

CHASE COUNTY UNIFIED SCHOOL DISTRICT NO. 284

Cottonwood Falls, Kansas

STATUTORY BASIS FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

Year Ended June 30, 2011

ALDRICH AND COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS
COUNCIL GROVE, KANSAS

Chase County Unified School District No. 284
Cottonwood Falls, Kansas

STATUTORY BASIS FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2011

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ALDRICH & COMPANY, LLC

315 WEST MAIN
COUNCIL GROVE, KS 66846

CERTIFIED PUBLIC ACCOUNTANTS

620-767-6653
1-800-361-6545
FAX 620-767-8149

Independent Auditor's Report

Board of Education
Chase County Unified School District No. 284
Cottonwood Falls, KS 66845

We have audited the accompanying financial statements of Chase County Unified School District No. 284, Cottonwood Falls, Kansas 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 Chase County Unified School District No. 284, Cottonwood Falls, Kansas management. Our responsibility is to express an opinion on these statutory basis financial statements based on our audit. The prior year partial comparative information has been derived from the District's June 30, 2010 financial statements and, in our audit report dated November 1, 2010, we expressed an unqualified opinion on the respective financial statements, taken as a whole, on the statutory basis of accounting.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the guidance in 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 provides a reasonable basis for our opinion.

A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. These primary government financial statements do not include financial data for the District's legally separate component units. Accounting principles generally accepted in the United States of America require the financial data for those component units 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 units. The District has not issued such reporting entity financial statements. The effect on the financial statements of the omission of the component units, although not reasonably determinable, is presumed to be material.

As described more fully in Note 1, USD 284 prepared these financial statements in conformity with the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonable determinable is presumed to be material.

In our opinion, because of the omission of the discretely presented component units as discussed above, and because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of USD No. 284, Cottonwood Falls, Kansas, as of June 30, 2011, the changes in its financial position, or, where applicable, its cash flows for the year then ended. Further, USD No. 284 has not presented a management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basis financial statements.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of the primary government of the Chase County Unified School District No. 284, Cottonwood Falls, Kansas, as of June 30, 2011, and its cash receipts and expenditures, and budget to actual comparisons for the year then ended, taken as a whole, on the basis of accounting described in Note 1.

Aldrich & Company, LLC

ALDRICH AND COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS
October 5, 2011

Chase County Unified School District No. 284
Cottonwood Falls, Kansas

Statement 1

SUMMARY OF CASH RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
For the Year Ended June 30, 2011

	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds							
General Fund	\$ (272,924)	\$ 0	\$ 3,255,903	\$ 3,157,355	(174,376)	\$ 0	\$ (174,376)
Supplemental General	82,492	6	1,044,324	986,150	140,672	32,164	172,836
Special Revenue Funds							
At Risk (K-12)	0		230,000	217,188	12,812		12,812
Capital Outlay	413,225		292,650	270,000	435,875	22,280	458,155
Driver Training	7,800		0	0	7,800		7,800
Food Service	66,849		213,082	211,789	68,142		68,142
Professional Development	14,853		10,000	5,686	19,167		19,167
Special Education	102,402		595,558	561,970	135,990		135,990
Vocational Education	0		132,844	103,098	29,746		29,746
KPERs Special Retirement Contribution	(104,765)		283,972	179,207	0		0
Contingency Reserve	70,000		0	0	70,000		70,000
Textbook Rental	77,973		47,797	25,065	100,705		100,705
Federal Grants	19,690		133,531	134,190	19,031		19,031
Private Purpose Trust Funds	314,528		20,912	18,710	316,730		316,730
District Activity Funds	21,242		107,404	103,837	24,809		24,809
Debt Service Fund							
Bond & Interest	283,836	0	250,424	207,660	326,600	0	326,600
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 1,097,201</u>	<u>\$ 6</u>	<u>\$ 6,618,401</u>	<u>\$ 6,181,905</u>	<u>\$ 1,533,703</u>	<u>\$ 54,444</u>	<u>\$ 1,588,147</u>

Composition of Cash:

Exchange National Bank, Cottonwood Falls, Kansas	
District N.O.W.	\$ 198,792
District Petty Cash	800
Certificates of Deposit	276,838
Chase Co Jr/Sr High School Activity Fund	29,889
Chase Co Elementary School Activity Fund	12,010
Investments	
Kansas Municipal Investment Pool	<u>1,100,232</u>
Total Cash & Investments	1,618,561
Less Agency Funds (per Statement 4)	<u>(30,414)</u>
Total Reporting Entity (excluding agency funds)	<u>\$ 1,588,147</u>

The accompanying notes are an integral part of this statement.

Chase County Unified School District No. 284
Cottonwood Falls, Kansas

Statement 2

SUMMARY OF EXPENDITURES – ACTUAL AND BUDGET
(Budgeted Funds Only)
For the Year Ended June 30, 2011

Governmental Type Funds	Certified Budget	Adjustment to Comply With Legal Max.	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Favorable (Unfavorable)
General Fund	\$ 3,274,594	\$ (128,144)	\$ 10,905	\$ 3,157,355	\$ 3,157,355	\$ 0
Supplemental General	1,087,785	(18,884)		1,068,901	986,150	82,751
Special Revenue Funds						
At Risk (K - 12)	260,000			260,000	217,188	42,812
Capital Outlay	270,000			270,000	270,000	0
Driver Training	0			0	0	0
Food Service	242,000			242,000	211,789	30,211
Professional Development	15,000			15,000	5,686	9,314
Special Education	696,601			696,601	561,970	134,631
Vocational Education	130,000			130,000	103,098	26,902
K.P.E.R.S. Retirement	257,600			257,600	179,207	78,393
Debt Service Fund						
Bond & Interest	208,660			208,660	207,660	1,000

The accompanying notes are an integral part of this statement.

Chase County Unified School District No. 284
Cottonwood Falls, Kansas

Statement 3

STATEMENT OF CASH RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

GENERAL FUND

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Local Sources				
County Tax Receipts	\$ 718,979	\$ 741,641	\$ 713,755	\$ 27,886
Other	13,261	7,705	0	7,705
State Sources				
General State Aid	2,101,173	1,965,856	2,107,821	(141,965)
ARRA Stabilization Funds	165,241	58,921	58,921	0
Education Jobs Funds	0	103,170	0	103,170
Special Education Aid	450,716	375,410	394,097	(18,687)
State Grant	6,100	3,200	0	3,200
Total Cash Receipts	3,455,470	3,255,903	3,274,594	(18,691)
Expenditures				
Instruction				
Salaries Certified	1,378,826	1,133,111	1,300,000	166,889
Salaries-ARRA	0	58,921	0	(58,921)
Salaries-Education Jobs	0	103,170	0	(103,170)
Salaries Non-certified	38,619	30,577	39,000	8,423
Employee Benefits	227,006	224,120	227,600	3,480
Supplies	20,152	18,171	20,000	1,829
Property & Equipment	0	177	17,883	17,706
Other	23,596	12,714	20,000	7,286
Student Support Services				
Salaries Certified	22,800	22,800	22,800	0
Salaries Non-Certified	100,489	81,624	100,500	18,876
Employee Benefits	15,671	13,782	15,700	1,918
Supplies	627	531	500	(31)
Property & Equipment	0	0	49,748	49,748
Instruction Support Staff				
Salaries Non-certified	54,066	28,647	52,000	23,353
Employee Benefits	5,582	4,149	5,500	1,351
Supplies	1,731	931	500	(431)
Equipment	0	1,022	10,833	9,811
General Administration				
Salaries Certified	87,550	86,675	86,000	(675)
Salaries Non-Certified	26,462	28,073	27,000	(1,073)
Employee Benefits	18,468	19,453	19,300	(153)
Purchased Property Services	4,601	4,559	4,000	(559)
Other Purchased Services	1,138	1,873	1,200	(673)
Supplies	4,414	3,723	4,500	777
Other	6,754	5,079	7,000	1,921
Subtotal	\$ 2,038,552	\$ 1,883,882	\$ 2,031,564	\$ 147,682

The accompanying notes are an integral part of this statement.

Chase County Unified School District No. 284
Cottonwood Falls, Kansas

Statement 3 (Cont.)

STATEMENT OF CASH RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

GENERAL FUND

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Expenditures Carried Forward	\$ 2,038,552	\$ 1,883,882	\$ 2,031,564	\$ 147,682
School Administration				
Employee Benefits	3,710	4,570	3,000	(1,570)
Other Purchased Services	11,157	8,233	12,000	3,767
Operations & Maintenance				
Salaries Non-Certified	221,986	194,990	220,000	25,010
Employee Benefits	30,456	28,799	30,300	1,501
Purchased Property Services	26,032	22,558	27,000	4,442
Other Purchased Services	13,523	14,329	14,000	(329)
Supplies	69,254	83,280	70,200	(13,080)
Vehicle Operating Services				
Salaries Non-Certified	102,354	86,744	100,000	13,256
Employee Benefits	20,689	20,075	20,700	625
Other Purchased Services	12,094	12,021	13,000	979
Motor Fuel	0	55,211	50,000	(5,211)
Vehicle Services & Maintenance Services				
Salaries Non-Certified	34,079	34,210	34,079	(131)
Supplies	31,617	33,538	32,000	(1,538)
Other Supplemental Service				
Salaries Non-Certified	46,751	46,751	46,751	0
Operating Transfers:				
Capital Outlay	100,000	66,244	0	(66,244)
Textbook Rental	6,000	15,000	0	(15,000)
Contingency Reserve	70,000	0	20,000	20,000
Food Service	35,536	35,000	20,000	(15,000)
Professional Development	0	10,000	10,000	0
Special Education	450,716	421,920	420,000	(1,920)
Vocational Education	582	0	0	0
At Risk (K-12)	80,000	80,000	100,000	20,000
Adjustment to Comply with Legal Max.	0	0	(128,144)	(128,144)
Legal General Fund Budget & Expenditures	3,405,088	3,157,355	3,146,450	(10,905)
Adjustment for Qualifying Budget Credits	0	0	10,905	10,905
Total Expenditures & Transfers	3,405,088	3,157,355	\$ 3,157,355	\$ 0
Receipts Over (Under) Expenditures	50,382	98,548		
Unencumbered Cash, July 1	(323,306)	(272,924)		
Unencumbered Cash, June 30	\$ (272,924)	\$ (174,376)		

The accompanying notes are an integral part of this statement.

Chase County Unified School District No. 284
Cottonwood Falls, Kansas

Statement 3

STATEMENT OF CASH RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

SUPPLEMENTAL GENERAL FUND

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Local Sources				
County Tax Receipts	\$ 1,002,056	\$ 990,218	\$ 948,226	\$ 41,992
State Sources				
Supplemental State Aid	56,006	54,106	38,029	16,077
ARRA Stabilization Funds	25,610	0	0	0
Total Cash Receipts	<u>1,083,672</u>	<u>1,044,324</u>	<u>986,255</u>	<u>58,069</u>
Expenditures				
Instruction				
Salaries Certified	51,154	46,885	52,000	5,115
Salaries Non-Certified	53,961	54,253	54,000	(253)
Employee Benefits	1,743	1,426	1,800	374
Purchased Services	53,180	21,663	48,000	26,337
Supplies	74,116	79,295	84,000	4,705
Property	0	0	10,468	10,468
Other	27,078	8,983	25,000	16,017
General Administration				
Purchased Professional & Technical Services	7,435	7,935	2,000	(5,935)
School Administration				
Salaries Certified	127,156	124,553	127,156	2,603
Employee Benefits	9,718	9,538	10,000	462
Operations & Maintenance				
Purchased Services	33,422	63,396	35,000	(28,396)
Supplies	91,704	53,431	80,000	26,569
Property	0	65,470	0	(65,470)
Other	12,729	14,322	13,000	(1,322)
Operations & Maintenance (Transportation)				
Fuel	54,801	0	0	0
Operating Transfers:				
Food Service	0	0	10,000	10,000
Textbooks	20,000	0	5,361	5,361
Special Education	150,638	155,000	240,000	85,000
Vocational Education	120,000	130,000	130,000	0
At Risk (K-12)	152,528	150,000	160,000	10,000
Legal Supplemental General Fund Budget & Expenditures	1,041,363	986,150	1,087,785	101,635
Adjustment to Comply With Legal Max	0	0	(18,884)	(18,884)
Total Expenditures & Transfers	<u>1,041,363</u>	<u>986,150</u>	<u>\$ 1,068,901</u>	<u>\$ 82,751</u>
Receipts Over (Under) Expenditures	42,309	58,174		
Unencumbered Cash, July 1	40,183	82,492		
Prior Year Cancelled Encumbrances	0	6		
Unencumbered Cash, June 30	<u>\$ 82,492</u>	<u>\$ 140,672</u>		

The accompanying notes are an integral part of this statement.

Chase County Unified School District No. 284
Cottonwood Falls, Kansas

Statement 3

STATEMENT OF CASH RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

AT RISK (K – 12)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Transfer from General	\$ 80,000	\$ 80,000	\$ 100,000	\$ (20,000)
Transfer from Supplemental General	152,528	150,000	160,000	(10,000)
Total Cash Receipts	<u>232,528</u>	<u>230,000</u>	<u>260,000</u>	<u>(30,000)</u>
Expenditures				
Instruction				
Salaries Certified	139,053	119,457	140,000	20,543
Salaries Non-Certified	13,308	11,815	14,000	2,185
Employee Benefits	15,929	9,772	16,000	6,228
Supplies	6,409	7,131	6,500	(631)
Property & Equipment	0	0	13,500	13,500
Student Support Services				
Salaries	69,344	69,013	70,000	987
Total Expenditures	<u>244,043</u>	<u>217,188</u>	<u>\$ 260,000</u>	<u>\$ 42,812</u>
Receipts Over (Under) Expenditures	(11,515)	12,812		
Unencumbered Cash, July 1	<u>11,515</u>	<u>0</u>		
Unencumbered Cash, June 30	<u>\$ 0</u>	<u>\$ 12,812</u>		

The accompanying notes are an integral part of this statement.

Chase County Unified School District No. 284
Cottonwood Falls, Kansas

Statement 3

STATEMENT OF CASH RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

CAPITAL OUTLAY

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Local Sources				
County Tax Receipts	\$ 205,843	\$ 176,801	\$ 172,104	\$ 4,697
Miscellaneous Revenue	38,147	49,605	0	49,605
Other				
Transfer from General	100,000	66,244	0	66,244
Total Cash Receipts	<u>343,990</u>	<u>292,650</u>	<u>172,104</u>	<u>120,546</u>
Expenditures				
Property & Equipment	82,352	69,007	50,000	(19,007)
Site Improvement	69,746	89,909	70,000	(19,909)
Other	30,000	111,084	150,000	38,916
Total Expenditures	<u>182,098</u>	<u>270,000</u>	<u>\$ 270,000</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	161,892	22,650		
Unencumbered Cash, July 1	<u>251,333</u>	<u>413,225</u>		
Unencumbered Cash, June 30	<u>\$ 413,225</u>	<u>\$ 435,875</u>		

The accompanying notes are an integral part of this statement.

Chase County Unified School District No. 284
Cottonwood Falls, Kansas

Statement 3

STATEMENT OF CASH RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

DRIVER TRAINING

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts & Transfers				
Local Sources				
Other	\$ 0	\$ 0	\$ 0	\$ 0
State Sources				
State Safety Aid	0	0	0	0
Total Cash Receipts	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Instruction				
Salaries Certified	0	0	0	0
Employee Benefits	0	0	0	0
Supplies	0	0	0	0
Total Expenditures	<u>0</u>	<u>0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, July 1	<u>7,800</u>	<u>7,800</u>		
Unencumbered Cash, June 30	<u>\$ 7,800</u>	<u>\$ 7,800</u>		

The accompanying notes are an integral part of this statement.

Chase County Unified School District No. 284
Cottonwood Falls, Kansas

Statement 3

STATEMENT OF CASH RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

FOOD SERVICE

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts & Transfers				
Local Sources				
Student & Adult Sales	\$ 88,941	\$ 85,891	\$ 95,053	\$ (9,162)
Miscellaneous	178	68	0	68
State Sources				
School Food Assistance	2,548	2,265	2,159	106
Federal Sources				
Child Nutrition Programs	102,163	89,858	100,940	(11,082)
Transfer from General	35,536	35,000	20,000	15,000
Transfer from Supplemental General	0	0	10,000	(10,000)
Total Cash Receipts	229,366	213,082	228,152	(15,070)
Expenditures				
Food Service Operation				
Salaries Non-Certified	101,396	94,057	102,000	7,943
Employee Benefits	19,316	18,192	19,500	1,308
Supplies	101,732	95,743	109,000	13,257
Property & Equipment	5,589	3,241	10,000	6,759
Other	821	556	1,500	944
Total Expenditures	228,854	211,789	\$ 242,000	\$ 30,211
Receipts Over (Under) Expenditures	512	1,293		
Unencumbered Cash, July 1	66,337	66,849		
Unencumbered Cash, June 30	\$ 66,849	\$ 68,142		

The accompanying notes are an integral part of this statement.

Chase County Unified School District No. 284
Cottonwood Falls, Kansas

Statement 3

STATEMENT OF CASH RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

PROFESSIONAL DEVELOPMENT

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts & Transfers				
State Sources				
Professional Development Aid	\$ 0	\$ 0	\$ 0	\$ 0
Transfer from General	0	10,000	10,000	0
Transfer from Supplemental General	0	0	0	0
Total Receipts	<u>0</u>	<u>10,000</u>	<u>10,000</u>	<u>0</u>
Expenditures				
Instructional Support Staff				
Purchased Professional & Technical Services	5,612	5,686	15,000	9,314
Other Purchased Services	0	0	0	0
Property & Equipment	0	0	0	0
Total Expenditures	<u>5,612</u>	<u>5,686</u>	<u>\$ 15,000</u>	<u>\$ 9,314</u>
Receipts Over (Under) Expenditures	(5,612)	4,314		
Unencumbered Cash, July 1	<u>20,465</u>	<u>14,853</u>		
Unencumbered Cash, June 30	<u>\$ 14,853</u>	<u>\$ 19,167</u>		

The accompanying notes are an integral part of this statement.

Chase County Unified School District No. 284
Cottonwood Falls, Kansas

Statement 3

STATEMENT OF CASH RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

SPECIAL EDUCATION

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts & Transfers				
Local Sources				
Miscellaneous	\$ 0	\$ 18,638	\$ 60,000	\$ (41,362)
Other				
Transfer from General	450,716	421,920	420,000	1,920
Transfer from Supplemental General	150,638	155,000	240,000	(85,000)
Total Cash Receipts	<u>601,354</u>	<u>595,558</u>	<u>720,000</u>	<u>(124,442)</u>
Expenditures				
Instruction				
Salaries Non-Certified	6,686	8,704	7,000	(1,704)
Other Purchased Services	600,898	527,549	484,032	(43,517)
Other	0	0	165,969	165,969
Student Transportation Services				
Salaries Non-Certified	21,830	18,365	22,000	3,635
Employee Benefits	2,501	1,806	2,600	794
Other Purchased Services	132	246	0	(246)
Supplies	0	5,300	0	(5,300)
Property & Equipment	8,200	0	15,000	15,000
Total Expenditures	<u>640,247</u>	<u>561,970</u>	<u>\$ 696,601</u>	<u>\$ 134,631</u>
Receipts Over (Under) Expenditures	(38,893)	33,588		
Unencumbered Cash, July 1	<u>141,295</u>	<u>102,402</u>		
Unencumbered Cash, June 30	<u>\$ 102,402</u>	<u>\$ 135,990</u>		

The accompanying notes are an integral part of this statement.

Chase County Unified School District No. 284
Cottonwood Falls, Kansas

Statement 3

STATEMENT OF CASH RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

VOCATIONAL EDUCATION

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Local Sources				
Miscellaneous Reimbursement	\$ 0	\$ 2,844	\$ 0	\$ 2,844
Other				
Transfer from General	582	0	0	0
Transfer from Supplemental General	120,000	130,000	130,000	0
Total Cash Receipts	<u>120,582</u>	<u>132,844</u>	<u>130,000</u>	<u>2,844</u>
Expenditures				
Instruction				
Salaries Certified	84,736	89,255	92,000	2,745
Employee Benefits	5,499	5,817	6,000	183
Other Purchased Services	14,802	4,934	14,000	9,066
Supplies	12,647	0	15,000	15,000
Other	2,898	3,092	3,000	(92)
Total Expenditures	<u>120,582</u>	<u>103,098</u>	<u>\$ 130,000</u>	<u>\$ 26,902</u>
Receipts Over (Under) Expenditures	0	29,746		
Unencumbered Cash, July 1	<u>0</u>	<u>0</u>		
Unencumbered Cash, June 30	<u>\$ 0</u>	<u>\$ 29,746</u>		

The accompanying notes are an integral part of this statement.

Chase County Unified School District No. 284
Cottonwood Falls, Kansas

Statement 3

STATEMENT OF CASH RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

KPERS SPECIAL RETIREMENT CONTRIBUTION

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
State of Kansas KPERS	\$ 113,985	\$ 283,972	\$ 257,600	\$ 26,372
Expenditures				
KPERS Retirement Contribution				
Instructional Employees	144,834	116,204	160,000	43,796
Student Support	13,841	10,554	18,000	7,446
Instructional Support	5,623	3,009	9,000	5,991
General Administration	8,771	8,205	12,000	3,795
School Administration	6,401	3,967	8,000	4,033
Operations & Maintenance	16,886	3,741	20,000	16,259
Student Transportation Services	10,959	14,977	13,000	(1,977)
Food Service	7,860	10,392	11,600	1,208
Other Supplemental Services	3,575	8,158	6,000	(2,158)
Total Expenditures	218,750	179,207	\$ 257,600	\$ 78,393
Receipts Over (Under) Expenditures	(104,765)	104,765		
Unencumbered Cash, July 1	0	(104,765)		
Unencumbered Cash, June 30	\$ (104,765)	\$ 0		

The accompanying notes are an integral part of this statement.

Chase County Unified School District No. 284
 Cottonwood Falls, Kansas

Statement 3

STATEMENT OF CASH RECEIPTS AND EXPENDITURES – ACTUAL
 For the Year Ended June 30, 2011
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

CONTINGENCY RESERVE

	Prior Year Actual	Current Year Actual
	<u> </u>	<u> </u>
Cash Receipts & Transfers		
Other		
Transfer from General	\$ 70,000	\$ 0
	<u> </u>	<u> </u>
Expenditures		
Instruction		
Salaries Certified	5,883	0
	<u> </u>	<u> </u>
Receipts Over (Under) Expenditures	64,117	0
Unencumbered Cash, July 1	5,883	70,000
	<u> </u>	<u> </u>
Unencumbered Cash, June 30	<u>\$ 70,000</u>	<u>\$ 70,000</u>

The accompanying notes are an integral part of this statement.

Chase County Unified School District No. 284
Cottonwood Falls, Kansas

Statement 3

STATEMENT OF CASH RECEIPTS AND EXPENDITURES – ACTUAL
For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

TEXTBOOK RENTAL

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources		
Rental Fees & Books	\$ 29,888	\$ 32,797
Transfer from General	6,000	15,000
Transfer from Supplemental General	20,000	0
Total Cash Receipts	<u>55,888</u>	<u>47,797</u>
Expenditures		
Instruction		
Textbooks	<u>21,785</u>	<u>25,065</u>
Receipts Over (Under) Expenditures	34,103	22,732
Unencumbered Cash, July 1	<u>43,870</u>	<u>77,973</u>
Unencumbered Cash, June 30	<u>\$ 77,973</u>	<u>\$ 100,705</u>

The accompanying notes are an integral part of this statement.

Chase County Unified School District No. 284
Cottonwood Falls, Kansas

Statement 3

STATEMENT OF CASH RECEIPTS AND EXPENDITURES – ACTUAL
For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

FEDERAL GRANTS

	Title I	Title I ARRA	Title II	REAP	Totals June 30, 2011
Cash Receipts					
Federal Sources					
Grants	\$ 72,615	\$ 10,000	\$ 31,185	\$ 19,731	\$ 133,531
Expenditures					
Instruction					
Salaries Certified	8,510	12,266	30,539	0	51,315
Salaries Non-Certified	49,288	0	0	0	49,288
Employee Benefits	5,368	0	0	0	5,368
Purchased Prof & Tech Services	0	0	646	0	646
Other Purchased Services	4,100	0	0	0	4,100
Supplies	3,742	0	0	19,731	23,473
Total Expenditures	71,008	12,266	31,185	19,731	134,190
Receipts Over(Under) Expenditures	1,607	(2,266)	0	0	(659)
Unencumbered Cash, July 1	8,510	11,180	0	0	19,690
Unencumbered Cash, June 30	\$ 10,117	\$ 8,914	\$ 0	\$ 0	\$ 19,031

The accompanying notes are an integral part of this statement.

Chase County Unified School District No. 284
Cottonwood Falls, Kansas

Statement 3

STATEMENT OF CASH RECEIPTS AND EXPENDITURES – ACTUAL
For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

PRIVATE PURPOSE TRUST FUNDS

	Kaltenbacher Memorial Fund	Scholarship Fund	Totals June 30, 2011
Cash Receipts			
Local Sources			
Contributions & Earnings	\$ 12,815	\$ 6,622	\$ 19,437
Federal Sources	1,475	0	1,475
State Sources	0	0	0
Total Cash Receipts	<u>14,290</u>	<u>6,622</u>	<u>20,912</u>
Expenditures			
Student Support Services			
Grants, Scholarships & Supplies	<u>12,510</u>	<u>6,200</u>	<u>18,710</u>
Total Expenditures	<u>12,510</u>	<u>6,200</u>	<u>18,710</u>
Receipts Over (Under) Expenditures	1,780	422	2,202
Unencumbered Cash, July 1	<u>7,620</u>	<u>306,908</u>	<u>314,528</u>
Unencumbered Cash, June 30	<u>\$ 9,400</u>	<u>\$ 307,330</u>	<u>\$ 316,730</u>

The accompanying notes are an integral part of this statement.

Chase County Unified School District No. 284
Cottonwood Falls, Kansas

Statement 3

STATEMENT OF CASH RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET
For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

BOND AND INTEREST

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
	Actual	Actual	Budget	(Unfavorable)
Cash Receipts				
Local Sources				
County Tax Receipts	\$ 150,584	\$ 250,424	\$ 242,672	\$ 7,752
Other				
Transfer from Bond Issuance Fund	0	0	0	0
Total Cash Receipts	150,584	250,424	242,672	7,752
Expenditures				
Debt Service				
Principal	160,000	170,000	170,000	0
Interest	42,610	37,660	37,660	0
Commissions & Postage	0	0	1,000	1,000
Total Expenditures	202,610	207,660	\$ 208,660	\$ 1,000
Receipts Over (Under) Expenditures	(52,026)	42,764		
Unencumbered Cash, July 1	335,862	283,836		
Unencumbered Cash, June 30	\$ 283,836	\$ 326,600		

The accompanying notes are an integral part of this statement.

Chase County Unified School District No. 284
Cottonwood Falls, Kansas

Statement 4

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
For the Year Ended June 30, 2011

AGENCY FUNDS

	Cash Balance 6/30/2010	Cash Receipts	Cash Disbursements	Cash Balance 6/30/2011
Recreation Commission	\$ 0	\$ 130,224	\$ 116,900	\$ 13,324
Insurance Clearing	0	6,910	6,910	0
Chase County High School/Middle School				
Class of 2014	0	1,961	809	1,152
Class of 2013	1,135	1,454	947	1,642
Class of 2012	6,632	9,062	8,430	7,264
Class of 2011	9,447	6,746	16,193	0
FBLA	184	8,574	8,630	128
Cheerleaders	797	2,725	2,830	692
TSA	841	51	140	752
Kay Club	250	4,871	4,859	262
National Honor Society	414	957	1,364	7
Newspaper	63	2,210	1,434	839
Pom-pon	1,764	438	1,975	227
Quill & Scroll	191	0	188	3
Spanish Club	1,087	585	1,006	666
Student Council	432	737	190	979
Yearbook	99	28,410	28,508	1
Middle School Kay Club	461	853	1,109	205
Middle School Stuco	1,623	5,897	5,249	2,271
Subtotal Chase County High School	25,420	75,531	83,861	17,090
Total Student Organization Accounts	25,420	75,531	83,861	17,090
Total Agency Funds	\$ 25,420	\$ 212,665	\$ 207,671	\$ 30,414

The accompanying notes are an integral part of this statement.

Chase County Unified School District No. 284
Cottonwood Falls, Kansas

Statement 5

STATEMENT OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
For the Year Ended June 30, 2011

DISTRICT ACTIVITY FUNDS

	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Gate Receipts						
CCHS/CCMS	\$ 5,854	\$ 30,016	\$ 29,935	\$ 5,935	\$ 0	\$ 5,935
Subtotal Gate Receipts	<u>5,854</u>	<u>30,016</u>	<u>29,935</u>	<u>5,935</u>	<u>0</u>	<u>5,935</u>
School Projects						
CCES						
Activity	<u>11,014</u>	<u>55,549</u>	<u>54,553</u>	<u>12,010</u>	<u>0</u>	<u>12,010</u>
CCHS/CCMS						
Academics Recognition	1,952	10,275	11,467	760	0	760
Honors Banquet	0	5,460	789	4,671	0	4,671
MS Rewards	1,000	0	998	2	0	2
Musical	991	1,106	868	1,229	0	1,229
Office	149	25	21	153	0	153
Sales Tax	228	4,973	5,175	26	0	26
Voices	<u>54</u>	<u>0</u>	<u>31</u>	<u>23</u>	<u>0</u>	<u>23</u>
Subtotal CCHS/CCMS	<u>4,374</u>	<u>21,839</u>	<u>19,349</u>	<u>6,864</u>	<u>0</u>	<u>6,864</u>
Subtotal School Projects	<u>15,388</u>	<u>77,388</u>	<u>73,902</u>	<u>18,874</u>	<u>0</u>	<u>18,874</u>
Total District Activity Funds	<u>\$ 21,242</u>	<u>\$ 107,404</u>	<u>\$ 103,837</u>	<u>\$ 24,809</u>	<u>\$ 0</u>	<u>\$ 24,809</u>

The accompanying notes are an integral part of this statement.

Chase County Unified School District No. 284
Cottonwood Falls, Kansas

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Chase County Unified School District No. 284 was organized in accordance with State Statutes to provide a system of public education to elementary through high school students. The District operates under a superintendent of schools governed by an elected seven member board of education.

In evaluating how to define the School District, for financial reporting purposes, management has considered all potential component units. The basic-but not the only-criterion for including a potential component unit within the reporting entity is financial accountability. The most significant manifestation of the criterion is financial dependence. Other manifestations of the criteria include but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations and accountability for fiscal matters. Under this criterion, the Chase County Recreation Commission was identified as a component unit. The recreation commission operates as a separate governing body, but USD 284 levies the taxes for the recreation commission and the recreation commission has only the powers granted by statute K.S.A. 12-1928. The recreation commission cannot purchase real property but can acquire real property by gift. The governing body of the component unit is appointed by the District, the Cities of Cottonwood Falls and Strong City, and one member appointed by the governing board. These financial statements do not include the operations of the Chase County Recreation Commission.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus applied.

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, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund 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 Kansas Statute 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, expenditures, 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. 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.

Chase County Unified School District No. 284
Cottonwood Falls, Kansas

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

Fund Descriptions

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

The following types of funds comprise the financial activities of the District for the fiscal year ended June 30, 2011.

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

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

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

Trust and Agency Funds--to account for assets held in a trustee capacity or as an agent for individuals, other governmental units, private organizations, and/or other funds. These include Private Purpose Trust Funds and Agency Funds.

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. The County Treasurer is the tax collection agent for all taxing entities within the county. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. 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.

Use of Estimates

The preparation of financial statements in conformity with the statutory basis of accounting requires management to make estimates and assumptions that affect the reported amounts of cash receipts, expenditures, and cash and unencumbered cash balances at the date of the financial statements. Accordingly, actual results could differ from those estimates.

Comparative Prior Year Amounts

The prior year actual amounts presented in the financial statements have been taken from the audit report for the year ended June 30, 2010 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.

NOTE 2 - 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), debt service funds, and enterprise funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding eighteen month period on or before August 1st.

Chase County Unified School District No. 284
Cottonwood Falls, Kansas

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE 2 - BUDGETARY INFORMATION (CONT)

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

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. The District did not have any budget amendments for the fiscal year ended June 30, 2011.

After the above procedures have been followed, the Kansas State Board of Education computes what the maximum legal general fund budget of operating expenses can be. For the fiscal year ended June 30, 2011, the State calculation of the legal maximum general fund budget was \$3,146,450 and the supplemental general fund was \$1,068,901. In accordance with Kansas Statutes, a district will be penalized state aid equal to the amount expended in excess of the computed statutory limitation plus any qualifying budget credits.

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, with disbursements being adjusted for prior year's 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. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital project funds, agency funds, and the following special revenue funds: Textbook rental, District activity funds, Federal grants, Contingency reserve, Bond issuance and State and Private Purpose Trust Funds.

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

NOTE 3 - DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories that 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 or return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

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

Chase County Unified School District No. 284
Cottonwood Falls, Kansas

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE 3 - DEPOSITS AND INVESTMENTS (CONT)

Custodial credit risk – deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District did not have any designated "peak periods" for the current year. Deposits were not legally secured at June 30, 2011.

At June 30, 2011, the District's carrying amount of deposits, including certificates of deposit was \$518,305 and the bank balance was \$833,903. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$296,471 was covered by federal depository insurance, \$411,960 was collateralized with securities held by the pledging financial institutions' agents in USD 284's name and \$125,472 was unsecured.

Custodial credit risk-investments

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

At June 30, 2011, the district had \$1,100,232 invested in the State's municipal investment pool. The Pool carries a Standard & Poor's rating of AAAf/S1+. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas Legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest, by the U.S. Government or any agency thereof, with maturities up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers. All investments in the Pool are carried at the original invested amount plus interest earnings.

NOTE 4 - 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 66603-3803) or by calling 1-888-275-5737.

Funding Policy

K.S.A. 74-4919 establishes the KPERs member-employee contribution rate at 4% or 6% of covered salary, depending on employee eligibility dates. 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. The State of Kansas contributed 9.17% of covered payroll for the period July 1, 2010 to June 30, 2011 and it will contribute 9.77% for the period of July 1, 2011 to June 30, 2012. 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, \$248,468,186, and \$242,277,363, respectively equal to the statutory required contributions for each year.

Chase County Unified School District No. 284
Cottonwood Falls, Kansas

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE 5 - COMPENSATED ABSENCES AND FRINGE BENEFITS FOR FULL TIME EMPLOYEES

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 their employment. Each participant may elect to reduce his or her salary by an elected amount per month to purchase benefits offered through the Plan. In addition, the District contributes \$200 per month to the fringe benefit package for health insurance for full-time employees.

Compensated Absences

The District's policies for certified staff under the master agreement allow for sick leave and personal leave. At the beginning of each school year, each certified staff member is credited with seven days of sick leave. The unused portion of sick leave shall accumulate from year to year to a maximum of forty days. These forty days are in addition to the ten days sick/discretionary leave credited at the beginning of each year. After accumulating forty days of sick leave, the ten current unused sick leave days granted for that year will be remunerated at the rate of \$25 per day. Upon retirement, \$25 reimbursement per day will be granted for unused sick leave if the employee has been in the District 15 years or more and is eligible for retirement under KPERS. At the beginning of each school year, each certified staff member is also credited with three days of discretionary leave. The unused portion of discretionary leave shall accumulate from year to year as sick leave and be included in the maximum forty days accumulation of sick leave.

The District's policies for classified staff under the handbook allow for sick leave, personal leave, and vacation leave. Each 12 month classified employee shall be granted annually 12 days of sick leave which may be accumulated to a total of 50 days. Custodial and clerical employees not on a 12 month contract, bus drivers, and lunchroom employees shall be granted annually 10 days of sick leave which may be accumulated to a total of 50 days. Classified personnel are also granted two days of personal leave per year. Unused personal leave may be carried over annually, not to exceed 5 days. Accumulated personal leave in excess of five days will be compensated at a rate equal to 50% of the employees compensation rate at the end of the contract year. Classified full-time employees on a 12 month contract will be granted paid vacation time based upon years of service. All days from the previous year must be used by June 30th of the following year or the time will be lost.

The District has also established a sick leave bank for certified and administrator/classified staff members. At the beginning of each school year, each staff member has the option of donating a maximum of two days of their sick leave to the sick leave bank. The maximum number of unused days in the sick leave bank shall be 165 days. When a donor member leaves the District, his/her days are withdrawn from the sick leave bank. Only those who donate days are eligible to draw unused days from the bank upon application and approval by the screening committee.

The District recognizes these benefits as paid, therefore no provision for accumulated leave has been made in these financial statements.

NOTE 6 - OTHER POST EMPLOYMENT BENEFITS

As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. The district pays \$200 of the premium for each eligible retiree and the retiree is responsible for the balance. During the year ended June 30, 2011, three retirees participated in this plan and the district paid \$7,200 in premiums for these retirees. Any remaining subsidy to retirees due to the plan's level premium structure has not been quantified in these financial statements.

Chase County Unified School District No. 284
Cottonwood Falls, Kansas

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE 6 - OTHER POST EMPLOYMENT BENEFITS (CONT)

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.

NOTE 7 - 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. There were no significant reductions in insurance coverage from coverage in prior years.

NOTE 8 - TRANSFERS

Transfers between budgetary funds are for the purpose of shifting resources from the fund legally required to receive the revenue to the fund authorized to expend the revenues. Operating transfers during the fiscal year ended June 30, 2010 consisted of the following:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Authority</u>	<u>Amount</u>
General	Capital Outlay	72-6428	\$ 66,244
General	Special Education	72-6428	421,920
General	At-Risk (K-12)	72-6428	80,000
General	Food Service	72-6428	35,000
General	Textbook Rental	72-6428	15,000
General	Professional Development	72-6428	10,000
Supplemental General	Vocational Education	72-6433	130,000
Supplemental General	Special Education	72-6433	155,000
Supplemental General	At-Risk (K-12)	72-6433	150,000

NOTE 9 - OPERATING LEASES

The District entered into an operating lease on August 24, 2010 for the use of its copiers for a term of 48 months ending August 2014. The agreement calls for monthly payments of \$843.57. The current year rental payment under the current and prior lease was \$10,332.66.

NOTE 10 - GENERAL LONG-TERM DEBT

Lease-Purchase Agreement

In November 2007, the District sold the building located at 303 Broadway, Cottonwood Falls for \$52,500. The District then purchased a building at 219 Broadway, Cottonwood Falls for \$150,000. A portion of the purchase price was financed with a lease purchase agreement. The lease purchase agreement is non-interest bearing, with three \$30,000 annual payments due February 1, 2009 through February 1, 2011. The lease-purchase payment was paid from the capital outlay fund.

Chase County Unified School District No. 284
Cottonwood Falls, Kansas

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2011

NOTE 10 - GENERAL LONG-TERM DEBT (CONT)

General Obligation Bonds

In July 2008, the District called in all of the outstanding Series 1999A bonds maturing after September 1, 2009 for redemption and payment on September 1, 2008. The remaining balance was \$1,320,000. The District then issued General Obligation Refunding Bonds Series 2008A in August 2008 in the amount of \$1,345,000 in order to provide the funds for the redemption of the Series 1999A bonds. The first interest payment was made on March 1, 2009 and the final payment of principal and interest is scheduled on September 1, 2016. Bond payments are levied for and paid from the bond & interest fund.

Changes in long-term liabilities for the District for the year ended June 30, 2011, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
General Obligation Bonds:										
Series 2008A	3-3.75%	8/13/08	\$ 1,345,000	9/1/16	1,185,000	0	170,000		\$ 1,015,000	\$ 37,660
Capital Leases Payable:										
ENB	0.00%	11/15/07	\$ 60,000	2/1/11	30,000	0	30,000	0	0	0
Total long-term debt					<u>\$ 1,215,000</u>	<u>\$ 0</u>	<u>\$ 200,000</u>	<u>\$ 0</u>	<u>\$ 1,015,000</u>	<u>\$ 37,660</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>2015</u>	<u>2016</u>	<u>2017-2019</u>	<u>Total</u>
PRINCIPAL							
General Obligation Bonds	\$ 175,000	\$ 180,000	\$ 185,000	\$ 190,000	\$ 200,000	\$ 85,000	\$ 1,015,000
Capital Leases Payable	0	0	0	0	0	0	0
Total principal	<u>175,000</u>	<u>180,000</u>	<u>185,000</u>	<u>190,000</u>	<u>200,000</u>	<u>85,000</u>	<u>1,015,000</u>
INTEREST							
General Obligation Bonds	32,266	26,273	19,885	13,418	6,687	1,594	100,123
Capital Leases Payable	0	0	0	0	0	0	0
Total interest	<u>32,266</u>	<u>26,273</u>	<u>19,885</u>	<u>13,418</u>	<u>6,687</u>	<u>1,594</u>	<u>100,123</u>
Total Principal and Interest	<u>\$ 207,266</u>	<u>\$ 206,273</u>	<u>\$ 204,885</u>	<u>\$ 203,418</u>	<u>\$ 206,687</u>	<u>\$ 86,594</u>	<u>\$ 1,115,123</u>

Chase County Unified School District No. 284
Cottonwood Falls, Kansas

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE 11 - 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 are subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statements of the District at June 30, 2011.

NOTE 12 – SUBSEQUENT EVENTS

On July 1, 2011, the District turned over the management and administration of its Scholarship Fund to the Emporia Community Foundation. This private purpose trust fund provides scholarships to area students furthering their education beyond high school. The \$307,329.69 turned over the Emporia Community Foundation will be invested and disbursed by the foundation according to the original donor's specifications.

NOTE 13- 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.

The General fund showed a negative unencumbered cash balance of (\$174,376) at June 30, 2010. K.S.A. 10-116A (or 10-1116) provides that under certain situations, funds can end the year with a negative unencumbered cash balance and are therefore, exempt from the cash basis law of the State of Kansas. This fund met the criteria under the statutes, and therefore, is not deemed to be in violation of the Kansas cash basis law.

Deposits with financial institutions were not adequately secured at all times in accordance with K.S.A 9-1402.

Management is not aware of any other statutory violations for the period covered by the audit.

Chase County Unified School District No. 284
Cottonwood Falls, Kansas

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE 14 – STATUTORY PRESENTATION-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 show the revenue as required by these statutes.

Unified School District No. 284
Statutory Revenues and Expenditures - Statutory and Budget
For the Year Ended June 30, 2011

GENERAL FUND

	<u>Statutory</u>	<u>Budget</u>	Variance
	Transactions		Favorable (Unfavorable)
Statutory Revenues			
County Tax Receipts	\$ 741,641	\$ 713,755	27,886
General State Aid	1,867,308	2,107,821	(240,513)
ARRA Stabilization Funds	58,921	58,921	0
Education Jobs Funds	103,170	0	103,170
State Special Education Aid	375,410	394,097	(18,687)
Other	<u>10,905</u>	<u>0</u>	<u>10,905</u>
Total Statutory Revenues	<u>3,157,355</u>	<u>3,274,594</u>	<u>(117,239)</u>
Expenditures			
Instruction	1,580,961	1,624,483	43,522
Student Support	118,737	189,248	70,511
Instructional Support	34,749	68,833	34,084
General Administration	149,435	149,000	(435)
School Administration	12,803	15,000	2,197
Operation and Maintenance	343,956	361,500	17,544
Student Transportation	241,799	249,779	7,980
Other Supplemental Services	46,751	46,751	0
Fund Transfers	628,164	570,000	(58,164)
Adjustment to Comply with Legal Max	<u>0</u>	<u>(128,144)</u>	<u>(128,144)</u>
Legal General Fund Budget	3,157,355	3,146,450	(10,905)
Adjustments for Qualifying Budget Credits	<u>0</u>	<u>10,905</u>	<u>10,905</u>
Total Expenditures	<u>3,157,355</u>	<u>\$ 3,157,355</u>	<u>\$ 0</u>
Statutory Revenue Over (Under) Expenditures	0		
Modified Unencumbered Cash, July 1, 2010	<u>0</u>		
Modified Unencumbered Cash, June 30, 2011	<u>\$ 0</u>		

Chase County Unified School District No. 284
Cottonwood Falls, Kansas

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE 13 – STATUTORY PRESENTATION-COMPLIANCE WITH K.S.A. 72-6417 (d) AND K.S.A. 72-6434 (d) (cont)

Unified School District No. 284
Statutory Revenues and Expenditures - Statutory and Budget
For the Year Ended June 30, 2011

SUPPLEMENTAL GENERAL FUND

	Statutory Transactions	Budget	Variance Favorable (Unfavorable)
Statutory Revenues			
County Tax Receipts	\$ 990,218	\$ 948,226	\$ 41,992
Supplemental State Aid	35,123	21,170	13,953
Total Statutory Revenues	<u>1,025,341</u>	<u>969,396</u>	<u>55,945</u>
Expenditures			
Instruction	212,505	275,268	62,763
General Administrative	7,935	2,000	(5,935)
School Administration	134,091	137,156	3,065
Operations & Maintenance	196,619	128,000	(68,619)
Student Transportation	0	0	0
Fund Transfers	435,000	545,361	110,361
Adjustment to Comply with Legal Max	0	(18,884)	(18,884)
Total Expenditures	<u>986,150</u>	<u>\$ 1,068,901</u>	<u>\$ 82,751</u>
Revenue Over (Under) Expenditures	39,191		
Modified Unencumbered Cash, July 1, 2010	101,475		
Prior Year Cancelled Encumbrances	6		
Modified Unencumbered Cash, June 30, 2011	<u>\$ 140,672</u>		

Chase County Unified School District No. 284
Cottonwood Falls, Kansas

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2011

NOTE 13 – STATUTORY PRESENTATION-COMPLIANCE WITH K.S.A. 72-6417 (d) AND K.S.A. 72-6434 (d) (cont)

Unified School District No. 284
Statutory Revenues and Expenditures - Statutory and Budget
For the Year Ended June 30, 2011

KPERS SPECIAL RETIREMENT CONTRIBUTION

	<u>Statutory Transactions</u>	<u>Budget</u>	Variance Favorable (Unfavorable)
Statutory Revenues			
State of Kansas KPERS	\$ 179,207	\$ 257,600	\$ (78,393)
Expenditures			
Instruction Employees	116,204	160,000	43,796
Student Support	10,554	18,000	7,446
Instructional Support	3,009	9,000	5,991
General Administration	8,205	12,000	3,795
School Administration	3,967	8,000	4,033
Operations & Maintenance	3,741	20,000	16,259
Student Transportation Services	14,977	13,000	(1,977)
Food Service	10,392	11,600	1,208
Other Supplemental Services	8,158	6,000	(2,158)
Total Expenditures	<u>179,207</u>	<u>\$ 257,600</u>	<u>\$ 78,393</u>
Revenue Over (Under) Expenditures	0		
Modified Unencumbered Cash, July 1, 2010	<u>0</u>		
Modified Unencumbered Cash, June 30, 2011	<u>\$ 0</u>		