

UNIFIED SCHOOL DISTRICT NO. 111, DONIPHAN WEST,  
HIGHLAND, KANSAS

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FINANCIAL STATEMENT  
(with Independent Auditors' Report thereon)

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For the Year Ended June 30, 2012

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UNIFIED SCHOOL DISTRICT NO. 111, DONIPHAN WEST, HIGHLAND, KANSAS  
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# *Kramer & Associates CPAs, LLC*

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## INDEPENDENT AUDITORS' REPORT

To the Board of Education  
Unified School District No. 111, Doniphan West  
Highland, Kansas

We have audited the summary statement of cash receipts, expenditures, and unencumbered cash balances of Unified School District No. 111, Doniphan West, Highland, Kansas as of and for the year ended June 30, 2012. This financial statement is the responsibility of the District's management. Our responsibility is to express an opinion on this financial statement based on our audit.

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 statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, Unified School District No. 111, Doniphan West, Highland, Kansas has prepared this financial statement using 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 effects on the financial statement of the variances between these statutory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Unified School District No. 111, Doniphan West, Highland, Kansas, as of June 30, 2012, or the changes in its financial position for the year then ended.

Also, in our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of Unified School District No. 111, Doniphan West, Highland, Kansas, as of June 30, 2012, and the aggregate cash receipts and expenditures for the year then ended, on the basis of accounting described in Note 1.

Our audit was conducted for the purpose of forming an opinion on the 2012 financial statement. The summary of expenditures - actual and budget, individual fund schedules of cash receipts and expenditures - actual and budget, schedule of cash receipts and disbursements - agency funds, the schedule of cash receipts, expenditures, and unencumbered cash - district activity funds (Schedules 1, 2, 3, and 4 as listed in the Table of Contents), and the schedule of expenditures of federal awards are presented for the purpose of additional analysis and are not a required part of the statutory financial statement. Such information is the responsibility of management and the 2012 supplementary information was derived from and relates directly to the underlying accounting and other records used to prepare the 2012 financial statement. The 2012 information has been subjected to the auditing procedures applied in the audit of the 2012 financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2012 financial statement or to the 2012 financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 2012 financial statement taken as a whole.

The 2011 Actual columns presented in the individual fund schedules of cash receipts and expenditures - actual and budget (Schedule 2 as listed in the Table of Contents) are also presented for comparative analysis and are not a required part of the 2011 financial statement upon which we rendered an unqualified opinion dated November 14, 2011. The 2011 financial statement and our accompanying report are not presented herein, but are available in electronic form from the website of the Kansas Department of Administration, Office of Management Analysis and Standards at the following link <http://da.ks.gov/ar/muniserv/>. Such 2011 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2011 financial statement. The 2011 comparative information has been subjected to the auditing procedures applied in the audit of the 2011 financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2011 financial statement or to the 2011 financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2011 comparative information is fairly stated in all material respects in relation to the 2011 financial statement taken as a whole.

This report is intended solely for the information of the Board of Education and committees thereto, management, others within the entity, federal awarding agencies, the Kansas Division of Accounts and Reports, and the Kansas State Department of Education and is not intended and should not be used by anyone other than these specified parties.

*KRAMER & ASSOCIATES CPAs, L.L.C.*

Kramer & Associates CPAs, LLC  
Leavenworth, Kansas  
November 12, 2012

UNIFIED SCHOOL DISTRICT NO. 111, DONIPHAN WEST, HIGHLAND, KANSAS  
SUMMARY OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH  
For the year ended June 30, 2012

Funds	Beginning unencumbered cash balance	Prior year canceled encumbrances	Cash receipts	Expenditures	Ending unencumbered cash balance	Outstanding encumbrances and accounts payable	Ending cash balance
<b>Governmental type funds:</b>							
General funds:							
General fund	\$ 1	\$ -	\$ 4,057,233	\$ 4,057,234	\$ -	\$ 6,543	\$ 6,543
Supplemental general	57,232	-	1,026,515	1,029,804	53,943	-	53,943
Special revenue funds:							
At risk (4 year old)	-	-	22,680	22,680	-	-	-
At risk (K-12)	-	-	210,000	210,000	-	-	-
Capital outlay	271,653	-	150,246	135,429	286,470	-	286,470
Driver training	3,120	-	510	3,630	-	-	-
Food service	46,096	-	218,681	242,140	22,637	-	22,637
Professional development	12,613	-	10,000	504	22,109	504	22,613
Parent education	-	-	9,800	9,800	-	-	-
Special education	126,919	-	505,560	488,323	145,156	-	145,156
Vocational education	-	-	143,444	142,365	1,079	-	1,079
KPERs special retirement contributions	-	-	314,330	314,330	-	-	-
Textbook rental	7,925	-	13,674	11,513	10,086	-	10,086
Contingency reserve	233,820	-	89,526	-	323,346	-	323,346
Federal funds	-	-	88,746	88,746	-	348	348
Other grant funds	6,522	-	150	300	6,372	-	6,372
Gate receipts	5,305	-	51,952	52,737	4,520	-	4,520
School projects	15,203	-	29,165	32,996	11,372	-	11,372
Total reporting entity	\$ 786,409	\$ -	\$ 6,943,212	\$ 6,842,531	\$ 887,090	\$ 7,395	\$ 894,485
(excluding agency fund)							
			Composition of cash:		Checking		\$ 677,093
					Checking - activity accounts		57,499
					Petty cash		1,500
					Certificates of Deposit		200,000
					Total cash		936,092
					Less agency funds		(41,607)
					Total reporting entity		\$ 894,485
					(excluding agency funds)		

The accompanying notes are an integral  
part of the financial statements.

UNIFIED SCHOOL DISTRICT NO. 111, DONIPHAN WEST, HIGHLAND, KANSAS

NOTES TO THE FINANCIAL STATEMENT

For the year ended June 30, 2012

1. Summary of significant accounting policies

a. Reporting entity

Unified School District No. 111, Doniphan West, Highland, Kansas ("the District") is a municipal corporation governed by an elected seven-member board. The financial statement presents Unified School District No. 111, Doniphan West, Highland, Kansas (the primary government). There are no component units.

b. Reimbursed expenses

Certain expenditures are classified as reimbursed expenses. The purpose of these expenditures is payment for goods and services in which fees are collected and such expenditures are exempt from the budget law under K.S.A. 79-2934. The following expenditures are classified as reimbursed expenses for the year ended June 30, 2012:

General fund

\$ 50,041

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statement schedules meet the following criteria:

1. the related disbursement was made in the current year on behalf of the payee,
2. the item paid for was directly identifiable as having been used by or provided to the payee, and
3. the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

c. Basis of accounting

1. Statutory basis of accounting

The statutory basis of accounting, as used in the preparation of the statutory basis financial statement, 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 period'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 K.S.A. 75-1120a(c) waiving the requirement for application of generally accepted accounting principles and allowing the District to use the statutory basis of accounting.

c. Basis of accounting (continued)

2. 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. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expenses, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented.

Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles.

Capital assets that account for the land, buildings, and equipment owned by the District are not presented in the financial statement. Also, long-term debt such as general obligation bonds, revenue bonds, capital leases, temporary notes, and compensated absences are not presented in the financial statement.

d. Cash and investments

Cash consists of checking accounts, savings accounts, and certificates of deposit.

Cash balances in all funds are considered in determining the amount to be invested and further, unless specifically designated, all investment income is credited to the capital outlay fund.

e. Inventories and prepaid expenses

Inventories and prepaid expenses which benefit future periods are recorded as an expenditure during the year of purchase, as required by state statutes.

f. 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.

f. Fund descriptions (continued)

The following types of funds comprise the financial activities of the District for the year ended June 30, 2012:

1. Governmental funds

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

2. Fiduciary funds

- a. Trust and agency funds - to account for assets held by the District in a trustee capacity or as an agent for individuals, other governmental units, private organizations, and/or other funds. Agency funds are custodial in nature and do not involve measurement of operations. The District had no trust funds at June 30, 2012.

2. Stewardship, compliance, and accountability

a. Budgetary information

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

- 1. Preparation of the budget for the succeeding year on or before August 1st.
- 2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on budget.
- 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.



a. Budgetary information (continued)

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

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules 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 District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital projects funds, fiduciary funds, permanent funds, and the following special revenue funds:

- Textbook rental fund
- Contingency reserve fund
- Grant funds

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

b. Compliance with Kansas Statutes

The District was undersecured on at least six different occurrences during the year at Bendena State Bank (K.S.A. 9-1402).

The District violated the cash basis law of the State of Kansas (K.S.A. 10-1113) by showing negative cash balances in the agency and district activity funds. See schedules 3 and 4 for more information.

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

### 3. Deposits and investments

As of June 30, 2012, the District had no investments.

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the bank 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.

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

Custodial credit risk - deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at June 30, 2012.

At June 30, 2012, the District's carrying amount of deposits was \$936,092 and the bank balance was \$1,201,258. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$368,985 was covered by federal depository insurance, and the remaining \$832,273 was collateralized with securities held by the pledging financial institutions' agents in the District'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, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

4. Long-term debt

Changes in long-term liabilities for the District for the year ended June 30, 2012, were as follows:

Issue	Interest rate	Date of issue	Amount of issue	Date of final maturity	Balance beginning of year	Additions	Reductions/ payments	Balance end of year	Interest paid
<b>Capital leases:</b>									
Energy lease - 425	4.52%	08/01/2007	\$529,433	07/01/2022	\$ 319,742	\$ -	\$ (20,539)	\$ 299,203	\$ 14,756
Energy lease - 425	4.95%	08/01/2008	\$ 67,017	07/01/2022	59,789	-	(3,742)	56,047	3,028
Energy lease - 433	4.10%	02/15/2008	\$489,270	02/15/2018	413,086	-	(44,549)	368,537	17,258
Copiers - 433	8.9%	08/01/2006	\$ 34,583	08/01/2011	1,444	-	(1,444)	-	16
Computers - 433	9.3%	07/03/2008	\$ 51,936	07/03/2011	4,465	-	(4,465)	-	104
VIP Virtualization	3.74%	06/24/2010	\$599,132	07/01/2014	470,349	-	(111,192)	359,157	17,591
Computers - 425	2.1%	07/28/2008	\$ 89,289	07/01/2011	7,644	-	(7,644)	-	40
Computer equipment	4.11%	07/31/2012	\$146,450	07/31/2015	-	146,450	-	146,450	-
Total long-term debt					<u>\$1,276,519</u>	<u>\$146,450</u>	<u>\$ (193,575)</u>	<u>\$1,229,394</u>	<u>\$ 52,793</u>

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

	Year ended June 30,							Total
	2013	2014	2015	2016	2017	2018-2022	2023-2027	
Principal:								
Capital lease:								
Energy lease - 425	\$ 21,488	\$ 22,480	\$ 23,517	\$ 24,602	\$ 25,738	\$147,639	\$ 33,738	\$ 299,202
Energy lease - 425	3,932	4,131	4,340	4,560	4,791	27,849	6,444	56,047
Energy lease - 433	46,409	48,348	50,368	52,472	54,664	116,277	-	368,538
Copiers - 433	-	-	-	-	-	-	-	-
Computers - 433	-	-	-	-	-	-	-	-
VIP Virtualization	115,351	119,665	124,141	-	-	-	-	359,157
Computers - 425	-	-	-	-	-	-	-	-
Computer equipment	47,847	48,293	50,310	-	-	-	-	146,450
Total principal	235,027	242,917	252,676	81,634	85,193	291,765	40,182	1,229,394
Interest:								
Capital lease:								
Energy lease - 425	13,808	12,816	11,779	10,693	9,558	28,839	1,558	89,051
Energy lease - 425	2,838	2,639	2,430	2,210	1,979	6,002	326	18,424
Energy lease - 433	15,397	13,458	11,438	9,334	7,142	7,338	-	64,107
Copiers - 433	-	-	-	-	-	-	-	-
Computers - 433	-	-	-	-	-	-	-	-
VIP Virtualization	13,433	9,118	4,643	-	-	-	-	27,194
Computers - 425	-	-	-	-	-	-	-	-
Computer equipment	3,762	3,316	1,299	-	-	-	-	8,377
Total interest	49,238	41,347	31,589	22,237	18,679	42,179	1,884	207,153
Total principal and interest payments	\$284,265	\$284,264	\$284,265	\$103,871	\$ 103,872	\$333,944	\$ 42,066	\$1,436,547

5. Commitments

- b. The District entered into a lease agreement in July 2009 for a new voice communication system. This lease requires total monthly payments of \$2,225 for 60 months. Rental expense for the system was \$24,478 for the year ended June 30, 2012.
- c. The District entered into a lease agreement in March 2011 for two Savin 9060SP copiers. This lease requires total monthly payments of \$730 for 60 months. Rental expense for the two copiers was \$8,030 for the year ended June 30, 2012.
- a. The District entered into a lease agreement in August 2011 for copiers. This lease requires total monthly payments of \$1,795 for 60 months. Rental expense for the copiers was \$21,540 for the year
- c. Future minimum rental payments required under the non-cancelable operating leases as of June 30, 2012 are as follows:

2013	\$ 57,004
2014	57,004
2015	36,976
2016	<u>30,300</u>
Total	<u>\$ 181,284</u>

6. Interfund transfers

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General Fund	At Risk (4 year old)	K.S.A. 72-6428	\$ 22,680
General Fund	At Risk (K-12)	K.S.A. 72-6428	140,000
General Fund	Driver Training	K.S.A. 72-6428	510
General Fund	Food Service	K.S.A. 72-6428	42,120
General Fund	Professional Development	K.S.A. 72-6428	10,000
General Fund	Parent Education	K.S.A. 72-6428	9,800
General Fund	Special Education	K.S.A. 72-6428	506,560
General Fund	Vocational Education	K.S.A. 72-6428	143,444
General Fund	Contingency Reserve	K.S.A. 72-6428	<u>89,526</u>
Total General fund transfers			<u>964,640</u>
Supplemental			
General Fund	At Risk (K-12)	K.S.A. 72-6433	<u>70,000</u>
Total Supplemental General fund transfers			<u>70,000</u>
Total interfund transfers			<u>\$ 1,034,640</u>

7. Defined benefit plan

a. Plan description

The District contributes to the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas, Suite 100, Topeka, KS 66603-3869) or by calling 1-888-275-5737.

b. Funding policy

K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary. K.S.A. 74-49,210 establishes the KPERS member-employee contribution rate at 6% for employees hired after July 1, 2009. Member-employees' contributions are withheld by their employer and paid to KPERS according to the provisions of section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. Kansas currently contributes 9.17% of covered payroll for fiscal year 2011, and 9.77% of covered payroll for fiscal year 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, 2012, 2011, and 2010 were \$298,635,383, \$253,834,044, and \$248,468,186, respectively, equal to the required contributions for each year as set forth by the legislature. The amounts attributable to the District for the years ending June 30, 2012, 2011, and 2010 were \$314,330, \$182,363, and \$202,832.

8. Other post employment benefits

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.

9. Compensated absences

The District policy regarding sick pay is to accrue pay for full-time employees up to a maximum of 30 days for non-certified staff and 70 days for certified staff. However, upon termination, no amount is paid. Personal days are required to be used before the end of the year. Vacation pay is accrued by non-certified employees each year based on years of service. Any unused vacation pay must be used before December 31 following the year during which it was earned.

10. Restated beginning unencumbered cash balances

Due to Technical Amendment 2011-01 to the Kansas Municipal Audit Guide, which governs the format and accounting for this financial statement, beginning unencumbered cash balances have been restated. These restated balances reflect the change in policy of the Guide as to when the final general state aid payments of the year are posted in the District's accounting records. The previous policy dictated that the final payments that was to be paid by the State in June, but was received by the District in July of the subsequent fiscal year, be posted when received in the subsequent fiscal year. The technical amendment stipulates that the final general state aid payments received by the District immediately after fiscal year end should now be recorded as a cash receipt in the preceding year. The following reconciles the balances previously reported with the restated amounts.

	06/30/2011 Balance previously reported	State aid payment received July 2011	06/30/2011 Balance restated
General fund	\$ (192,553)	\$ 192,554	\$ 1
Supplemental general fund	\$ 32,199	\$ 25,033	\$ 57,232

11. Subsequent event

Subsequent to year end, the District entered into a lease purchase agreement for computer equipment with HP Financing for \$146,450. See footnote 4 for more information on the terms of the lease.

SUPPLEMENTARY INFORMATION

## UNIFIED SCHOOL DISTRICT NO. 111, DONIPHAN WEST, HIGHLAND, KANSAS

## SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET

For the year ended June 30, 2012

Funds	Certified budget	Adjustment to comply with legal max	Adjustment for qualifying budget credits	Total budget for comparison	Expenditures chargeable to current year	Variance - over (under)
Governmental type funds:						
General funds:						
General	\$ 4,176,915	\$ (169,722)	\$ 50,041	\$ 4,057,234	\$ 4,057,234	\$ -
Supplemental general	\$ 1,046,295	\$ (16,491)	\$ -	\$ 1,029,804	\$ 1,029,804	\$ -
Special revenue funds:						
At risk (4 year old)	\$ 30,000	\$ -	\$ -	\$ 30,000	\$ 22,680	\$ 7,320
At risk (K-12)	\$ 210,000	\$ -	\$ -	\$ 210,000	\$ 210,000	\$ -
Capital outlay	\$ 1,086,957	\$ -	\$ -	\$ 1,086,957	\$ 135,429	\$ 951,528
Driver training	\$ 11,700	\$ -	\$ -	\$ 11,700	\$ 3,630	\$ 8,070
Food service	\$ 380,050	\$ -	\$ -	\$ 380,050	\$ 242,140	\$ 137,910
Professional development	\$ 31,000	\$ -	\$ -	\$ 31,000	\$ 504	\$ 30,496
Parent education	\$ 10,600	\$ -	\$ -	\$ 10,600	\$ 9,800	\$ 800
Special education	\$ 810,750	\$ -	\$ -	\$ 810,750	\$ 488,323	\$ 322,427
Vocational education	\$ 250,000	\$ -	\$ -	\$ 250,000	\$ 142,365	\$ 107,635
KPERS special retirement contributions	\$ 331,900	\$ -	\$ -	\$ 331,900	\$ 314,330	\$ 17,570
Federal funds	\$ 91,000	\$ -	\$ -	\$ 91,000	\$ 88,746	\$ 2,254

See Independent Auditors' Report



UNIFIED SCHOOL DISTRICT NO. 111, DONIPHAN WEST, HIGHLAND, KANSAS  
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
 GENERAL FUND

For the year ended June 30, 2012

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

	Prior year actual	Current year		
		Actual	Budget	Variance - over (under)
Cash receipts:				
Taxes and shared revenue:				
Ad valorem property - taxes in process	\$ 15,272	\$ 15,938	\$ 20,539	\$ (4,601)
Ad valorem property - current taxes	881,987	891,064	864,272	26,792
Delinquent	2,322	5,865	11,577	(5,712)
State aid:				
Equalization aid	2,597,061	2,736,414	2,754,395	(17,981)
Special education services	369,928	356,560	526,132	(169,572)
Federal aid:				
ARRA Stabilization	56,070	-	-	-
Education jobs fund	98,178	1,351	-	1,351
Reimbursed expenses	77,291	50,041	-	50,041
Total cash receipts	<u>4,098,109</u>	<u>4,057,233</u>	<u>\$ 4,176,915</u>	<u>\$ (119,682)</u>
Expenditures and transfers subject to budget:				
Instruction	1,708,980	1,669,553	\$ 2,095,584	\$ 426,031
Student support services	138,995	115,897	43,341	(72,556)
Instructional support staff	70,868	76,236	78,340	2,104
General administration	130,374	169,469	125,425	(44,044)
School administration	102,834	111,005	120,943	9,938
Operations and maintenance	687,058	704,183	584,050	(120,133)
Student transportation services	242,281	246,071	199,500	(46,571)
Other support services	-	180	-	(180)
Transfers out	1,016,718	964,640	929,732	(34,908)
Adjustment to comply with legal max	-	-	(169,722)	(169,722)
Legal general fund budget	4,098,108	4,057,234	4,007,193	(50,041)
Adjustment for qualifying budget credits:				
Reimbursements	-	-	50,041	50,041
Total expenditures and transfers subject to budget	<u>4,098,108</u>	<u>4,057,234</u>	<u>\$ 4,057,234</u>	<u>\$ -</u>
Revenue over (under) expenditures	1	(1)		
Unencumbered cash, beginning of year	-	1		
Unencumbered cash, end of year	<u>\$ 1</u>	<u>\$ -</u>		

See Independent Auditors' Report

UNIFIED SCHOOL DISTRICT NO. 111, DONIPHAN WEST, HIGHLAND, KANSAS  
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
 SUPPLEMENTAL GENERAL FUND

For the year ended June 30, 2012

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

	Prior year actual	Current year		
		Actual	Budget	Variance - over (under)
Cash receipts:				
Taxes and shared revenue:				
Ad valorem property - taxes in process	\$ 10,778	\$ 11,988	\$ 7,606	\$ 4,382
Ad valorem property - current taxes	578,363	551,783	525,320	26,463
Delinquent	3,177	5,382	7,633	(2,251)
Motor vehicle	47,029	42,345	42,143	202
Recreational vehicle	848	947	806	141
State aid:				
Equalization aid	446,584	414,070	405,554	8,516
Total cash receipts	<u>1,086,779</u>	<u>1,026,515</u>	<u>\$ 989,062</u>	<u>\$ 37,453</u>
Expenditures and transfers subject to budget:				
Instruction	728,006	720,113	\$ 740,798	\$ 20,685
General administration	233,915	106,145	235,497	129,352
School administration	10,917	133,546	-	(133,546)
Transfers out	70,000	70,000	70,000	-
Adjustment to comply with legal max	-	-	(16,491)	(16,491)
Legal supplemental general fund budget	<u>1,042,838</u>	<u>1,029,804</u>	<u>1,029,804</u>	<u>-</u>
Adjustment for qualifying budget credits	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers subject to budget	<u>1,042,838</u>	<u>1,029,804</u>	<u>\$ 1,029,804</u>	<u>\$ -</u>
Revenues over (under) expenditures	43,941	(3,289)		
Unencumbered cash, beginning of year	<u>13,291</u>	<u>57,232</u>		
Unencumbered cash, end of year	<u>\$ 57,232</u>	<u>\$ 53,943</u>		

See Independent Auditors' Report

## UNIFIED SCHOOL DISTRICT NO. 111, DONIPHAN WEST, HIGHLAND, KANSAS

## SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

## AT RISK (4 YEAR OLD) FUND

For the year ended June 30, 2012

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

	Prior year actual	Current year		
		Actual	Budget	Variance - over (under)
Cash receipts:				
Transfers in:				
General fund	\$ 19,685	\$ 22,680	\$ 30,000	\$ (7,320)
Total cash receipts	<u>19,685</u>	<u>22,680</u>	<u>\$ 30,000</u>	<u>\$ (7,320)</u>
Expenditures subject to budget:				
Instruction	19,685	22,680	\$ 30,000	\$ 7,320
Adjustment for qualifying budget credits	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures subject to budget	<u>19,685</u>	<u>22,680</u>	<u>\$ 30,000</u>	<u>\$ 7,320</u>
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning of year	<u>-</u>	<u>-</u>		
Unencumbered cash, end of year	<u>\$ -</u>	<u>\$ -</u>		

See Independent Auditors' Report

UNIFIED SCHOOL DISTRICT NO. 111, DONIPHAN WEST, HIGHLAND, KANSAS  
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
 AT RISK (K-12) FUND

For the year ended June 30, 2012

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

	Prior year actual	Current year		
		Actual	Budget	Variance - over (under)
Cash receipts:				
Interest on idle funds	\$ -	\$ -	\$ 10,000	\$ (10,000)
Transfers in:				
General fund	109,921	140,000	130,000	10,000
Supplemental general fund	70,000	70,000	70,000	-
Total cash receipts	179,921	210,000	\$ 210,000	\$ -
Expenditures subject to budget:				
Instruction	179,921	210,000	\$ 210,000	\$ -
Adjustment for qualifying budget credits	-	-	-	-
Total expenditures subject to budget	179,921	210,000	\$ 210,000	\$ -
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning of year	-	-		
Unencumbered cash, end of year	\$ -	\$ -		

See Independent Auditors' Report

## UNIFIED SCHOOL DISTRICT NO. 111, DONIPHAN WEST, HIGHLAND, KANSAS

## SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

## CAPITAL OUTLAY FUND

For the year ended June 30, 2012

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

	Prior year actual	Current year		
		Actual	Budget	Variance - over (under)
Cash receipts:				
Taxes and shared revenue:				
Ad valorem property - taxes in process	\$ -	\$ 2,101	\$ 2,928	\$ (827)
Ad valorem property - current taxes	101,382	111,509	108,815	2,694
Delinquent	-	266	1,338	(1,072)
Motor vehicle	-	1,649	2,181	(532)
Recreational vehicle	-	50	42	8
Interest on idle funds	3,649	5,165	450,000	(444,835)
Other revenue from local sources	38,717	29,506	250,000	(220,494)
Total cash receipts	143,748	150,246	\$ 815,304	\$ (665,058)
Expenditures subject to budget:				
Instruction	77,662	66,091	\$ 175,000	\$ 108,909
Instructional staff support services	-	-	166,182	166,182
General administration	-	3,000	-	(3,000)
Operations and maintenance	143,608	54,148	425,000	370,852
Student transportation services	19,301	-	284,189	284,189
Facility acquisition and construction services	38,439	12,190	36,586	24,396
Adjustment for qualifying budget credits	-	-	-	-
Total expenditures subject to budget	279,010	135,429	\$ 1,086,957	\$ 951,528
Receipts under expenditures	(135,262)	14,817		
Unencumbered cash, beginning of year	406,915	271,653		
Unencumbered cash, end of year	\$ 271,653	\$ 286,470		

See Independent Auditors' Report

## UNIFIED SCHOOL DISTRICT NO. 111, DONIPHAN WEST, HIGHLAND, KANSAS

## SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

## DRIVER TRAINING FUND

For the year ended June 30, 2012

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

	Prior year actual	Current year		
		Actual	Budget	Variance - over (under)
Cash receipts:				
State aid:				
Driver training	\$ -	\$ -	\$ -	\$ -
Interest on idle funds	-	-	6,000	(6,000)
Revenue from other local source	1,150	-	3,000	(3,000)
Transfers in:				
General fund	6,000	510	-	510
Total cash receipts	7,150	510	\$ 9,000	\$ (8,490)
Expenditures subject to budget:				
Instruction	8,250	3,630	\$ 11,700	\$ 8,070
Adjustment for qualifying budget credits	-	-	-	-
Total expenditures subject to budget	8,250	3,630	\$ 11,700	\$ 8,070
Receipts over (under) expenditures	(1,100)	(3,120)		
Unencumbered cash, beginning of year	4,220	3,120		
Unencumbered cash, end of year	\$ 3,120	\$ -		

See Independent Auditors' Report

## UNIFIED SCHOOL DISTRICT NO. 111, DONIPHAN WEST, HIGHLAND, KANSAS

## SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

## FOOD SERVICE FUND

For the year ended June 30, 2012

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

	Prior year actual	Current year		
		Actual	Budget	Variance - over (under)
Cash receipts:				
Federal aid:				
National school lunch/breakfast program	\$ 82,858	\$ 95,822	\$ 104,792	\$ (8,970)
State aid:				
School food assistance	1,991	2,008	2,364	(356)
Charge for services	65,989	78,701	125,200	(46,499)
Interest on idle funds	-	-	45,000	(45,000)
Other revenue	1,132	30	-	30
Transfers in:				
General fund	75,509	42,120	80,000	(37,880)
Total cash receipts	227,479	218,681	\$ 357,356	\$ (138,675)
Expenditures subject to budget:				
Food service operations	230,274	241,563	\$ 380,050	\$ 138,487
Operations and maintenance	609	577	-	(577)
Adjustment for qualifying budget credits	-	-	-	-
Total expenditures subject to budget	230,883	242,140	\$ 380,050	\$ 137,910
Receipts over (under) expenditures	(3,404)	(23,459)		
Unencumbered cash, beginning of year	49,500	46,096		
Unencumbered cash, end of year	\$ 46,096	\$ 22,637		

See Independent Auditors' Report

## UNIFIED SCHOOL DISTRICT NO. 111, DONIPHAN WEST, HIGHLAND, KANSAS

## SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

## PROFESSIONAL DEVELOPMENT FUND

For the year ended June 30, 2012

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

	Prior year actual	Current year		
		Actual	Budget	Variance - over (under)
Cash receipts:				
Interest on idle funds	\$ -	\$ -	\$ 7,500	\$ (7,500)
Transfers in:				
General fund	-	10,000	13,000	(3,000)
Total cash receipts	-	10,000	\$ 20,500	\$ (10,500)
Expenditures subject to budget:				
Instructional support staff	2,634	504	\$ 31,000	\$ 30,496
Adjustment for qualifying budget credits	-	-	-	-
Total expenditures subject to budget	2,634	504	\$ 31,000	\$ 30,496
Receipts over (under) expenditures	(2,634)	9,496		
Unencumbered cash, beginning of year	15,247	12,613		
Unencumbered cash, end of year	\$ 12,613	\$ 22,109		

See Independent Auditors' Report



## UNIFIED SCHOOL DISTRICT NO. 111, DONIPHAN WEST, HIGHLAND, KANSAS

## SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

## PARENT EDUCATION FUND

For the year ended June 30, 2012

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

	Prior year actual	Current year		
		Actual	Budget	Variance - over (under)
Cash receipts:				
Transfers in:				
General fund	\$ 8,300	\$ 9,800	\$ 10,600	\$ (800)
Total cash receipts	8,300	9,800	\$ 10,600	\$ (800)
Expenditures subject to budget:				
Student support services	6,300	9,800	\$ 10,600	\$ 800
Adjustment for qualifying budget credits	-	-	-	-
Total expenditures subject to budget	8,300	9,800	\$ 10,600	\$ 800
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning of year	-	-		
Unencumbered cash, end of year	\$ -	\$ -		

See Independent Auditors' Report

## UNIFIED SCHOOL DISTRICT NO. 111, DONIPHAN WEST, HIGHLAND, KANSAS

## SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

## SPECIAL EDUCATION FUND

For the year ended June 30, 2012

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

	Prior year actual	Current year		
		Actual	Budget	Variance - over (under)
Cash receipts:				
Interest on idle funds	\$ -	\$ -	\$ 160,000	\$ (160,000)
Transfers in:				
General fund	559,856	506,560	526,132	(19,572)
Total cash receipts	559,856	506,560	\$ 686,132	\$ (179,572)
Expenditures subject to budget:				
Instruction	515,721	475,628	\$ 698,000	\$ 222,372
Vehicle operating services	6,854	12,695	112,750	100,055
Adjustment for qualifying budget credits	-	-	-	-
Total expenditures subject to budget	522,575	488,323	\$ 810,750	\$ 322,427
Receipts over (under) expenditures	37,281	18,237		
Unencumbered cash, beginning of year	89,638	126,919		
Unencumbered cash, end of year	\$ 126,919	\$ 145,156		

See Independent Auditors' Report

## UNIFIED SCHOOL DISTRICT NO. 111, DONIPHAN WEST, HIGHLAND, KANSAS

## SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

## VOCATIONAL EDUCATION FUND

For the year ended June 30, 2012

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

	Prior year actual	Current year		
		Actual	Budget	Variance - over (under)
Cash receipts:				
Interest	\$ -	\$ -	\$ 110,000	\$ (110,000)
Transfers in:				
General fund	177,447	143,444	140,000	3,444
Total cash receipts	177,447	143,444	\$ 250,000	\$ (106,556)
Expenditures subject to budget:				
Instruction	177,447	142,365	\$ 250,000	\$ 107,635
Adjustment for qualifying budget credits	-	-	-	-
Total expenditures subject to budget	177,447	142,365	\$ 250,000	\$ 107,635
Receipts over (under) expenditures	-	1,079		
Unencumbered cash, beginning of year	-	-		
Unencumbered cash, end of year	\$ -	\$ 1,079		

See Independent Auditors' Report

## UNIFIED SCHOOL DISTRICT NO. 111, DONIPHAN WEST, HIGHLAND, KANSAS

## SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

## KPERS SPECIAL RETIREMENT CONTRIBUTIONS FUND

For the year ended June 30, 2012

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

	Prior year actual	Current year		
		Actual	Budget	Variance - over (under)
Cash receipts:				
State aid:				
KPERS Retirement	\$ 182,363	\$ 314,330	\$ 331,900	\$ (17,570)
Total cash receipts	182,363	314,330	\$ 331,900	\$ (17,570)
Expenditures subject to budget:				
Instruction	155,363	244,324	\$ 180,000	\$ (64,324)
Student support services	3,000	9,401	25,000	15,599
Instructional support staff	4,000	10,001	25,000	14,999
General administration	4,000	8,800	25,000	16,200
School administration	4,000	11,802	15,000	3,198
Operations and maintenance	4,000	10,601	30,000	19,399
Student transportation services	4,000	10,001	26,400	16,399
Food service operations	4,000	9,400	5,500	(3,900)
Adjustment for qualifying budget credits	-	-	-	-
Total expenditures subject to budget	182,363	314,330	\$ 331,900	\$ 17,570
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning of year	-	-		
Unencumbered cash, end of year	\$ -	\$ -		

See Independent Auditors' Report

## UNIFIED SCHOOL DISTRICT NO. 111, DONIPHAN WEST, HIGHLAND, KANSAS

## SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

## TEXTBOOK RENTAL FUND\*

For the year ended June 30, 2012

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

	Prior year actual	Current year actual
Cash receipts:		
Charge for services	\$ 14,397	\$ 13,674
Total cash receipts	14,397	13,674
Expenditures:		
Instruction	22,475	11,513
Total expenditures	22,475	11,513
Receipts over (under) expenditures	(8,078)	2,161
Unencumbered cash, beginning of year	16,003	7,925
Unencumbered cash, end of year	\$ 7,925	\$ 10,086

\* This fund is not required to be budgeted.

See Independent Auditors' Report

## UNIFIED SCHOOL DISTRICT NO. 111, DONIPHAN WEST, HIGHLAND, KANSAS

## SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

## CONTINGENCY RESERVE FUND\*

For the year ended June 30, 2012

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

	Prior year actual	Current year actual
Cash receipts:		
Transfers in:		
General fund	\$ 60,000	\$ 89,526
Total cash receipts	60,000	89,526
Expenditures:		
Other support services	-	-
Total expenditures	-	-
Receipts over (under) expenditures	60,000	89,526
Unencumbered cash, beginning of year	173,820	233,820
Unencumbered cash, end of year	\$ 233,820	\$ 323,346

\* This fund is not required to be budgeted.

See Independent Auditors' Report

## UNIFIED SCHOOL DISTRICT NO. 111, DONIPHAN WEST, HIGHLAND, KANSAS

## SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

## FEDERAL FUNDS

For the year ended June 30, 2012

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

	Prior year actual	Current year		
		Actual	Budget	Variance - over (under)
Cash receipts:				
Federal aid:				
Title I	\$ 49,912	\$ 48,049	\$ 60,000	\$ (11,951)
Title II	24,907	22,135	30,000	(7,865)
Drug free	-	-	1,000	(1,000)
Rural education achievement program	47,630	18,562	-	18,562
Total cash receipts	<u>122,449</u>	<u>88,746</u>	<u>\$ 91,000</u>	<u>\$ (2,254)</u>
Expenditures subject to budget:				
Instruction	128,588	88,746	\$ 91,000	\$ 2,254
Adjustment for qualifying budget credits:				
Federal funds received in excess of budget	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures subject to budget	<u>128,588</u>	<u>88,746</u>	<u>\$ 91,000</u>	<u>\$ 2,254</u>
Receipts over (under) expenditures	(6,139)	-		
Unencumbered cash, beginning of year	<u>6,139</u>	<u>-</u>		
Unencumbered cash, end of year	<u>\$ -</u>	<u>\$ -</u>		

See Independent Auditors' Report

## UNIFIED SCHOOL DISTRICT NO. 111, DONIPHAN WEST, HIGHLAND, KANSAS

## SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

## OTHER GRANT FUNDS \*

For the year ended June 30, 2012

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

	Prior year actual	Current year actual
Cash receipts:		
Revenue from other local sources	\$ 150	\$ 150
Total cash receipts	150	150
Expenditures:		
Student activities	300	300
Total expenditures	300	300
Receipts over (under) expenditures	(150)	(150)
Unencumbered cash, beginning of year	6,672	6,522
Unencumbered cash, end of year	\$ 6,522	\$ 6,372

\* This fund is not required to be budgeted.

See Independent Auditors' Report



## UNIFIED SCHOOL DISTRICT NO. 111, DONIPHAN WEST, HIGHLAND, KANSAS

## SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - ACTUAL

## AGENCY FUNDS

For the year ended June 30, 2012

	Beginning cash balance	Cash receipts	Cash disbursements	Ending cash balance
High school student activity funds:				
Choir	\$ 1,042	\$ 4,907	\$ 4,761	\$ 1,188
PEP club	200	3,656	2,006	1,850
FCCLA club	537	165	—	702
Forensics	(767)	198	585	(1,154)
National honor society	246	—	—	246
STUCO	1,781	3,362	4,178	965
Previously graduated classes	139	—	—	139
Freshman class	—	1,673	212	1,461
Sophomore class	1,065	19,992	14,851	6,206
Junior class	6,500	10,079	8,816	7,763
Senior class	4,180	11,327	15,272	235
FFA	4,268	29,317	29,249	4,336
Publications	5,940	9,382	11,351	3,971
Total high school student activity funds	25,131	94,058	91,281	27,908
Middle school student activity funds:				
Band	1,769	11,201	10,979	1,991
Concessions	6,630	12,726	19,356	—
Cheerleaders	395	3,522	1,710	2,207
STUCO	2,408	1,882	3,086	1,204
Total middle school student activity funds	11,202	29,331	35,131	5,402
Elementary school activity funds:				
Grades	2,501	2,541	3,561	1,481
Total elementary school activity funds	2,501	2,541	3,561	1,481

See Independent Auditors' Report

## UNIFIED SCHOOL DISTRICT NO. 111, DONIPHAN WEST, HIGHLAND, KANSAS

## SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - ACTUAL

## AGENCY FUNDS

For the year ended June 30, 2012

	Beginning cash balance	Cash receipts	Cash disbursements	Ending cash balance
Fees and user charges:				
Lunch fund	9,799	61,380	71,179	—
Book rental	34	13,989	13,561	462
Library fines	—	241	—	241
Pictures/collections	3,610	3,688	5,850	1,448
Metals	—	707	707	—
Supplies/collections	1,034	8,059	7,956	1,137
Total fees and user charges	14,477	88,064	99,253	3,288
Other agency funds:				
Sales tax	1,163	9,097	10,247	13
Flexible spending	3,723	14,116	14,324	3,515
Subtotal other agency funds	4,886	23,213	24,571	3,528
Total agency funds	\$ 58,197	\$ 237,207	\$ 253,797	\$ 41,607

See Independent Auditors' Report

UNIFIED SCHOOL DISTRICT NO. 111, DONIPHAN WEST, HIGHLAND, KANSAS  
SCHEDULE OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH - ACTUAL  
DISTRICT ACTIVITY FUNDS

For the year ended June 30, 2012

	Beginning unencumbered cash balance	Cash receipts	Expenditures	Ending unencumbered cash balance	Outstanding encumbrances and accounts payable	Ending cash balance
Gate receipts:						
Middle school athletics	\$ 16	\$ 4,430	\$ 7,067	\$ (2,621)	\$ -	\$ (2,621)
High school athletics	5,289	47,522	45,670	7,141	-	7,141
Subtotal gate receipts	5,305	51,952	52,737	4,520	-	4,520
School projects:						
High school						
Flower, picture, memorial	235	25	260	-	-	-
Quiz bowl	(1,370)	1,000	2,047	(2,417)	-	(2,417)
Drama	1,693	1,341	1,138	1,896	-	1,896
Band	589	-	117	472	-	472
Substance abuse	1,449	2,289	1,835	1,903	-	1,903
Student activities	2,803	770	1,252	2,321	-	2,321
Middle school:						
Mustang Fit 4 Life grant	503	1,000	971	532	-	532
Student activities	2,710	15,324	17,628	406	-	406
Primary school:						
Book fair	484	2,517	2,497	504	-	504
Faculty, staff	1,539	829	35	2,333	-	2,333
Purple Wave athletic activity	4,568	-	2,846	1,722	-	1,722
Back pack buddies	-	2,370	2,370	-	-	-
Pre K donations	-	1,700	-	1,700	-	1,700
Subtotal school projects	15,203	29,165	32,996	11,372	-	11,372
Total district activities	\$ 20,508	\$ 81,117	\$ 85,733	\$ 15,892	\$ -	\$ 15,892

See Independent Auditors' Report

UNIFIED SCHOOL DISTRICT NO. 111, DONIPHAN WEST, HIGHLAND, KANSAS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS\*  
For the year ended June 30, 2012

Federal Grantor/ pass-through grantor/program title	Federal CFDA number	Program or award amount	Beginning unencumbered cash balance	Cash receipts	Expenditures	Ending unencumbered cash balance	Outstanding encumbrances	Ending cash balance
<u>U.S. Department of Education</u>								
Direct: Rural Education Achievement Program	85.358	\$ 18,562	\$ -	\$ 18,562	\$ 18,562	\$ -	\$ -	\$ -
Passed through Kansas Department of Education:								
Title I grants to LEAs	84.010	48,049	-	48,049	48,049	-	-	-
Improving teacher quality state grants	84.367	22,135	-	22,135	22,135	-	348	348
Education jobs fund	84.410	1,351	-	1,351	1,351	-	-	-
Total U.S. Department of Education		90,097	-	90,097	90,097	-	348	348
<u>U.S. Department of Agriculture</u>								
Passed through Kansas Department of Education:								
Child nutrition cluster:								
School breakfast program	10.553	24,027	-	24,027	24,027	-	-	-
National school lunch program	10.555	70,735	-	70,735	70,735	-	-	-
Team nutrition training	10.574	1,060	-	1,060	1,060	-	-	-
Total U.S. Department of Agriculture		95,822	-	95,822	95,822	-	-	-
<u>U.S. Department of Health and Human Services</u>								
Passed through Kansas Department of Education:								
Youth Risk Behavior Survey	93.938	400	-	400	400	-	-	-
Total U.S. Department of Health and Human Services		400	-	400	400	-	-	-
Total federal assistance		\$ 186,319	\$ -	\$ 186,319	\$ 186,319	\$ -	\$ 348	\$ 348

\*Note 1 on page 34 is an integral part of this Schedule of Expenditures of Federal Awards.

UNIFIED SCHOOL DISTRICT NO. 111, DONIPHAN WEST, HIGHLAND, KANSAS  
NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the year ended June 30, 2012

1. Basis of accounting

a. Statutory basis of accounting

The statutory basis of accounting, as used in the preparation of this schedule of expenditures of federal awards, 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 is charged in the fund from which the transfer is made.

The District has adopted a resolution in accordance with K.S.A. 75-1120a(c) to waive reporting in accordance with accounting principles generally accepted in the United States of America, which allows the District to utilize the statutory basis of accounting.

b. 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, and cash and unencumbered cash balances.

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.