

UNIFIED SCHOOL DISTRICT NO. 315 COLBY, KANSAS

Financial Statements With Independent Auditors' Report

For the Year Ended June 30, 2012

UNIFIED SCHOOL DISTRICT NO. 315 COLBY, KANSAS
Financial Statements With Independent Auditors' Report
For the Year Ended June 30, 2012

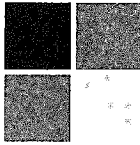
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UNIFIED SCHOOL DISTRICT NO. 315 COLBY, KANSAS
Financial Statements With Independent Auditors' Report
For the Year Ended June 30, 2012

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Certified
Public
Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Unified School District No. 315 Colby, Kansas
Colby, Kansas

We have audited the accompanying financial statements of **Unified School District No. 315 Colby, 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 **Unified School District No. 315 Colby, Kansas'** management. Our responsibility is to express opinions 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 and the *Kansas Municipal Audit Guide*. 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 opinions.

As described more fully in Note 1, **Unified School District No. 315 Colby, Kansas** has prepared these financial statements using accounting practices prescribed or permitted by the State of Kansas, whose practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the 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. 315 Colby, Kansas**, 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 each fund of **Unified School District No. 315 Colby, Kansas**, as of June 30, 2012, and their respective cash receipts and disbursements and budgetary results for the year then ended, on the basis of accounting described in Note 1.

Adams, Brown, Beran & Ball, Chtd

ADAMS, BROWN, BERAN & BALL, CHTD.
Certified Public Accountants

November 19, 2012

UNIFIED SCHOOL DISTRICT NO. 315 COLBY, KANSAS
Summary of Cash Receipts, Expenditures, and Unencumbered Cash
For the Year Ended June 30, 2012

Funds	Beginning Unencumbered Cash Balance	Prior Period Adjustments	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Fund Categories								
General Funds								
General Fund	\$ (469,782)	469,782	-	6,202,545	6,202,545	-	168,416	168,416
Supplemental General Fund	(9,272)	39,186	-	2,254,021	2,143,156	140,779	444,888	585,667
Special Revenue Funds								
Bilingual Education Fund	20,001	-	-	13,488	15,148	18,341	-	18,341
Capital Outlay Fund	351,947	-	-	232,209	64,607	519,549	52,496	572,045
Driver Education Fund	15,395	-	-	13,019	11,754	16,660	-	16,660
Food Service Fund	129,219	-	-	392,561	402,144	119,636	-	119,636
Professional Development Fund	105,972	-	-	51,831	53,504	104,299	970	105,269
Special Education Fund	431,458	-	-	1,402,377	1,403,491	430,344	8,469	438,813
Vocational Education Fund	123,830	-	-	318,000	319,914	121,916	19,244	141,160
KPERS Special Retirement Contribution Fund	-	-	-	474,702	474,702	-	-	-
Contingency Reserve Fund	517,630	-	-	36,073	-	553,703	-	553,703
At Risk Fund (K-12)	193,783	-	-	533,452	533,831	193,404	2,021	195,425
Textbook Rental Fund	30,700	-	-	37,810	61,738	6,772	53,290	60,062
Title I Low Income Fund	8,814	-	-	117,350	126,164	-	17,133	17,133
Title IIA Teacher Quality Fund	(8,196)	-	-	54,364	46,784	(616)	12,862	12,246
Title IID Education Technology Fund	-	-	-	27,818	27,818	-	-	-
Career and Technical Education Grant Fund	-	-	-	25,636	25,636	-	1,672	1,672
Virtual Education Fund	2,512	-	-	15,120	14,111	3,521	-	3,521
District Activity Funds	125,659	-	-	212,321	175,809	162,171	561	162,732
Debt Service Fund								
Bond and Interest Fund	529,165	-	-	526,684	532,088	523,761	-	523,761
Proprietary Fund Category								
Internal Service Fund								
District Insurance Pool Fund	1,384,959	-	-	1,178,138	1,256,172	1,306,925	-	1,306,925
Fiduciary Fund Category								
Private Purpose Trust Fund								
Private Purpose Trust Fund	68,817	-	-	9,768	20,219	58,366	13,020	71,386
Total Reporting Entity (Excluding Agency Funds)	\$ 3,552,611	508,968	-	14,129,287	13,911,335	4,279,531	795,042	5,074,573

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

UNIFIED SCHOOL DISTRICT NO. 315 COLBY, KANSAS
Summary of Cash Receipts, Expenditures, and Unencumbered Cash
For the Year Ended June 30, 2012

Composition of Cash	
Checking Accounts	\$ 1,177,184
Savings Accounts	44,879
Money Market Accounts	2,736,208
NOW Accounts	399,639
Certificates of Deposit	816,598
Petty Cash	1,500
Cash on Hand	200
Total Cash	<u>5,176,208</u>
Agency Funds per Statement 4	<u>(101,635)</u>
Total Reporting Entity (Excluding Agency Funds)	\$ <u><u>5,074,573</u></u>

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

UNIFIED SCHOOL DISTRICT NO. 315 COLBY, KANSAS
 Summary of Expenditures - Actual and Budget
 For the Year Ended June 30, 2012

Funds	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
Governmental Fund Categories						
General Funds						
General Fund	\$ 6,225,737	(66,227)	43,035	6,202,545	6,202,545	-
Supplemental General Fund	2,143,156	-	-	2,143,156	2,143,156	-
Special Revenue Funds						
Bilingual Education Fund	25,411	-	-	25,411	15,148	(10,263)
Capital Outlay Fund	350,000	-	-	350,000	64,607	(285,393)
Driver Education Fund	17,813	-	-	17,813	11,754	(6,059)
Food Service Fund	428,310	-	-	428,310	402,144	(26,166)
Professional Development Fund	105,447	-	-	105,447	53,504	(51,943)
Special Education Fund	1,481,575	-	-	1,481,575	1,403,491	(78,084)
Vocational Education Fund	406,703	-	-	406,703	319,914	(86,789)
KPERS Special Retirement Contribution Fund	500,079	-	-	500,079	474,702	(25,377)
At Risk (K-12) Fund	539,241	-	-	539,241	533,831	(5,410)
Virtual Education Fund	15,120	-	-	15,120	14,111	(1,009)
Debt Service Fund						
Bond and Interest Fund	532,188	-	-	532,188	532,088	(100)

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

UNIFIED SCHOOL DISTRICT NO. 315 COLBY, KANSAS
 General Fund
 Statement of Cash Receipts and Expenditures - Actual and Budget
 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 Revenues				
Ad Valorem Tax	\$ 1,104,416	1,211,697	1,139,650	72,047
Delinquent Tax	-	65,288	11,573	53,715
Intergovernmental Revenues				
Equalization Aid	4,072,180	3,951,253	4,038,972	(87,719)
Special Education Aid	864,428	928,414	928,414	-
Other State Aid	1,843	354	-	354
Federal Aid - ARRA	113,025	-	-	-
Federal Aid - Education Jobs	197,907	2,858	-	2,858
Other Federal Aid	250	250	-	250
Reimbursements	33,436	42,431	-	42,431
Transfers In	-	-	40,901	(40,901)
Total Cash Receipts	6,387,485	6,202,545	6,159,510	43,035
Expenditures				
Instruction	2,359,153	2,207,374	2,300,296	(92,922)
Student Support Services	99,931	92,017	99,298	(7,281)
Instructional Support Services	182,761	207,725	198,990	8,735
General Administration	194,207	186,006	209,064	(23,058)
School Administration	372,777	370,889	368,201	2,688
Operations and Maintenance	795,932	602,964	832,121	(229,157)
Transportation	321,560	404,669	285,080	119,589
Other Supplemental Services	97,585	116,354	99,947	16,407
Transfers Out	1,963,579	2,014,547	1,832,740	181,807
Adjustment to Comply with Legal Max	-	-	(66,227)	66,227
Legal General Fund Budget	6,387,485	6,202,545	6,159,510	43,035
(a) Adjustment for Qualifying Budget Credits	-	-	43,035	(43,035)
Total Expenditures	6,387,485	6,202,545	6,202,545	-
Cash Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash - Beginning As Previously Stated	-	(469,782)		
Prior Period Adjustment	-	469,782		
Unencumbered Cash - Beginning As Restated	-	-		
Unencumbered Cash - Ending	\$ -	-		
(a) Adjustment for Qualifying Budget Credits				
Reimbursements Over Amount Budgeted			\$ 42,431	
Other State Aid Over Amount Budgeted			354	
Other Federal Aid Over Amount Budgeted			250	
Total			\$ 43,035	

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

UNIFIED SCHOOL DISTRICT NO. 315 COLBY, KANSAS
Supplemental General Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
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 Revenues				
Ad Valorem Tax	\$ 1,203,928	1,385,250	1,340,236	45,014
Delinquent Tax	-	71,348	12,774	58,574
Motor Vehicle Tax	173,404	184,805	170,059	14,746
Recreational Vehicle Tax	2,131	2,232	2,095	137
Excise Tax	366	344	-	344
Intergovernmental Revenues				
Equalization Aid	659,593	610,042	588,078	21,964
Total Cash Receipts	<u>2,039,422</u>	<u>2,254,021</u>	<u>2,113,242</u>	<u>140,779</u>
Expenditures				
Instruction	541,222	645,499	830,230	(184,731)
Student Support Services	31,465	30,322	59,967	(29,645)
Instructional Support Services	238,113	332,190	265,307	66,883
General Administration	11,252	10,686	22,557	(11,871)
School Administration	73,129	56,806	100,041	(43,235)
Operations and Maintenance	128,083	291,358	198,497	92,861
Other Supplemental Services	44,154	32,184	56,557	(24,373)
Transfers Out	1,079,728	744,111	610,000	134,111
Total Expenditures	<u>2,147,146</u>	<u>2,143,156</u>	<u>2,143,156</u>	<u>-</u>
Cash Receipts Over (Under) Expenditures	<u>(107,724)</u>	<u>110,865</u>		
Unencumbered Cash - Beginning As Previously Stated	137,638	(9,272)		
Prior Period Adjustment	-	39,186		
Unencumbered Cash - Beginning As Restated	<u>137,638</u>	<u>29,914</u>		
Unencumbered Cash - Ending	<u>\$ 29,914</u>	<u>140,779</u>		

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

UNIFIED SCHOOL DISTRICT NO. 315 COLBY, KANSAS
Bilingual Education Fund
 Statement of Cash Receipts and Expenditures - Actual and Budget
 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				
Transfers In	\$ 20,000	13,488	15,000	(1,512)
Expenditures				
Instruction	9,290	15,148	25,411	(10,263)
Cash Receipts Over (Under) Expenditures	10,710	(1,660)		
Unencumbered Cash - Beginning	9,291	20,001		
Unencumbered Cash - Ending	\$ 20,001	18,341		

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

UNIFIED SCHOOL DISTRICT NO. 315 COLBY, KANSAS
Capital Outlay Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
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				
Ad Valorem Tax Levied	\$ -	48,870	46,540	2,330
Interest on Idle Funds	5,591	5,460	4,500	960
Other Revenue From Local Sources	122,076	7,347	20,000	(12,653)
Reimbursements	941	532	-	532
Rent	4,500	-	-	-
Transfers In	145,503	170,000	37,599	132,401
Total Cash Receipts	<u>278,611</u>	<u>232,209</u>	<u>108,639</u>	<u>123,570</u>
Expenditures				
Instruction	-	6,116	60,000	(53,884)
Student Support Services	171,604	-	40,000	(40,000)
Operations and Maintenance	29,042	7,516	100,000	(92,484)
Site Improvement	124,825	50,975	150,000	(99,025)
Total Expenditures	<u>325,471</u>	<u>64,607</u>	<u>350,000</u>	<u>(285,393)</u>
Cash Receipts Over (Under) Expenditures	(46,860)	167,602		
Unencumbered Cash - Beginning	<u>398,807</u>	<u>351,947</u>		
Unencumbered Cash - Ending	\$ <u>351,947</u>	<u>519,549</u>		

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

UNIFIED SCHOOL DISTRICT NO. 315 COLBY, KANSAS
Driver Education Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
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				
Intergovernmental Revenue				
State Aid	\$ 2,886	4,606	2,960	1,646
Fees	7,550	8,413	6,400	2,013
Transfers In	7,500	-	5,000	(5,000)
Total Cash Receipts	<u>17,936</u>	<u>13,019</u>	<u>14,360</u>	<u>(1,341)</u>
Expenditures				
Instruction	10,542	10,955	17,348	(6,393)
Operations and Maintenance	994	799	465	334
Total Expenditures	<u>11,536</u>	<u>11,754</u>	<u>17,813</u>	<u>(6,059)</u>
Cash Receipts Over (Under) Expenditures	6,400	1,265		
Unencumbered Cash - Beginning	<u>8,995</u>	<u>15,395</u>		
Unencumbered Cash - Ending	\$ <u>15,395</u>	<u>16,660</u>		

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

UNIFIED SCHOOL DISTRICT NO. 315 COLBY, KANSAS
Food Service Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
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				
Intergovernmental Revenues				
State Aid	\$ 4,446	5,001	3,736	1,265
Federal Aid	167,642	187,344	169,321	18,023
Charges for Services	170,843	185,216	186,454	(1,238)
Transfers In	58,000	15,000	50,000	(35,000)
Total Cash Receipts	400,931	392,561	409,511	(16,950)
Expenditures				
Food Service Operation	387,868	402,144	428,310	(26,166)
Cash Receipts Over (Under) Expenditures	13,063	(9,583)		
Unencumbered Cash - Beginning	116,156	129,219		
Unencumbered Cash - Ending	\$ 129,219	119,636		

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

UNIFIED SCHOOL DISTRICT NO. 315 COLBY, KANSAS
Professional Development Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
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				
Miscellaneous Income	\$ 8,038	4,831	3,500	1,331
Transfers In	70,000	47,000	30,000	17,000
Total Cash Receipts	<u>78,038</u>	<u>51,831</u>	<u>33,500</u>	<u>18,331</u>
Expenditures				
Instructional Support Services	35,919	33,626	83,127	(49,501)
Other Supplemental Services	8,909	19,878	22,320	(2,442)
Total Expenditures	<u>44,828</u>	<u>53,504</u>	<u>105,447</u>	<u>(51,943)</u>
Cash Receipts Over (Under) Expenditures	33,210	(1,673)		
Unencumbered Cash - Beginning	<u>72,762</u>	<u>105,972</u>		
Unencumbered Cash - Ending	<u>\$ 105,972</u>	<u>104,299</u>		

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

UNIFIED SCHOOL DISTRICT NO. 315 COLBY, KANSAS
Special Education Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
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				
Intergovernmental Revenue				
Federal Aid - ARRA	\$ 56,950	-	-	-
Other Revenue From Local Sources	5,995	6,467	-	6,467
Reimbursements	11,416	8,225	-	8,225
Transfers In	1,379,090	1,387,685	1,403,689	(16,004)
Total Cash Receipts	<u>1,453,451</u>	<u>1,402,377</u>	<u>1,403,689</u>	<u>(1,312)</u>
Expenditures				
Instruction	1,138,915	1,180,813	1,216,913	(36,100)
Student Support Services	155,314	147,445	170,163	(22,718)
Instructional Support Services	53,697	52,873	53,239	(366)
Student Transportation Services	22,124	22,360	24,196	(1,836)
Transfers Out	-	-	17,064	(17,064)
Total Expenditures	<u>1,370,050</u>	<u>1,403,491</u>	<u>1,481,575</u>	<u>(78,084)</u>
Cash Receipts Over (Under) Expenditures	83,401	(1,114)		
Unencumbered Cash - Beginning	<u>348,057</u>	<u>431,458</u>		
Unencumbered Cash - Ending	<u>\$ 431,458</u>	<u>430,344</u>		

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

UNIFIED SCHOOL DISTRICT NO. 315 COLBY, KANSAS
Vocational Education Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
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				
Transfers In	\$ 403,700	318,000	385,000	(67,000)
Expenditures				
Instruction	355,415	315,071	393,341	(78,270)
Operations and Maintenance	5,450	4,843	7,086	(2,243)
Trasnfers Out	-	-	6,276	(6,276)
Total Expenditures	<u>360,865</u>	<u>319,914</u>	<u>406,703</u>	<u>(86,789)</u>
Cash Receipts Over (Under) Expenditures	42,835	(1,914)		
Unencumbered Cash - Beginning	<u>80,995</u>	<u>123,830</u>		
Unencumbered Cash - Ending	\$ <u>123,830</u>	<u>121,916</u>		

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

UNIFIED SCHOOL DISTRICT NO. 315 COLBY, KANSAS
 KPERS Special Retirement Contribution Fund
 Statement of Cash Receipts and Expenditures - Actual and Budget
 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				
Intergovernmental Revenue				
State Aid	\$ 274,769	474,702	500,079	(25,377)
Expenditures				
Instruction	173,103	299,063	321,500	(22,437)
Student Support	10,991	18,988	21,100	(2,112)
Instructional Support	16,486	28,482	32,500	(4,018)
General Administration	8,243	14,241	15,600	(1,359)
School Administration	13,738	23,735	19,729	4,006
Other Supplemental Services	2,748	4,747	4,950	(203)
Operations and Maintenance	21,981	37,976	32,100	5,876
Student Transportation Services	8,243	14,241	14,100	141
Food Service	19,234	33,229	38,500	(5,271)
Total Expenditures	274,767	474,702	500,079	(25,377)
Cash Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash - Beginning	-	-		
Unencumbered Cash - Ending	\$ -	-		

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

UNIFIED SCHOOL DISTRICT NO. 315 COLBY, KANSAS
Contingency Reserve Fund
 Statement of Cash Receipts and Expenditures
 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	\$ -	36,073
Expenditures	-	-
Cash Receipts Over (Under) Expenditures	-	36,073
Unencumbered Cash - Beginning	517,630	517,630
Unencumbered Cash - Ending	\$ 517,630	553,703

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

UNIFIED SCHOOL DISTRICT NO. 315 COLBY, KANSAS
At-Risk Fund (K-12)
Statement of Cash Receipts and Expenditures - Actual and Budget
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				
Transfers In	\$ 583,674	533,452	<u>516,452</u>	<u>17,000</u>
Expenditures				
Instruction	<u>540,266</u>	<u>533,831</u>	<u>539,241</u>	<u>(5,410)</u>
Cash Receipts Over (Under) Expenditures	43,408	(379)		
Unencumbered Cash - Beginning	<u>150,375</u>	<u>193,783</u>		
Unencumbered Cash - Ending	\$ <u>193,783</u>	<u>193,404</u>		

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

UNIFIED SCHOOL DISTRICT NO. 315 COLBY, KANSAS
Textbook Rental Fund
 Statement of Cash Receipts and Expenditures
 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		
Book Rental Fees	\$ 29,623	37,810
Expenditures		
Instruction	22,045	61,738
Cash Receipts Over (Under) Expenditures	7,578	(23,928)
Unencumbered Cash - Beginning	23,122	30,700
Unencumbered Cash - Ending	\$ 30,700	6,772

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

UNIFIED SCHOOL DISTRICT NO. 315 COLBY, KANSAS
 Title I Low Income Fund
 Statement of Cash Receipts and Expenditures
 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		
Intergovernmental Revenues		
Federal Aid	\$ 116,640	117,350
Federal Aid - ARRA	25,577	-
Total Cash Receipts	142,217	117,350
Expenditures		
Instruction	149,268	126,164
Cash Receipts Over (Under) Expenditures	(7,051)	(8,814)
Unencumbered Cash - Beginning	15,865	8,814
Unencumbered Cash - Ending	\$ 8,814	-

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

UNIFIED SCHOOL DISTRICT NO. 315 COLBY, KANSAS
Title IIA Teacher Quality Fund
 Statement of Cash Receipts and Expenditures
 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		
Intergovernmental Revenue		
Federal Aid	\$ 32,109	54,364
Expenditures		
Instruction	53,789	46,784
Cash Receipts Over (Under) Expenditures	(21,680)	7,580
Unencumbered Cash - Beginning	13,484	(8,196)
Unencumbered Cash - Ending	\$ (8,196)	(616)

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

UNIFIED SCHOOL DISTRICT NO. 315 COLBY, KANSAS
Title IID Education Technology Fund
Statement of Cash Receipts and Expenditures
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		
Intergovernmental Revenue		
Federal Aid	\$ 55,949	25,500
Federal Aid - ARRA	-	2,318
Total Cash Receipts	55,949	27,818
Expenditures		
Instruction	56,184	27,818
Cash Receipts Over (Under) Expenditures	(235)	-
Unencumbered Cash - Beginning	235	-
Unencumbered Cash - Ending	\$ -	-

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

UNIFIED SCHOOL DISTRICT NO. 315 COLBY, KANSAS
Career and Technical Education Grant Fund
Statement of Cash Receipts and Expenditures
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		
Intergovernmental Revenue		
Federal Aid	\$ 25,093	25,636
Expenditures		
Curriculum Development	25,093	25,636
Cash Receipts Over (Under) Expenditures	-	-
Unencumbered Cash - Beginning	-	-
Unencumbered Cash - Ending	\$ -	-

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

UNIFIED SCHOOL DISTRICT NO. 315 COLBY, KANSAS
 Virtual Education Fund
 Statement of Cash Receipts and Expenditures - Actual and Budget
 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				
Transfers In	\$ 3,000	15,120	15,000	120
Expenditures				
Instruction	988	14,111	15,120	(1,009)
Cash Receipts Over (Under) Expenditures	2,012	1,009		
Unencumbered Cash - Beginning	500	2,512		
Unencumbered Cash - Ending	\$ 2,512	3,521		

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

UNIFIED SCHOOL DISTRICT NO. 315 COLBY, KANSAS
Bond and Interest Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
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 Revenues				
Ad Valorem Tax	\$ 366,204	366,612	361,961	4,651
Delinquent Tax	6,567	24,966	3,899	21,067
Motor Vehicle Tax	51,580	63,994	58,724	5,270
Recreational Vehicle Tax	664	770	724	46
Excise Tax	135	125	-	125
Other Revenue	1	-	-	-
Intergovernmental Revenue				
State Aid	90,837	70,217	74,492	(4,275)
Total Cash Receipts	<u>515,988</u>	<u>526,684</u>	<u>499,800</u>	<u>26,884</u>
Expenditures				
Principal	485,000	495,000	495,000	-
Interest	49,338	37,088	37,088	-
Commission and Postage	-	-	100	(100)
Total Expenditures	<u>534,338</u>	<u>532,088</u>	<u>532,188</u>	<u>(100)</u>
Cash Receipts Over (Under) Expenditures	(18,350)	(5,404)		
Unencumbered Cash - Beginning	<u>547,515</u>	<u>529,165</u>		
Unencumbered Cash - Ending	\$ <u>529,165</u>	<u>523,761</u>		

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

UNIFIED SCHOOL DISTRICT NO. 315 COLBY, KANSAS
District Insurance Pool Fund
 Statement of Cash Receipts and Expenditures
 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		
Intergovernmental Revenue		
Insurance Premiums	\$ 1,038,867	948,225
Interest on Idle Funds	9,877	6,966
Miscellaneous Income	6,810	107
Transfers In	372,840	222,840
Total Cash Receipts	1,428,394	1,178,138
Expenditures		
Insurance Claims	1,126,379	1,256,172
Cash Receipts Over (Under) Expenditures	302,015	(78,034)
Unencumbered Cash - Beginning	1,082,944	1,384,959
Unencumbered Cash - Ending	\$ 1,384,959	1,306,925

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

UNIFIED SCHOOL DISTRICT NO. 315 COLBY, KANSAS
Private Purpose Trust Fund
 Statement of Cash Receipts and Expenditures
 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		
Memorials/Donations	\$ 21,403	9,760
Interest on Idle Funds	21	8
Total Cash Receipts	21,424	9,768
Expenditures		
Scholarships	900	20,219
Cash Receipts Over (Under) Expenditures	20,524	(10,451)
Unencumbered Cash - Beginning	48,293	68,817
Unencumbered Cash - Ending	\$ 68,817	58,366

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

UNIFIED SCHOOL DISTRICT NO. 315 COLBY, KANSAS
Agency Funds
Summary of Cash Receipts and Cash Disbursements
For the Year Ended June 30, 2012

Funds	Beginning Cash Balance	Cash Receipts	Expenditures	Ending Cash Balance
Colby High School				
Band Club	\$ 3,122	11,325	3,160	11,287
CHS Singers	79	418	192	305
Cheerleader Club	2,590	7,189	7,068	2,711
Drill Team	360	4,515	3,892	983
Drama	1,414	7,079	5,061	3,432
Choir Club	1,666	909	2,264	311
Cosmic Crayon	484	-	100	384
FCA	797	-	797	-
FCCLA	740	-	-	740
FFA	9,675	13,818	9,109	14,384
Entrepreneurship Class	4,319	8,627	12,946	-
Eagle Talon	2,555	2,520	1,440	3,635
Forensics	1,892	8,298	9,190	1,000
National Honor Society	3,033	3,009	1,812	4,230
Tech Lab	1,588	9,481	1,123	9,946
Service Club	220	1,838	1,576	482
International Club	652	-	-	652
Student Council	5,623	4,103	4,078	5,648
SADD	669	-	-	669
Class of 2007	60	-	31	29
Class of 2008	137	-	-	137
Class of 2009	794	-	-	794
Class of 2010	211	-	-	211
Class of 2011	964	-	-	964
Class of 2012	1,035	225	1,145	115
Class of 2013	2,114	10,045	11,760	399
Class of 2014	-	4,452	3,041	1,411
Supporting Our Students	666	-	-	666
TSA Club	9,091	-	9,091	-
Scholars Bowl	797	1,041	917	921
Musical Festival	2,239	2,903	2,834	2,308
Teachers Lounge	881	-	108	773
Career Center Special	3,218	3,056	3,547	2,727
Student Welfare	79	-	-	79
Money Market Interest	22	104	-	126
Senior Video	268	150	-	418
C-Club	20	-	-	20
Memorials	71	-	-	71
Total Colby High School	\$ 64,145	105,105	96,282	72,968

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

UNIFIED SCHOOL DISTRICT NO. 315 COLBY, KANSAS
Agency Funds
 Summary of Cash Receipts and Cash Disbursements
 For the Year Ended June 30, 2012

Funds	Beginning Cash Balance	Cash Receipts	Expenditures	Ending Cash Balance
Colby Middle School				
Activity Club	\$ 1,659	6,955	4,474	4,140
Cheerleaders	502	-	-	502
Kids in Charge	924	2,147	1,817	1,254
Business Partners	455	-	-	455
Alcohol/Drug Prevention	1,986	-	126	1,860
Technology Student Association	168	-	-	168
Band Club	5,356	2,008	1,337	6,027
Vocal Music Club	2,219	6,051	3,799	4,471
Scholars Bowl	701	1,200	594	1,307
TSA/TCA Replacement/Enhance	133	-	133	-
CMS Office Miscellaneous Revenue	2,745	899	1,099	2,545
Thomas County Academy	1,649	-	876	773
Pop Fund	1,416	393	829	980
Total Colby Middle School	<u>19,913</u>	<u>19,653</u>	<u>15,084</u>	<u>24,482</u>
Colby High School Alumni Association	<u>7,600</u>	<u>12</u>	<u>3,427</u>	<u>4,185</u>
Total Agency Funds	<u>\$ 91,658</u>	<u>124,770</u>	<u>114,793</u>	<u>101,635</u>

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

UNIFIED SCHOOL DISTRICT NO. 315 COLBY, KANSAS
District Activity Funds
 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
Gate Receipts							
High School							
Athletics	\$ 81,936	-	142,245	112,712	111,469	-	111,469
Concessions	1,160	-	22,205	16,950	6,415	561	6,976
Total High School	<u>83,096</u>	<u>-</u>	<u>164,450</u>	<u>129,662</u>	<u>117,884</u>	<u>561</u>	<u>118,445</u>
Middle School							
Athletics	22,662	-	13,579	9,308	26,933	-	26,933
Concessions	472	-	607	786	293	-	293
Total Middle School	<u>23,134</u>	<u>-</u>	<u>14,186</u>	<u>10,094</u>	<u>27,226</u>	<u>-</u>	<u>27,226</u>
Total Gate Receipts	<u>106,230</u>	<u>-</u>	<u>178,636</u>	<u>139,756</u>	<u>145,110</u>	<u>561</u>	<u>145,671</u>
School Projects							
High School							
Yearbook	6,782	-	13,628	13,732	6,678	-	6,678
Academic Contributions	332	-	1,812	1,288	856	-	856
Total High School	<u>7,114</u>	<u>-</u>	<u>15,440</u>	<u>15,020</u>	<u>7,534</u>	<u>-</u>	<u>7,534</u>
Middle School							
Industrial Arts	-	-	38	18	20	-	20
Yearbook	1,552	-	1,248	1,705	1,095	-	1,095
Food For Kids	16	-	1,520	1,055	481	-	481
Total Middle School	<u>1,568</u>	<u>-</u>	<u>2,806</u>	<u>2,778</u>	<u>1,596</u>	<u>-</u>	<u>1,596</u>
Grade School							
General - School	1,731	-	551	1,830	452	-	452
Guided Reading Program	83	-	-	-	83	-	83
Art	89	-	-	44	45	-	45
Library	1,214	-	8,334	8,027	1,521	-	1,521
Supplemental Materials/Books	372	-	197	19	550	-	550
Playground Equipment Fundraiser	1,414	-	41	-	1,455	-	1,455
Music	3,979	-	675	3,101	1,553	-	1,553
Soaring Singers	304	-	-	304	-	-	-
Post Office	57	-	-	-	57	-	57
Foster Grandparent Fund	186	-	-	186	-	-	-
Teacher/Staff Special Occasions	39	-	629	562	106	-	106
Teachers PTO Grant	930	-	1,445	847	1,528	-	1,528
Teacher Vending	349	-	3,567	3,335	681	-	681
Total Grade School	<u>10,747</u>	<u>-</u>	<u>15,439</u>	<u>18,255</u>	<u>7,931</u>	<u>-</u>	<u>7,931</u>
Total School Projects	<u>19,429</u>	<u>-</u>	<u>33,685</u>	<u>36,053</u>	<u>17,061</u>	<u>-</u>	<u>17,061</u>
Total District Activity Funds	<u>\$ 125,659</u>	<u>-</u>	<u>212,321</u>	<u>175,809</u>	<u>162,171</u>	<u>561</u>	<u>162,732</u>

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

UNIFIED SCHOOL DISTRICT NO. 315 COLBY, KANSAS

Notes to Financial Statements

June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unified School District No. 315 Colby, Kansas has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. The accompanying financial statements are presented to conform to the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The following is a summary of such significant policies.

Reporting Entity

The District is a municipal corporation governed by an elected seven-member board. The financial statements of the District consist of all the funds of the District that are considered to be controlled by or dependent on the District. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing board. The District has no component units.

Use of Estimates

The preparation of financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas requires management to make estimates and assumptions that affect the reported amount of unencumbered cash balances and accounts payable during the reporting period. Actual results could differ from these estimates.

Basis of Presentation – Fund Accounting

The accounts of the District are organized and operated on the basis of funds. In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

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

Governmental Fund Categories

General Fund – to account for all financial resources except those required to be reported in another fund.

Special Revenue Funds – to account for the proceeds of specific revenue sources that are legally restricted to expenditure for a specified purpose.

District Activity Funds – a special revenue fund that accounts for the receipts and disbursements of monies from District activities. These organizations exist with the explicit approval of and are subject to revocation by the District's Board of Education. The students participate in the activities, but the board of education has control of the expenditures. This accounting reflects the District's agency relationship with the student activity organizations.

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

UNIFIED SCHOOL DISTRICT NO. 315 COLBY, KANSAS

Notes to Financial Statements

June 30, 2012

NOTE 1– SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Proprietary Fund Category

Internal Service Fund – to account for activities that provide goods or services to other funds, departments, or agencies of the District and its component units, or to other governments, on a cost-reimbursement basis when the District is the predominant participant in the activity.

Fiduciary Fund Categories

Private Purpose Trust Fund – to account for assets held by the District as trustee or agent for others. The principal and income of these funds may be expended in the course of the fund's designated operations.

Agency Funds – to account for assets held by the District as trustee or agent for others.

Student Activity Funds – an agency fund that accounts for the receipts and disbursements of monies from student activity organizations in which the students participate and are involved in the management of the organization's activities. These organizations exist with the explicit approval of and are subject to revocation by the District's Board of Education. The student organization approves the expenditure, not the Board of Education. This accounting reflects the District's agency relationship with the student activity organizations.

Statutory Basis of Accounting

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

The District has approved a resolution that is in compliance with 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.

Departure From Accounting Principles Generally Accepted in the United States of America

The basis of accounting described above results in a financial statement presentation which shows cash receipts, expenditures, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid 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 statements.

UNIFIED SCHOOL DISTRICT NO. 315 COLBY, KANSAS

Notes to Financial Statements

June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

- a. Preparation of the budget for the succeeding calendar year on or before August 1st.
- b. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
- c. Public hearing on or before August 15th, but at least 10 days after publication of notice of hearing.
- d. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least 10 days after publication the hearing may be held and the governing body may amend the budget at that time. There were three budget amendments for this year for the General Fund, Capital Outlay Fund and Virtual Education Fund.

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

All legal annual operating budgets are prepared using the statutory basis of accounting, in which, revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the 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 project funds, internal service funds, fiduciary funds, permanent funds, and the following special revenue funds: Contingency Reserve Fund, Textbook Rental Fund, Title I Low Income Fund, Title IIA Teacher Quality Fund, Title IID Education Technology Fund, Career and Technical Education Grant Fund, and District Activity 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 governing body.

Deposits and Investments

The District follows the practice of pooling cash and investments of all funds. Each fund's portion of total cash and investments is summarized by fund category in the summary of cash receipts, expenditures, and unencumbered cash.

UNIFIED SCHOOL DISTRICT NO. 315 COLBY, KANSAS

Notes to Financial Statements

June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the District's 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 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 K.S.A. 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, except during designated "peak periods" when required coverage is 50%. The District does not use "peak periods". All deposits were legally secured at June 30, 2012.

At June 30, 2012, the District's carrying amount of deposits was \$5,176,208 and the bank balance was \$5,190,739. The bank balance was held by six banks resulting in a concentration of credit risk. Of the bank balance, \$1,108,550 was covered by federal depository insurance and \$4,082,189 was collateralized with securities held by 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. The District had no investments at June 30, 2012.

Compensated Absences

Discretionary Leave

All licensed staff receive two days of discretionary leave per contract year. After receiving tenure with the District, three days of discretionary leave per year are available. After 10 years of full-time certified employment, four days of discretionary leave per year are available. Any unused discretionary leave is placed into the individual's sick leave at the end of the contract year.

Sick Leave

All staff working above 20 hours a week qualify for sick leave. Both licensed and 12 month classified staff receive 10 days sick leave per year, which is applicable to their own personal illness/injury, their children, spouse, parents, accumulative to a maximum of 90 days; however, no teacher will begin a contract year with more than 80 days

UNIFIED SCHOOL DISTRICT NO. 315 COLBY, KANSAS

Notes to Financial Statements

June 30, 2012

NOTE 1– SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Licensed personnel with 20 years of service to USD 315 are compensated for 10 days of unused sick leave (if available) upon leaving the District. The rate of compensation is the current daily substitute rate (2011-13 \$88/day). The balance of compensated absences, as shown in Note 9, reflects the accumulation of the sick leave bank vested and payable at year-end.

A sick leave bank is available to licensed non-administrative personnel. Participation is voluntary, and staff is eligible to participate upon accumulation of one day of sick leave. Participation will commence upon the deposit of one day of sick leave to the sick leave bank, and annual deposits are made until five days have been deposited. The bank's capacity is 400 days, and deposits made in excess of the 400 days are forfeited. Staff members who have more than 70 days of sick leave accumulated at the end of the school year may donate up to three of their excess days to the bank. A participant may request days from the bank after exhausting their available sick leave and making a one day salary deduction.

In addition, two days of emergency leave may be granted for emergencies at the discretion of the supervisor. Emergency leave is not cumulative. Three days of bereavement leave is available per occurrence for leave due to the death in the staff member's immediate family (parent, grandparent, sibling, spouse, child, and grandchild). All clerical staff receive one day of discretionary leave per year.

Deferred Compensation Plan

The District sponsors a deferred compensation plan under Internal Revenue Code Section 403(b). Employees working over 17 hours a week are eligible to participate under the plan. The employee is responsible for the amount of deferred compensation to be contributed. The District is not required to make any contributions.

Early Retirement

Professional employees may retire from employment with the District at the end of any contract year in which they meet the eligibility requirements. The requirements include the following: 1) the employee is currently a professional employee of the district, 2) the employee is not less than 55 years of age, or meets the KPERS provision for early retirement, and 3) the employee has at least 10 years of employment in the District immediately prior to the request for early retirement, and a majority of the 10 years of service have been full-time. Employees who are qualified are entitled to the following benefits: A) A monthly amount of \$150, which may only be applied toward health and accident coverage. This benefit will continue during the period when the employee is receiving early retirement benefits from the District. B) Additional coverage may be purchased for family members who qualify for such benefits. C) Payments shall be made beginning with the July payroll of the year the retiree is eligible to begin receiving benefits. The yearly benefit is computed by applying various percentages based on the year of retirement to the employee's highest salary as determined by KPERS. D) The maximum number of years a retiree can receive this benefit is 10. The benefits end in the contract year in which the retiree reaches 65 years of age, or on the death of the retiree, in which case the benefits will be pro-rated on a daily basis beginning with July 1 of the contract year in which the death occurs. During the year ended June 30, 2012, payments to early retirees totaled \$52,456, and the cost of insurance benefits for year ended June 30, 2012, totaled \$16,200.

Defined Benefit Pension Plan

Plan Description

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

UNIFIED SCHOOL DISTRICT NO. 315 COLBY, KANSAS
Notes to Financial Statements
June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Funding Policy

K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% and 6% (if hired on or after July 1, 2009) of covered salary. Member-employees' contributions are withheld by their employer and paid to KPERS according to the provisions of section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. The State currently contributes 9.77% of covered payroll and 22.96% for licensed KPERS retirees. These contribution requirements are established by KPERS and are periodically revised. The State of 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 \$474,702, \$274,769 and \$356,853, respectively.

Other Post Employment Benefits

As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the District 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 financial statements.

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.

Property Tax Calendar

Collection of current year property tax by the County Treasurer is not completed, apportioned nor distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes. Property taxes are collected and remitted to the County Treasurer. Taxes levied annually on November 1st are due one-half by December 20th and one-half by May 10th. Major tax distributions are made in the months of December through July. Lien dates for personal property are in March and August and lien dates for real property are in September. Taxes are recognized as revenue in the year received. Delinquent tax payments are recognized as revenue in the year received.

Restricted Assets

Restricted cash balances are reported in various funds that are legally restricted for specified uses such as the payment of debt service and fiscal fees on long-term debt and for expenditures approved in federal and state grant contracts. Also, cash is restricted in the trust and agency funds of the District for special purposes.

Reimbursements

The District records reimbursable expenditures (or expenses) in the fund that makes the disbursement and records reimbursements as revenue to the fund. For purposes of budgetary comparison, the expenditures (or expenses) are properly offset by the reimbursements.

UNIFIED SCHOOL DISTRICT NO. 315 COLBY, KANSAS

Notes to Financial Statements

June 30, 2012

NOTE 2 – SELF INSURANCE PLANS

Health Care Coverage

During the year ended June 30, 2012, employees of **Unified School District No. 315 Colby, Kansas** were covered by the District's medical self-insurance plan (the "plan"). The District's plan is a paid contract, with all unused reserved fund classified as unencumbered at the fiscal year end. The monthly premium contributed is approximately \$890 per family and \$395 per individual. The District contributes \$360 per month per participating employee, with the employee paying the difference through authorized payroll withholdings. Claims were paid by a third party administrator acting on behalf of the District. The Administration contract between the District and the third party administration is renewable annually and administration fees are included in the contractual provisions. The District was protected against unanticipated catastrophic individual loss or aggregate loss by stop loss coverage carried through Blue Cross Blue Shield. Stop loss coverage was in effect for claims exceeding \$50,000 per individual and \$894,249 in the aggregate.

<u>Self-Insurance Liability</u>	<u>Current Year Beginning of Fiscal Year Liability</u>	<u>Claims and Changes in Estimates</u>
2012	\$ -	970,142

<u>Claim Payment</u>	<u>Balance At Fiscal Year-End</u>	<u>Assets Available to Pay Claims at June 30</u>
\$ 866,477	103,664	1,306,925

NOTE 3 – INTERFUND TRANSFERS

Interfund transfers within the reporting entity are substantially for the purpose of subsidizing operating functions, funding capital projects and asset acquisitions or maintaining debt service on a routine basis as authorized by Kansas statutes. **Unified School District No. 315 Colby, Kansas'** interfund transfers and statutory authority for the year ended June 30, 2012 were as follows:

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
General Fund	Special Education Fund	K.S.A. 72-6428	\$ 928,414
General Fund	Capital Outlay Fund	K.S.A. 72-6428	170,000
General Fund	Vocational Education Fund	K.S.A. 72-6428	318,000
General Fund	Bilingual Education Fund	K.S.A. 72-6428	13,488
General Fund	At Risk Fund (K-12)	K.S.A. 72-6428	533,452
General Fund	Virtual Education Fund	K.S.A. 72-6428	15,120
General Fund	Contingency Reserve Fund	K.S.A. 72-6428	36,073
Supplemental General Fund	District Insurance Pool Fund	K.S.A. 72-6433	222,840
Supplemental General Fund	Special Education Fund	K.S.A. 72-6433	459,271
Supplemental General Fund	Food Service Fund	K.S.A. 72-6433	15,000
Supplemental General Fund	Professional Development Fund	K.S.A. 72-6433	47,000

UNIFIED SCHOOL DISTRICT NO. 315 COLBY, KANSAS

Notes to Financial Statements
For the Year Ended June 30, 2012

NOTE 4 – LITIGATION

Unified School District No. 315 Colby, Kansas is party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material adverse impact on the affected funds of the District.

NOTE 5 – RISK MANAGEMENT

Unified School District No. 315 Colby, Kansas carries commercial insurance for risks of loss, including property, general liability, inland marine, automobile, umbrella, linebacker, and employee dishonesty. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 6 – GRANTS AND SHARED REVENUES

Unified School District No. 315 Colby, Kansas participates in numerous state and federal grant programs, which are governed by various rules and regulations for the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the District, any liability for reimbursement, which may arise as the result of the audit, is not believed to be material.

NOTE 7 – IN-SUBSTANCE RECEIPT IN TRANSIT

The District received \$406,220 subsequent to June 30, 2012 and as required by K.S.A. 72-6417 and 72-6434, the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2012.

NOTE 8 – PRIOR PERIOD ADJUSTMENT

The General Fund and Supplemental General Fund Unencumbered Cash have been restated to \$0 and \$29,914, respectively, to be in conformity with the regulatory basis of accounting as of July 1, 2011.

NOTE 9 – COMPARATIVE DATA

Comparative data for the prior year has been presented in Statement 3 in the accompanying financial statements in order to provide an understanding of changes in **Unified School District No. 315 Colby, Kansas**' cash and unencumbered cash balances. However, complete comparative data (presentation of prior year totals in Statement 1) has not been presented since their inclusion would make the statement unduly complex and difficult to read.

NOTE 10 – LONG-TERM DEBT

Unified School District No. 315 Colby, Kansas has the following types of long-term debt.

General Obligation Bond

On October 1, 2009, the District issued Series 2009 general obligation refunding bonds of \$2,010,000 (par value) with an interest rate of 2.50 – 3.00% to advance refund term bonds. The Series 2009 refunding bonds mature on September 1, 2013. The Series 2009 bonds were issued at a premium, and, after paying issuance costs of \$18,163, the net proceeds were \$2,034,334. The net proceeds from the issuance of the general obligation bonds were used to refund \$2,010,000 in Series 1999A bonds. The

UNIFIED SCHOOL DISTRICT NO. 315 COLBY, KANSAS
Notes to Financial Statements
For the Year Ended June 30, 2012

NOTE 10 – LONG-TERM DEBT (continued)

advance refunding met the requirements of an in-substance debt defeasance and the term bonds were removed from the District's financial statements. As a result of the advance refunding, the economic gain to the District (difference between the present value of the debt service payments on the old and new debt) was \$94,085.

UNIFIED SCHOOL DISTRICT NO. 315 COLBY, KANSAS
Notes to Financial Statements
June 30, 2012

NOTE 10 - LONG-TERM DEBT (continued)

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

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid	
General Obligation Bonds											
Series 2009 Refunding	2.50-3.00%	10/1/09	\$ 2,010,000	9/01/13	\$ 1,525,000	-	495,000		1,030,000	37,088	
Compensated Absences						12,750		(430)	12,320		
Total Long-Term Debt						<u>\$ 12,750</u>	<u>-</u>	<u>495,000</u>	<u>(430)</u>	<u>1,042,320</u>	<u>37,088</u>

Current maturities of long-term debt and interest for the next two years through maturity are as follows:

	YEAR		Total
	2013	2014	
Principal			
General Obligation Bond - Series 2009 Refunding	\$ 505,000	525,000	1,030,000
Interest			
General Obligation Bond - Series 2009 Refunding	23,325	7,875	31,200
Total Principal and Interest	<u>\$ 528,325</u>	<u>532,875</u>	<u>1,061,200</u>