

LEBO-WAVERLY UNIFIED SCHOOL DISTRICT NO. 243

STATUTORY BASIS FINANCIAL STATEMENTS
For the year ended June 30, 2012

And

INDEPENDENT AUDITORS' REPORTS

Long CPA, PA
A Professional Association
Certified Public Accountants

UNIFIED SCHOOL DISTRICT NO. 243

Waverly, Kansas

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Board of Education
Unified School District No. 243
Waverly, Kansas

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

We have audited the financial statements of the individual funds of Unified School District No. 243, Waverly, Kansas, as of and for the year ended June 30, 2012, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

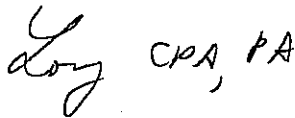
We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the Kansas Municipal Audit Guide and the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States. Those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

As described more fully in Note 1, Unified School District No. 243 has prepared these financial statements in conformity with the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonable determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District No. 243 as of June 30, 2012, or the changes in its financial position for the year then ended.

In our opinion the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of the Unified School District No. 243, as of June 30, 2012, and its cash receipts and expenditures, budgetary comparisons, and changes in long-term debt and long-term debt maturities for the year then ended, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated September 1, 2012, on our consideration of Unified School District No. 243's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

A handwritten signature in cursive script that reads "Long CPA, PA".

Long CPA, PA
A Professional Association
Certified Public Accountant

September 1, 2012

USD #243 LEBOWAVERLY, KANSAS
Summary of Cash Receipts, Expenditures, and Unencumbered Cash
For the Year Ended June 30, 2012

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds							
General Funds							
General	\$ (286,865)	\$ 0	\$ 3,866,461	\$ 3,847,663	\$ (268,067)	\$	\$ (268,067)
Supplemental General	(9,286)	0	1,048,931	1,046,500	(6,855)		(6,855)
Special Revenue Funds							
Vocational Education	128,151	0	109,287	132,664	104,774		104,774
Special Education	165,480	0	659,374	667,065	157,789		157,789
Driver Education	25,965	0	9,442	6,870	28,537		28,537
Food Service	94,936	0	293,501	330,000	58,437		58,437
Capital Outlay	1,173,905	0	11,468	103,254	1,082,119		1,082,119
Professional Development	25,374	0	1,003	8,796	17,581		17,581
KPERS Special Contribution	0	0	348,220	348,220	0		0
At Risk (K-12)	0	0	333,810	283,350	50,460		50,460
District Activity Funds	44,755	0	152,329	142,679	54,405		54,405
Textbook Rental Fund	138,846	0	35,580	123,450	50,976		50,976
Contingency Reserve Fund	300,250	0	60,000	178,763	181,487		181,487
Title I	0	0	65,794	65,794	0		0
Title IV	0	0	0	0	0		0
REAP Grant	0	0	40,311	40,311	0		0
Title IIA	0	0	17,240	17,240	0		0
Debt Service Funds							
Bond and Interest	541,224	0	412,904	406,550	547,578		547,578
Total Reporting Entity	\$ 2,342,735	\$ 0	\$ 7,465,655	\$ 7,749,169	\$ 2,059,221	\$ 0	\$ 2,059,221

Composition of Cash

Checking Accounts	\$ 314,995
Petty Cash	500
Savings Accounts	1,344,858
Certificates of Deposit	500,000
Total Cash	2,160,353
Agency Funds per Statement 4	101,132
Total Reporting Entity	\$ 2,059,221

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

USD #243 LEBO-WAVERLY, KANSAS
Summary of Expenditures - Actual and Budget
For the Year Ended June 30, 2012

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustments to Comply with Legal Max</u>	<u>Adjustments for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance - Favorable (Unfavorable)</u>
<u>Governmental Type Funds</u>						
General Funds						
General	\$ 3,951,234	\$ (145,152)	\$ 41,581	\$ 3,847,663	\$ 3,847,663	\$ 0
Supplemental General	1,046,500	0	0	1,046,500	1,046,500	0
Special Revenue Funds						
Vocational Education	158,673	0	0	158,673	132,664	26,009
Special Education	680,000	0	0	680,000	667,065	12,935
Driver Training	8,850	0	0	8,850	6,870	1,980
Food Service	330,000	0	0	330,000	330,000	0
Capital Outlay	450,000	0	0	450,000	103,254	346,746
Professional Development	11,652	0	0	11,652	8,796	2,856
KPERS Special Contribution	506,975	0	0	506,975	348,220	158,755
At-Risk Fund (K-12)	320,000	0	0	320,000	283,350	36,650
Debt Service Funds						
Bond and Interest	406,550	0	0	406,550	406,550	0

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

USD #243 LEBO-WAVERLY, KS
GENERAL FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2012

	Actual	Budget	Variance- Favorable (Unfavorable)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 459,213	\$ 422,938	\$ 36,275
Delinquent tax	1,610	6,659	(5,049)
Motor vehicle tax			0
RV tax			0
Mineral production tax	246		246
Federal grants	1,794	0	1,794
State aid/grants	3,362,017	3,521,547	(159,530)
Charges for services			0
Interest income			0
Miscellaneous revenues	41,581		41,581
Operating transfers			0
Total Cash Receipts	<u>3,866,461</u>	<u>3,951,144</u>	<u>(84,683)</u>
EXPENDITURES			
Instruction	1,823,846	1,628,050	(195,796)
Student support services	38,505	52,817	14,312
Instruction support staff	44,648	41,225	(3,423)
General administration	130,382	112,786	(17,596)
School administration	216,842	287,000	70,158
Operations and maintenance	325,566	325,600	34
Student transportation services	294,202	289,000	(5,202)
Central support services			0
Other support services	33,990	45,000	11,010
Food service operations			0
Student activities	5,599		(5,599)
Facility acquisition and construction services		0	0
Debt service			0
Operating transfers	934,083	1,169,756	235,673
Adjustment to comply with legal max		(145,152)	(145,152)
Adjustment for qualifying budget credits		41,581	41,581
Total Expenditures	<u>3,847,663</u>	<u>\$ 3,847,663</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	18,798		
Unencumbered Cash, Beginning	(286,865)		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ (268,067)</u>		

See Note 11 (Cash Basis Exception)

See Note 12 (Statutory Presentation)

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

USD #243 LEBO-WAVERLY, KS
SUPPLEMENTAL GENERAL FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2012

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 500,995	\$ 512,030	(11,035)
Delinquent tax	2,732	7,425	(4,693)
Motor vehicle tax	51,946	56,403	(4,457)
RV tax	2,363	2,662	(299)
Mineral production tax			0
Federal grants	0		0
State aid/grants	490,895	469,476	21,419
Charges for services			0
Interest income			0
Miscellaneous revenues			0
Operating transfers	<u>0</u>		<u>0</u>
Total Cash Receipts	<u>1,048,931</u>	<u>1,047,996</u>	<u>935</u>
EXPENDITURES			
Instruction	603,539	643,132	39,593
Student support services		0	0
Instruction support staff		0	0
General administration		0	0
School administration	0	0	0
Operations and maintenance	153,965	103,368	(50,597)
Student transportation services			0
Central support services			0
Other support services		44,000	44,000
Food service operations			0
Student activities	61,159		(61,159)
Facility acquisition and construction services			0
Debt service			0
Operating transfers	227,837	256,000	28,163
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			<u>0</u>
Total Expenditures	<u>1,046,500</u>	<u>\$ 1,046,500</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	2,431		
Unencumbered Cash, Beginning	(9,286)		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	\$ <u>(6,855)</u>		

See Note 11 (Cash Basis Exception)

See Note 12 (Statutory Presentaion)

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

USD #243 LEBO-WAVERLY, KS
 VOCATIONAL EDUCATION FUND
 Statement of Cash Receipts and Expenditures - Actual and Budget
 For the Year Ended June 30, 2012

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants			0
Charges for services			0
Interest income			0
Miscellaneous revenues	6,450		6,450
Operating transfers	<u>102,837</u>	<u>211,000</u>	<u>(108,163)</u>
Total Cash Receipts	<u>109,287</u>	<u>211,000</u>	<u>(101,713)</u>
EXPENDITURES			
Instruction	129,508	158,673	29,165
Student support services			0
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance	3,156		(3,156)
Student transportation services			0
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			<u>0</u>
Total Expenditures	<u>132,664</u>	<u>\$ 158,673</u>	<u>\$ 26,009</u>
Receipts Over (Under) Expenditures	(23,377)		
Unencumbered Cash, Beginning	128,151		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 104,774</u>		

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

USD #243 LEBO-WAVERLY, KS
SPECIAL EDUCATION FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2012

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants			0
Charges for services			0
Interest income			0
Miscellaneous revenues	10,291		10,291
Operating transfers	<u>649,083</u>	<u>724,697</u>	<u>(75,614)</u>
Total Cash Receipts	<u>659,374</u>	<u>724,697</u>	<u>(65,323)</u>
EXPENDITURES			
Instruction	638,772	650,700	11,928
Student support services			0
Instruction support staff			0
General administration	12,833	21,000	8,167
School administration			0
Operations and maintenance		7,100	7,100
Student transportation services	5,384	1,200	(4,184)
Central support services			0
Other support services			0
Food service operations			0
Student activities	10,076		(10,076)
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>667,065</u>	<u>\$ 680,000</u>	<u>\$ 12,935</u>
Receipts Over (Under) Expenditures	(7,691)		
Unencumbered Cash, Beginning	165,480		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	\$ <u>157,789</u>		

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

USD #243 LEBO-WAVERLY, KS
 DRIVER TRAINING FUND
 Statement of Cash Receipts and Expenditures - Actual and Budget
 For the Year Ended June 30, 2012

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants	4,230	4,440	(210)
Charges for services	5,212		5,212
Interest income			0
Miscellaneous revenues			0
Operating transfers			0
	<u>9,442</u>	<u>4,440</u>	<u>5,002</u>
EXPENDITURES			
Instruction	6,078	8,850	2,772
Student support services			0
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance	792		(792)
Student transportation services			0
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
	<u>6,870</u>	<u>\$ 8,850</u>	<u>\$ 1,980</u>
Total Expenditures			
	<u>6,870</u>	<u>\$ 8,850</u>	<u>\$ 1,980</u>
Receipts Over (Under) Expenditures	2,572		
Unencumbered Cash, Beginning	25,965		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 28,537</u>		

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

USD #243 LEBO-WAVERLY, KS
 FOOD SERVICE FUND
 Statement of Cash Receipts and Expenditures - Actual and Budget
 For the Year Ended June 30, 2012

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants	155,456	128,633	26,823
State aid/grants	3,136	2,699	437
Charges for services	96,395	130,028	(33,633)
Interest income			0
Miscellaneous revenues	8,514		8,514
Operating transfers	<u>30,000</u>	<u>50,000</u>	<u>(20,000)</u>
Total Cash Receipts	<u>293,501</u>	<u>311,360</u>	<u>(17,859)</u>
EXPENDITURES			
Instruction			0
Student support services			0
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance	11,711	12,700	989
Student transportation services			0
Central support services			0
Other support services			0
Food service operations	318,289	317,300	(989)
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>330,000</u>	<u>\$ 330,000</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	(36,499)		
Unencumbered Cash, Beginning	94,936		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 58,437</u>		

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

USD #243 LEBO-WAVERLY, KS
CAPITAL OUTLAY FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2012

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants			0
Charges for services			0
Interest income	7,556		7,556
Miscellaneous revenues	3,912		3,912
Operating transfers			0
	<u>11,468</u>	<u>0</u>	<u>11,468</u>
EXPENDITURES			
Instruction	52,757	200,000	147,243
Student support services			0
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance	45,950		(45,950)
Student transportation services		50,000	50,000
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services	4,547	200,000	195,453
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
	<u>103,254</u>	<u>\$ 450,000</u>	<u>\$ 346,746</u>
Total Expenditures			
	<u>103,254</u>	<u>\$ 450,000</u>	<u>\$ 346,746</u>
Receipts Over (Under) Expenditures	(91,786)		
Unencumbered Cash, Beginning	1,173,905		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 1,082,119</u>		

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

USD #243 LEBO-WAVERLY, KS
PROFESSIONAL DEVELOPMENT FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2012

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants			0
Charges for services			0
Interest income			0
Miscellaneous revenues	1,003		1,003
Operating transfers			0
	<u>1,003</u>	<u>0</u>	<u>1,003</u>
Total Cash Receipts	<u>1,003</u>	<u>0</u>	<u>1,003</u>
EXPENDITURES			
Instruction			0
Student support services			0
Instruction support staff	8,796	11,652	2,856
General administration			0
School administration			0
Operations and maintenance			0
Student transportation services			0
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
	<u>8,796</u>	<u>11,652</u>	<u>2,856</u>
Total Expenditures	<u>8,796</u>	<u>\$ 11,652</u>	<u>\$ 2,856</u>
Receipts Over (Under) Expenditures	(7,793)		
Unencumbered Cash, Beginning	25,374		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 17,581</u>		

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

USD #243 LEBO-WAVERLY, KS
 KPERS SPECIAL RETIREMENT CONTRIBUTION FUND
 Statement of Cash Receipts and Expenditures - Actual and Budget
 For the Year Ended June 30, 2012

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants	348,220	506,975	(158,755)
Charges for services			0
Interest income			0
Miscellaneous revenues			0
Operating transfers			0
	<u>348,220</u>	<u>506,975</u>	<u>(158,755)</u>
Total Cash Receipts			
EXPENDITURES			
Instruction	205,450	200,000	(5,450)
Student support services	31,340	36,000	4,660
Instruction support staff		34,125	34,125
General administration	31,340	40,000	8,660
School administration	31,340	80,000	48,660
Operations and maintenance	27,857	40,000	12,143
Student transportation services			0
Central support services			0
Other support services		32,000	32,000
Food service operations	20,893	44,850	23,957
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
	<u>348,220</u>	<u>\$ 506,975</u>	<u>\$ 158,755</u>
Total Expenditures			
Receipts Over (Under) Expenditures	0		
Unencumbered Cash, Beginning	0		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>		

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

USD #243 LEBO-WAVERLY, KS
 AT RISK FUND (K-12)
 Statement of Cash Receipts and Expenditures - Actual and Budget
 For the Year Ended June 30, 2012

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants			0
Charges for services			0
Interest income			0
Miscellaneous revenues	13,810		13,810
Operating transfers	<u>320,000</u>	<u>320,000</u>	<u>0</u>
Total Cash Receipts	<u>333,810</u>	<u>320,000</u>	<u>13,810</u>
EXPENDITURES			
Instruction	283,350	320,000	36,650
Student support services			0
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance			0
Student transportation services			0
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with			
legal max			0
Adjustment for qualifying			
budget credits			<u>0</u>
Total Expenditures	<u>283,350</u>	<u>\$ 320,000</u>	<u>\$ 36,650</u>
Receipts Over (Under) Expenditures	50,460		
Unencumbered Cash, Beginning	0		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 50,460</u>		

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

USD #243 LEBO-WAVERLY, KS
 BOND AND INTEREST FUND
 Statement of Cash Receipts and Expenditures - Actual and Budget
 For the Year Ended June 30, 2012

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 250,441	\$ 229,217	\$ 21,224
Delinquent tax	1,432	3,705	(2,273)
Motor vehicle tax	25,865	28,102	(2,237)
RV tax	1,177	1,326	(149)
Federal grants			0
State aid/grants	133,215	146,358	0
Charges for services			0
Interest income	774	1,800	(1,026)
Miscellaneous revenues		106	(106)
Operating transfers			0
Total Cash Receipts	<u>412,904</u>	<u>410,614</u>	<u>15,433</u>
EXPENDITURES			
Instruction			0
Student support services			0
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance			0
Student transportation services			0
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service	406,550	406,550	0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>406,550</u>	<u>\$ 406,550</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	6,354		
Unencumbered Cash, Beginning	541,224		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 547,578</u>		

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

USD #243 LEBO-WAVERLY, KS
 ANY NONBUDGETED FUNDS
 Statement of Cash Receipts and Expenditures
 For the Year Ended June 30, 2012

	<u>Textbook</u>	<u>Contingency Reserve</u>	<u>Title I</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$
Delinquent tax			
Motor vehicle tax			
RV tax			
Mineral production tax			
Federal grants			65,794
State aid/grants			
Charges for services	35,580		
Interest income			
Miscellaneous revenues			
Operating transfers		60,000	
Total Cash Receipts	<u>35,580</u>	<u>60,000</u>	<u>65,794</u>
EXPENDITURES			
Instruction	58,775	178,763	65,576
Student support services			218
Instruction support staff	64,675		
General administration			
School administration			
Operations and maintenance			
Student transportation services			
Central support services			
Other support services			
Food service operations			
Student activities			
Facility acquisition and construction services			
Debt service			
Operating transfers			
Adjustment for qualifying budget credits			
Total Expenditures	<u>123,450</u>	<u>178,763</u>	<u>65,794</u>
Receipts Over (Under) Expenditures	(87,870)	(118,763)	0
Unencumbered Cash, Beginning	138,846	300,250	0
Prior Year Cancelled Encumbrances	<u>0</u>	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 50,976</u>	<u>\$ 181,487</u>	<u>\$ 0</u>

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

USD #243 LEBO-WAVERLY, KS
 ANY NONBUDGETED FUNDS
 Statement of Cash Receipts and Expenditures
 For the Year Ended June 30, 2012

	<u>Title IV</u>	<u>REAP Grant</u>	<u>Title IIA</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$
Delinquent tax			
Motor vehicle tax			
RV tax			
Mineral production tax			
Federal grants		40,311	17,240
State aid/grants			
Charges for services			
Interest income			
Miscellaneous revenues			
Operating transfers			
	<u>0</u>	<u>40,311</u>	<u>17,240</u>
EXPENDITURES			
Instruction			
Student support services		40,311	17,240
Instruction support staff			
General administration			
School administration			
Operations and maintenance			
Student transportation services			
Central support services			
Other support services			
Food service operations			
Student activities			
Facility acquisition and construction services			
Debt service			
Operating transfers			
Adjustment for qualifying budget credits			
	<u>0</u>	<u>40,311</u>	<u>17,240</u>
Total Expenditures	<u>0</u>	<u>40,311</u>	<u>17,240</u>
 Receipts Over (Under) Expenditures	 0	 0	 0
Unencumbered Cash, Beginning	0	0	0
Prior Year Cancelled Encumbrances	<u>0</u>	<u>0</u>	<u>0</u>
 Unencumbered Cash, Ending	 \$ <u>0</u>	 \$ <u>0</u>	 \$ <u>0</u>

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

USD #243 LEBO-WAVERLY, KS
 AGENCY FUNDS
 Statement of Cash Receipts and Cash Disbursements
 For the Year Ended June 30, 2012

<u>Fund</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Lebo-Waverly Educational Foundation	\$ 13,451	\$ 300	\$ 3,310	\$ 10,441
Lebo				
Class of 2010	743			743
Class of 2011	1,385			1,385
Class of 2012	28,261	9,169	37,203	227
Class of 2013	6,782	42,208	34,950	14,040
Class of 2014	5,805	19,373	12,784	12,394
Class of 2015	0	14,004	7,769	6,235
FBLA	68	948	617	399
FFA	20,798	11,302	6,738	25,362
FCCLA	36	856	637	255
High school Cheerleaders	1,091	780	800	1,071
Jr. High Cheerleaders	1,010	2,543	2,872	681
National Honor Society	1,044	921	907	1,058
Student Council	205	242	119	328
Waverly				
Class of 2012	7,045	15,670	22,715	0
Class of 2013	7,426	9,928	9,126	8,228
Class of 2014	1,383	5,434	1,551	5,266
Class of 2015	198	6,406	2,248	4,356
Class of 2016	0	420	89	331
FBLA	3	6,993	5,476	1,520
Sales tax	(94)	3,798	3,341	363
Interest	311	49		360
High school Cheerleaders	41	6,762	5,919	884
Jr. High Cheerleaders	13	235	193	55
National Honor Society	1,500	4,200	3,704	1,996
Student Council	1,119	676	300	1,495
Football Club	1,290	2,810	2,447	1,653
Volleyball Club	630	2,166	2,790	6
Total	\$ <u>101,544</u>	\$ <u>168,193</u>	\$ <u>168,605</u>	\$ <u>101,132</u>

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

USD #243 LEBO-WAVERLY, KS
DISTRICT ACTIVITY FUNDS
Statement of Cash Receipts, Expenditures, and Unencumbered Cash
For the Year Ended June 30, 2012

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash and Balance
Gate Receipts							
Lebo							
Athletics	\$ 7,623	\$	\$ 46,855	\$ 45,063	\$ 9,415	\$	\$ 9,415
Waverly							
Athletics	546		32,420	30,684	2,282		2,282
Subtotal Gate Receipts	8,169	0	79,275	75,747	11,697	0	11,697
School Projects							
Lebo							
Annual	4,391		2,131	309	6,213		6,213
Band	435		1,260	1,087	608		608
Book Fair	0		1,787	1,710	77		77
Home Ec	866		2,735	2,612	989		989
Concessions	1,372				1,372		1,372
Jr High Art	404		300	120	584		584
Renaissance	1,112				1,112		1,112
Student activity	680		16,608	10,991	6,297		6,297
Owl's Project	360				360		360
Student Purchase	10		4,408	4,408	10		10
Elementary Team Project	6,722		1,593	3,140	5,175		5,175
Elementary	366		2,339	2,154	551		551
Elementary Fun Run	1,925		7,913	6,855	2,983		2,983
Flower Fund	266		320	113	473		473
Library	0		124		124		124
Uniforms	0		566		566		566
Miscellaneous	749				749		749
Waverly							
Band	842		248		1,090		1,090
Student activity	(90)		7,969	5,854	2,025		2,025
Concessions	9,270		12,376	15,227	6,419		6,419
Community/ Teacher	1		823	808	16		16
Music/Drama	2,509				2,509		2,509
Coke Fund	843		105	814	134		134
After School	618		574	764	428		428
Enrollment Fees	0		6,834	6,834	0		-
Cafeteria Fund	624		372	931	65		65
Renaissance	387		100	234	253		253
Construction Fund	286		51		337		337
Yearbook	1,638		1,518	1,967	1,189		1,189
Subtotal School Projects	36,586	0	73,054	66,932	42,708	0	42,708
Total District Activity Funds	<u>\$ 44,755</u>	<u>\$ 0</u>	<u>\$ 152,329</u>	<u>\$ 142,679</u>	<u>\$ 54,405</u>	<u>\$ 0</u>	<u>\$ 54,405</u>

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

LEBO-WAVERLY UNIFIED SCHOOL DISTRICT NO. 243
Waverly, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies

Financial Reporting Entity

USD No. 243 is a municipal corporation governed by an elected seven member board. The district as an entity has been defined to include, on a combined basis, (a) USD No.232 (b) organizations for which USD No. 243 is financially accountable, and (c) other organizations for which the nature and significance of their relationship with USD No. 243 are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. There are currently no organizations which meet the foregoing criteria for being combined in the District's report.

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 2012:

Governmental Funds

General Fund – To account for the resources except those required to be accounted for in another fund.

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

Debt Service Funds – To account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Fiduciary Funds

Agency Funds – To account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds.

LEBO-WAVERLY UNIFIED SCHOOL DISTRICT NO. 243
Waverly, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Statutory Basis of Accounting

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

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

Departure from Generally Accepted Accounting Principles (GAAP)

The basis of accounting described above results in a financial statement presentation which shows cash receipts, cash disbursement, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expense, liabilities such as deferred revenues and matured principle and interest payable, and reservations of 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 United States generally accepted accounting principles. Capital assets that account for the land, buildings, and equipment owned by the municipality are not presented in the financial statements. Also, general long-term debt such as general obligation bonds, temporary notes, and compensated absences are not presented in the financial statements.

LEBO-WAVERLY UNIFIED SCHOOL DISTRICT NO. 243
Waverly, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Reimbursed Expenses

Expenditures in the amount of \$ 41,581 are classified as reimbursed expenses in the General Fund. 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.

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statements 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.

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenues 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 budget amendments during the year 2012.

LEBO-WAVERLY UNIFIED SCHOOL DISTRICT NO. 243
Waverly, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Budgetary Information (Continued)

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

All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the city for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

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

Textbook Student Material Fund	Contingency Reserve Fund
Title I Fund	Title IV Fund
REAP Grant	Title IIA Fund

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

Inventories and Prepaid Expenses

Inventories and prepaid expenses which benefit future periods are recorded as expenditures.

LEBO-WAVERLY UNIFIED SCHOOL DISTRICT NO. 243
Waverly, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Use of Estimates

The process of preparing financial statements requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates relate primarily to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimates.

NOTE 2 – Deposits and Investments

Deposits

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

K.S.A. 12-1675 limits the government's investments 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 government has no investment policy that would further limit its investment choices. The District's investments are categorized to give an indication of the level or risk assumed by the entity at year end. Category 1 includes investments that are insured or registered, or for which the securities are held by the District or its agent in the District's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the dealer bank's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the dealer bank. Of the three risk categories, the investments classified in risk Category 1 have the least risk to the municipality.

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 K.S.A. 9-1405.

LEBO-WAVERLY UNIFIED SCHOOL DISTRICT NO. 243
Waverly, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – Deposits and Investments (continued)

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at June 30, 2012.

At June 30, 2012, the government's carrying amount of deposits was \$ 2,058,941 and the bank balance was \$ 2,408,210. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$500,000 was covered by federal depository insurance and the balance 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.

NOTE 3 – Defined Benefit Pension Plan

Plan Description – USD No. 243 participates in the Kansas Public Employees Retirement System (KPERS), a cost sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas; Topeka, KS 66603) or by calling 1-888-275-5737.

LEBO-WAVERLY UNIFIED SCHOOL DISTRICT NO. 243
Waverly, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 3 – Defined Benefit Pension Plan (continued)

Funding Policy – K.S.A. 74-4919 and K.S.A. 74-4921 establishes the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depending on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate of 4% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. 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 statutory required employers share.

NOTE 4 – Risk Management

The District is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the county carries commercial insurance. There have been no significant reductions in coverage from prior years and settlements have not exceeded coverage in the past three years.

NOTE 5 – Compliance with Kansas Statutes

We noted no violations of Kansas Statutes during the period under examination.

NOTE 6 – Compensated Absences

Vacation is provided for all twelve-month employees. These employees receive two weeks vacation per year for the first five years and three weeks per year thereafter.

Ten days of sick leave are given full time (nine month or greater) employees each year. Sick leave can accumulate to eighty days. When an employees accumulates eighty days and utilizes less than three days of their current year's sick leave, they are paid two days as substitute pay. If an employee is with the district for fifteen years and retires or leaves, they are paid an amount equal to one-third of their accumulated sick leave up to 23 days times their base rate.

LEBO-WAVERLY UNIFIED SCHOOL DISTRICT NO. 243
Waverly, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 6 – Compensated Absences (continued)

Each employee receives two days per year for personal leave. The District has not accrued compensated absences because the amount cannot be reasonably estimated.

NOTE 7 – Interfund Transactions

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
General Fund	Contingency Reserve	K.S.A. 72-6428	\$ 60,000
General Fund	Special Education Fund	K.S.A. 72-6428	509,083
General Fund	Vocational Education Fund	K.S.A. 72-6428	15,000
General Fund	At-Risk Fund (K-12)	K.S.A. 72-6428	320,000
General Fund	Food Service	K.S.A. 72-6428	30,000
Supplemental General Fund	Special Education Fund	K.S.A. 72-6425	140,000
Supplemental General Fund	Vocational Education Fund	K.S.A. 72-6425	87,837

NOTE 8 – Other Post Employment Benefits

As provided by K.S.A. 12-5040, the local government allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the local government is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these statements.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government makes health care 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 government under this program.

LEBO-WAVERLY UNIFIED SCHOOL DISTRICT NO. 243
Waverly, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – Contingency

The District receives federal and state grants for specific purposes that are subject to review and audit by federal and state agencies. Such audits could result in a request for reimbursement by federal and state agencies for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of the District's management, such disallowances, if any, will not be significant to the District's financial statements.

NOTE 10 – Subsequent Events

Subsequent events for management's review have been evaluated through September 1, 2012. The date in the prior sentence is the date the financial statements were available to be issued.

NOTE 11 – Cash Basis Exception

The State of Kansas statutes exempt all funds from a cash basis violation if the violation was as result of delayed payment by the state.

NOTE 12 – Compliance with K.S.A. 72-6417 (d) and K.S.A. 72-6434 (d)

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

Note 12

USD #243 LEBOWAVERLY, KS
GENERAL FUND
STATUTORY REVENUES AND EXPENDITURES - STATUTORY AND BUDGET
For the Year Ended June 30, 2012

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 459,213	\$ 422,938	\$ 36,275
Delinquent tax	1,610	6,659	(5,049)
Motor vehicle tax			0
RV tax			0
Mineral production tax	246		246
Federal grants	1,794		1,794
State aid/grants	3,331,902	3,521,547	(189,645)
Charges for services			0
Interest income			0
Miscellaneous revenues	41,581		41,581
Operating transfers			0
	<u>3,836,346</u>	<u>3,951,144</u>	<u>(114,798)</u>
EXPENDITURES			
Instruction	1,823,846	1,628,050	(195,796)
Student support services	38,505	52,817	14,312
Instruction support staff	44,648	41,225	(3,423)
General administration	130,382	112,786	(17,596)
School administration	216,842	287,000	70,158
Operations and maintenance	325,566	325,600	34
Student transportation services	294,202	289,000	(5,202)
Central support services			0
Other support services	33,990	45,000	11,010
Food service operations			0
Student activities	5,599		(5,599)
Facility acquisition and construction services			0
Debt service			0
Operating transfers	934,083	1,169,756	235,673
Adjustment to comply with legal max		(145,152)	(145,152)
Adjustment for qualifying budget credits		41,581	41,581
	<u>3,847,663</u>	<u>\$ 3,847,663</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	(11,317)		
Unencumbered Cash, Beginning	13,750		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 2,433</u>		

Note 12

USD #243 LEBO-WAVERLY, KS
SUPPLEMENTAL GENERAL FUND
STATUTORY REVENUES AND EXPENDITURES - STATUTORY AND BUDGET
For the Year Ended June 30, 2012

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 500,995	\$ 512,030	\$ (11,035)
Delinquent tax	2,732	7,425	(4,693)
Motor vehicle tax	51,946	56,403	(4,457)
RV tax	2,363	2,662	(299)
Mineral production tax			0
Federal grants			0
State aid/grants	487,010	469,476	17,534
Charges for services			0
Interest income			0
Miscellaneous revenues			0
Operating transfers			0
	<u>1,045,046</u>	<u>1,047,996</u>	<u>(2,950)</u>
EXPENDITURES			
Instruction	603,539	643,132	39,593
Student support services			0
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance	153,965	103,368	(50,597)
Student transportation services			0
Central support services			0
Other support services		44,000	44,000
Food service operations			0
Student activities	61,159		(61,159)
Facility acquisition and construction services			0
Debt service			0
Operating transfers	227,837	256,000	28,163
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
	<u>1,046,500</u>	<u>\$ 1,046,500</u>	<u>\$ 0</u>
Total Expenditures			
	<u>1,046,500</u>	<u>\$ 1,046,500</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	(1,454)		
Unencumbered Cash, Beginning	23,181		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 21,727</u>		

UNIFIED SCHOOL DISTRICT NO.243
Waverly, Kansas

NOTES TO FINANCIAL STATEMENTS

Note 13 - 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	Net Change	Balance End of Year	Interest Paid
General Obligation Bonds Series 2000 refunded	4.00-7.875%	6/1/00	\$ 4,970,000	9/1/20	\$ 3,490,000	\$	\$ 270,000	\$ (270,000)	\$ 3,220,000	\$ 136,550
Total Long Term Debt			\$		\$ 3,490,000	\$ 0	\$ 270,000	\$ (270,000)	\$ 3,220,000	\$ 136,550
Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:										
		2013	2014	2015	2016	2017	2018-2021	Total		
Principal										
General Obligation Bonds	\$ 270,000	\$ 300,000	\$ 315,000	\$ 330,000	\$ 355,000	\$ 1,650,000		\$ 3,220,000		
Special Assessment Bonds								0		
Certificates of Participation								0		
Capital Leases								0		
Revenue Bonds								0		
KDHE Loans								0		
Temporary Notes								0		
Total Principal	270,000	300,000	315,000	330,000	355,000	1,650,000		3,220,000		
Interest										
General Obligation Bonds	124,737	112,662	100,362	87,462	73,762	139,105		638,090		
Special Assessment Bonds								0		
Certificates of Participation								0		
Capital Leases								0		
Revenue Bonds								0		
KDHE Loans								0		
Temporary Notes								0		
Total Interest	124,737	112,662	100,362	87,462	73,762	139,105		638,090		
Total Principal and Interest	\$ 394,737	\$ 412,662	\$ 415,362	\$ 417,462	\$ 428,762	\$ 1,789,105		\$ 3,858,090		

Long CPA, PA

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Board of Education
Unified School District No. 243
Waverly, Kansas 66871

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

We have audited the financial statements of Unified School District No. 243, Waverly, Kansas as of and for the year ended June 30, 2012, and have issued our report thereon dated September 1, 2012. In our report, our opinion was qualified due to the use of another comprehensive basis of accounting. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Unified School District No. 243's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Unified School District No. 243's internal control over financial reporting. Accordingly we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

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

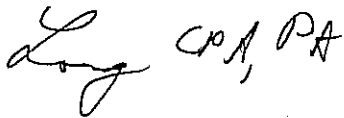
Board of Education
Unified School District No. 243
Waverly, Kansas 66871

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Unified School District No. 243's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the audit committee, management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Long CPA, PA".

Long CPA, PA
A Professional Association
Certified Public Accountant

September 1, 2012