

UNIFIED SCHOOL DISTRICT NO. 217
Rolla, Kansas

FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2011

UNIFIED SCHOOL DISTRICT NO. 217
Rolla, Kansas

FINANCIAL STATEMENTS
For the fiscal year ended June 30, 2011

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FINANCIAL STATEMENTS
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UNIFIED SCHOOL DISTRICT NO. 217
Rolla, Kansas

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Board of Education
Unified School District No. 217
Rolla, Kansas 67954

We have audited the accompanying financial statements of Unified School District No. 217, as of and for the year ended June 30, 2011, as listed in the table of contents. These statutory basis financial statements are the responsibility of the School District's management. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the Rolla Recreation Commission, which reflect unencumbered cash of \$83,262 as of June 30, 2011, and total receipts of \$170,370 for the year then ended. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Rolla Recreation Commission in the component unit section, is based solely on the report of the other auditors.

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

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

In our opinion, because of the effects of the matters discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the School District as of June 30, 2011, or the changes in its financial position for the year then ended.

The Board of Education
Unified School District No. 217
Rolla, Kansas 67954

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In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of Unified School District No. 217, as of June 30, 2011, and its cash receipts and expenditures and budgetary comparisons for the year then ended on the basis of accounting described in Note 1.

Hay.Rice & Associates, Chartered

September 16, 2011

UNIFIED SCHOOL DISTRICT NO. 217
Rolla, Kansas

Statement 1

SUMMARY OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
For the fiscal year ended June 30, 2011

<u>Funds</u>	<u>Beginning</u> <u>Unencumbered</u> <u>Cash</u>	<u>Prior Year</u> <u>Cancelled</u> <u>Encumbrances</u>	<u>Cash</u> <u>Receipts</u>	<u>Expenditures</u>	<u>Ending</u> <u>Unencumbered</u> <u>Cash</u>	<u>Outstanding</u> <u>Encumbrances</u> <u>& Accounts</u> <u>Payable</u>	<u>Ending</u> <u>Cash</u> <u>Balance</u>
Governmental Type Funds:							
General Fund	\$ 18,235	\$ 1,595	\$1,786,881	\$1,805,115	\$ 1,596	\$ 2,857	\$ 4,453
Supplemental General	66,660	-	616,521	613,498	69,683	6,093	75,776
Special Revenue Funds:							
Summer School	6,931	-	-	5,924	1,007	-	1,007
Adult Education	20,194	-	-	1,825	18,369	-	18,369
Capital Outlay	3,086,481	-	403,971	407,922	3,082,530	-	3,082,530
Driver Training	22,754	-	4,652	2,424	24,982	-	24,982
Bilingual	11,190	-	35,000	45,818	372	636	1,008
Food Service	39,285	-	141,325	150,015	30,595	-	30,595
Professional Development	20,608	-	-	9,139	11,469	-	11,469
Special Education	114,901	-	152,180	161,042	106,039	-	106,039
Vocational Education	-	-	134,100	134,094	6	860	866
KPERS Retirement	-	-	112,170	112,170	-	-	-
Recreation Commission General	26,396	-	143,503	151,000	18,899	-	18,899
Recreation Comm. Employees' Benefits	4,945	-	8,532	10,000	3,477	-	3,477
Title II Improving Teacher Quality	2,541	552	10,190	6,224	7,059	2,154	9,213
Title I Low Income	7,928	1,751	39,747	48,859	567	606	1,173
Reap	(12,380)	-	23,717	11,337	-	-	-
At Risk	6,153	-	133,500	135,978	3,675	1,595	5,270
Contingency Reserve	110,026	-	-	689	109,337	-	109,337
Gifts and Donations	739	-	550	-	1,289	-	1,289
Irma Kraber Memorial	105	-	-	-	105	-	105
District Activity Funds	2,213	-	52,492	50,958	3,747	-	3,747
Debt Service Fund – Bond and Interest	740,596	-	495,397	498,850	737,143	-	737,143
Total Primary Government	<u>\$4,296,501</u>	<u>\$ 3,898</u>	<u>\$4,294,428</u>	<u>\$4,362,881</u>	<u>\$4,231,946</u>	<u>\$ 14,801</u>	<u>\$4,246,747</u>
Component Units – Recreation Commission:							
General Fund	\$ 108,553	-	\$ 160,370	\$ 204,636	\$ 64,287	\$ 5,361	\$ 69,648
Employees' Benefits	16,361	-	10,000	14,233	12,128	1,485	13,613
Total Component Units	<u>\$ 124,914</u>	<u>-</u>	<u>\$ 170,370</u>	<u>\$ 218,869</u>	<u>\$ 76,415</u>	<u>\$ 6,846</u>	<u>\$ 83,261</u>
Total Reporting Entity (Excluding Agency Funds)	<u>\$4,421,415</u>	<u>\$ 3,898</u>	<u>\$4,464,798</u>	<u>\$4,581,750</u>	<u>\$4,308,361</u>	<u>\$ 21,647</u>	<u>\$4,330,008</u>

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

UNIFIED SCHOOL DISTRICT NO. 217
Rolla, Kansas

Statement 1
(Continued)

SUMMARY OF CASH RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH

For the fiscal year ended June 30, 2011

Composition of Cash:			
Cash in Checking:			
Board account	\$1,539,626		
Petty cash	500		
Activity Fund	<u>43,863</u>	\$1,583,989	
Investments and Time Deposits:			
Board account		<u>2,702,766</u>	
Total Primary Government			\$4,286,755
Component Unit:			
Recreation Commission:			
Cash in savings		\$ 33,206	
Cash in checking		<u>50,055</u>	83,261
Agency Funds			<u>(40,008)</u>
Total Reporting Entity (Excluding Agency Funds)			<u>\$4,330,008</u>

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

UNIFIED SCHOOL DISTRICT NO. 217
Rolla, Kansas

Statement 2

SUMMARY OF EXPENDITURES – ACTUAL AND BUDGET
(BUDGETED FUNDS ONLY)
For the fiscal year ended June 30, 2011

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustment to Comply with Legal Max</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Favorable (Unfavor.)</u>
Governmental Type Funds:					
General Fund	\$1,867,987	\$ (62,872)	\$1,805,115	\$1,805,115	\$ -
Supplemental General	621,079	(7,581)	613,498	613,498	-
Special Revenue Funds:					
Summer School	5,924	-	5,924	5,924	-
Adult Education	1,825	-	1,825	1,825	-
Capital Outlay	384,867	-	384,867	407,922	(23,055)
Driver Training	3,240	-	3,240	2,424	816
Bilingual	47,462	-	47,462	45,818	1,644
Food Service	150,015	-	150,015	150,015	-
Professional Development	13,650	-	13,650	9,139	4,511
Special Education	196,485	-	196,485	161,042	35,443
Vocational Education	99,800	-	99,800	134,094	(34,294)
KPERS Retirement Contribution	72,390	-	72,390	112,170	(39,780)
At Risk	194,460	-	194,460	135,978	58,482
Recreation Commission General	151,000	-	151,000	151,000	-
Recreation Commission Employees' Benefits	10,000	-	10,000	10,000	-
Bond and Interest	527,775	-	527,775	498,850	28,925

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

UNIFIED SCHOOL DISTRICT NO. 217
Rolla, Kansas

Statement 3

STATEMENTS OF CASH RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET

UNIFIED SCHOOL DISTRICT NO. 217
Rolla, Kansas

Statement 3-1

GENERAL FUND
STATEMENT OF CASH RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET

For the fiscal year ended June 30, 2011
(with comparative actual totals for the prior year ended June 30, 2010)

	Current Year		Variance	Prior
<u>Cash Receipts</u>	<u>Actual</u>	<u>Budget</u>	<u>Favorable</u>	<u>Year</u>
			<u>(Unfavor.)</u>	<u>Actual</u>
Local Sources:				
Ad Valorem Tax Levied:				
Current	\$1,394,353	\$1,271,500	\$ 122,853	\$ 1,829,902
Delinquent	6,625	1,448	5,177	12,927
In lieu of taxes	2,392	-	2,392	2,361
State Sources:				
Mineral production tax	119,787	-	119,787	67,082
Special Education Aid	118,751	126,863	(8,112)	119,180
State aid	50,656	415,655	(364,999)	901,876
Payment to State	-	-	-	(1,238,326)
Federal Sources:				
ARRA Stabilization Funds	34,285	34,285	-	90,307
Education Jobs Fund	60,032	-	60,032	-
Total cash receipts	<u>\$1,786,881</u>	<u>\$1,849,751</u>	<u>\$ (62,870)</u>	<u>\$ 1,785,309</u>
 <u>Expenditures and Transfers Subject to Legal Maximum Budget</u>				
Instruction	\$ 580,812	\$ 551,066	\$ (29,746)	\$ 479,430
Instructional support staff	47,779	45,760	(2,019)	44,116
General administration	167,085	180,572	13,487	168,454
School administration	140,838	154,603	13,765	144,758
Operations and maintenance	341,460	198,469	(142,991)	305,804
Transportation	101,956	126,832	24,876	81,359
Other support services	14,652	46,430	31,778	12,396
ARRA Teacher salaries	34,285	-	(34,285)	90,307
Education Jobs Fund	60,032	-	(60,032)	-
Transfers	316,216	564,255	248,039	500,441
Adjustment to comply with legal max	-	(62,872)	(62,872)	-
Total expenditures and transfers subject to legal maximum budget	<u>\$1,805,115</u>	<u>\$1,805,115</u>	<u>-</u>	<u>\$ 1,827,065</u>
Receipts over (under) expenditures	\$ (18,234)			\$ (41,756)
Unencumbered Cash, Beginning	18,235			54,592
Prior year cancelled encumbrances	1,595			5,399
Unencumbered Cash, Ending	<u>\$ 1,596</u>			<u>\$ 18,235</u>

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

UNIFIED SCHOOL DISTRICT NO. 217
Rolla, Kansas

Statement 3-2

SUPPLEMENTAL GENERAL FUND
STATEMENT OF CASH RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET

For the fiscal year ended June 30, 2011
(with comparative actual totals for the prior year ended June 30, 2010)

	Current Year		Variance	Prior
	Actual	Budget	Favorable	Year
			(Unfavor.)	Actual
<u>Cash Receipts</u>				
Local Sources:				
Ad Valorem Tax Levied:				
Current	\$606,539	\$ 4,155	\$ 602,384	\$568,109
Delinquent	2,382	449	1,933	4,093
In lieu of taxes	736	-	736	-
Motor vehicle tax	6,864	7,081	(217)	5,930
Total cash receipts	\$616,521	\$ 11,685	\$ 604,836	\$578,132
<u>Expenditures and Transfers</u>				
<u>Subject to Budget</u>				
Instruction	\$471,264	\$621,079	\$ 149,815	\$610,040
Transfers	142,234	-	(142,234)	-
Adjustment to comply with legal max	-	(7,581)	(7,581)	-
Total expenditures and transfers subject to legal maximum budget	\$613,498	\$613,498	-	\$610,040
Receipts over (under) expenditures	\$ 3,023			\$ (31,908)
Unencumbered Cash, Beginning	66,660			98,568
Unencumbered Cash, Ending	\$ 69,683			\$ 66,660

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

UNIFIED SCHOOL DISTRICT NO. 217
Rolla, Kansas

Statement 3-3

SUMMER SCHOOL FUND
STATEMENT OF CASH RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET

For the fiscal year ended June 30, 2011
(with comparative actual totals for the prior year ended June 30, 2010)

	Current Year		Variance	Prior
	Actual	Budget	Favorable (Unfavor.)	Year Actual
<u>Cash Receipts</u>	-	-	-	-
<u>Expenditures and Transfers</u>				
<u>Subject to Budget</u>				
Instruction	\$ 5,924	\$ 5,500	\$ (424)	\$ 7,148
Operations and maintenance	-	424	424	806
Total expenditures and transfers subject to budget	\$ <u>5,924</u>	\$ <u>5,924</u>	-	\$ <u>7,954</u>
Receipts over (under) expenditures	\$ (5,924)			\$ (7,954)
Unencumbered Cash, Beginning	<u>6,931</u>			<u>14,885</u>
Unencumbered Cash, Ending	<u>\$ 1,007</u>			<u>\$ 6,931</u>

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

UNIFIED SCHOOL DISTRICT NO. 217
Rolla, Kansas

Statement 3-4

ADULT EDUCATION FUND
STATEMENT OF CASH RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET

For the fiscal year ended June 30, 2011
(with comparative actual totals for the prior year ended June 30, 2010)

	Current Year			
	Actual	Budget	Variance Favorable (Unfavor.)	Prior Year Actual
<u>Cash Receipts</u>				
Transfers:				
General Fund	\$ -	<u>-</u>	<u>-</u>	\$ 2,783
 <u>Expenditures and Transfers</u>				
<u>Subject to Budget</u>				
Instruction	<u>1,825</u>	\$ <u>1,825</u>	<u>-</u>	<u>1,794</u>
Receipts over (under) expenditures	\$ (1,825)			\$ 989
Unencumbered Cash, Beginning	<u>20,194</u>			<u>19,205</u>
Unencumbered Cash, Ending	<u>\$ 18,369</u>			<u>\$ 20,194</u>

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

UNIFIED SCHOOL DISTRICT NO. 217
Rolla, Kansas

Statement 3-5

CAPITAL OUTLAY FUND
STATEMENT OF CASH RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET

For the fiscal year ended June 30, 2011
(with comparative actual totals for the prior year ended June 30, 2010)

	Current Year		Variance	Prior
	Actual	Budget	Favorable	Year
<u>Cash Receipts</u>	<u>Actual</u>	<u>Budget</u>	<u>(Unfavor.)</u>	<u>Actual</u>
Local Sources:				
Ad Valorem Tax Levied:				
Current	\$ 351,889	\$320,950	\$ 30,939	\$ 424,118
Delinquent	1,763	336	1,427	3,316
In lieu of tax	551	-	551	585
Motor vehicle tax	4,768	4,880	(112)	4,981
Interest on idle funds	42,133	-	42,133	31,382
Miscellaneous income	2,867	-	2,867	554
Total cash receipts	\$ 403,971	\$326,166	\$ 77,805	\$ 464,936
 <u>Expenditures and Transfers</u>				
<u>Subject to Budget</u>				
Instruction	\$ 26,012	\$100,000	\$ 73,988	\$ 88,523
General administration	18,741	2,867	(15,874)	1,758
Support services	846	-	(846)	303
Central services	26,603	-	(26,603)	2,066
Operations and maintenance	72,990	150,000	77,010	112,075
Transportation	-	2,000	2,000	1,821
Land improvement	101,157	-	(101,157)	-
New building acquisition/ construction	4,103	30,000	25,897	11,896
Building improvements	157,470	100,000	(57,470)	72,399
Other	-	-	-	18,073
Total expenditures and transfers subject to budget	\$ 407,922	\$384,867	\$ (23,055)	\$ 308,914
Receipts over (under) expenditures	\$ (3,951)			\$ 156,022
Unencumbered Cash, Beginning	3,086,481			2,929,200
Prior year cancelled encumbrances	-			1,259
Unencumbered Cash, Ending	\$3,082,530			\$3,086,481

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

UNIFIED SCHOOL DISTRICT NO. 217
Rolla, Kansas

Statement 3-6

DRIVER TRAINING FUND
STATEMENT OF CASH RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET

For the fiscal year ended June 30, 2011
(with comparative actual totals for the prior year ended June 30, 2010)

	Current Year			
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavor.)</u>	<u>Prior</u> <u>Year</u> <u>Actual</u>
<u>Cash Receipts</u>				
Local Sources:				
Driver education tuition	\$ 3,394	\$ -	\$ 3,394	\$ 102
State Sources:				
State safety aid	<u>1,258</u>	<u>1,190</u>	<u>68</u>	<u>850</u>
Total cash receipts	<u>\$ 4,652</u>	<u>\$ 1,190</u>	<u>\$ 3,462</u>	<u>\$ 952</u>
<u>Expenditures and Transfers</u>				
<u>Subject to Budget</u>				
Instruction	\$ 2,424	\$ 3,240	\$ 816	\$ -
Vehicle operations and maintenance	<u>-</u>	<u>-</u>	<u>-</u>	<u>207</u>
Total expenditures and transfers subject to budget	<u>\$ 2,424</u>	<u>\$ 3,240</u>	<u>\$ 816</u>	<u>\$ 207</u>
Receipts over (under) expenditures	\$ 2,228			\$ 745
Unencumbered Cash, Beginning	<u>22,754</u>			<u>22,009</u>
Unencumbered Cash, Ending	<u>\$ 24,982</u>			<u>\$ 22,754</u>

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

UNIFIED SCHOOL DISTRICT NO. 217
Rolla, Kansas

Statement 3-7

BILINGUAL FUND
STATEMENT OF CASH RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET

For the fiscal year ended June 30, 2011
(with comparative actual totals for the prior year ended June 30, 2010)

	Current Year		Variance Favorable (Unfavor.)	Prior Year Actual
	Actual	Budget		
<u>Cash Receipts</u>				
Transfers:				
General Fund	\$ 35,000	\$ <u>40,000</u>	\$ <u>(5,000)</u>	\$ 49,284
 <u>Expenditures and Transfers</u>				
<u>Subject to Budget</u>				
Instruction	<u>45,818</u>	\$ <u>47,462</u>	\$ <u>1,644</u>	<u>52,576</u>
Receipts over (under) expenditures	\$ (10,818)			\$ (3,292)
Unencumbered Cash, Beginning	11,190			14,465
Prior year cancelled encumbrances	<u>-</u>			<u>17</u>
Unencumbered Cash, Ending	\$ <u>372</u>			\$ <u>11,190</u>

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

UNIFIED SCHOOL DISTRICT NO. 217
Rolla, Kansas

Statement 3-8

FOOD SERVICE FUND
STATEMENT OF CASH RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET

For the fiscal year ended June 30, 2011
(with comparative actual totals for the prior year ended June 30, 2010)

	Current Year		Variance	Prior
	Actual	Budget	Favorable	Year
			(Unfavor.)	Actual
<u>Cash Receipts</u>				
Local Sources:				
Charges for services	\$ 35,299	\$ 35,884	\$ (585)	\$ 38,160
State Sources:				
School food assistance	5,135	922	4,213	12,852
Federal Sources:				
Child nutrition programs	63,792	63,792	-	59,665
Transfers:				
General Fund	28,965	70,000	(41,035)	68,305
Local option	8,134	-	8,134	-
Total cash receipts	\$141,325	\$170,598	\$ (29,273)	\$178,982
<u>Expenditures and Transfers</u>				
<u>Subject to Budget</u>				
Operations and maintenance	\$ 5,854	\$ 6,800	\$ 946	\$ 6,835
Food service operations	144,161	143,215	(946)	140,881
Total expenditures and transfers subject to budget	\$150,015	\$150,015	-	\$147,716
Receipts over (under) expenditures	\$ (8,690)			\$ 31,266
Unencumbered Cash, Beginning	39,285			7,718
Prior year cancelled encumbrances	-			301
Unencumbered Cash, Ending	\$ 30,595			\$ 39,285

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

UNIFIED SCHOOL DISTRICT NO. 217
Rolla, Kansas

Statement 3-9

PROFESSIONAL DEVELOPMENT FUND
STATEMENT OF CASH RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET

For the fiscal year ended June 30, 2011
(with comparative actual totals for the prior year ended June 30, 2010)

	Current Year			
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavor.)</u>	<u>Prior</u> <u>Year</u> <u>Actual</u>
<u>Cash Receipts</u>				
Transfers:				
General Fund	\$ -	\$ <u>26,392</u>	\$ <u>(26,392)</u>	\$ 11,000
 <u>Expenditures and Transfers</u>				
<u>Subject to Budget</u>				
Other supplemental services	<u>9,139</u>	\$ <u>13,650</u>	\$ <u>4,511</u>	<u>10,757</u>
Receipts over (under) expenditures	\$ (9,139)			\$ 243
Unencumbered Cash, Beginning	<u>20,608</u>			<u>20,365</u>
Unencumbered Cash, Ending	\$ <u>11,469</u>			\$ <u>20,608</u>

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

UNIFIED SCHOOL DISTRICT NO. 217
Rolla, Kansas

Statement 3-10

SPECIAL EDUCATION FUND
STATEMENT OF CASH RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET

For the fiscal year ended June 30, 2011
(with comparative actual totals for the prior year ended June 30, 2010)

	Current Year		Variance	Prior
	Actual	Budget	Favorable (Unfavor.)	Year Actual
<u>Cash Receipts</u>				
Local Sources:				
Miscellaneous	\$ 33,429	\$ 32,000	\$ 1,429	\$ 31,627
Transfers:				
General Fund	<u>118,751</u>	<u>126,863</u>	<u>(8,112)</u>	<u>141,786</u>
Total cash receipts	\$152,180	<u>\$158,863</u>	<u>\$ (6,683)</u>	\$173,413
<u>Expenditures and Transfers</u>				
<u>Subject to Budget</u>				
Instruction	<u>161,042</u>	<u>\$196,485</u>	<u>\$ 35,443</u>	<u>183,499</u>
Receipts over (under) expenditures	\$ (8,862)			\$ (10,086)
Unencumbered Cash, Beginning	<u>114,901</u>			<u>124,987</u>
Unencumbered Cash, Ending	<u>\$106,039</u>			<u>\$114,901</u>

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

UNIFIED SCHOOL DISTRICT NO. 217
Rolla, Kansas

Statement 3-11

KPERS RETIREMENT CONTRIBUTION FUND
STATEMENT OF CASH RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET

For the fiscal year ended June 30, 2011
(with comparative actual totals for the prior year ended June 30, 2010)

	Current Year			<u>Prior Year Actual</u>
	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavor.)</u>	
<u>Cash Receipts</u>				
Contribution	\$112,170	\$ <u>72,390</u>	\$ <u>39,780</u>	\$126,397
 <u>Expenditures and Transfers</u>				
<u>Subject to Budget</u>				
KPERS payment	<u>112,170</u>	\$ <u>72,390</u>	\$ <u>(39,780)</u>	<u>126,397</u>
Receipts over (under) expenditures	-			-
Unencumbered Cash, Beginning	<u>-</u>			<u>-</u>
Unencumbered Cash, Ending	<u>-</u>			<u>-</u>

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

UNIFIED SCHOOL DISTRICT NO. 217
Rolla, Kansas

Statement 3-12

VOCATIONAL EDUCATION FUND
STATEMENT OF CASH RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET

For the fiscal year ended June 30, 2011
(with comparative actual totals for the prior year ended June 30, 2010)

	Current Year		Variance	Prior
	Actual	Budget	Favorable	Year
			(Unfavor.)	Actual
<u>Cash Receipts</u>				
Transfers:				
General Fund	\$ -	\$100,000	\$ (100,000)	\$100,000
Local option	<u>134,100</u>	<u>-</u>	<u>134,100</u>	<u>-</u>
Total cash receipts	\$134,100	<u>\$100,000</u>	<u>\$ 34,100</u>	\$100,000
 <u>Expenditures and Transfers</u>				
<u>Subject to Budget</u>				
Instruction	<u>134,094</u>	<u>\$ 99,800</u>	<u>\$ (34,294)</u>	<u>100,000</u>
Receipts over (under) expenditures	\$ 6			-
Unencumbered Cash, Beginning	<u>-</u>			<u>-</u>
Unencumbered Cash, Ending	<u>\$ 6</u>			<u>-</u>

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

UNIFIED SCHOOL DISTRICT NO. 217
Rolla, Kansas

Statement 3-13

AT RISK FUND
STATEMENT OF CASH RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET

For the fiscal year ended June 30, 2011
(with comparative actual totals for the prior year ended June 30, 2010)

	Current Year		Variance Favorable (Unfavor.)	Prior Year Actual
	Actual	Budget		
<u>Cash Receipts</u>				
Transfers:				
General Fund	\$133,500	\$ <u>201,000</u>	\$ <u>(67,500)</u>	\$127,283
 <u>Expenditures and Transfers</u>				
<u>Subject to Budget</u>				
Instruction	<u>135,978</u>	\$ <u>194,460</u>	\$ <u>58,482</u>	<u>121,130</u>
Receipts over (under) expenditures	\$ (2,478)			\$ 6,153
Unencumbered Cash, Beginning	<u>6,153</u>			<u>-</u>
Unencumbered Cash, Ending	\$ <u>3,675</u>			\$ <u>6,153</u>

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

UNIFIED SCHOOL DISTRICT NO. 217
Rolla, Kansas

Statement 3-14

BOND AND INTEREST FUND
STATEMENT OF CASH RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET

For the fiscal year ended June 30, 2011
(with comparative actual totals for the prior year ended June 30, 2010)

	Current Year		Variance	Prior
	Actual	Budget	Favorable (Unfavor.)	Year Actual
<u>Cash Receipts</u>				
Local Sources:				
Ad Valorem Tax Levied:				
Current	\$485,653	\$442,864	\$ 42,789	\$577,968
Delinquent	2,392	458	1,934	3,943
In lieu of taxes	750	-	750	820
Motor vehicle tax	<u>6,602</u>	<u>6,773</u>	<u>(171)</u>	<u>6,032</u>
Total cash receipts	<u>\$495,397</u>	<u>\$450,095</u>	<u>\$ 45,302</u>	<u>\$588,763</u>
<u>Expenditures and Transfers</u>				
<u>Subject to Budget</u>				
Principal	\$450,000	\$478,925	\$ 28,925	\$430,000
Interest	<u>48,850</u>	<u>48,850</u>	<u>-</u>	<u>66,020</u>
Total expenditures and transfers subject to budget	<u>\$498,850</u>	<u>\$527,775</u>	<u>\$ 28,925</u>	<u>\$496,020</u>
Receipts over (under) expenditures	\$ (3,453)			\$ 92,743
Unencumbered Cash, Beginning	<u>740,596</u>			<u>647,853</u>
Unencumbered Cash, Ending	<u>\$737,143</u>			<u>\$740,596</u>

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

UNIFIED SCHOOL DISTRICT NO. 217
Rolla, Kansas

Statement 3-15

RECREATION COMMISSION GENERAL FUND
STATEMENT OF CASH RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET

For the fiscal year ended June 30, 2011
(with comparative actual totals for the prior year ended June 30, 2010)

	Current Year		Variance	Prior
	Actual	Budget	Favorable (Unfavor.)	Year Actual
<u>Cash Receipts</u>				
Local Sources:				
Ad Valorem Tax Levied:				
Current	\$140,671	\$128,352	\$ 12,319	\$169,592
Delinquent	705	134	571	1,331
In lieu of taxes	220	-	220	234
Motor vehicle tax	<u>1,907</u>	<u>1,952</u>	<u>(45)</u>	<u>2,004</u>
Total cash receipts	\$143,503	<u>\$130,438</u>	<u>\$ 13,065</u>	\$173,161
<u>Expenditures and Transfers</u>				
<u>Subject to Budget</u>				
Appropriation	<u>151,000</u>	<u>\$151,000</u>	<u>-</u>	<u>180,000</u>
Receipts over (under) expenditures	\$ (7,497)			\$ (6,839)
Unencumbered Cash, Beginning	<u>26,396</u>			<u>33,235</u>
Unencumbered Cash, Ending	<u>\$ 18,899</u>			<u>\$ 26,396</u>

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

UNIFIED SCHOOL DISTRICT NO. 217
Rolla, Kansas

Statement 3-16

RECREATION COMMISSION EMPLOYEES' BENEFITS FUND
STATEMENT OF CASH RECEIPTS AND EXPENDITURES

ACTUAL AND BUDGET

For the fiscal year ended June 30, 2011

(with comparative actual totals for the prior year ended June 30, 2010)

	Current Year		Variance	Prior
	Actual	Budget	Favorable (Unfavor.)	Year Actual
<u>Cash Receipts</u>				
Local Sources:				
Ad Valorem Tax Levied:				
Current	\$ 8,369	\$ 7,618	\$ 751	\$ 9,581
Delinquent	40	7	33	74
In lieu of tax	12	-	12	14
Motor vehicle tax	111	113	(2)	117
Total cash receipts	\$ 8,532	\$ <u>7,738</u>	\$ <u>794</u>	\$ 9,786
<u>Expenditures and Transfers</u>				
<u>Subject to Budget</u>				
Appropriation	10,000	\$ 10,000	-	10,000
Receipts over (under) expenditures	\$ (1,468)			\$ (214)
Unencumbered Cash, Beginning	4,945			5,159
Unencumbered Cash, Ending	\$ <u>3,477</u>			\$ <u>4,945</u>

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

UNIFIED SCHOOL DISTRICT NO. 217
Rolla, Kansas

Statement 3

STATEMENTS OF CASH RECEIPTS AND EXPENDITURES – ACTUAL

UNIFIED SCHOOL DISTRICT NO. 217
Rolla, Kansas

Statement 3-17

TITLE II IMPROVING TEACHER QUALITY FUND
STATEMENT OF CASH RECEIPTS AND EXPENDITURES – ACTUAL
For the fiscal year ended June 30, 2011
(with comparative actual totals for the prior year ended June 30, 2010)

	Year	
	Current	Prior
<u>Cash Receipts</u>		
Federal Sources:		
Federal aid	\$ 10,190	\$ 10,187
 <u>Expenditures and Transfers</u>		
Instruction	6,224	7,646
Receipts over (under) expenditures	\$ 3,966	\$ 2,541
Unencumbered Cash, Beginning	2,541	-
Prior year cancelled encumbrances	552	-
Unencumbered Cash, Ending	\$ 7,059	\$ 2,541

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

UNIFIED SCHOOL DISTRICT NO. 217
Rolla, Kansas

Statement 3-18

TITLE II TECHNOLOGY LITERACY FUND
STATEMENT OF CASH RECEIPTS AND EXPENDITURES – ACTUAL
For the fiscal year ended June 30, 2011
(with comparative actual totals for the prior year ended June 30, 2010)

	Year	
	Current	Prior
<u>Cash Receipts</u>		
Federal Sources:		
Federal aid	-	\$ 1,294
 <u>Expenditures and Transfers</u>		
Instructional equipment	-	1,294
Receipts over (under) expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	-	-

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

UNIFIED SCHOOL DISTRICT NO. 217
Rolla, Kansas

Statement 3-19

TITLE I LOW INCOME FUND
STATEMENT OF CASH RECEIPTS AND EXPENDITURES – ACTUAL
For the fiscal year ended June 30, 2011
(with comparative actual totals for the prior year ended June 30, 2010)

	Year	
	Current	Prior
<u>Cash Receipts</u>		
Federal Sources:		
Federal aid	\$ <u>39,747</u>	\$ <u>69,704</u>
 <u>Expenditures and Transfers</u>		
Instruction	\$ 35,778	\$ 35,621
ARRA Instruction	<u>13,081</u>	<u>26,179</u>
Total expenditures and transfers	\$ <u>48,859</u>	\$ <u>61,800</u>
Receipts over (under) expenditures	\$ (9,112)	\$ 7,904
Unencumbered Cash, Beginning	7,928	-
Prior year cancelled encumbrances	<u>1,751</u>	<u>24</u>
Unencumbered Cash, Ending	\$ <u><u>567</u></u>	\$ <u><u>7,928</u></u>

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

UNIFIED SCHOOL DISTRICT NO. 217
Rolla, Kansas

Statement 3-20

CONTINGENCY RESERVE FUND
STATEMENT OF CASH RECEIPTS AND EXPENDITURES – ACTUAL
For the fiscal year ended June 30, 2011
(with comparative actual totals for the prior year ended June 30, 2010)

	Year	
	Current	Prior
<u>Cash Receipts</u>	\$ -	-
<u>Expenditures and Transfers</u>		
Instruction	689	-
Receipts over (under) expenditures	\$ (689)	\$ -
Unencumbered Cash, Beginning	110,026	110,026
Unencumbered Cash, Ending	\$109,337	\$110,026

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

UNIFIED SCHOOL DISTRICT NO. 217
Rolla, Kansas

Statement 3-21

GIFTS AND DONATIONS FUND
STATEMENT OF CASH RECEIPTS AND EXPENDITURES – ACTUAL
For the fiscal year ended June 30, 2011
(with comparative actual totals for the prior year ended June 30, 2010)

	Year	
	Current	Prior
<u>Cash Receipts</u>		
Local Sources:		
Gifts and donations	\$ 550	\$ 175
 <u>Expenditures and Transfers</u>	-	-
Receipts over (under) expenditures	\$ 550	\$ 175
Unencumbered Cash, Beginning	739	564
Unencumbered Cash, Ending	\$ 1,289	\$ 739

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

UNIFIED SCHOOL DISTRICT NO. 217
Rolla, Kansas

Statement 3-22

IRMA KRABER MEMORIAL FUND
STATEMENT OF CASH RECEIPTS AND EXPENDITURES – ACTUAL
For the fiscal year ended June 30, 2011
(with comparative actual totals for the prior year ended June 30, 2010)

	Year	
	Current	Prior
<u>Cash Receipts</u>	-	-
<u>Expenditures and Transfers</u>	-	-
Receipts over (under) expenditures	\$ -	\$ -
Unencumbered Cash, Beginning	105	105
Unencumbered Cash, Ending	\$ 105	\$ 105

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

UNIFIED SCHOOL DISTRICT NO. 217
Rolla, Kansas

Statement 3-23

REAP FUND
STATEMENT OF CASH RECEIPTS AND EXPENDITURES – ACTUAL
For the fiscal year ended June 30, 2011
(with comparative actual totals for the prior year ended June 30, 2010)

	Year	
	Current	Prior
<u>Cash Receipts</u>		
Reap Grant	\$ 23,717	\$ -
 <u>Expenditures and Transfers</u>		
Instruction	<u>11,337</u>	<u>12,380</u>
Receipts over (under) expenditures	\$ 12,380	\$ (12,380)
Unencumbered Cash, Beginning	<u>(12,380)</u>	<u>-</u>
Unencumbered Cash, Ending	<u>-</u>	<u>\$ (12,380)</u>

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

UNIFIED SCHOOL DISTRICT NO. 217
Rolla, Kansas

Statement 3-24

PARENTS AS TEACHERS FUND
STATEMENT OF CASH RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET

For the fiscal year ended June 30, 2011
(with comparative actual totals for the prior year ended June 30, 2010)

	Year	
	Current	Prior
<u>Cash Receipts</u>	-	\$ -
<u>Expenditures and Transfers</u>		
<u>Subject to Budget</u>		
Student support services	-	6,075
Receipts over (under) expenditures	-	\$ (6,075)
Unencumbered Cash, Beginning	-	6,075
Unencumbered Cash, Ending	-	-

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

UNIFIED SCHOOL DISTRICT NO. 217
Rolla, Kansas

Statement 4

AGENCY FUNDS
STATEMENT OF CASH RECEIPTS AND
CASH DISBURSEMENTS – ACTUAL

UNIFIED SCHOOL DISTRICT NO. 217
Rolla, Kansas

Statement 4

AGENCY FUNDS
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS - ACTUAL
For the fiscal year ended June 30, 2011

<u>Fund</u>	<u>Beginning</u> <u>Cash</u> <u>Balance</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Ending</u> <u>Cash</u> <u>Balance</u>
Student Organization Funds:				
Class of 2010	\$ 117	\$ -	\$ 117	\$ -
Class of 2011	20,976	27,913	48,870	19
Class of 2012	1,728	42,190	28,509	15,409
Class of 2013	-	1,811	464	1,347
Class of 2014	-	29	-	29
Science Fair	36	910	887	59
Junior high cheerleaders	1,160	3,231	3,964	427
High school cheerleaders	(6)	6,031	5,004	1,021
Junior high student council	21	1,604	1,510	115
High school student council	1,424	5,045	4,519	1,950
FCA	44	-	-	44
Yearbook	18,394	10,179	9,937	18,636
Library	507	600	529	578
Girls HS Basketball	-	7,921	7,638	283
Boys HS Basketball	-	<u>2,522</u>	<u>2,431</u>	<u>91</u>
Total Student Organization Funds	<u>\$ 44,401</u>	<u>\$109,986</u>	<u>\$114,379</u>	<u>\$ 40,008</u>

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

UNIFIED SCHOOL DISTRICT NO. 217
Rolla, Kansas

Statement 5

DISTRICT ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH – ACTUAL

UNIFIED SCHOOL DISTRICT NO. 217
Rolla, Kansas

Statement 5

DISTRICT ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH – ACTUAL
For the fiscal year ended June 30, 2011

<u>Fund</u>	<u>Beginning</u> <u>Unencumbered</u> <u>Cash</u> <u>Balance</u>	<u>Cash</u> <u>Receipts</u>	<u>Expenditures</u>	<u>Ending</u> <u>Unencumbered</u> <u>Cash</u> <u>Balance</u>
Gate receipts	\$ <u>2,213</u>	\$ <u>52,492</u>	\$ <u>50,958</u>	\$ <u>3,747</u>

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

UNIFIED SCHOOL DISTRICT NO. 217
Rolla, Kansas

Statement 6

COMPONENT UNITS
STATEMENT OF CASH RECEIPTS, EXPENDITURES
AND CHANGES IN UNENCUMBERED CASH

UNIFIED SCHOOL DISTRICT NO. 217
Rolla, Kansas

Statement 6-1

UNIFIED SCHOOL DISTRICT NO. 217
RECREATION COMMISSION
GENERAL FUND
STATEMENT OF CASH RECEIPTS, EXPENDITURES
AND CHANGES IN UNENCUMBERED CASH

For the fiscal year ended June 30, 2011
(with comparative actual totals for the prior year ended June 30, 2010)

	<u>Year</u>	
	<u>Current</u>	<u>Prior</u>
<u>Cash Receipts</u>		
Appropriation	\$151,000	\$180,000
Concession/Program revenue	9,227	8,437
Grants	-	11,995
Interest	<u>143</u>	<u>915</u>
Total cash receipts	<u>\$160,370</u>	<u>\$201,347</u>
<u>Expenditures and Transfers</u>		
Salaries	\$ 87,897	\$ 86,536
Utilities	21,943	19,523
Concessions	6,283	6,770
Other activities	68,619	63,833
Capital outlay	6,357	5,917
Insurance	<u>13,537</u>	<u>12,601</u>
Total expenditures subject to budget	<u>\$204,636</u>	<u>\$195,180</u>
Receipts over (under) expenditures	\$ (44,266)	\$ 6,167
Unencumbered Cash, Beginning	<u>108,553</u>	<u>102,386</u>
Unencumbered Cash, Ending	<u>\$ 64,287</u>	<u>\$108,553</u>

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

UNIFIED SCHOOL DISTRICT NO. 217
Rolla, Kansas

Statement 6-2

UNIFIED SCHOOL DISTRICT NO. 217
RECREATION COMMISSION
EMPLOYEES' BENEFITS FUND
STATEMENT OF CASH RECEIPTS, EXPENDITURES
AND CHANGES IN UNENCUMBERED CASH

For the fiscal year ended June 30, 2011
(with comparative actual totals for the prior year ended June 30, 2010)

	<u>Year</u>	
	<u>Current</u>	<u>Prior</u>
<u>Cash Receipts</u>		
Appropriations	\$ 10,000	\$ 10,000
<u>Expenditures and Transfers</u>		
Employees' Benefits	<u>14,233</u>	<u>9,275</u>
Receipts over (under) expenditures	\$ (4,233)	\$ 725
Unencumbered Cash, Beginning	<u>16,361</u>	<u>15,636</u>
Unencumbered Cash, Ending	<u>\$ 12,128</u>	<u>\$ 16,361</u>

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

UNIFIED SCHOOL DISTRICT NO. 217
Rolla, Kansas

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2011

Note 1: Summary of Significant Accounting Policies

Reporting Entity

Unified School District No. 217 is a municipal corporation governed by an elected seven-member board. These financial statements present Unified School District No. 217 (the primary government) and its component unit. The component unit is included in the District's reporting entity because of the significance of its operational and financial relationship with the District.

Discretely Presented Component Unit

The component unit section of the financial statements includes the financial data of the discretely presented component unit. This component unit is reported separately to emphasize that it is legally separate from the District. Four of the five members of the governing body of this component unit are appointed by the School District.

Recreation Commission – The Rolla Recreation Commission oversees recreational activities. The Recreation Commission can sue and be sued, but acquisition of real property by the Commission must be approved by the School District. The School District levies taxes for the Recreation Commission. Bond issuances must be approved by the School District. The Recreation Commission financial statements are presented on the modified accrual basis of accounting, which has been converted to cash basis for purposes of inclusion in the District's summary financial statements.

Complete financial statements of the Rolla Recreation Commission may be obtained as follows:

Rolla Recreation Commission
303 Washington
Rolla, Kansas 67954

UNIFIED SCHOOL DISTRICT NO. 217
Rolla, Kansas

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2011
(Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

Fund Accounting

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 School District for the year ended June 30, 2011:

Governmental Funds:

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

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

Fiduciary Funds:

Agency Funds – to account for assets held by a governmental unit as a trustee or agent for others.

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 Kansas. Cash receipts are recognized when the cash balance of a fund is increased. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund. Cash disbursements are recognized when the cash balance of a fund is decreased. For an interfund transaction, a cash disbursement is recorded in the fund from which the cash is transferred. Expenditures include disbursements, accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract.

UNIFIED SCHOOL DISTRICT NO. 217
Rolla, Kansas

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

(Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Accounting (Continued)

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

Departure from Generally Accepted Accounting Principles

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

Other Accounting Policies

Cash and Time Deposits

These liquid assets are shown in aggregate. K.S.A. 12-1671 and 12-1672 allow these assets to be shown in aggregate.

Time deposits are carried at cost plus accrued interest. The carrying amount of deposits is separately displayed as “cash and cash deposits”.

UNIFIED SCHOOL DISTRICT NO. 217
Rolla, Kansas

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

(Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

General Fixed Assets

General fixed assets purchased are recorded as expenditures at the time of purchase, except for assets acquired with federally assisted funds. Assets of the School District are not recorded in a permanent set of records.

Vouchers Payable

Vouchers payable are classified on the basis of a claim for payment resulting from legal title to property.

Bonds Payable

Bonds which are outstanding at the end of the fiscal year.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds.

In addition, encumbrances do constitute expenditures of a fund.

Unencumbered Cash Balances

The unencumbered cash balance is the unobligated resources of cash and time deposits of a fund.

UNIFIED SCHOOL DISTRICT NO. 217
Rolla, Kansas

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

(Continued)

Note 2: Transfers

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
General Fund	At Risk	KSA 72-7063	\$133,500
	Bilingual	KSA 72-7063	35,000
	Special Education	KSA 72-7063	118,751
	Food Service	KSA 72-7063	28,965
	Total		<u>\$316,216</u>
Supplemental General Fund	Food Service	KSA 72-7063	\$ 8,134
	Vocational Education	KSA 72-7063	134,100
	Total		<u>\$142,234</u>

Note 3: Budgets

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

- a. Preparation of the budget for the succeeding fiscal year ending June 30 on or before August 1st.
- b. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
- c. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
- d. Adoption of the final budget on or before August 25th.

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

UNIFIED SCHOOL DISTRICT NO. 217
Rolla, Kansas

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

(Continued)

Note 3: Budgets (Continued)

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

All legal annual operating budgets are prepared using the 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 municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

A legal operating budget is not required for capital projects funds, trust funds and certain special revenue funds.

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

Note 4: Defined Benefit Pension Plan

Unified School District No. 217 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.

UNIFIED SCHOOL DISTRICT NO. 217
Rolla, Kansas

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

(Continued)

Note 4: Defined Benefit Pension Plan (Continued)

K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary for all employees hired before July 1, 2009 and 6% for all employees hired after July 1, 2009. Member-employees' contributions are withheld by their employer and paid to KPERS according to the provisions of 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 9.17% 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, 2011, 2010 and 2009 were \$253,834,044, \$140,318,394 and \$242,777,363, respectively.

Note 5: Vacation and Sick Pay

The District's policy regarding vacations permits a maximum of three weeks vacation for administration personnel. Support staff are allowed a maximum of two weeks unless employed by the District for more than ten years, at which time vacation is increased to three weeks. Administration, faculty, and support staff earn two personal days and ten sick days per year. The maximum accumulation of sick leave is ninety days. Accumulation of personal days is six days for administration and four days for faculty and support staff. Upon termination, retirement, or resignation, no unused vacation, personal leave, or sick leave days are paid. The District does not accrue compensated absences. These costs are expensed as paid.

Note 6: Authorized Over-Encumbered Cash Balance – Federal Funds

K.S.A. 12-1664 authorizes the financing from local sources for expenditures to be reimbursed by the federal government.

UNIFIED SCHOOL DISTRICT NO. 217
Rolla, Kansas

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

(Continued)

Note 7: Compliance with Kansas Statutes

Contrary to the provisions of KSA 79-2935, expenditures in the Capital Outlay, Vocational Education and KPERs funds exceeded their adopted budget.

Note 8: Contingent Liabilities

Unified School District No. 217 participates in a number of federally assisted grant programs. These programs are subject to program compliance audits by grantors or their representatives for audits of these programs for or including the year ending June 30, 2011. These compliance audits have not been conducted as of September 16, 2011. Accordingly, the School District's compliance with applicable grant agreements will be established at some future date. The amount of expenditures, which may be disallowed by the grantor agencies, cannot be determined at this time, although the School District expects such amounts, if any, to be immaterial.

Note 9: Deposits and Investments

K.S.A. 9-1401 establishes the depositories which may be used by Unified School District No. 217. The statute requires banks eligible to hold the School District's funds have a main or branch bank in the county in which Unified School District No. 217 is located and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. Unified School District No. 217 has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits Unified School District No. 217'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. Unified School District No. 217 has no investment policy that would further limit its investment choices.

UNIFIED SCHOOL DISTRICT NO. 217
Rolla, Kansas

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

(Continued)

Note 9: Deposits and Investments (Continued)

Concentration of Credit Risk – State statutes place no limit on the amount Unified School District No. 217 may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, Unified School District No. 217's deposits may not be returned to it. State statutes require Unified School District No. 217'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, the Federal Home Loan Bank of Topeka, or the UMB Bank of America, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at June 30, 2011.

At June 30, 2011, Unified School District No. 217's carrying amount of deposits was \$4,286,762 and the bank balance was \$4,364,352. Of the bank balance, \$752,766 was covered by federal depository insurance, \$3,611,586 was collateralized with securities held by the pledging financial institutions' agents in Unified School District No. 217's name.

Custodial Credit Risk – Investments – For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, Unified School District No. 217 will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

UNIFIED SCHOOL DISTRICT NO. 217
Rolla, Kansas

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

(Continued)

Note 10: Long-Term Debt

Changes in long-term liabilities for Unified School District No. 217 for the year ended June 30, 2011 were as follows:

<u>Issue</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Net Change</u>	<u>Balance End of Year</u>	<u>Interest Paid</u>
General Obligation Bonds	3.4-4.2%	05/01/02	\$4,000,000	09/01/12	<u>\$1,410,000</u>	<u>-</u>	<u>\$450,000</u>	<u>\$ (450,000)</u>	<u>\$960,000</u>	<u>\$48,850</u>

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>Thereafter</u>	<u>Total</u>
General Obligation Bonds:					
Principal	\$470,000	\$490,000	-	-	\$ 960,000
Interest	<u>30,215</u>	<u>10,290</u>	<u>-</u>	<u>-</u>	<u>40,505</u>
Total	<u>\$500,215</u>	<u>\$500,290</u>	<u>-</u>	<u>-</u>	<u>\$1,000,505</u>