

UNIFIED SCHOOL DISTRICT NO. 327  
Ellsworth, Kansas

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT  
For the Fiscal Year Ended June 30, 2012

CLUBINE AND RETTELE, CHARTERED  
CERTIFIED PUBLIC ACCOUNTANTS  
Salina, Kansas

UNIFIED SCHOOL DISTRICT NO. 327  
Ellsworth, Kansas

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT  
For the Fiscal Year Ended June 30, 2012

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UNIFIED SCHOOL DISTRICT NO. 327  
Ellsworth, Kansas

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT  
For the Fiscal Year Ended June 30, 2012

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## INDEPENDENT AUDITORS' REPORT

To the Board of Education  
Unified School District No. 327  
Ellsworth, Kansas

We have audited the accompanying financial statements of Unified School District No. 327, as of and for the fiscal year ended June 30, 2012, as listed in the table of contents. These financial statements are the responsibility of Unified School District No. 327's management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year partial comparative information has been derived from Unified School District No. 327's financial statements and, in our report dated February 2, 2012, we expressed an unqualified opinion on the respective financial statements which were prepared using accounting practices prescribed or permitted by the State of Kansas.

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 the *Kansas Municipal Audit Guide*, prescribed by the Director of Accounts and Reports, Department of Administration of the State of Kansas. 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 the 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 2, Unified School District No. 327 prepares its financial statements using accounting practices prescribed or permitted by 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 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. 327, as of June 30, 2012, the changes in its financial position, or, where applicable, its cash flows for the fiscal year then ended. Further, Unified School District No. 327 has not presented the management's discussion and analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In addition, 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. 327 as of June 30, 2012, and their respective cash receipts and disbursements, and the respective budgetary comparison for the General Funds and budgeted Special Revenue Funds for the fiscal year then ended, on the basis of accounting described in Note 2.

The financial statements include prior year partial comparative information. Such information does not include all of the information required to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with Unified School District No. 327's financial statements for the year ended June 30, 2011, from which such partial information was derived.

Clubine and Rettele, Chartered

Salina, Kansas  
October 10, 2012

## UNIFIED SCHOOL DISTRICT NO. 327

Statement 1

Ellsworth, Kansas

Summary of Cash Receipts, Expenditures, and Unencumbered Cash - Statutory Basis  
For the Fiscal Year Ended June 30, 2012

Fund	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds:						
General Funds						
* General	\$ (329,438.97)	\$ 4,376,336.06	\$ 4,365,144.00	\$ (318,246.91)	\$ 29,700.25	\$ (288,546.66)
* Supplemental General	28,616.60	1,507,369.31	1,491,077.00	44,908.91	19,397.42	64,306.33
Special Revenue Funds						
Capital Outlay	1,064,365.32	433,714.82	363,619.79	1,134,460.35	23,316.00	1,157,776.35
Driver Education	15,801.16	3,888.00	6,410.62	13,278.54	470.60	13,749.14
At - Risk (K-12)	40,065.44	331,448.00	343,015.60	28,497.84	225.00	28,722.84
Food Service	101,387.89	360,812.80	362,267.82	99,932.87	-	99,932.87
Professional Development	10,173.40	21,000.00	11,966.00	19,207.40	-	19,207.40
Special Education	251,318.87	716,139.17	772,507.34	194,950.70	-	194,950.70
Vocational Education	18,092.36	110,000.00	124,062.60	4,029.76	6,899.50	10,929.26
Title I	-	101,483.00	101,483.00	-	2,669.59	2,669.59
Title I - ARRA	-	-	-	-	-	-
Title I D	-	71,195.00	71,195.00	-	-	-
Title II A	-	20,311.00	20,311.00	-	-	-
Title II D	-	-	-	-	-	-
Contingency	264,000.00	-	-	264,000.00	-	264,000.00
KPERS Retirement Contribution	-	360,967.64	360,967.64	-	-	-
District Activity Funds	2,924.08	91,952.11	83,889.64	10,986.55	-	10,986.55
Debt Service Funds						
Bond and Interest	23,634.36	-	-	23,634.36	-	23,634.36
Asbestos Bond and Interest	12,709.07	-	-	12,709.07	-	12,709.07
Nonexpendable Trust Funds						
Scholarship	77,222.61	1,366.72	3,615.87	74,973.46	-	74,973.46
Gifts and Grants	124,885.27	71,787.36	52,131.33	144,541.30	7,929.72	152,471.02
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 1,559,974.27</u>	<u>\$ 8,579,770.99</u>	<u>\$ 8,533,664.25</u>	<u>\$ 1,751,864.20</u>	<u>\$ 90,608.08</u>	<u>\$ 1,842,472.28</u>
Composition of Cash:				Checking and Savings Accounts		\$ 964,385.28
				Petty Cash		2,100.00
				Certificates of Deposit		885,671.73
				Total Cash		1,852,157.01
				Investments		28,674.18
				Total Cash and Investments		1,880,831.19
				Agency Funds per Statement 4		(38,358.91)
				Total Reporting Entity (Excluding Agency Funds)		<u>\$ 1,842,472.28</u>

\* General Funds presented per  
Kansas Municipal Audit Guide  
For Statutory Basis presentation  
of these funds see Note # 11.

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

UNIFIED SCHOOL DISTRICT NO. 327  
Ellsworth, Kansas  
Summary of Expenditures - Actual and Budget - Statutory Basis  
For the Fiscal Year Ended June 30, 2012

Statement 2

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustment to Comply with Legal Max</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Over (Under)</u>
Governmental Type Funds:					
General Funds					
General	\$ 4,493,664.00	\$ (128,520.00)	4,365,144.00	\$ 4,365,144.00	\$ -
Supplemental General	1,513,000.00	(21,923.00)	1,491,077.00	1,491,077.00	-
Special Revenue Funds					
Capital Outlay	1,382,548.00	-	1,382,548.00	363,619.79	(1,018,928.21)
Driver Education	6,450.00	-	6,450.00	6,410.62	(39.38)
At - Risk (K-12)	378,000.00	-	378,000.00	343,015.60	(34,984.40)
Food Service	393,900.00	-	393,900.00	362,267.82	(31,632.18)
Professional Development	10,000.00	-	10,000.00	11,966.00	1,966.00
Special Education	889,381.00	-	889,381.00	772,507.34	(116,873.66)
Vocational Education	125,000.00	-	125,000.00	124,062.60	(937.40)
KPERs Retirement Contribution	415,713.00	-	415,713.00	360,967.64	(54,745.36)

Ellsworth, Kansas

General Fund

## Statement of Cash Receipts and Expenditures - Actual and Budget

For the Fiscal Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and shared Revenue:				
Ad Valorem Property Tax	\$ 583,082.06	\$ 607,472.20	\$ 572,981.00	\$ 34,491.20
Delinquent Tax	7,765.08	5,188.55	7,389.00	(2,200.45)
Mineral and Excise Tax	1,939.46	2,424.31	1,850.00	574.31
State Aid:				
General State Aid	3,325,998.00	3,189,264.00	3,275,284.00	(86,020.00)
Special Education Services Aid	515,133.00	569,865.00	636,160.00	(66,295.00)
Federal Aid:				
Education Jobs Fund	148,691.00	2,122.00	-	2,122.00
ARRA Stabilization Fund	84,918.00	-	-	-
Total Cash Receipts	<u>4,667,526.60</u>	<u>4,376,336.06</u>	<u>\$ 4,493,664.00</u>	<u>\$ (117,327.94)</u>
Expenditures				
Instruction	1,936,061.54	2,033,501.56	\$ 2,015,356.00	\$ 18,145.56
Student Support Services	166,252.11	169,609.95	174,620.00	(5,010.05)
Instructional Support Services	114,521.45	117,120.18	124,575.00	(7,454.82)
General Administration	178,294.61	176,591.73	180,675.00	(4,083.27)
School Administration	222,745.70	252,298.52	247,958.00	4,340.52
Operations and Maintenance	453,885.46	476,664.44	473,350.00	3,314.44
Transportation	110,998.31	128,409.64	113,220.00	15,189.64
Other Supplemental Service	140,672.48	112,026.78	149,275.00	(37,248.22)
Operating Transfers	1,266,716.34	898,921.20	1,014,635.00	(115,713.80)
Adjustment to Comply with Legal Max	-	-	(128,520.00)	128,520.00
Legal General Fund Budget	<u>4,590,148.00</u>	<u>4,365,144.00</u>	<u>\$ 4,365,144.00</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	77,378.60	11,192.06		
Unencumbered Cash, Beginning	<u>(406,817.57)</u>	<u>(329,438.97)</u>		
Unencumbered Cash, Ending	<u>\$ (329,438.97)</u>	<u>\$ (318,246.91)</u>		

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

## UNIFIED SCHOOL DISTRICT NO. 327

Statement 3

Ellsworth, Kansas

Supplemental General Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Fiscal Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and shared Revenue:				
Ad Valorem Property Tax	\$ 817,597.56	\$ 788,323.66	\$ 814,901.00	\$ (26,577.34)
Delinquent Tax	9,973.15	9,325.59	10,468.00	(1,142.41)
Motor Vehicle Tax	83,918.38	84,535.61	92,877.00	(8,341.39)
16/20 M Tax	6,296.57	6,192.13	-	6,192.13
RV Tax	1,445.35	1,508.32	1,443.00	65.32
State Aid:				
Supplemental General State Aid	746,653.00	617,484.00	601,147.00	16,337.00
Total Cash Receipts	<u>1,665,884.01</u>	<u>1,507,369.31</u>	<u>\$ 1,520,836.00</u>	<u>\$ (13,466.69)</u>
Expenditures				
Instruction	113,577.76	120,807.09	\$ 134,240.00	\$ (13,432.91)
Instructional Support Staff	15,472.97	15,016.83	24,595.00	(9,578.17)
General Administration	127,835.50	118,960.04	117,000.00	1,960.04
School Administration	2,803.64	3,255.92	7,000.00	(3,744.08)
Operations and Maintenance	351,994.66	380,295.34	372,850.00	7,445.34
Transportation	115,406.55	124,606.68	125,000.00	(393.32)
Other Supplemental Service	201,756.00	151,200.00	230,000.00	(78,800.00)
Operating Transfers	603,588.92	576,935.10	502,315.00	74,620.10
Adjustment to Comply with Legal Max	-	-	(21,923.00)	21,923.00
Total Expenditures	<u>1,532,436.00</u>	<u>1,491,077.00</u>	<u>\$ 1,491,077.00</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	133,448.01	16,292.31		
Unencumbered Cash, Beginning	<u>(104,831.41)</u>	<u>28,616.60</u>		
Unencumbered Cash, Ending	<u>\$ 28,616.60</u>	<u>\$ 44,908.91</u>		

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

## UNIFIED SCHOOL DISTRICT NO. 327

Statement 3

Ellsworth, Kansas

Capital Outlay Fund

Statement of Cash Receipts and Expenditures - Actual and Budget - Statutory Basis

For the Fiscal Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and shared Revenue:				
Ad Valorem Property Tax	\$ 2,505.29	\$ 66,596.52	\$ 64,548.00	\$ 2,048.52
Delinquent	2,009.75	1,076.07	-	1,076.07
Motor Vehicle Tax	15,795.96	12,220.27	11,457.00	763.27
16/20M Tax	1,176.65	1,194.71	-	1,194.71
RV Tax	272.93	230.27	178.00	52.27
Government Lease	51,694.96	89,992.23	50,000.00	39,992.23
Interest	14,351.47	7,404.75	12,000.00	(4,595.25)
Other	10.00	-	-	-
Operating Transfers	438,533.79	255,000.00	180,000.00	75,000.00
Total Cash Receipts	<u>526,350.80</u>	<u>433,714.82</u>	<u>\$ 318,183.00</u>	<u>\$ 115,531.82</u>
Expenditures				
Instruction	27,325.09	7,725.97	\$ 250,000.00	\$ (242,274.03)
General Administration	-	14,442.32	-	14,442.32
School Administration	-	-	50,000.00	(50,000.00)
Operations and Maintenance	191,905.50	123,131.77	250,000.00	(126,868.23)
Transportation	25,866.00	39,750.00	100,000.00	(60,250.00)
Land Improvement	-	142,853.85	175,000.00	(32,146.15)
Architectural and Engineering Services	9,594.08	10,228.67	25,000.00	(14,771.33)
Repair and Remodeling Building	246,551.40	25,487.21	318,000.00	(292,512.79)
Site Improvement Services	155,070.16	-	214,548.00	(214,548.00)
Total Expenditures	<u>656,312.23</u>	<u>363,619.79</u>	<u>\$ 1,382,548.00</u>	<u>\$ (1,018,928.21)</u>
Receipts Over (Under) Expenditures	(129,961.43)	70,095.03		
Unencumbered Cash, Beginning	<u>1,194,326.75</u>	<u>1,064,365.32</u>		
Unencumbered Cash, Ending	<u>\$ 1,064,365.32</u>	<u>\$ 1,134,460.35</u>		

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

Ellsworth, Kansas

Driver Education Fund

## Statement of Cash Receipts and Expenditures - Actual and Budget - Statutory Basis

For the Fiscal Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
State Aid:				
State Safety Aid	\$ 2,220.00	\$ 2,726.00	\$ 2,146.00	\$ 580.00
Fees	955.00	1,162.00	1,000.00	162.00
Total Cash Receipts	<u>3,175.00</u>	<u>3,888.00</u>	<u>\$ 3,146.00</u>	<u>\$ 742.00</u>
Expenditures				
Instruction	3,459.71	5,477.27	\$ 5,450.00	\$ 27.27
Operations and Maintenance	941.96	933.35	1,000.00	(66.65)
Total Expenditures	<u>4,401.67</u>	<u>6,410.62</u>	<u>\$ 6,450.00</u>	<u>\$ (39.38)</u>
Receipts Over (Under) Expenditures	(1,226.67)	(2,522.62)		
Unencumbered Cash, Beginning	<u>17,027.83</u>	<u>15,801.16</u>		
Unencumbered Cash, Ending	<u>\$ 15,801.16</u>	<u>\$ 13,278.54</u>		

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

Ellsworth, Kansas

At - Risk (K-12) Fund

## Statement of Cash Receipts and Expenditures - Actual and Budget - Statutory Basis

For the Fiscal 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				
Operating Transfers	\$ 446,800.00	\$ 331,448.00	\$ 337,935.00	\$ (6,487.00)
Expenditures				
Instruction	<u>407,288.37</u>	<u>343,015.60</u>	<u>\$ 378,000.00</u>	<u>\$ (34,984.40)</u>
Receipts Over (Under) Expenditures	39,511.63	(11,567.60)		
Unencumbered Cash, Beginning	<u>553.81</u>	<u>40,065.44</u>		
Unencumbered Cash, Ending	<u>\$ 40,065.44</u>	<u>\$ 28,497.84</u>		

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

## UNIFIED SCHOOL DISTRICT NO. 327

Statement 3

Ellsworth, Kansas

Food Service Fund

## Statement of Cash Receipts and Expenditures - Actual and Budget - Statutory Basis

For the Fiscal Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
State Aid:				
Food Service Aid	\$ 3,501.42	\$ 3,640.92	\$ 2,823.00	\$ 817.92
Federal Aid:				
School Breakfast Program	29,137.76	-	-	-
National School Lunch Program	108,693.44	-	-	-
Cash for Commodities	18,336.96	-	-	-
Child Nutrition Programs	-	169,531.06	153,052.00	16,479.06
Local Receipts	141,509.09	145,140.82	140,074.00	5,066.82
Operating Transfers	102,000.00	42,500.00	97,000.00	(54,500.00)
Total Cash Receipts	<u>403,178.67</u>	<u>360,812.80</u>	<u>\$ 392,949.00</u>	<u>\$ (32,136.20)</u>
Expenditures				
Operations and Maintenance	580.00	1,728.00	\$ 750.00	\$ 978.00
Food Service Operation	<u>398,387.97</u>	<u>360,539.82</u>	<u>393,150.00</u>	<u>(32,610.18)</u>
Total Expenditures	<u>398,967.97</u>	<u>362,267.82</u>	<u>\$ 393,900.00</u>	<u>\$ (31,632.18)</u>
Receipts Over (Under) Expenditures	4,210.70	(1,455.02)		
Unencumbered Cash, Beginning	<u>97,177.19</u>	<u>101,387.89</u>		
Unencumbered Cash, Ending	<u>\$ 101,387.89</u>	<u>\$ 99,932.87</u>		

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

UNIFIED SCHOOL DISTRICT NO. 327  
Ellsworth, Kansas

Statement 3

Professional Development Fund  
Statement of Cash Receipts and Expenditures - Actual and Budget - Statutory Basis  
For the Fiscal Year Ended June 30, 2012  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Operating Transfers	\$ 6,000.00	\$ 21,000.00	\$ -	\$ 21,000.00
Expenditures				
Instructional Support Services	<u>7,216.87</u>	<u>11,966.00</u>	<u>\$ 10,000.00</u>	<u>\$ 1,966.00</u>
Receipts Over (Under) Expenditures	(1,216.87)	9,034.00		
Unencumbered Cash, Beginning	<u>11,390.27</u>	<u>10,173.40</u>		
Unencumbered Cash, Ending	<u>\$ 10,173.40</u>	<u>\$ 19,207.40</u>		

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

Ellsworth, Kansas

Special Education Fund

## Statement of Cash Receipts and Expenditures - Actual and Budget - Statutory Basis

For the Fiscal 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				
Operating Transfers	\$ 738,971.47	\$ 716,139.17	\$ 795,107.00	\$ (78,967.83)
Expenditures				
Instruction	706,167.00	735,297.00	\$ 836,081.00	\$ (100,784.00)
Vehicle Operating Service	33,521.02	37,210.34	53,300.00	(16,089.66)
Total Expenditures	<u>739,688.02</u>	<u>772,507.34</u>	<u>\$ 889,381.00</u>	<u>\$ (116,873.66)</u>
Receipts Over (Under) Expenditures	(716.55)	(56,368.17)		
Unencumbered Cash, Beginning	<u>252,035.42</u>	<u>251,318.87</u>		
Unencumbered Cash, Ending	<u>\$ 251,318.87</u>	<u>\$ 194,950.70</u>		

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

Ellsworth, Kansas

Vocational Education Fund

## Statement of Cash Receipts and Expenditures - Actual and Budget - Statutory Basis

For the Fiscal Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Operating Transfers	\$ 138,000.00	\$ 110,000.00	\$ <u>106,908.00</u>	\$ <u>3,092.00</u>
Expenditures				
Instruction	<u>123,847.04</u>	<u>124,062.60</u>	\$ <u>125,000.00</u>	\$ <u>(937.40)</u>
Receipts Over (Under) Expenditures	14,152.96	(14,062.60)		
Unencumbered Cash, Beginning	<u>3,939.40</u>	<u>18,092.36</u>		
Unencumbered Cash, Ending	\$ <u>18,092.36</u>	\$ <u>4,029.76</u>		

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

## UNIFIED SCHOOL DISTRICT NO. 327

Statement 3

Ellsworth, Kansas

Title I Fund

Statement of Cash Receipts and Expenditures - Statutory Basis

For the Fiscal 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		
Federal Aid:		
Title I Grants to Local Education Agencies	\$ 76,623.00	\$ 101,483.00
Expenditures		
Instruction and Administration	76,623.00	101,483.00
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

## Title I - ARRA Fund

Statement of Cash Receipts and Expenditures - Statutory Basis

For the Fiscal 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		
Federal Aid:		
Title I Grants to Local Education Agencies	\$ 30,027.00	\$ -
Expenditures		
Instruction and Administration	30,027.00	-
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. 327

Statement 3

Ellsworth, Kansas

Title I D Fund

## Statement of Cash Receipts and Expenditures - Statutory Basis

For the Fiscal 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		
Federal Aid:		
Title I Grants to Local Education Agencies	\$ 68,368.00	\$ 71,195.00
Expenditures		
Instruction and Administration	68,368.00	71,195.00
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

## Title II A Fund

## Statement of Cash Receipts and Expenditures - Statutory Basis

For the Fiscal 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		
Federal Aid:		
Improving Teacher Quality State Grants	\$ 22,837.00	\$ 20,311.00
Expenditures		
Instruction	22,837.00	20,311.00
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. 327

Statement 3

Ellsworth, Kansas

Title II D Fund

## Statement of Cash Receipts and Expenditures - Statutory Basis

For the Fiscal 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		
Federal Aid:		
Education Technology State Grants	\$ 282.00	\$ -
Expenditures		
Instruction	282.00	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

## Contingency Fund

## Statement of Cash Receipts and Expenditures - Statutory Basis

For the Fiscal 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	\$ -	\$ -
Expenditures	-	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	264,000.00	264,000.00
Unencumbered Cash, Ending	\$ 264,000.00	\$ 264,000.00

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

## UNIFIED SCHOOL DISTRICT NO. 327

Statement 3

Ellsworth, Kansas

KPERS Retirement Contribution Fund

Statement of Cash Receipts and Expenditures - Actual and Budget - Statutory Basis

For the Fiscal Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
State Aid :				
KPERS Employer Contributions	\$ 218,796.38	\$ 360,967.64	\$ 415,713.00	\$ (54,745.36)
Expenditures				
Instruction	142,217.63	214,396.67	\$ 270,206.00	\$ (55,809.33)
Student Support	8,751.87	16,612.67	16,630.00	(17.33)
Instructional Support	6,563.88	10,829.04	12,475.00	(1,645.96)
General Administration	10,939.82	20,222.37	20,785.00	(562.63)
School Administration	10,939.82	26,744.29	20,785.00	5,959.29
Other Supplemental Services	8,751.87	15,105.22	16,630.00	(1,524.78)
Operations and Maintenance	15,315.74	29,615.67	29,099.00	516.67
Student Transportation Services	6,563.88	10,829.04	12,475.00	(1,645.96)
Food Service	8,751.87	16,612.67	16,628.00	(15.33)
Total Expenditures	<u>218,796.38</u>	<u>360,967.64</u>	<u>\$ 415,713.00</u>	<u>\$ (54,745.36)</u>
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

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

## UNIFIED SCHOOL DISTRICT NO. 327

Statement 3

Ellsworth, Kansas

Bond and Interest Fund

Statement of Cash Receipts and Expenditures - Actual and Budget - Statutory Basis

For the Fiscal Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Taxes and shared Revenue:				
Delinquent Tax	\$ 0.50	\$ -	\$ -	\$ -
Expenditures	-	-	-	-
Receipts Over (Under) Expenditures	0.50	-		
Unencumbered Cash, Beginning	23,633.86	23,634.36		
Unencumbered Cash, Ending	\$ 23,634.36	\$ 23,634.36		

## Asbestos Bond and Interest Fund

Statement of Cash Receipts and Cash Disbursements - Actual and Budget - Statutory Basis

For the Fiscal Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Taxes and shared Revenue:				
Delinquent Tax	\$ 0.42	\$ -	\$ -	\$ -
Expenditures	-	-	-	-
Receipts Over (Under) Expenditures	0.42	-		
Unencumbered Cash, Beginning	12,708.65	12,709.07		
Unencumbered Cash, Ending	\$ 12,709.07	\$ 12,709.07		

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

## UNIFIED SCHOOL DISTRICT NO. 327

Statement 3

Ellsworth, Kansas

Nonexpendable Trust - Scholarship Funds

Statement of Cash Receipts and Expenditures - Statutory Basis

For the Fiscal Year Ended June 30, 2012

<u>Nonexpendable Trust Funds</u>	<u>Beginning Unencumbered Cash Balance</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>
Nonexpendable Trust Funds:				
M.F. Beighley Scholarship	\$ 7,912.16	\$ 48.51	\$ 157.50	\$ 7,803.17
Lila Jean Young Memorial	29,786.68	648.55	1,761.05	28,674.18
Lovenstein Memorial Scholarship	1,492.81	11.63	100.00	1,404.44
David Snyder Scholarship	346.68	0.64	347.32	-
Gilkinson Family Scholarship	5,061.85	39.72	150.00	4,951.57
Henry Comm. Cancer Scholarship	17,468.27	146.05	500.00	17,114.32
Scott Bunch Scholarship	10,568.40	137.37	-	10,705.77
VOD Scholarship	1,626.10	301.45	600.00	1,327.55
Tina Deiser Scholarship	2,109.66	27.42	-	2,137.08
Science Project	250.00	1.76	-	251.76
Camp Med	600.00	3.62	-	603.62
Total Nonexpendable Trust Funds	<u>\$ 77,222.61</u>	<u>\$ 1,366.72</u>	<u>\$ 3,615.87</u>	<u>\$ 74,973.46</u>

## Nonexpendable Trust - Gifts and Grants Fund

Statement of Cash Receipts and Expenditures - Statutory Basis

For the Fiscal Year Ended June 30, 2012

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts	\$ 70,053.53	\$ 71,787.36
Expenditures	<u>60,219.42</u>	<u>52,131.33</u>
Receipts Over (Under) Expenditures	9,834.11	19,656.03
Unencumbered Cash, Beginning	<u>115,051.16</u>	<u>124,885.27</u>
Unencumbered Cash, Ending	<u>\$ 124,885.27</u>	<u>\$ 144,541.30</u>

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

## UNIFIED SCHOOL DISTRICT NO. 327

Statement 4

Ellsworth, Kansas

Agency Funds

## Statement of Cash Receipts and Cash Disbursements - Statutory Basis

For the Fiscal Year Ended June 30, 2012

<u>Student Organization Funds</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Ellsworth High School				
Senior Class	\$ 329.47	\$ 488.37	\$ 261.94	\$ 555.90
Junior Class	337.97	8,434.74	8,645.64	127.07
Sophomore Class	273.56	233.02	169.54	337.04
Freshman Class	146.61	423.19	569.80	-
Class Reserve	5,797.86	405.50	29.12	6,174.24
Parent Network	322.50	-	100.00	222.50
Cheerleaders	-	6,056.49	4,684.52	1,371.97
Cheerleader Camp/Clothing	188.16	-	188.16	-
JHS Cheer Camp/Clothing	6.96	-	6.96	-
Booster Club	3,431.37	-	-	3,431.37
FCA	566.77	2,027.00	2,094.65	499.12
FFA	7,110.86	17,227.32	21,582.01	2,756.17
FFA - Greenhouse	-	2,434.50	-	2,434.50
National Honor Society	1,089.76	763.01	283.77	1,569.00
Student Council	95.54	3,827.24	3,540.69	382.09
International Club	92.31	1,044.61	735.94	400.98
E Club	457.41	296.00	249.84	503.57
E Club Vending	195.24	204.96	24.95	375.25
Music	756.02	1,780.03	493.00	2,043.05
Music - Ellsworth Singers	769.25	1,483.75	1,655.47	597.53
Music Purchasing Account	40.00	919.81	598.60	361.21
Drama	1,860.44	-	-	1,860.44
Art Club	799.01	11.00	194.90	615.11
Scholar Bowl	-	790.00	790.00	-
Fall Sport Concession	1,200.00	11,521.14	9,700.05	3,021.09
All Sport Concession	13,039.07	17,217.47	25,592.42	4,664.12
Cambia	1,127.11	-	50.00	1,077.11
Forensics (NFL)	-	24.00	24.00	-
Investment - Savings Interest	25.66	16.66	-	42.32
Poster Printer	1,025.74	-	694.31	331.43
Subtotal High School	<u>41,084.65</u>	<u>77,629.81</u>	<u>82,960.28</u>	<u>35,754.18</u>
Kanopolis Middle School				
Concessions	<u>2,282.10</u>	<u>2,844.10</u>	<u>2,753.01</u>	<u>2,373.19</u>
Total Student Organization Funds	<u>43,366.75</u>	<u>80,473.91</u>	<u>85,713.29</u>	<u>38,127.37</u>
<u>Sales Tax Fund</u>				
High School	<u>724.98</u>	<u>6,528.28</u>	<u>7,021.72</u>	<u>231.54</u>
Total Sales Tax Fund	<u>724.98</u>	<u>6,528.28</u>	<u>7,021.72</u>	<u>231.54</u>
Total Agency Funds	<u>\$ 44,091.73</u>	<u>\$ 87,002.19</u>	<u>\$ 92,735.01</u>	<u>\$ 38,358.91</u>

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

## UNIFIED SCHOOL DISTRICT NO. 327

Statement 5

Ellsworth, Kansas

District Activity Funds

Statement of Cash Receipts, Expenditures, and Unencumbered Cash - Statutory Basis

For the Fiscal Year Ended June 30, 2012

District Activity Funds	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Current Year Ending Cash Balance
Gate Receipts						
High School	\$ 8.00	\$ 68,581.78	\$ 68,589.78	\$ -	\$ -	\$ -
School Projects						
High School Career Day	218.00	-	-	218.00	-	218.00
High School Yearbook	-	1,467.66	1,467.66	-	-	-
High School Misc. Projects	969.51	278.28	676.86	570.93	-	570.93
High School Band	1,728.57	20,825.70	13,155.34	9,398.93	-	9,398.93
Junior High Yearbook	-	798.69	-	798.69	-	798.69
Total School Projects	<u>2,916.08</u>	<u>23,370.33</u>	<u>15,299.86</u>	<u>10,986.55</u>	<u>-</u>	<u>10,986.55</u>
Total District Activity Funds	\$ <u>2,924.08</u>	\$ <u>91,952.11</u>	\$ <u>83,889.64</u>	\$ <u>10,986.55</u>	\$ <u>-</u>	\$ <u>10,986.55</u>

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

UNIFIED SCHOOL DISTRICT NO. 327  
ELLSWORTH, KANSAS

NOTES TO FINANCIAL STATEMENTS  
June 30, 2012

Note 1 Reporting Entity

Unified School district No. 327 is a municipal corporation governed by an elected seven-member Board of Education.

Note 2 Basis of Accounting

*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.

Unified School District No. 327 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 expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the 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.

The financial statements include partial-year comparative information. Such information does not include all of the information required to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with Unified School District No. 327's financial statements for the year ended June 30, 2011, from which such partial information was derived.

Note 3 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 on or before August 5th of the proposed budget and notice of public hearing on the budget.

UNIFIED SCHOOL DISTRICT NO. 327  
ELLSWORTH, KANSAS

NOTES TO FINANCIAL STATEMENTS (Cont.)  
June 30, 2012

Note 3 Budgetary Information (Cont.)

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time.

The 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. There was a budget violation in the Professional Development Fund of \$1,966.00

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 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, fiduciary funds, permanent funds, and the following special revenue funds:

Title I Fund	Title IID Fund
Title I ARRA Fund	Contingency Fund
Title ID Fund	District Activity Fund
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 the governing body.

Note 4 Deposits and Investments

As of June 30, 2012, the district had the following investments and maturities in the Lila J. Young Memorial Scholarship. These investments are not covered by FDIC insurance.

Investment Type	Book Value	Fair Value	Investment Maturities in Years	Rating
CSB&T Money Market	\$ 6,040.28	\$ 6,040.28	N/A	N/A
Blackrock Equity Divid Fund Instl CI	1,824.83	2,148.16	N/A	Morningstar ****
Cohen & Steers Realty Fund #1262	1,140.00	1,412.71	N/A	Morningstar ****
Matthews Asian Growth & Income Fund #801	1,918.49	1,894.22	N/A	Morningstar ****
Neuberger Berman Equity FDS Genesis Fund	1,891.34	2,162.77	N/A	Morningstar ****
Royce Premier Fund #265	2,012.28	2,095.78	N/A	Morningstar ****
T Rowe Price New Era Fund 42	1,187.99	1,054.47	N/A	Morningstar ***
Templeton Income TR Glb Advor	3,438.86	3,248.51	N/A	Morningstar ****
Vanguard GNMA Fund #36	4,603.36	4,925.57	N/A	Morningstar ****
Vanguard Index Fds Total Stk Mkt	1,824.00	2,087.56	N/A	Morningstar ****
Vanguard Bond Index Fd Inc Com	2,792.75	2,810.48	N/A	Morningstar ***
	<u>\$ 28,674.18</u>	<u>\$ 29,880.51</u>		

UNIFIED SCHOOL DISTRICT NO. 327  
ELLSWORTH, KANSAS

NOTES TO FINANCIAL STATEMENTS (Cont.)  
June 30, 2012

Note 4 Deposits and Investments (Cont.)

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 investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The district has no investment policy that would further limit its investment choices. The rating of the district's investments is noted above.

*Concentration of credit risk.* State statutes place no limit on the amount the district may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The district's allocation of investments as of June 30, 2012, is as follows:

Investments	Percentage of Investments
Money Market	20.21%
Non-Secured Mutual Funds	79.79%

*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 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 required coverage is 50%. The district has not designated a peak period. All deposits were legally secured at June 30, 2012.

At June 30, 2012, the district's carrying amount of deposits was \$1,852,157.01 and the bank balance \$2,342,635.76. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance \$694,844.34 was covered by federal depository insurance, and \$1,647,791.42 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.

At June 30, 2012, the district had invested \$28,674.18 in eleven different mutual funds managed by the the trust department of Citizens State Bank. Their records reflect all activity to be in strict compliance with the terms of the written instrument governing the administration of this account. Market value of of these funds at June 30, 2012 is \$29,880.51.

Note 5 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

UNIFIED SCHOOL DISTRICT NO. 327  
ELLSWORTH, KANSAS

NOTES TO FINANCIAL STATEMENTS (Cont.)  
June 30, 2012

Note 5 Defined Benefit Pension Plan (Cont.)

death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

*Funding Policy.* K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary or 6% if hired on or after July 1, 2009. Member-employees' contributions are withheld by their employer and paid to KPERS according to the provisions of section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. Kansas currently contributes 8.77% of covered payroll for the period July 1, 2011 to June 30, 2012. Included in this rate is the contribution for Group Death and Disability Insurance of 1.0%. These contributions are established by KPERS and are periodically revised. For more information please see the KPERS website at [www.kpers.org](http://www.kpers.org).

The State of Kansas' contributions to KPERS for all school municipalities for the years ending June 30, 2012, 2011, and 2010 were \$314,466,992.90, \$253,834,044, and \$248,468,186 respectively, equal to the statutory required contributions each year.

For the employer rates for school-type municipalities that hire a KPERS retiree, please see the main KPERS site at <http://kpers.org/contributionrates.htm>.

Note 6 Interfund Transfers

Operating transfers were as follows:

From:	To:	Statutory Authority	Amount
General Fund	Capital Outlay Fund	K.S.A. 72-6428	\$ 255,000.00
General Fund	At-Risk Fund	K.S.A. 72-6428	31,556.20
General Fund	Food Service Fund	K.S.A. 72-6428	42,500.00
General Fund	Special Education Fund	K.S.A. 72-6428	569,865.00
Supplemental General Fund	At-Risk Fund	K.S.A. 72-6433	299,891.80
Supplemental General Fund	Professional Development Fund	K.S.A. 72-6433	21,000.00
Supplemental General Fund	Special Education Fund	K.S.A. 72-6433	146,043.30
Supplemental General Fund	Vocational Education Fund	K.S.A. 72-6433	110,000.00

Note 7 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 financial statements.

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

UNIFIED SCHOOL DISTRICT NO. 327  
ELLSWORTH, KANSAS

NOTES TO FINANCIAL STATEMENTS (Cont.)  
June 30, 2012

Note 8 Termination Benefits

The district provides an early retirement program for certain eligible employees. Employees who are currently full time licensed teacher employees, building principals, or a central office administrator of the district, is at least 55 years of age prior to commencement of the following school year, and has 20 or more years as a licensed teacher employee, building principal, or office administrator, or combination of the same with at least 10 of those years in Unified School District No. 327, are eligible. Those qualifying under the program are paid per a schedule with age increments and are eligible for up to a maximum of 12 annual payments prior to reaching age 65. Payments to eligible individuals under this plan were \$103,516.00 for the year ending June 30, 2012.

Note 9 Compensated Absences

The district provides compensation for absences. For an in depth understanding, the policy in its entirety should be reviewed.

Note 10 Subsequent Events

The district's management has evaluated events and transactions occurring after June 30, 2012 through October 10, 2012. The aforementioned date represents the date the financial statements were available to be issued.

Note 11 Compliance with Statutes

K.S.A. 10-1113 requires that each fund comply with the cash-basis laws of the State of Kansas. No commitments or indebtedness should be incurred unless there is available cash in the fund. K.S.A. 10-116A exempts expenditures by school districts that are in excess of current revenues if the deficit in revenues is caused by the late distribution of state aid.

The General and Supplemental General Funds expenditures exceeded the fund balance due to the final June state aid payment for the fiscal year ended June 30, 2012 being disbursed by the State of Kansas in July 2012. The June state aid payment received in July 2012 was \$318,247.00 for the General Fund and \$35,104.00 for the Supplemental General Fund.

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

UNIFIED SCHOOL DISTRICT NO. 327  
ELLSWORTH, KANSAS

NOTES TO FINANCIAL STATEMENTS (Cont.)  
June 30, 2012

Statutory Revenues and Expenditures - Statutory and Budget  
For the Fiscal Year Ended June 30, 2012  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

Note 11 - Compliance with Statutes (Cont.)

General Fund	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and shared Revenue:				
Ad Valorem Property Tax	\$ 583,082.06	\$ 607,472.20	\$ 572,981.00	\$ 34,491.20
Delinquent Tax	7,765.08	5,188.55	7,389.00	(2,200.45)
Mineral and Excise Tax	1,939.46	2,424.31	1,850.00	574.31
State Aid:				
General State Aid	3,248,620.00	3,178,071.00	3,275,284.00	(97,213.00)
Special Education Services Aid	515,133.00	569,865.00	636,160.00	(66,295.00)
Federal Aid:				
Educatin Jobs Fund	148,691.00	2,122.00	-	
ARRA Stabilization Funds	84,918.00	-	-	-
Total Cash Receipts	<u>4,590,148.60</u>	<u>4,365,143.06</u>	<u>\$ 4,493,664.00</u>	<u>\$ (130,642.94)</u>
Expenditures				
Instruction	1,936,061.54	2,033,501.56	\$ 2,015,356.00	\$ 18,145.56
Student Support Services	166,252.11	169,609.95	174,620.00	(5,010.05)
Instructional Support Services	114,521.45	117,120.18	124,575.00	(7,454.82)
General Administration	178,294.61	176,591.73	180,675.00	(4,083.27)
School Administration	222,745.70	252,298.52	247,958.00	4,340.52
Operations and Maintenance	453,885.46	476,664.44	473,350.00	3,314.44
Transportation	110,998.31	128,409.64	113,220.00	15,189.64
Other Supplemental Service	140,672.48	112,026.78	149,275.00	(37,248.22)
Operating Transfers	1,266,716.34	898,921.20	1,014,635.00	(115,713.80)
Adjustment to Comply with Legal Max	-	-	(128,520.00)	128,520.00
Legal General Fund Budget	<u>4,590,148.00</u>	<u>4,365,144.00</u>	<u>\$ 4,365,144.00</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	0.60	(0.94)		
Unencumbered Cash, Beginning	<u>0.43</u>	<u>1.03</u>		
Unencumbered Cash, Ending	<u>\$ 1.03</u>	<u>\$ 0.09</u>		

UNIFIED SCHOOL DISTRICT NO. 327  
ELLSWORTH, KANSAS

NOTES TO FINANCIAL STATEMENTS (Cont.)  
June 30, 2012

Statutory Revenues and Expenditures - Statutory and Budget  
For the Fiscal Year Ended June 30, 2012  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

Note 11 - Compliance with Statutes (Cont.)

Supplemental General Fund	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and shared Revenue:				
Ad Valorem Property Tax	\$ 817,597.56	\$ 788,323.66	\$ 814,901.00	\$ (26,577.34)
Delinquent Tax	9,973.15	9,325.59	10,468.00	(1,142.41)
Motor Vehicle Tax	83,918.38	84,535.61	92,877.00	(8,341.39)
16/20 M Tax	6,296.57	6,192.13	-	6,192.13
RV Tax	1,445.35	1,508.32	1,443.00	65.32
State Aid:				
Supplemental General State Aid	649,926.00	614,564.00	601,147.00	13,417.00
Total Cash Receipts	<u>1,569,157.01</u>	<u>1,504,449.31</u>	<u>\$ 1,520,836.00</u>	<u>\$ (16,386.69)</u>
Expenditures				
Instruction	113,577.76	120,807.09	\$ 134,240.00	\$ (13,432.91)
Instructional Support Staff	15,472.97	15,016.83	24,595.00	(9,578.17)
General Administration	127,835.50	118,960.04	117,000.00	1,960.04
School Administration	2,803.64	3,255.92	7,000.00	(3,744.08)
Operations and Maintenance	351,994.66	380,295.34	372,850.00	7,445.34
Transportation	115,406.55	124,606.68	125,000.00	(393.32)
Other Supplemental Service	201,756.00	151,200.00	230,000.00	(78,800.00)
Operating Transfers	603,588.92	576,935.10	502,315.00	74,620.10
Adjustment to Comply with Legal Max	-	-	(21,923.00)	21,923.00
Total Expenditures	<u>1,532,436.00</u>	<u>1,491,077.00</u>	<u>\$ 1,491,077.00</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	36,721.01	13,372.31		
Unencumbered Cash, Beginning	<u>29,919.59</u>	<u>66,640.60</u>		
Unencumbered Cash, Ending	<u>\$ 66,640.60</u>	<u>\$ 80,012.91</u>		

UNIFIED SCHOOL DISTRICT NO. 327

NOTES TO FINANCIAL STATEMENTS (Cont.)  
June 30, 2012

Note 12 Long-Term Debt

Changes in long-term liabilities for the municipality for the fiscal year ended June 30, 2012, 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
Capital Leases										
Performing Arts - 1998A	4.2%/5.15%	4/15/1998	\$ 1,080,000.00	6/1/2012	\$ 120,000.00	\$ -	\$ 120,000.00	\$ -	\$ -	\$ 6,180.00
Energy Conservation Improvements	4.50%	5/25/2004	315,000.00	5/25/2014	107,114.09	-	35,126.86	-	71,987.23	4,170.38
Total Contractual Indebtedness			<u>1,395,000.00</u>		<u>227,114.09</u>	<u>-</u>	<u>155,126.86</u>	<u>-</u>	<u>71,987.23</u>	<u>10,350.38</u>
Compensated Absences					611,162.60	-	-	(13,649.32)	597,513.28	-
Total Long-Term Debt					<u>\$ 838,276.69</u>	<u>\$ -</u>	<u>\$ 155,126.86</u>	<u>\$ (13,649.32)</u>	<u>\$ 669,500.51</u>	<u>\$ 10,350.38</u>

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

	Year		
	2013	2014	Total
Principal:			
Energy Conservation Improvements	<u>\$ 36,774.07</u>	<u>\$ 35,213.16</u>	<u>\$ 71,987.23</u>
Interest:			
Energy Conservation Improvements	<u>2,523.17</u>	<u>809.31</u>	<u>3,332.48</u>
Total Principal and Interest	<u>\$ 39,297.24</u>	<u>\$ 36,022.47</u>	<u>\$ 75,319.71</u>