issue bonds in excess of its statutory limit.

C. Compliance with Kansas Statutes

References made herein to statutes are not intended as interpretations of law, but are offered for consideration of the Director of Accounts and Reports and interpretation by the legal representative of the District. Management is not aware of any statutory violations for the period covered by this audit.

Baldwin City Unified School District Number 348

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

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

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

Custodial credit risk – deposits. Custodial credit risk is the risk 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 did not have any designed "peak periods" for the current year. All deposits were legally secured at June 30, 2010.

At June 30, 2010, the District's carrying amount of deposits was \$11,659,459 and the bank balance was \$16,933,497. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$500,498 was covered by federal depository insurance and \$12,229,333 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

B. Operating Leases

The District entered into an operating lease for the use of its copiers for a term of 60 months ending July, 2013. The current year rental payment under the lease was \$14,551. The District also entered into an operating lease for telephone service for a term of 60 months ending July, 2014. The current year rental payment under the lease was \$10,620. Minimum future rental payments under operating leases as of June 30, 2011 and June 30, 2012 are \$25,171, \$10,903 for June 30, 2013, and \$10,620 for June 30, 2014.

C. Long-Term Debt

At June 30, 2010, the long-term obligations consisted of the following:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity
General Obligation Bonds				
Series 2001	4.25% to 5.0%	12/01/2001	7,900,000	09/01/2018
Series 2005, Refunding	3.0% to 3.4%	03/01/2005	5,055,000	09/01/2013
Series 2008 A	3.50% to 5.25%	12/15/2008	10,000,000	09/01/2029
Series 2009 A	1.75% to 4.00%	12/15/2009	12,900,000	09/01/2030
Series 2009 B Refunding	1.75% to 4.00%	12/15/2009	5,000	03/01/2010
Temporary Notes	3.50%	11/01/2006	386,000	09/01/2010
Capital Leases				
Land - 92 acres	5.17%	07/25/2001	500,000	07/20/2010
Temperature controls	6.40%	09/01/2001	247,648	09/01/2011
Land - Rhulen	7.00%	04/01/2003	180,000	04/01/2011
Apple computers	6.34%	07/16/2008	42,631	01/20/2011
Bobcat loader	5.90%	11/17/2008	22,761	11/17/2009
Apple computers	5.34%	08/10/2005	136,045	08/10/2009
Apple computers	6.00%	07/20/2006	234,495	07/20/2009
Apple computers	5.73%	09/28/2007	141,274	01/15/2010

Baldwin City Unified School District Number 348

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

III. DETAILED NOTES ON ALL FUNDS – continued

C. Long-Term Debt - continued

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

	Balance July 1, 2009	Additions	Reductions/ Payments	Balance June 30, 2010	Interest Paid
General Obligation Bonds					
Series 2001	\$ 7,900,000	\$ 0	\$ (15,000)	\$ 7,885,000	\$ 394,194
Series 2005, Refunding	2,765,000	0	(650,000)	2,115,000	80,900
Series 2008 A	10,000,000	0	0	10,000,000	596,185
Series 2009 A	0	12,900,000	0	12,900,000	0
Series 2009 B Refunding	0	5,000	(5,000)	0	33
Temporary Notes	265,000	0	(130,000)	135,000	7,000
Capital Leases					
Land - 92 acres	115,152	0	(56,125)	59,027	5,953
Temperature controls	90,994	0	(28,470)	62,524	5,824
Land - Rhulen	49,960	0	(24,135)	25,825	3,497
Apple computers	24,095	0	(11,677)	12,418	1,528
Bobcat loader	22,761	0	(22,761)	0	1,380
Apple computers	28,585	0	(28,585)	0	1,527
Apple computers	60,229	0	(60,229)	0	3,614
Apple computers	44,458	0	(44,458)	0	2,551
Total long-term debt	\$ 21,366,234	\$ 12,905,000	\$ (1,076,440)	\$ 33,194,794	\$ 1,104,186

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

Year	General Obligation		Temporary Notes		Capital Leases		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2011	745,000	1,606,435	135,000	2,363	127,562	9,648	1,007,562	1,618,446
2012	825,000	1,465,998	0	0	32,232	2,063	857,232	1,468,061
2013	780,000	1,434,625	0	0	0	0	780,000	1,434,625
2014	1,030,000	1,396,183	0	0	0	0	1,030,000	1,396,183
2015	1,390,000	1,342,848	0	0	0	0	1,390,000	1,342,848
2016 to 2020	8,785,000	5,500,683	0	0	0	0	8,785,000	5,500,683
2021 to 2025	7,005,000	3,877,080	0	0	0	0	7,005,000	3,877,080
2026 to 2030	10,840,000	1,809,117	0	0	0	0	10,840,000	1,809,117
2031 to 2035	1,500,000	37,500	0	0	0	0	1,500,000	37,500
	\$ 32,900,000	\$ 18,470,469	\$ 135,000	\$ 2,363	\$ 159,794	\$ 11,711	\$ 33,194,794	\$ 18,484,543

The temporary notes issued November 2006 were bonded out of the capital outlay fund. Debt payments will be made from property taxes levied for that fund.

Baldwin City Unified School District Number 348

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

III. DETAILED NOTES ON ALL FUNDS – continued

D. Other Long-Term Obligations

Changes in long-term obligations, other than debt, for the year ended June 30, 2010, are as follows:

	<u>Balance</u> <u>July 1,</u> <u>2009</u>	<u>Net</u> <u>Change</u>	<u>Balance</u> <u>June 30,</u> <u>2010</u>
Compensated absences	\$ 68,189	\$ (21,420)	\$ 46,769
Total other long-term obligations	\$ <u>68,189</u>	\$ <u>(21,420)</u>	\$ <u>46,769</u>

Compensated absences are paid by the fund from which the employee is normally paid.

IV. OTHER INFORMATION

A. Defined Benefit Pension Plan

Plan description. The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.* KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S Kansas, 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% of covered salary. Member-employees' contributions are withheld by their employer and paid to KPERS according to the provisions of section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. Kansas currently contributes 8.57% of covered payroll. These contribution requirements are established by KPERS and are periodically revised. Kansas' contributions to KPERS for all Kansas public school employees for the years ending June 30, 2010, 2009, and 2008 were \$248,468,186, \$242,277,363, and \$220,815,154, respectively, equal to the required contributions for each year.

B. Termination Benefits

The District provides an early retirement incentive plan for eligible employees. Eligible employees are certified staff who are currently employed full time, have served a minimum of ten years of service in the District, have been enrolled in the district insurance for one year, and are retiring under KPERS (85 points or minimum age requirement). The plan provides \$300 a month benefit per employee, payable for five consecutive years after retirement or, until the calendar year the employee reaches 65 years of age. The remaining balance of the monthly premium is the responsibility of the employee which is to be paid to the District the first of each month with a two percent handling fee. The plan is an unfunded, noncontributory, defined benefit plan. Current year cost of the plan is \$86,000.

The District also provides classified and certified employees who have fifteen or more years of service in the District who resign or retire shall be reimbursed at the rate of \$15 per day for all unused accumulated sick leave. Employees who have service in the District for ten years or more will receive \$10 per day for all unused accumulated sick leave when they resign or retire. Current year cost of the plan was \$1,841.

Baldwin City Unified School District Number 348

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

IV. OTHER INFORMATION - continued

C. Other Post Employment Benefits

As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the local government is subsidizing the retirees because each participant is charged a level of premium regardless of age. The district paid \$3,900 for 2 retirees for the year ended June 30, 2010 and \$2,400 for 1 retiree for the year ended June 30, 2009.

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

D. Flexible Benefit Plan (I.R.C. Section 125)

The Board adopted by resolution a salary-reduction flexible benefit plan ("Plan") under Section 125 of the Internal Revenue Code. All employees of the District are eligible to participate in the Plan beginning the first day of the month following thirty days of employment. Each participant may elect to reduce his or her salary to purchase benefits offered through the Plan. Currently, all benefits offered through the Plan involve insurance coverage.

E. Contingencies

The District receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the District at June 30, 2010.

F. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. Insurance claims for the preceding three years have not exceeded insurance coverage.

Baldwin City Unified School District Number 348

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

G. Transfers

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
General	At risk (4 yr old)	K.S.A. 72-6428	\$ 102,901
General	At risk (K-12)	K.S.A. 72-6428	334,670
General	Special education	K.S.A. 72-6428	984,014
General	Vocational education	K.S.A. 72-6428	173,410
General	Contingency reserve	K.S.A. 72-6428	48,000
Supplemental general	Bilingual education	K.S.A. 72-6434	688
Supplemental general	Professional development	K.S.A. 72-6433	14,680
Supplemental general	Parent education program	K.S.A. 72-6433	56,998
Supplemental general	Special education	K.S.A. 72-6433	609,741
Supplemental general	Vocational education	K.S.A. 72-6433	153,012
Supplemental general	Textbook & student materials revolving	K.S.A. 72-6433	60,000
New construction	Bond and interest	K.S.A. 72-6433	22,738
General	Bilingual Education	K.S.A. 72-6433	849

H. Subsequent Events

The District evaluated subsequent events through February 24, 2010, the date the financial statements were available to be issued. The District has refinanced part of the Series 2001 Bonds and made the decision to close Marion Springs and Vinland Elementary Schools due to budget cuts from the State of Kansas.

I. Compliance With K.S.A. 72-6417(d) and K.S.A. 72-6434(d)

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

Baldwin City Unified School District Number 348

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

I. Compliance With K.S.A. 72-6417(d) and K.S.A. 72-6434(d) continued

GENERAL FUND

STATUTORY REVENUE AND EXPENDITURES - STATUTORY AND BUDGET

For the Year Ended June 30, 2010

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

	2009		2010	
	Actual	Actual	Budget	Variance Favorable (Unfavorable)
Statutory revenues				
Local sources				
Ad valorem tax	\$ 1,320,424	\$ 1,309,571	\$ 1,278,701	\$ 30,870
Delinquent tax	16,442	26,441	15,841	10,600
Other				
Other	0	59,764	0	59,764
Rent	16,672	11,965	0	11,965
Reimbursements	161,660	84,106	0	84,106
Federal sources				
ARRA funds	0	373,384	373,384	0
State sources				
General state aid	6,160,691	5,265,998	5,611,483	(345,485)
Mineral production tax	110	0	0	0
Machinery and equipment aid	15,095	0	0	0
Special education aid	1,163,351	984,014	955,392	28,622
Other	7,800	0	0	0
Total statutory revenues	<u>8,862,245</u>	<u>8,115,242</u>	<u>\$ 8,234,801</u>	<u>\$ (119,559)</u>
Expenditures				
Instruction	3,337,828	3,119,400	\$ 3,091,833	\$ (27,567)
Student support services	297,034	188,236	173,197	(15,039)
Instructional support staff	374,908	313,870	360,212	46,342
General administration	219,966	223,966	237,775	13,809
School administration	1,081,065	989,760	1,013,456	23,696
Operations and maintenance	1,260,575	1,030,629	1,169,105	138,476
Student transportation service				
Supervision	34,057	39,414	40,745	1,331
Vehicle operating services	270,301	226,625	289,898	63,273
Vehicle services & maintenance services	56,527	73,724	70,618	(3,106)
Other supplemental services	237,117	265,775	254,705	(11,070)
Operating transfers	1,693,195	1,643,844	1,533,257	(110,587)
Adjustment to comply with legal max			<u>(275,394)</u>	<u>(275,394)</u>
Legal operating budget	8,862,573	8,115,243	7,959,407	(155,836)
Adjustment for qualifying budget credits	0	0	155,836	155,836
Total expenditures	<u>8,862,573</u>	<u>8,115,243</u>	<u>\$ 8,115,243</u>	<u>\$ 0</u>
Receipts over (under) expenditures	(328)	(0)		
Statutory unencumbered cash, July 1	200	0		
Prior year cancelled encumbrances	128	0		
Statutory unencumbered cash, June 30	<u>\$ 0</u>	<u>\$ (0)</u>		

Baldwin City Unified School District Number 348

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

I. Compliance With K.S.A. 72-6417(d) and K.S.A. 72-6434(d) continued

SUPPLEMENTAL GENERAL

STATUTORY REVENUE AND EXPENDITURES - STATUTORY AND BUDGET

For the Year Ended June 30, 2010

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

	2009 Actual	2010		Variance Favorable (Unfavorable)
		Actual	Budget	
Statutory revenues				
Local sources				
Ad valorem tax	\$ 1,287,826	\$ 1,226,242	\$ 1,166,783	\$ 59,459
Delinquent tax	17,477	26,069	72,679	(46,610)
County sources				
Motor vehicle tax	184,842	147,916	238,061	(90,145)
Recreational vehicle tax	3,554	2,942	4,633	(1,691)
Rental excise tax	30	81	0	81
Federal sources				
ARRA funds	0	294,348	0	294,348
State sources				
Equalization aid	1,084,918	866,341	0	866,341
Machinery and equipment aid	13,502	0	0	0
Total statutory revenues	<u>2,592,149</u>	<u>2,563,939</u>	<u>\$ 1,482,156</u>	<u>\$ 1,081,783</u>
Expenditures				
Instruction	1,459,261	1,534,403	\$ 1,585,032	\$ 50,629
Student support services	0	14,436	13,900	(536)
Instructional support staff	0	48,204	14,400	(33,804)
School administration	10,278	10,267	10,300	33
Operations & maintenance	28,096	96,607	95,300	(1,307)
Student transportation services	0	11,303	9,600	(1,703)
Operating transfers	1,122,308	895,119	915,615	20,496
Total expenditures	<u>2,619,943</u>	<u>2,610,339</u>	<u>\$ 2,644,147</u>	<u>\$ 33,808</u>
Receipts over (under) expenditures	(27,794)	(46,400)		
Statutory unencumbered cash, July 1	74,194	46,400		
Statutory unencumbered cash, June 30	<u>\$ 46,400</u>	<u>\$ (0)</u>		

SUPPLEMENTAL INFORMATION

Baldwin City Unified School District Number 348

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended June 30, 2010

Federal Grant Pass Through Grantor/ Program Title	Federal CFDA Number	Cash Receipts	Expenditures
U.S DEPARTMENT OF AGRICULTURE			
<i>Pass-through Kansas Department of Education</i>			
National School Lunch Program	10.555	\$ 133,513	\$ 133,513
Cash for Commodities	10.555	29,503	29,503
Special Milk	10.556	1,404	1,404
Team Nutrition Training Grant	10.574	200	200
School Breakfast Program	10.553	23,720	23,720
TOTAL DEPARTMENT OF AGRICULTURE		<u>188,340</u>	<u>188,340</u>
 U.S. DEPARTMENT OF EMERGENCY MANAGEMENT			
<i>Direct Grant-FEMA</i>			
Fema Grant	97.000	<u>512,204</u>	<u>512,204</u>
 U.S. DEPARTMENT OF EDUCATION			
<i>Pass-through Kansas Department of Education</i>			
Title I	84.010	113,075	113,075
ARRA Stabilization	84.394	* 667,732	667,732
Vocational Education	84.048	19,178	19,178
Title IV Drug Free Schools	84.186	3,273	3,273
School Preparedness	84.302	1,000	1,000
Technology Literacy Challenge Title IID	84.318	977	977
Title II - Improving Teacher Quality	84.367	33,873	33,873
Data Use Grant	84.372	800	800
Title IID Technology Literacy	84.386	* 2,404	2,404
Title I Low Income	84.389	* 34,696	34,696
TOTAL DEPARTMENT OF EDUCATION		<u>877,008</u>	<u>877,008</u>
 TOTAL FEDERAL AWARDS		 <u>\$ 1,577,552</u>	 <u>\$ 1,577,552</u>
TOTAL ARRA MONIES		<u>\$ 704,832</u>	

BASIS OF ACCOUNTING

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

SPECIAL REPORTS

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

Board of Education
Baldwin City Unified School District Number 348
Baldwin City, Kansas

We have audited the financial statements of Baldwin City Unified School District Number 348, Baldwin City, Kansas as of and for the year ended June 30, 2010, and have issued our report thereon dated February 24, 2011. The District prepares its financial statements on a basis of accounting which 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. 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 the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies 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 the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

However, we noted certain matters involving the internal control over financial reporting that we have reported to management in a separate report letter dated February 24, 2011.

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

Agler & Gaeddert, Chartered

Ottawa, Kansas
February 24, 2011

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT
ON EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Education
Baldwin City Unified School District Number 348
Baldwin City, Kansas

Compliance

We have audited the compliance of Baldwin City Unified School District Number 348, Baldwin City, Kansas with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2010. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

Internal Control over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the 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 the District's internal control over compliance.

A *deficiency in 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 and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

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

Oster & Haddist, Chartered

Ottawa, Kansas
February 24, 2011

Baldwin City Unified School District Number 348

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

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	<u>Unqualified</u>
Internal control over financial reporting	
Material weakness(es) identified?	<u>No</u>
Significant deficiencies identified not considered to be material weaknesses:	<u>None reported</u>
Noncompliance material to financial statements noted?	<u>No</u>

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	<u>No</u>
Significant deficiencies identified not considered to be material weaknesses:	<u>None reported</u>
Type of auditor's report issued on compliance for major programs:	<u>Unqualified</u>
Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section .510(a)?	<u>No</u>

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>	<u>Amount</u>
84.394	ARRA Stabilization	667,732
97.000	FEMA Grant	512,204

Dollar threshold used to distinguish between Type A and Type B programs: \$ 300,000

Auditee qualified as a low-risk auditee? No

District did not have a single audit in previous two years so does not qualify as a low risk auditee.