

UNIFIED SCHOOL DISTRICT NO. 114, RIVERSIDE,
ELWOOD, KANSAS

FINANCIAL STATEMENT
(with Independent Auditors' Report thereon)

For the Year Ended June 30, 2012

UNIFIED SCHOOL DISTRICT NO. 114, RIVERSIDE, ELWOOD, KANSAS

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Making the right move for your business

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INDEPENDENT AUDITORS' REPORT

To the Board of Education
Unified School District No. 114, Riverside
Elwood, Kansas

We have audited the summary statement of cash receipts, expenditures, and unencumbered cash balances of Unified School District No. 114, Riverside, Elwood, 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 the 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 in Note 1, Unified School District No. 114, Riverside, Elwood, 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. 114, Riverside, Elwood, 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. 114, Riverside, Elwood, 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, the statement of cash receipts and expenditures - component unit (Schedules 1, 2, 3, 4 and 5 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, U.S. Department of Education, U.S. Department of Agriculture, the Kansas Division of Accounts and Reports, and the Kansas State Department of Education and is not intended to be and should not be used by anyone other than these specified parties.

KRAMER & ASSOCIATES CPAs, LLC

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

STATEMENT 1

UNIFIED SCHOOL DISTRICT NO. 114, RIVERSIDE, ELWOOD, 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
Governmental type funds:							
General funds:							
General fund	\$ 26	\$ -	\$ 5,731,342	\$ 5,731,343	\$ 25	\$ 19,568	\$ 19,593
Supplemental general	34,084	-	986,922	970,175	50,831	-	50,831
Special revenue funds:							
At risk (4 year olds)	-	-	36,860	36,860	-	-	-
At risk (K-12)	-	-	637,500	637,500	-	-	-
Capital outlay	496,017	-	156,436	398,006	254,447	21,321	275,768
Driver training	300	-	3,645	851	3,094	-	3,094
Food service	61,289	-	439,828	477,018	24,099	191	24,290
Professional development	12,820	-	-	3,605	9,215	-	9,215
Special education	99,225	-	995,159	1,060,142	34,242	-	34,242
Vocational education	-	-	135,000	135,000	-	-	-
KPERS special retirement contributions	-	-	428,912	428,912	-	-	-
Contingency reserve	357,413	-	-	-	357,413	-	357,413
Textbook rental	39,313	-	17,962	38,389	18,886	-	18,886
Federal funds	-	-	197,524	197,524	-	13,647	13,647
Grant funds	145,871	-	3,458	3,723	145,606	-	145,606
Elwood recreation commission	-	-	13,834	13,712	122	-	122
Wathena recreation commission	5,963	-	62,177	63,880	4,260	-	4,260
Gate receipts	10,581	-	51,547	56,789	5,339	-	5,339
School projects	21,688	-	40,907	43,571	19,024	-	19,024
Debt service fund:							
Bond and interest	259,839	-	188,486	176,791	271,534	-	271,534
Component unit:							
Wathena Joint Recreation Commission	37,650	-	174,637	173,339	38,948	-	38,948
Total reporting entity	\$1,582,079	\$ -	\$10,302,136	\$10,647,130	\$1,237,085	\$ 54,727	\$1,291,812
(excluding agency fund)							
Composition of cash:							
					Checking		\$ 412,737
					Checking - activity accounts		56,279
					Petty cash		500
					Certificates of deposit		815,264
					Component unit		38,948
					Total cash		1,323,728
					Less agency funds		(31,916)
					Total reporting entity		\$1,291,812
					(excluding agency funds)		

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

UNIFIED SCHOOL DISTRICT NO. 114, RIVERSIDE, ELWOOD, 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. 114, Riverside, Elwood, Kansas, ("the District") is a municipal corporation governed by an elected seven-member board. This financial statement presents Unified School District No. 114, Riverside, Elwood, Kansas (the primary government).

The Elwood Recreation Commission and Wathena Recreation Commission are considered component units of the District. As reflected in Schedules 2.16 and 2.17, the District collects county tax revenue for the Commissions and subsequently remits those amounts to the Commissions. The operations of the Elwood Recreation Commission have not been included in the financial statement.

1. Discretely presented component unit

The component units section of the financial statement, Schedule 3, includes the financial data of the discretely presented component unit. This component unit is reported separately to emphasize that it is legally separate from the District. The governing body of this component unit is composed of two members appointed by the District, two members appointed by the City of Wathena, and a fifth member appointed by the Board.

a. Recreation commission

The Wathena Joint Recreation Commission oversees recreational activities. The recreation commission operates as a separate governing body, but the District 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.

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	\$ 24,403
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Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statement 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 this 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 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) waiving the requirement for application of generally accepted accounting principles and allowing the District to use the statutory basis of accounting.

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 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 statement.

d. Cash and investments

Cash consists of checking accounts and certificates of deposit. The certificates of deposit are carried at cost, which approximates market value.

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.

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.
- c. Debt service funds - to account for the accumulation of resources for and the payments of, interest and principal and related costs, on general long-term debt.

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 calendar 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.

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. In May 2012, the At Risk (K-12) and Food Service fund budgets were amended from original amounts of \$629,969 and \$472,872 to \$637,500 and \$496,872, respectively.

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:

- Contingency reserve fund
- Textbook rental 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.

2. Stewardship, compliance, and accountability (continued)

b. Compliance with Kansas Statutes

Management is not aware of any 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 \$1,323,728 and the bank balance was \$1,325,999. The bank balance was held by two banks, resulting in a concentration of credit risk. Of the bank balance, \$297,796 was covered by federal depository insurance, and the remaining \$1,028,203 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

a. General obligation bonds

On November 29, 2007, Unified School District No. 486, Elwood, Kansas issued \$1,605,000 in general obligation bonds (Series 2007-B) for the purpose of refunding \$1,540,000 of Series 1999 general obligation bonds outstanding in order to provide economic benefits to the District derived from lower interest rates and provide for a more orderly payment. The refunded bonds represented all Series 1999 bonds maturing in the years 2009 and thereafter.

b. Capital leases

In September 2008, Unified School District No. 406, Wathena, Kansas entered into an Energy Management capital lease agreement. See the following page for more information related to the capital lease.

In March 2009, the Wathena Joint Recreation Commission purchased a 2008 Bad Boy mower for \$8,810. The purchase was financed through the vendor at 0% interest with 12 monthly payments of \$734. In September 2009, the Wathena Joint Recreation Commission refinanced the agreement through Farmers State Bank. The new agreement has terms of 3 annual payments of \$2,164 at a 6.5% interest rate. See the following page for more information.

In September 2010, the District purchased a 2011 Dodge Journey for \$17,450. The purchase was financed through Farmers State Bank. Terms of the lease require 3 annual payments at an interest rate of 4%. See the following page for more information.

In June 2012, the District obtained financing for \$120,000 to pay for the costs of electrical upgrades in the District. The lease was financed through Farmers State Bank. Terms of the lease require 5 annual payments at an interest rate of 4.25%. See the following page for more information.

4. Long-term debt (continued)

a. 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
General obligation bonds:									
Series 2007-B	3.85-4.10%	11/29/2007	\$1,605,000	09/01/2019	\$1,360,000	\$ -	\$ (125,000)	\$1,235,000	\$ 51,791
Total general obligation bonds					<u>1,360,000</u>	<u>-</u>	<u>(125,000)</u>	<u>1,235,000</u>	<u>51,791</u>
Capital leases:									
Primary government:									
Playground equipment	4.5%	09/27/2007	\$ 7,324	09/28/2013	3,918	-	(1,247)	2,671	173
Irrigation equipment	4.5%	09/27/2007	\$ 5,829	09/28/2013	3,216	-	(1,088)	2,128	42
Track resurfacing	4.5%	02/07/2008	\$ 35,900	12/31/2013	19,002	-	(6,044)	12,958	885
Energy management	4.6%	09/10/2008	\$ 537,913	07/25/2023	482,005	-	(27,922)	454,083	22,172
2011 Dodge Journey	4.0%	09/14/2010	\$ 17,450	09/14/2012	11,275	-	(5,688)	5,587	486
Electrical upgrades	4.25%	06/29/2012	\$ 120,000	06/15/2017	-	120,000	-	120,000	-
Component unit:									
2008 Bad Boy mower	6.5%	03/25/2009	\$ 8,810	04/01/2012	2,068	-	(2,068)	-	113
Total capital leases					<u>521,484</u>	<u>120,000</u>	<u>(44,057)</u>	<u>597,427</u>	<u>23,871</u>
Total long-term debt					<u>\$1,881,484</u>	<u>\$120,000</u>	<u>\$ (169,057)</u>	<u>\$1,832,427</u>	<u>\$ 75,662</u>

4. Long-term debt (continued)

b. 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:								
General obligation bonds:								
Series 2007-B	\$130,000	\$135,000	\$145,000	\$150,000	\$160,000	\$515,000	\$	\$1,235,000
Capital leases:								
Primary government:								
Playground equipment	1,299	1,372	-	-	-	-	-	2,671
Irrigation equipment	1,035	1,093	-	-	-	-	-	2,128
Track resurfacing	6,348	6,610	-	-	-	-	-	12,958
Energy management	29,149	30,547	31,952	33,422	34,918	200,418	93,677	454,083
2011 Dodge Journey	5,587	-	-	-	-	-	-	5,587
Electrical upgrades	22,198	22,946	23,921	24,938	25,997	-	-	120,000
Component unit:								
2008 Bad Boy mower	-	-	-	-	-	-	-	-
Total principal	195,616	197,568	200,873	208,360	220,915	715,418	93,677	1,832,427
Interest:								
General obligation bonds:								
Series 2007-B	46,691	41,493	36,084	30,313	24,150	32,205	-	210,936
Capital leases:								
Primary government:								
Playground equipment	120	48	-	-	-	-	-	168
Irrigation equipment	95	36	-	-	-	-	-	131
Track resurfacing	582	442	-	-	-	-	-	1,024
Energy management	20,945	19,547	18,142	16,672	15,176	50,053	6,512	147,047
2011 Dodge Journey	189	-	-	-	-	-	-	189
Electrical upgrades	4,904	4,157	3,181	2,165	1,105	-	-	15,512
Component unit:								
2008 Bad Boy mower	-	-	-	-	-	-	-	-
Total interest	73,526	65,723	57,407	49,150	40,431	82,258	6,512	375,007
Total principal and interest payments	\$269,142	\$263,291	\$258,280	\$257,510	\$261,346	\$797,676	\$100,189	\$2,207,434

5. Interfund transfers

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General Fund	At Risk (4 year olds)	K.S.A. 72-6428	\$ 36,860
General Fund	At Risk (K-12)	K.S.A. 72-6428	254,690
General Fund	Food Service	K.S.A. 72-6428	5,093
General Fund	Special Education	K.S.A. 72-6428	763,275
General Fund	Vocational Education	K.S.A. 72-6428	<u>98,000</u>
Total transfers from general fund			<u>1,157,918</u>
Supplemental			
General Fund	At Risk (K-12)	K.S.A. 72-6433	382,810
Supplemental			
General Fund	Food Service	K.S.A. 72-6433	91,000
Supplemental			
General Fund	Special Education	K.S.A. 72-6433	205,798
Supplemental			
General Fund	Vocational Education	K.S.A. 72-6433	<u>37,000</u>
Total transfers from supplemental general fund			<u>716,608</u>
Total interfund transfers			<u><u>\$1,874,526</u></u>

6. Defined benefit plan

1. Plan description

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

6. Defined benefit plan (continued)

2. 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 \$428,912, \$261,207, and \$0.

7. 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.

8. Compensated absences

Employees accrue sick leave at the rate of nine days per year, with a maximum accumulation of seventy five days. All accumulated sick leave of an employee lapses upon retirement or departure of the employee from the District. However, if an employee has worked in the school district for at least ten consecutive years immediately prior to retirement, that employee will be paid for accumulated sick leave, up to a maximum of thirty days, at the rate of \$30 per day.

Four days of non-accumulative personal leave shall be granted to each employee at his or her contractual pay rate per year. All personal leave days not taken by the employee shall be converted to sick days and added to the employee's accumulated sick day total at the end of the contract year.

9. Commitments

- a. Noncancelable operating lease - Unified School District No. 406, Wathena, Kansas entered into an operating lease agreement for two copiers in November 2008. The lease was for a period of 36 months and required total monthly payments of \$900.
- b. Noncancelable operating lease - Unified School District No. 486, Elwood, Kansas entered into an operating lease agreement for two copiers in November 2008. The lease was for a period of 36 months and required total monthly payments of \$540.
- c. Noncancelable operating lease - Unified School District No. 114, Riverside, Elwood, Kansas entered into an operating lease agreement for a copier in July 2010. The lease is for a period of 36 months and requires total monthly payments of \$140.
- d. Noncancelable operating lease - Unified School District No. 114, Riverside, Elwood, Kansas entered into an operating lease agreement for a copier in October 2011. The lease is for a period of 36 months and requires total monthly payments of \$140.
- e. Noncancelable operating lease - Unified School District No. 114, Riverside, Elwood, Kansas entered into an operating lease agreement for 5 copiers in November 2011. The lease is for a period of 48 months and requires total monthly payments of \$1,800.
- f. Future minimum rental payments required under the noncancelable operating leases as of June 30, 2012 are as follows:

2013	\$	24,960
2014		23,280
2015		22,020
2016		12,600
Total	\$	<u>82,860</u>

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	\$ (410,137)	\$ 410,163	\$ 26
Supplemental general fund	\$ (2,725)	\$ 36,809	\$ 34,084

SUPPLEMENTARY INFORMATION

UNIFIED SCHOOL DISTRICT NO. 114, RIVERSIDE, ELWOOD, KANSAS
 SCHEDULE 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 fund	\$ 5,755,324	\$ (48,384)	\$ 24,403	\$ 5,731,343	\$ 5,731,343	\$ -
Supplemental general	\$ 970,175	\$ -	\$ -	\$ 970,175	\$ 970,175	\$ -
Special revenue funds:						
At risk (4 year olds)	\$ 36,860	\$ -	\$ -	\$ 36,860	\$ 36,860	\$ -
At risk (K-12)	\$ 637,500	\$ -	\$ -	\$ 637,500	\$ 637,500	\$ -
Capital Outlay	\$ 731,017	\$ -	\$ -	\$ 731,017	\$ 398,006	\$ 333,011
Driver training	\$ 11,690	\$ -	\$ -	\$ 11,690	\$ 851	\$ 10,839
Food service	\$ 496,872	\$ -	\$ -	\$ 496,872	\$ 477,018	\$ 19,854
Professional development	\$ 12,820	\$ -	\$ -	\$ 12,820	\$ 3,605	\$ 9,215
Special education	\$ 1,128,825	\$ -	\$ -	\$ 1,128,825	\$ 1,060,142	\$ 68,683
Vocational education	\$ 135,000	\$ -	\$ -	\$ 135,000	\$ 135,000	\$ -
KPERS special retirement contributions	\$ 480,621	\$ -	\$ -	\$ 480,621	\$ 428,912	\$ 51,709
Federal funds	\$ 231,003	\$ -	\$ -	\$ 231,003	\$ 197,524	\$ 33,479
Elwood recreation commission	\$ 13,712	\$ -	\$ -	\$ 13,712	\$ 13,712	\$ -
Wathena recreation commission	\$ 63,880	\$ -	\$ -	\$ 63,880	\$ 63,880	\$ -
Debt service fund:						
Bond and interest	\$ 176,841	\$ -	\$ -	\$ 176,841	\$ 176,791	\$ 50

See Independent Auditors' Report

UNIFIED SCHOOL DISTRICT NO. 114, RIVERSIDE, ELWOOD, 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	\$ 24,206	\$ 19,223	\$ 17,897	\$ 1,326
Ad valorem property - current taxes	530,708	551,067	555,113	(4,046)
Delinquent	25,685	26,357	15,316	11,041
State aid:				
Equalization aid	4,101,694	4,356,595	4,367,398	(10,803)
Special education services	649,434	751,243	799,600	(48,357)
Federal aid:				
ARRA stabilization	99,503	-	-	-
Education jobs fund	174,230	2,454	-	2,454
Reimbursed expenses	106,419	24,403	-	24,403
Total cash receipts	5,711,879	5,731,342	\$ 5,755,324	\$ (23,982)
Expenditures and transfers subject to budget:				
Instruction	2,138,699	2,549,025	\$ 2,604,105	\$ 55,080
Student support services	188,247	87,607	-	(87,607)
Instructional support staff	161,583	69,264	-	(69,264)
General administration	308,227	258,094	416,680	158,586
School administration	537,180	499,147	497,810	(1,337)
Central services	101,699	76,875	70,700	(6,175)
Operations and maintenance	639,379	865,699	599,600	(266,099)
Student transportation services	109,433	167,714	118,000	(49,714)
Transfers out	1,527,406	1,157,918	1,448,429	290,511
Adjustment to comply with legal max	-	-	(48,384)	(48,384)
Legal general fund budget	5,711,853	5,731,343	5,706,940	(24,403)
Adjustment for qualifying budget credits:				
Reimbursements	-	-	24,403	24,403
Total expenditures and transfers subject to budget	5,711,853	5,731,343	\$ 5,731,343	\$ -
Cash receipts over (under) expenditures	26	(1)		
Unencumbered cash, beginning of year	-	26		
Unencumbered cash, end of year	\$ 26	\$ 25		

See Independent Auditors' Report

UNIFIED SCHOOL DISTRICT NO. 114, RIVERSIDE, ELWOOD, 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		Variance - over (under)
		Actual	Budget	
Cash receipts:				
Taxes and shared revenue:				
Ad valorem property - taxes in process	\$ 18,475	\$ 14,504	\$ 14,970	\$ (466)
Ad valorem property - current taxes	369,364	379,400	368,424	10,976
Delinquent	23,348	19,865	10,659	9,206
Motor vehicle	41,166	44,706	32,909	11,797
Recreational vehicle	719	775	456	319
State aid:				
Equalization aid	600,412	527,672	508,673	18,999
Total cash receipts	1,053,484	986,922	\$ 936,091	\$ 50,831
Expenditures and transfers subject to budget:				
Instruction	468,834	53,841	\$ 14,325	\$ (39,516)
Student support services	3,000	124,366	122,319	(2,047)
Instructional support staff	2,000	66,911	119,000	52,089
General administration	10,500	-	-	-
Operations and maintenance	84,166	8,449	-	(8,449)
Transfers out	468,000	716,608	714,531	(2,077)
Adjustment to comply with legal max	-	-	-	-
Legal supplemental general fund budget	1,036,500	970,175	970,175	-
Adjustment for qualifying budget credits	-	-	-	-
Total expenditures and transfers subject to budget	1,036,500	970,175	\$ 970,175	\$ -
Cash receipts over (under) expenditures	16,984	16,747		
Unencumbered cash, beginning of year	17,100	34,084		
Unencumbered cash, end of year	\$ 34,084	\$ 50,831		

See Independent Auditors' Report

UNIFIED SCHOOL DISTRICT NO. 114, RIVERSIDE, ELWOOD, KANSAS
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 AT RISK (4 YEAR OLDS) 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	\$ 35,000	\$ 36,860	\$ 36,860	\$ -
Total cash receipts	<u>35,000</u>	<u>36,860</u>	<u>\$ 36,860</u>	<u>\$ -</u>
Expenditures subject to budget:				
Instruction	35,000	29,377	\$ 36,860	\$ 7,483
Operations and maintenance	-	6,025	-	(6,025)
Student transportation services	-	1,458	-	(1,458)
Adjustment for qualifying budget credits	-	-	-	-
Total expenditures subject to budget	<u>35,000</u>	<u>36,860</u>	<u>\$ 36,860</u>	<u>\$ -</u>
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning of year	-	-		
Unencumbered cash, end of year	<u>\$ -</u>	<u>\$ -</u>		

See Independent Auditors' Report

UNIFIED SCHOOL DISTRICT NO. 114, RIVERSIDE, ELWOOD, 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:				
Transfers in:				
General fund	\$ 466,970	\$ 254,690	\$ 281,969	\$ (27,279)
Supplemental general fund	130,000	382,810	355,531	27,279
Total cash receipts	<u>596,970</u>	<u>637,500</u>	<u>\$ 637,500</u>	<u>\$ -</u>
Expenditures subject to budget:				
Instruction	596,970	637,500	\$ 637,500	\$ -
Adjustment for qualifying budget credits	-	-	-	-
Total expenditures subject to budget	<u>596,970</u>	<u>637,500</u>	<u>\$ 637,500</u>	<u>\$ -</u>
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning of year	-	-		
Unencumbered cash, end of year	<u>\$ -</u>	<u>\$ -</u>		

See Independent Auditors' Report

UNIFIED SCHOOL DISTRICT NO. 114, RIVERSIDE, ELWOOD, 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		Variance - over (under)
		Actual	Budget	
Cash receipts:				
Taxes and shared revenue:				
Ad valorem property - taxes in process	\$ (2)	\$ -	\$ -	\$ -
Ad valorem property - current taxes	229	-	-	-
Delinquent	86	152	-	152
Motor vehicle	1,056	-	-	-
Recreational vehicle	12	-	-	-
Investment income	24,844	17,393	23,000	(5,607)
Other revenue from local sources	72,320	138,891	20,000	118,891
Transfers in:				
General fund	270,391	-	192,000	(192,000)
Total cash receipts	368,936	156,436	\$ 235,000	\$ (78,564)
Expenditures subject to budget:				
Instruction	9,659	35,602	\$ 20,000	\$ (15,602)
Student support services	-	-	20,000	20,000
Instructional support staff	9,317	-	10,000	10,000
General administration	2,219	-	10,000	10,000
School administration	-	-	12,000	12,000
Central services	-	-	20,000	20,000
Operations and maintenance	76,222	22,813	60,000	37,187
Student transportation services	84,904	26,774	90,000	63,226
Other support services	2,050	-	20,000	20,000
Facilities acquisition and construction	199,876	312,817	469,017	156,200
Principal	60,000	-	-	-
Interest	2,250	-	-	-
Adjustment for qualifying budget credits	-	-	-	-
Total expenditures subject to budget	446,497	398,006	\$ 731,017	\$ 333,011
Receipts over (under) expenditures	(77,561)	(241,570)		
Unencumbered cash, beginning of year	573,578	496,017		
Unencumbered cash, end of year	<u>\$ 496,017</u>	<u>\$ 254,447</u>		

See Independent Auditors' Report

UNIFIED SCHOOL DISTRICT NO. 114, RIVERSIDE, ELWOOD, 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	\$ 2,442	\$ 2,820	\$ 2,590	\$ 230
Other revenue from local sources	750	825	800	25
Transfers in:				
General fund	611	—	8,000	(8,000)
Total cash receipts	<u>3,803</u>	<u>3,645</u>	<u>\$ 11,390</u>	<u>\$ (7,745)</u>
Expenditures subject to budget:				
Instruction	9,114	118	\$ 10,500	\$ 10,382
School administration	180	—	—	—
Operations and maintenance	—	733	1,190	457
Adjustment for qualifying budget credits	—	—	—	—
Total expenditures subject to budget	<u>9,294</u>	<u>851</u>	<u>\$ 11,690</u>	<u>\$ 10,839</u>
Receipts over (under) expenditures	(5,491)	2,794		
Unencumbered cash, beginning of year	<u>5,791</u>	<u>300</u>		
Unencumbered cash, end of year	<u>\$ 300</u>	<u>\$ 3,094</u>		

See Independent Auditors' Report

UNIFIED SCHOOL DISTRICT NO. 114, RIVERSIDE, ELWOOD, 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	\$ 235,346	\$ 240,176	\$ 221,108	\$ 19,068
State aid:				
School food assistance	4,161	3,887	3,344	543
Charge for services	107,589	98,389	87,131	11,258
Miscellaneous	2,226	1,283	-	1,283
Transfers in:				
General fund	-	5,093	20,000	(14,907)
Supplemental general fund	90,000	91,000	104,000	(13,000)
 Total cash receipts	 439,322	 439,828	 \$ 435,583	 \$ 4,245
Expenditures subject to budget:				
Operations and maintenance	-	1,246	\$ -	\$ (1,246)
Food service operations	447,749	475,772	496,872	21,100
Adjustment for qualifying budget credits	-	-	-	-
 Total expenditures subject to budget	 447,749	 477,018	 \$ 496,872	 \$ 19,854
 Receipts over (under) expenditures	 (8,427)	 (37,190)		
 Unencumbered cash, beginning of year	 69,716	 61,289		
 Unencumbered cash, end of year	 \$ 61,289	 \$ 24,099		

See Independent Auditors' Report

UNIFIED SCHOOL DISTRICT NO. 114, RIVERSIDE, ELWOOD, 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		Variance - over (under)
		Actual	Budget	
Cash receipts:				
State aid:				
Inservice aid	\$ -	\$ -	\$ -	\$ -
Total cash receipts	-	-	\$ -	\$ -
Expenditures subject to budget:				
Instructional support staff	-	3,605	\$ 12,820	\$ 9,215
Adjustment for qualifying budget credits	-	-	-	-
Total expenditures subject to budget	-	3,605	\$ 12,820	\$ 9,215
Receipts over (under) expenditures	-	(3,605)		
Unencumbered cash, beginning of year	12,820	12,820		
Unencumbered cash, end of year	\$ 12,820	\$ 9,215		

See Independent Auditors' Report

UNIFIED SCHOOL DISTRICT NO. 114, RIVERSIDE, ELWOOD, 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:				
Other revenue from local sources	\$ 2,638	\$ 26,086	\$ -	\$ 26,086
Transfers in:				
General fund	649,434	763,275	799,600	(36,325)
Supplemental general fund	228,000	205,798	230,000	(24,202)
Total cash receipts	<u>880,072</u>	<u>995,159</u>	<u>\$ 1,029,600</u>	<u>\$ (34,441)</u>
Expenditures subject to budget:				
Instruction	886,889	1,060,142	\$ 1,128,825	\$ 68,683
Vehicle operating services	6,325	-	-	-
Adjustment for qualifying budget credits	-	-	-	-
Total expenditures subject to budget	<u>893,214</u>	<u>1,060,142</u>	<u>\$ 1,128,825</u>	<u>\$ 68,683</u>
Receipts over (under) expenditures	(13,142)	(64,983)		
Unencumbered cash, beginning of year	<u>112,367</u>	<u>99,225</u>		
Unencumbered cash, end of year	<u>\$ 99,225</u>	<u>\$ 34,242</u>		

See Independent Auditors' Report

UNIFIED SCHOOL DISTRICT NO. 114, RIVERSIDE, ELWOOD, 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:				
Transfers in:				
General fund	105,000	98,000	110,000	(12,000)
Supplemental general fund	20,000	37,000	25,000	12,000
Total cash receipts	125,000	135,000	\$ 135,000	\$ -
Expenditures subject to budget:				
Instruction	125,000	127,631	\$ 135,000	\$ 7,369
Student transportation services	-	7,369	-	(7,369)
Adjustment for qualifying budget credits	-	-	-	-
Total expenditures subject to budget	125,000	135,000	\$ 135,000	\$ -
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning of year	-	-		
Unencumbered cash, end of year	\$ -	\$ -		

See Independent Auditors' Report

UNIFIED SCHOOL DISTRICT NO. 114, RIVERSIDE, ELWOOD, KANSAS
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 KPERS SPECIAL RETIREMENT CONTRIBUTION 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 contributions	\$ 261,207	\$ 428,912	\$ 480,621	\$ (51,709)
Total cash receipts	<u>261,207</u>	<u>428,912</u>	<u>\$ 480,621</u>	<u>\$ (51,709)</u>
Expenditures subject to budget:				
Instruction	163,966	284,382	\$ 310,621	\$ 26,239
Student support services	20,000	24,500	38,000	13,500
Instructional support staff	7,500	13,500	13,000	(500)
General administration	17,241	25,000	28,000	3,000
School administration	22,000	37,030	36,000	(1,030)
Central services	7,500	17,500	13,000	(4,500)
Operations and maintenance	23,000	19,000	42,000	23,000
Food service operations	-	8,000	-	(8,000)
Adjustment for qualifying budget credits	-	-	-	-
Total expenditures subject to budget	<u>261,207</u>	<u>428,912</u>	<u>\$ 480,621</u>	<u>\$ 51,709</u>
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning of year	-	-		
Unencumbered cash, end of year	<u>\$ -</u>	<u>\$ -</u>		

See Independent Auditors' Report

UNIFIED SCHOOL DISTRICT NO. 114, RIVERSIDE, ELWOOD, 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	\$ -	\$ -
Total cash receipts	-	-
Expenditures:		
Community service operations	-	-
Total expenditures	-	-
Receipts over (under) expenditures	-	-
Unencumbered cash, beginning of year	357,413	357,413
Unencumbered cash, end of year	<u>\$ 357,413</u>	<u>\$ 357,413</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 114, RIVERSIDE, ELWOOD, 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	\$ 18,799	\$ 17,962
Total cash receipts	<u>18,799</u>	<u>17,962</u>
Expenditures:		
Instruction	<u>6,697</u>	<u>38,389</u>
Total expenditures	<u>6,697</u>	<u>38,389</u>
Receipts over (under) expenditures	12,102	(20,427)
Unencumbered cash, beginning of year	<u>27,211</u>	<u>39,313</u>
Unencumbered cash, end of year	<u>\$ 39,313</u>	<u>\$ 18,886</u>

* This fund is not required to be budgeted.

See Independent Auditors' Report

UNIFIED SCHOOL DISTRICT NO. 114, RIVERSIDE, ELWOOD, 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		Variance - over (under)
		Actual	Budget	
Cash receipts:				
Federal aid:				
Title I	\$ 155,493	\$ 167,124	\$ 167,437	\$ (313)
Title II	35,579	30,400	30,433	(33)
Total cash receipts	<u>191,072</u>	<u>197,524</u>	<u>\$ 197,870</u>	<u>\$ (346)</u>
Expenditures subject to budget:				
Instruction	<u>191,572</u>	<u>197,524</u>	<u>\$ 231,003</u>	<u>\$ 33,479</u>
Total expenditures subject to budget	<u>191,572</u>	<u>197,524</u>	<u>\$ 231,003</u>	<u>\$ 33,479</u>
Receipts over (under) expenditures	(500)	-		
Unencumbered cash, beginning of year	<u>500</u>	<u>-</u>		
Unencumbered cash, end of year	<u>\$ -</u>	<u>\$ -</u>		

See Independent Auditors' Report

UNIFIED SCHOOL DISTRICT NO. 114, RIVERSIDE, ELWOOD, KANSAS
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
 GRANT FUNDS*

For the year ended June 30, 2012

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

	<u>Prior year actual</u>	<u>Current year actual</u>
Cash receipts:		
Revenue from other local sources	\$ 4,897	\$ 1,730
Interest on idle funds	3,051	1,728
 Total cash receipts	 7,948	 3,458
Expenditures:		
Instruction	6,188	3,723
 Total expenditures	 6,188	 3,723
Receipts over (under) expenditures	1,760	(265)
Unencumbered cash, beginning of year	144,111	145,871
Unencumbered cash, end of year	\$ 145,871	\$ 145,606

* This fund is not required to be budgeted.

See Independent Auditors' Report

UNIFIED SCHOOL DISTRICT NO. 114, RIVERSIDE, ELWOOD, KANSAS
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 ELWOOD RECREATION COMMISSION 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	\$ 354	\$ 193	\$ 873	\$ (680)
Ad valorem property - current taxes	11,095	11,808	11,539	269
Delinquent	999	1,067	315	752
Motor vehicle	804	751	972	(221)
Recreational vehicle	10	15	13	2
Total cash receipts	<u>13,262</u>	<u>13,834</u>	<u>\$ 13,712</u>	<u>\$ 122</u>
Expenditures subject to budget:				
Community service operations	13,262	13,712	\$ 13,712	\$ -
Adjustment for qualifying budget credits	-	-	-	-
Total expenditures subject to budget	<u>13,262</u>	<u>13,712</u>	<u>\$ 13,712</u>	<u>\$ -</u>
Receipts over (under) expenditures	-	122		
Unencumbered cash, beginning of year	-	-		
Unencumbered cash, end of year	<u>\$ -</u>	<u>\$ 122</u>		

See Independent Auditors' Report

UNIFIED SCHOOL DISTRICT NO. 114, RIVERSIDE, ELWOOD, KANSAS
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
WATHENA RECREATION COMMISSION 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	\$ 2,703	\$ 2,480	\$ 2,616	\$ (136)
Ad valorem property - current taxes	51,153	51,822	48,708	3,114
Delinquent	1,356	1,364	1,416	(52)
Motor vehicle	6,350	6,394	4,244	2,150
Recreational vehicle	126	117	59	58
Total cash receipts	<u>61,688</u>	<u>62,177</u>	<u>\$ 57,043</u>	<u>\$ 5,134</u>
Expenditures subject to budget:				
Community service operations	55,725	63,880	\$ 63,880	\$ -
Adjustment for qualifying budget credits	-	-	-	-
Total expenditures subject to budget	<u>55,725</u>	<u>63,880</u>	<u>\$ 63,880</u>	<u>\$ -</u>
Receipts over (under) expenditures	5,963	(1,703)		
Unencumbered cash, beginning of year	-	5,963		
Unencumbered cash, end of year	<u>\$ 5,963</u>	<u>\$ 4,260</u>		

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UNIFIED SCHOOL DISTRICT NO. 114, RIVERSIDE, ELWOOD, KANSAS
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 BOND & INTEREST 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		Variance - favorable (unfavorable)
		Actual	Budget	
Cash receipts:				
Taxes and shared revenue:				
Ad valorem property - taxes in process	\$ 1,725	\$ 1,324	\$ 6,074	\$ (4,750)
Ad valorem property - current taxes	72,715	99,339	100,903	(1,564)
Delinquent	5,286	7,238	2,160	5,078
Motor vehicle	4,050	4,481	6,669	(2,188)
Recreational vehicle	51	83	92	(9)
State aid:				
School district capital improvement	73,785	76,021	76,020	1
Investment income	-	-	-	-
Total cash receipts	157,612	188,486	\$ 191,918	\$ (3,432)
Expenditures and transfers subject to budget:				
Principal	115,000	125,000	\$ 125,000	\$ -
Interest	56,591	51,791	51,791	-
Fiscal charges	-	-	50	50
Adjustment for qualifying budget credits	-	-	-	-
Total expenditures and transfers subject to budget	171,591	176,791	\$ 176,841	\$ 50
Receipts over (under) expenditures	(13,979)	11,695		
Unencumbered cash, beginning of year	273,818	259,839		
Unencumbered cash, end of year	\$ 259,839	\$ 271,534		

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UNIFIED SCHOOL DISTRICT NO. 114, RIVERSIDE, ELWOOD, 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
Student activity funds:				
Riverside High School:				
Art club	\$ 23	\$ -	\$ 23	\$ -
Baseball	817	523	1,340	-
Boys basketball	-	807	807	-
Cheerleaders	2,107	26,841	27,388	1,560
Vocal	-	204	-	204
Concessions	309	32,755	32,451	613
Dance team	-	7,823	7,097	726
Football	1,541	3,847	5,171	217
FFA (Doniphan County fund)	494	-	-	494
WICA	1,031	-	-	1,031
Girls basketball	-	1,379	1,379	-
SAFE	-	150	150	-
National honor society	-	1,374	1,340	34
SADD	1,501	3,400	3,166	1,735
Spanish club	26	-	-	26
School Spirit club	391	-	-	391
STUCO	1,236	2,337	1,972	1,601
Girls volleyball	271	1,121	1,301	91
Track	198	1,911	1,812	297
Math club	521	-	-	521
FACS Beef	-	250	250	-
FCCLA	892	385	630	647
Softball	30	1,899	1,922	7
Business club	262	-	202	60
Science club	302	-	229	73
KSTL - Kansas Student Technology Leaders	1,044	-	710	334
FFA	2,425	6,550	6,485	2,490
Freshman class	248	1,635	854	1,029
Sophomore class	1,084	3,710	2,242	2,552
Junior class	1,917	14,316	13,043	3,190
Senior class	3,000	363	3,105	258
Graduated classes	1,994	-	804	1,190
Total Riverside High School student activity funds	23,664	113,580	115,873	21,371
Riverside Jr. High/Intermediate School:				
Art club	-	761	201	560
Cheerleaders	1,606	-	1,606	-
Jr. High Cheerleading	136	3,897	3,418	615
National honor society	36	-	36	-
Student council	1,607	3,102	4,000	709
Sophomore class	635	-	635	-
Junior class	212	-	212	-
Senior class	1,002	-	1,002	-
Graduated classes	83	-	83	-
Yearbook	3,490	10	3,500	-
8th grade	-	508	9	499
7th grade	-	300	-	300
Total Riverside Jr. High/Intermediate School student activity funds	8,807	8,578	14,702	2,683

UNIFIED SCHOOL DISTRICT NO. 114, RIVERSIDE, ELWOOD, 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
Student activity funds (continued):				
Wathena Middle School:				
Cheerleaders	634	-	634	-
STUCO	888	29	917	-
8th grade	112	-	112	-
Total Wathena Middle School student activity funds	<u>1,634</u>	<u>29</u>	<u>1,663</u>	<u>-</u>
 Total student activity funds	 <u>34,105</u>	 <u>122,187</u>	 <u>132,238</u>	 <u>24,054</u>
 Fees and user charges:				
Lunch fund	-	98,757	98,671	86
Book rental	105	17,383	17,251	237
Athletic participation	608	5,106	5,056	658
Total fees and user charges	<u>713</u>	<u>121,246</u>	<u>120,978</u>	<u>981</u>
 Other agency funds:				
Sales tax	129	8,340	8,354	115
Flexible spending	6,197	9,766	9,197	6,766
Subtotal other agency funds	<u>6,326</u>	<u>18,106</u>	<u>17,551</u>	<u>6,881</u>
 Total agency fund	 <u>\$ 41,144</u>	 <u>\$ 261,539</u>	 <u>\$ 270,767</u>	 <u>\$ 31,916</u>

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UNIFIED SCHOOL DISTRICT NO. 114, RIVERSIDE, ELWOOD, 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:						
High school athletics	\$ 10,347	\$ 48,945	\$ 55,358	\$ 3,934	\$ -	\$ 3,934
Play	234	2,602	1,431	1,405	-	1,405
Subtotal gate receipts	10,581	51,547	56,789	5,339	-	5,339
School projects:						
Riverside High school:						
Band	50	-	-	50	-	50
Yearbook	4,206	14,998	13,280	5,924	-	5,924
SSR book buying fund	582	6,107	5,609	1,080	-	1,080
Greenhouse	42	-	42	-	-	-
Library science	25	-	25	-	-	-
Vending	253	1,557	1,530	280	-	280
Athletic improvement and equipment	4,613	752	1,712	3,653	-	3,653
Instructional supplies	1,348	2,575	2,698	1,225	-	1,225
Cultural	214	-	-	214	-	214
Student activities	128	2,146	2,258	16	-	16
Scholarship fund	300	-	-	300	-	300
General fund resale	-	1,129	1,129	-	-	-
Subtotal Riverside High School	11,761	29,264	28,283	12,742	-	12,742

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UNIFIED SCHOOL DISTRICT NO. 114, RIVERSIDE, ELWOOD, 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
School projects (continued):						
Riverside Jr. High/Intermediate School:						
Townsend	-	93	93	-	-	-
Library	270	3,426	3,421	275	-	275
Special needs Elwood students	394	-	394	-	-	-
PTO	347	-	347	-	-	-
Instructional supplies	-	2,500	1,259	1,241	-	1,241
Benevolent	121	140	148	113	-	113
Elementary	917	544	1,231	230	-	230
Junior high ag	-	35	35	-	-	-
Junior high life skills	-	312	312	-	-	-
Junior high Washington trip	1,657	-	1,657	-	-	-
School projects	603	2,283	338	2,548	-	2,548
Subtotal Riverside Jr. High/Intermediate School	4,309	9,333	9,235	4,407	-	4,407
Riverside Primary School:						
Book fair	3,071	-	3,071	-	-	-
Townsend	767	1,106	1,861	12	-	12
Colin Johnston memorial	25	-	-	25	-	25
Yearbook	688	-	-	688	-	688
Vending	218	55	135	138	-	138
Student activities	736	703	754	685	-	685
Student need	113	-	-	113	-	113
Benevolent	-	446	232	214	-	214
Subtotal Riverside Primary School	5,618	2,310	6,053	1,875	-	1,875
Total school projects	21,688	40,907	43,571	19,024	-	19,024
Total district activities	\$ 32,269	\$ 92,454	\$ 100,360	\$ 24,363	\$ -	\$ 24,363

See Independent Auditors' Report

UNIFIED SCHOOL DISTRICT NO. 114, RIVERSIDE, ELWOOD, KANSAS

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

COMPONENT UNIT - WATHENA JOINT RECREATION COMMISSION

For the year ended June 30, 2012

	Current year actual			
	Operating	Baseball	Swimming Pool	Total
Cash receipts:				
Taxes	\$ 63,880	\$ -	\$ -	\$ 63,880
Concessions	-	10,241	3,774	14,015
Program fees	-	1,875	-	1,875
Gate receipts	-	-	10,063	10,063
Donations	1,000	4,765	-	5,765
Interest	1,542	-	-	1,542
Miscellaneous	4,283	1,927	51	6,261
Reimbursed expenses	-	1,230	-	1,230
Transfers in:				
Operating fund	-	44,756	25,250	70,006
Total cash receipts	<u>70,705</u>	<u>64,794</u>	<u>39,138</u>	<u>174,637</u>
Expenditures and transfers:				
Advertising	-	85	85	170
Concessions	-	11,601	2,265	13,866
Debt service - principal	-	2,068	-	2,068
Debt service - interest	-	103	-	103
Equipment and supplies	-	15,687	3,980	19,667
Insurance	-	2,588	1,127	3,715
Miscellaneous	-	935	30	965
Payroll and payroll taxes	-	17,241	26,333	43,574
Repairs and maintenance	-	8,091	3,661	11,752
Utilities	-	4,084	3,369	7,453
Transfers out	70,006	-	-	70,006
Total expenditures and transfers	<u>70,006</u>	<u>62,483</u>	<u>40,850</u>	<u>173,339</u>
Receipts over (under) expenditures	699	2,311	(1,712)	1,298
Unencumbered cash, beginning of year	<u>25,583</u>	<u>3,729</u>	<u>8,338</u>	<u>37,650</u>
Unencumbered cash, end of year	<u>\$ 26,282</u>	<u>\$ 6,040</u>	<u>\$ 6,626</u>	<u>\$ 38,948</u>

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UNIFIED SCHOOL DISTRICT NO. 114, RIVERSIDE, ELWOOD, 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>								
Passed through Kansas Department of Education:								
Title I grants to LEAs	84.010	\$ 167,124	\$ -	\$ 167,124	\$ 167,124	\$ -	\$ -	\$ -
Improving teacher quality state grants	84.367	30,400	-	30,400	30,400	-	13,647	13,647
Education jobs fund	84.410	2,454	-	2,454	2,454	-	-	-
Total U.S. Department of Education		199,978	-	199,978	199,978	-	13,647	13,647
<u>U.S. Department of Agriculture</u>								
Passed through Kansas Department of Education:								
Child nutrition cluster:								
School breakfast program	10.553	64,903	-	64,903	64,903	-	-	-
National school lunch program	10.555	175,273	-	175,273	175,273	-	-	-
Total U.S. Department of Agriculture		240,176	-	240,176	240,176	-	-	-
Total federal assistance		\$ 440,154	\$ -	\$ 440,154	\$ 440,154	\$ -	\$ 13,647	\$ 13,647

*Note 1 on page 40 is an integral part of this Schedule of Expenditures of Federal Awards.

UNIFIED SCHOOL DISTRICT NO. 114, RIVERSIDE, ELWOOD, 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)(1) 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.