

**UNIFIED SCHOOL DISTRICT NO. 331
Kingman, 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. 331
Kingman, Kansas

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

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UNIFIED SCHOOL DISTRICT NO. 331
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For the Fiscal Year Ended June 30, 2012

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INDEPENDENT AUDITORS' REPORT

To the Board of Education
Unified School District No. 331
Kingman, Kansas

We have audited the accompanying financial statements of Unified School District No. 331, 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. 331'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. 331's financial statements and, in our report dated November 10, 2011, 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 *Government Auditing Standards*, issued by the Comptroller General of the United States, and 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. 331 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. 331, 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. 331 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. 331 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 26, 2012 on our consideration of Unified School District No. 331's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Unified School District No. 331's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects in relation to the financial statements as a whole.

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. 331's financial statements for the year ended June 30, 2011, from which such partial information was derived.

Clubine and Rettele, Chartered

A handwritten signature in black ink, appearing to read "Clubine and Rettele", with a stylized flourish at the end.

Salina, Kansas
December 26, 2012



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

To the Board of Education
Unified School District No. 331
Kingman, Kansas

We have audited the financial statements of Unified School District No. 331, as of and for the fiscal year ended June 30, 2012, and have issued our report thereon dated December 26, 2012. The report on Unified School District No. 331 was qualified as the financial statements were prepared using accounting practices prescribed or permitted by the State of Kansas and these practices differ from accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Kansas Municipal Audit Guide*, prescribed by the Director of Accounts and Reports, Department of Administration of the State of Kansas.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Unified School District No. 331's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Unified School District No. 331's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Unified School District No. 331's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as 2012-1 that we consider to be a significant deficiency in internal control over financial reporting. A *significant* deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.


Compliance and Other Matters

As part of obtaining reasonable assurance about whether Unified School District No. 331's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also noted certain other matters that we reported to management of Unified School District No. 331 in a separate letter dated December 26, 2012.

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

Clubine and Rettele, Chartered

A handwritten signature in black ink, appearing to read "Clubine and Rettele", written in a cursive style.

Salina, Kansas
December 26, 2012

CLUBINE & RETTELE CHARTERED

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Education
Unified School District No. 331
Kingman, Kansas

Compliance

We have audited the compliance of Unified School District No. 331 with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the fiscal year ended June 30, 2012. Unified School District No. 331's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Unified School District No. 331's management. Our responsibility is to express an opinion on Unified School District No. 331's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Unified School District No. 331's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Unified School District No. 331's compliance with those requirements.

In our opinion, Unified School District No. 331 complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the fiscal year ended June 30, 2012.

Internal Control Over Compliance

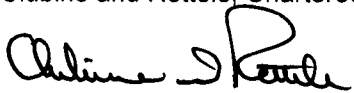
The management of Unified School District No. 331 is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Unified School District No. 331's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Unified School District No. 331's internal control over compliance.

A *deficiency* in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses in internal control over compliance. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as item 2012-1. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Clubine and Rettele, Chartered

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Salina, Kansas
December 26, 2012

UNIFIED SCHOOL DISTRICT NO. 331
Kingman, Kansas

Statement 1

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

Funds	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	\$ (391,188.00)	\$ 7,052,263.05	\$ 6,993,756.00	\$ (332,680.95)	\$ 56,820.07	\$ (275,860.88)
* Supplemental General	16,654.57	2,450,832.22	2,369,647.00	97,839.79	339,224.11	437,063.90
Special Revenue Funds						
Capital Outlay	904,826.47	281,280.61	125,000.00	1,061,107.08	-	1,061,107.08
Drivers Education	17,959.84	17,062.77	10,022.61	25,000.00	-	25,000.00
Food Service	105,200.00	515,209.66	500,409.66	120,000.00	-	120,000.00
Special Education	95,873.66	1,758,977.27	1,714,850.93	140,000.00	1,121.99	141,121.99
Vocational Education	22,131.25	258,123.30	245,254.55	35,000.00	23,623.30	58,623.30
At Risk	27,260.00	762,765.91	745,025.91	45,000.00	4,970.00	49,970.00
Recreation Commission	690.20	225,645.52	218,606.00	7,729.72	-	7,729.72
Recreation Commission Employee Benefits	394.27	22,463.45	22,000.00	857.72	-	857.72
Professional Development	20,515.00	21,098.28	16,613.28	25,000.00	120.00	25,120.00
KPERS Special Retirement Contribution	-	574,962.87	574,962.87	-	-	-
Technology Rich Classroom	-	25,500.00	25,500.00	-	-	-
Textbook Rental	96,083.06	39,916.94	-	136,000.00	-	136,000.00
Title I Grants to Local Education Agencies	(47,122.38)	287,612.00	248,073.19	(7,583.57)	-	(7,583.57)
Title II Education Technology State Grants	-	-	-	-	-	-
Title II-A Improving Teacher Quality	-	44,811.00	44,811.00	-	-	-
Title IV Safe and Drug Free Schools	-	-	-	-	-	-
Carl Perkins Vocational Basic Grants to States	-	5,340.54	5,340.54	-	-	-
Under Age Drinking Grant	(18,357.50)	146,987.57	177,992.73	(49,362.66)	-	(49,362.66)
Grants Received	-	1,250.00	-	1,250.00	-	1,250.00
KDHE Bullying Grant	-	2,000.00	-	2,000.00	-	2,000.00
Contingency Reserve	442,455.80	256,544.20	-	699,000.00	-	699,000.00
District Activity	58,835.11	423,497.70	421,327.80	61,005.01	-	61,005.01
Debt Service Funds						
Bond and Interest	1,235,137.76	884,592.85	891,316.49	1,228,414.12	-	1,228,414.12
Fiduciary Type Funds:						
Scholarships	272,969.55	6,199.80	8,322.72	270,846.63	-	270,846.63
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 2,860,318.66</u>	<u>\$ 16,064,937.51</u>	<u>\$ 15,358,833.28</u>	<u>\$ 3,566,422.89</u>	<u>\$ 425,879.47</u>	<u>\$ 3,992,302.36</u>

Composition of Cash:	Checking Accounts	\$ 3,865,403.58
	Certificates of Deposits	201,707.76
	Total Cash	4,067,111.34
	Agency Funds per Statement 4	(74,808.98)
	Total Reporting Entity (Excluding Agency Funds)	<u>\$ 3,992,302.36</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. 331
Kingman, Kansas

Statement 2

Summary of Expenditures, Actual and Budget - Statutory Basis
For the Fiscal Year Ended June 30, 2012

<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	\$7,140,798.00	\$ (147,042.00)	\$6,993,756.00	\$6,993,756.00	\$ -
Supplemental General	2,385,872.00	(16,225.00)	2,369,647.00	2,369,647.00	-
Special Revenue Funds					
Capital Outlay	1,164,189.00	-	1,164,189.00	125,000.00	(1,039,189.00)
Drivers Education	30,000.00	-	30,000.00	10,022.61	(19,977.39)
Food Service	587,900.00	-	587,900.00	500,409.66	(87,490.34)
Special Education	1,850,000.00	-	1,850,000.00	1,714,850.93	(135,149.07)
Vocational Education	251,500.00	-	251,500.00	245,254.55	(6,245.45)
At Risk	750,000.00	-	750,000.00	745,025.91	(4,974.09)
Recreation Commission	218,606.00	-	218,606.00	218,606.00	-
Recreation Commission Employee Benefits	22,000.00	-	22,000.00	22,000.00	-
Professional Development	40,000.00	-	40,000.00	16,613.28	(23,386.72)
KPERS Special Retirement Contribution	661,488.00	-	661,488.00	574,962.87	(86,525.13)
Debt Service Funds					
Bond and Interest	966,965.00	-	966,965.00	891,316.49	(75,648.51)

UNIFIED SCHOOL DISTRICT NO. 331

Statement 3

Kingman, 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	\$ 1,161,017.89	\$ 1,197,227.40	\$ 1,200,474.00	\$ (3,246.60)
Delinquent	30,106.95	50,088.91	26,415.00	23,673.91
Mineral Tax	36,892.32	40,996.74	30,000.00	10,996.74
Federal Aid				
ARRA Stabalization Funds	123,286.00	-	-	-
Education Jobs Fund	215,873.00	3,125.00	-	3,125.00
State Aid				
Equalization	4,366,443.00	4,485,446.00	4,507,468.00	(22,022.00)
New Hope Detention Center	156,170.00	-	-	-
Special Education Aid	1,165,423.00	1,275,379.00	1,376,200.00	(100,821.00)
Total Cash Receipts	<u>7,255,212.16</u>	<u>7,052,263.05</u>	<u>\$ 7,140,557.00</u>	<u>\$ (88,293.95)</u>
Expenditures				
Instruction	3,414,704.61	2,695,324.52	\$ 2,838,600.00	\$ (143,275.48)
Student Support Services	290,105.45	309,218.22	307,938.00	1,280.22
Instructional Support Services	139,009.30	106,824.96	124,087.00	(17,262.04)
General Administration	13,198.12	2,002.93	-	2,002.93
School Administration	749.82	9,878.48	-	9,878.48
Operations and Maintenance	978,488.27	853,139.38	1,088,240.00	(235,100.62)
Vehicle Operating Service	301,757.93	357,760.86	360,630.00	(2,869.14)
Vehicle Service and Maintenance	90,602.87	67,643.38	118,995.00	(51,351.62)
Other Supplemental Service	2,879.67	-	-	-
Operating Transfers	2,090,800.96	2,591,963.27	2,302,308.00	289,655.27
Adjustment to Comply With Legal Max	-	-	(147,042.00)	147,042.00
Total Expenditures	<u>7,322,297.00</u>	<u>6,993,756.00</u>	<u>\$ 6,993,756.00</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	(67,084.84)	58,507.05		
Unencumbered Cash, Beginning	<u>(324,103.16)</u>	<u>(391,188.00)</u>		
Unencumbered Cash, Ending	<u>\$ (391,188.00)</u>	<u>\$ (332,680.95)</u>		

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

UNIFIED SCHOOL DISTRICT NO. 331

Statement 3

Kingman, 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	\$1,487,801.79	\$1,536,648.88	\$1,505,353.00	\$ 31,295.88
Delinquent	37,373.28	62,904.47	34,048.00	28,856.47
Motor Vehicle	146,734.82	152,500.37	111,130.00	41,370.37
Recreational Vehicle	2,400.38	2,146.50	1,977.00	169.50
State Aid				
Supplemental State Aid	715,046.00	696,632.00	681,214.00	15,418.00
Total Cash Receipts	<u>2,389,356.27</u>	<u>2,450,832.22</u>	<u>\$2,333,722.00</u>	<u>\$ 117,110.22</u>
Expenditures				
Instruction	228,472.57	480,445.00	\$ 443,543.00	\$ 36,902.00
Student Support Services	159,058.06	159,864.74	167,435.00	(7,570.26)
Instructional Support Staff	18,993.56	16,888.44	16,086.00	802.44
School Administration	397,068.98	403,972.23	421,320.00	(17,347.77)
General Administration	134,416.37	177,951.02	187,765.00	(9,813.98)
Operations and Maintenance	252,645.52	259,559.54	320,500.00	(60,940.46)
Other Supplemental Service	375,726.30	315,771.40	330,140.00	(14,368.60)
Student Transportation Service	135,439.05	-	-	-
Vehicle Operating Services	-	74,657.00	100,000.00	(25,343.00)
Operating Transfers	657,054.59	480,537.63	399,083.00	81,454.63
Adjustment to Comply with Legal Max	-	-	(16,225.00)	16,225.00
Total Expenditures	<u>2,358,875.00</u>	<u>2,369,647.00</u>	<u>\$2,369,647.00</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	30,481.27	81,185.22		
Unencumbered Cash, Beginning	<u>(13,826.70)</u>	<u>16,654.57</u>		
Unencumbered Cash, Ending	<u>\$ 16,654.57</u>	<u>\$ 97,839.79</u>		

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

UNIFIED SCHOOL DISTRICT NO. 331

Statement 3

Kingman, 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	\$ 62,898.31	\$ 257,449.75	\$ 242,831.00	\$ 14,618.75
Delinquent	518.21	2,538.70	1,442.00	1,096.70
Motor Vehicle	1,907.87	6,827.57	5,000.00	1,827.57
Recreational Vehicle	35.98	96.04	89.00	7.04
Interest	10,408.15	7,182.50	10,000.00	(2,817.50)
Other Sources	3,225.00	-	-	-
Operating Transfers	222,655.86	7,186.05	-	7,186.05
Total Cash Receipts	<u>301,649.38</u>	<u>281,280.61</u>	<u>\$ 259,362.00</u>	<u>\$ 21,918.61</u>
Expenditures				
Instruction	-	-	\$ 200,000.00	\$ (200,000.00)
Student Support Services	-	-	114,189.00	(114,189.00)
General Administration	-	-	100,000.00	(100,000.00)
School Administration	-	-	100,000.00	(100,000.00)
Central Services	-	-	100,000.00	(100,000.00)
Operations and Maintenance	-	-	100,000.00	(100,000.00)
Transportation	-	-	200,000.00	(200,000.00)
Other Support Services	-	-	100,000.00	(100,000.00)
Land Improvement	-	-	50,000.00	(50,000.00)
Building Improvements	-	-	100,000.00	(100,000.00)
Debt Service	-	125,000.00	-	125,000.00
Total Expenditures	<u>-</u>	<u>125,000.00</u>	<u>\$ 1,164,189.00</u>	<u>\$ (1,039,189.00)</u>
Receipts Over (Under) Expenditures	301,649.38	156,280.61		
Unencumbered Cash, Beginning	<u>603,177.09</u>	<u>904,826.47</u>		
Unencumbered Cash, Ending	<u>\$ 904,826.47</u>	<u>\$ 1,061,107.08</u>		

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

UNIFIED SCHOOL DISTRICT NO. 331

Statement 3

Kingman, Kansas
Drivers Education FundStatement 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	\$ 3,700.00	\$ 3,008.00	\$ 2,368.00	\$ 640.00
Other Sources	7,668.00	10,027.00	8,000.00	2,027.00
Operating Transfers	7,844.00	4,027.77	1,672.00	2,355.77
Total Cash Receipts	<u>19,212.00</u>	<u>17,062.77</u>	<u>\$ 12,040.00</u>	<u>\$ 5,022.77</u>
Expenditures				
Instruction	12,192.01	8,686.33	\$ 26,500.00	\$ (17,813.67)
Vehicle Operating Service	2,075.43	1,336.28	3,500.00	(2,163.72)
Total Expenditures	<u>14,267.44</u>	<u>10,022.61</u>	<u>\$ 30,000.00</u>	<u>\$ (19,977.39)</u>
Receipts Over (Under) Expenditures	4,944.56	7,040.16		
Unencumbered Cash, Beginning	<u>13,015.28</u>	<u>17,959.84</u>		
Unencumbered Cash, Ending	<u>\$ 17,959.84</u>	<u>\$ 25,000.00</u>		

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

UNIFIED SCHOOL DISTRICT NO. 331

Statement 3

Kingman, 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	\$ 5,488.18	\$ 5,349.66	\$ 4,422.00	\$ 927.66
Federal Aid	279,390.85	284,322.92	269,040.00	15,282.92
Local Receipts	182,329.23	205,070.37	209,238.00	(4,167.63)
Operating Transfers	88,106.80	20,466.71	-	20,466.71
Total Cash Receipts	<u>555,315.06</u>	<u>515,209.66</u>	<u>\$ 482,700.00</u>	<u>\$ 32,509.66</u>
Expenditures				
Food Service Operation	<u>554,825.78</u>	<u>500,409.66</u>	<u>\$ 587,900.00</u>	<u>\$ (87,490.34)</u>
Receipts Over (Under) Expenditures	489.28	14,800.00		
Unencumbered Cash, Beginning	<u>104,710.72</u>	<u>105,200.00</u>		
Unencumbered Cash, Ending	<u>\$ 105,200.00</u>	<u>\$ 120,000.00</u>		

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

Kingman, 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	\$1,563,066.59	\$1,754,268.84	\$1,754,126.00	\$ 142.84
Other Sources	8,768.31	4,708.43	-	4,708.43
Total Cash Receipts	<u>1,571,834.90</u>	<u>1,758,977.27</u>	<u>\$1,754,126.00</u>	<u>\$ 4,851.27</u>
Expenditures				
Instruction	1,472,870.37	1,604,876.86	\$1,724,043.00	\$ (119,166.14)
Vehicle Operating Service	80,394.61	79,424.51	73,150.00	6,274.51
Vehicle Services & Maintenance	-	11,053.41	12,512.00	(1,458.59)
Other Student Transportation Service	18,137.48	19,496.15	40,295.00	(20,798.85)
Total Expenditures	<u>1,571,402.46</u>	<u>1,714,850.93</u>	<u>\$1,850,000.00</u>	<u>\$ (135,149.07)</u>
Receipts Over (Under) Expenditures	432.44	44,126.34		
Unencumbered Cash, Beginning	<u>95,441.22</u>	<u>95,873.66</u>		
Unencumbered Cash, Ending	<u>\$ 95,873.66</u>	<u>\$ 140,000.00</u>		

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

UNIFIED SCHOOL DISTRICT NO. 331

Statement 3

Kingman, 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 Over (Under)
		Actual	Budget	
Cash Receipts				
Other	\$ 25,718.00	\$ 12,211.00	\$ 26,000.00	\$ (13,789.00)
Operating Transfers	190,372.00	245,912.30	203,368.00	42,544.30
Total Cash Receipts	216,090.00	258,123.30	<u>\$ 229,368.00</u>	<u>\$ 28,755.30</u>
Expenditures				
Instruction	213,086.69	245,254.55	<u>\$ 251,500.00</u>	<u>\$ (6,245.45)</u>
Receipts Over (Under) Expenditures	3,003.31	12,868.75		
Unencumbered Cash, Beginning	19,127.94	22,131.25		
Unencumbered Cash, Ending	<u>\$ 22,131.25</u>	<u>\$ 35,000.00</u>		

At Risk 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	\$ 659,399.93	\$ 762,765.91	<u>\$ 722,740.00</u>	<u>\$ 40,025.91</u>
Expenditures				
Instruction	659,392.58	745,025.91	<u>\$ 750,000.00</u>	<u>\$ (4,974.09)</u>
Receipts Over (Under) Expenditures	7.35	17,740.00		
Unencumbered Cash, Beginning	27,252.65	27,260.00		
Unencumbered Cash, Ending	<u>\$ 27,260.00</u>	<u>\$ 45,000.00</u>		

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

UNIFIED SCHOOL DISTRICT NO. 331

Statement 3

Kingman, Kansas

Recreation Commission 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	\$ 189,516.99	\$ 196,391.03	\$ 198,260.00	\$ (1,868.97)
Delinquent	5,368.18	8,252.24	4,324.00	3,928.24
Motor Vehicle	20,228.41	20,712.82	15,063.00	5,649.82
Recreational Vehicle	331.08	289.43	268.00	21.43
Total Cash Receipts	<u>215,444.66</u>	<u>225,645.52</u>	<u>\$ 217,915.00</u>	<u>\$ 7,730.52</u>
Expenditures				
Appropriations	<u>229,870.00</u>	<u>218,606.00</u>	<u>\$ 218,606.00</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	(14,425.34)	7,039.52		
Unencumbered Cash, Beginning	<u>15,115.54</u>	<u>690.20</u>		
Unencumbered Cash, Ending	<u>\$ 690.20</u>	<u>\$ 7,729.72</u>		

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

UNIFIED SCHOOL DISTRICT NO. 331

Statement 3

Kingman, Kansas

Recreation Commission Employee Benefits 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	\$ 17,689.85	\$ 19,815.19	\$ 19,840.00	\$ (24.81)
Delinquent	650.99	788.78	404.00	384.78
Motor Vehicle	2,352.88	1,833.74	1,337.00	496.74
Recreational Vehicle	37.91	25.74	24.00	1.74
Total Cash Receipts	<u>20,731.63</u>	<u>22,463.45</u>	<u>\$ 21,605.00</u>	<u>\$ 856.71</u>
Expenditures				
Appropriations	<u>22,000.00</u>	<u>22,000.00</u>	<u>\$ 22,000.00</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	(1,268.37)	463.45		
Unencumbered Cash, Beginning	<u>1,662.64</u>	<u>394.27</u>		
Unencumbered Cash, Ending	<u>\$ 394.27</u>	<u>\$ 857.72</u>		

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

UNIFIED SCHOOL DISTRICT NO. 331

Statement 3

Kingman, Kansas

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 Over (Under)
		Actual	Budget	
Cash Receipts				
Operating Transfers	\$ 16,410.37	\$ 21,098.28	\$ 19,485.00	\$ 1,613.28
Expenditures				
Support Services	16,406.29	16,613.28	\$ 40,000.00	\$ (23,386.72)
Receipts Over (Under) Expenditures	4.08	4,485.00		
Unencumbered Cash, Beginning	20,510.92	20,515.00		
Unencumbered Cash, Ending	\$ 20,515.00	\$ 25,000.00		

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

UNIFIED SCHOOL DISTRICT NO. 331
Kingman, Kansas
KPERs Special 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)

Statement 3

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
State Aid	\$ 361,468.66	\$ 574,962.87	\$ 661,488.00	\$ (86,525.13)
Expenditures				
Employee Benefits	361,468.66	574,962.87	661,488.00	(86,525.13)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ -		

Technology Rich Classroom
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		
Operating Transfers	\$ 52,407.00	\$ 25,500.00
Expenditures		
Instruction	52,407.00	25,500.00
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. 331

Statement 3

Kingman, Kansas
Textbook Rental FundStatement 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		
Fees	\$ 35,700.92	\$ 39,916.94
Expenditures		
Textbooks	20.68	-
Receipts Over (Under) Expenditures	35,680.24	39,916.94
Unencumbered Cash, Beginning	60,402.82	96,083.06
Unencumbered Cash, Ending	\$ 96,083.06	\$ 136,000.00

Title I Grants to Local Education Agencies 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	\$ 268,074.00	\$ 287,612.00
Expenditures		
Instruction and Administration	296,091.26	248,073.19
Receipts Over (Under) Expenditures	(28,017.26)	39,538.81
Unencumbered Cash, Beginning	(19,105.12)	(47,122.38)
Unencumbered Cash, Ending	\$ (47,122.38)	\$ (7,583.57)

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

UNIFIED SCHOOL DISTRICT NO. 331
Kingman, Kansas
Title II Education Technology State Grants 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)

Statement 3

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Aid	\$ 779.00	\$ -
Expenditures		
Instruction and Administration	<u>779.00</u>	<u>-</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

Title II-A Improving Teacher Quality 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	\$ 55,976.00	\$ 44,811.00
Expenditures		
Instruction	<u>52,145.00</u>	<u>44,811.00</u>
Receipts Over (Under) Expenditures	3,831.00	-
Unencumbered Cash, Beginning	<u>(3,831.00)</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. 331

Statement 3

Kingman, Kansas

Title IV Safe and Drug Free Schools 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	\$ 5,544.00	\$ -
Expenditures		
Instruction	5,544.00	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

Carl Perkins Vocational Basic Grants to States 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		
State Aid	\$ 6,000.00	\$ 5,340.54
Expenditures		
Instruction	6,000.00	5,340.54
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. 331

Statement 3

Kingman, Kansas

Under Age Drinking Grant 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 Grant	\$ 138,407.99	\$ 146,987.57
Expenditures	<u>135,915.75</u>	<u>177,992.73</u>
Receipts Over (Under) Expenditures	2,492.24	(31,005.16)
Unencumbered Cash, Beginning	<u>(20,849.74)</u>	<u>(18,357.50)</u>
Unencumbered Cash, Ending	<u>\$ (18,357.50)</u>	<u>\$ (49,362.66)</u>

Grants Received

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 Grant	\$ 20,346.14	\$ 1,250.00
Expenditures	<u>20,346.14</u>	<u>-</u>
Receipts Over (Under) Expenditures	-	1,250.00
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 1,250.00</u>

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

UNIFIED SCHOOL DISTRICT NO. 331

Statement 3

Kingman, Kansas
KDHE Bullying GrantStatement 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 Grant	\$ 3,290.00	\$ 2,000.00
Expenditures Instruction	<u>3,290.00</u>	<u>-</u>
Receipts Over (Under) Expenditures	-	2,000.00
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 2,000.00</u>

Contingency Reserve 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 Operating Transfers	\$ -	\$ 256,544.20
Expenditures Instruction	<u>-</u>	<u>-</u>
Receipts Over (Under) Expenditures	-	256,544.20
Unencumbered Cash, Beginning	<u>442,455.80</u>	<u>442,455.80</u>
Unencumbered Cash, Ending	<u>\$ 442,455.80</u>	<u>\$ 699,000.00</u>

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

UNIFIED SCHOOL DISTRICT NO. 331

Statement 3

Kingman, Kansas
Bond and Interest FundStatement 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	\$ 768,309.54	\$ 625,656.89	\$ 650,733.00	\$ (25,076.11)
Delinquent	18,829.44	31,730.03	17,632.00	14,098.03
Motor Vehicle	67,646.35	70,062.54	51,469.00	18,593.54
Recreational Vehicle	1,107.69	1,004.10	915.00	89.10
Interest on Idle Funds	10.38	1,425.29	-	1,425.29
State Aid	106,313.00	154,714.00	154,714.00	-
Total Cash Receipts	<u>962,216.40</u>	<u>884,592.85</u>	<u>\$ 875,463.00</u>	<u>\$ 9,129.85</u>
Expenditures				
Principal	645,000.00	675,000.00	\$ 675,000.00	\$ -
Interest	<u>321,483.75</u>	<u>216,316.49</u>	<u>291,965.00</u>	<u>(75,648.51)</u>
Total Expenditures	<u>966,483.75</u>	<u>891,316.49</u>	<u>\$ 966,965.00</u>	<u>\$ (75,648.51)</u>
Receipts Over (Under) Expenditures	(4,267.35)	(6,723.64)		
Unencumbered Cash, Beginning	<u>1,239,405.11</u>	<u>1,235,137.76</u>		
Unencumbered Cash, Ending	<u>\$1,235,137.76</u>	<u>\$1,228,414.12</u>		

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

UNIFIED SCHOOL DISTRICT NO. 331

Statement 3

Kingman, Kansas

Fiduciary Type Funds - Scholarships

Statement of Cash Receipts and Expenditures - Statutory Basis

For the Fiscal Year Ended June 30, 2012

Funds	Beginning			Ending	Add	Ending
	Unencumbered Cash Balance	Cash Receipts	Expenditures	Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Cash Balance
Aaron Laing Memorial Fund	\$ 6,146.67	\$ 1,020.36	\$ 250.00	\$ 6,917.03	\$ -	\$ 6,917.03
Fred and Irene Cloud Scholarship	26,460.86	534.23	1,000.00	25,995.09	-	25,995.09
Ina Toland Scholarship	50,000.00	650.00	650.00	50,000.00	-	50,000.00
John and Ethel Whetzel Scholarship	12,522.25	125.14	121.41	12,525.98	-	12,525.98
Klaver Scholarship	3,097.72	33.73	300.00	2,831.45	-	2,831.45
Kingman H.S. Alumni	450.00	-	-	450.00	-	450.00
Maxine Augden Golf Scholarship Fund	7,000.00	-	-	7,000.00	-	7,000.00
Nikki Hern Scholarship	2,240.05	11.26	2,251.31	-	-	-
Norwich Alumni Scholarship Fund	24,259.04	2,634.96	1,000.00	25,894.00	-	25,894.00
Peters Family Scholarship Fund	263.19	0.47	-	263.66	-	263.66
Pugh Scholarship Fund	29,291.23	212.13	1,000.00	28,503.36	-	28,503.36
Ferguson Relief Fund	13,502.39	72.68	-	13,575.07	-	13,575.07
Robert Yeoman Masonic Scholarship	65,080.31	647.86	1,000.00	64,728.17	-	64,728.17
Ruth Miller Scholarship	3,155.26	23.79	-	3,179.05	-	3,179.05
Sister of Habit Scholarship	6,998.68	75.29	500.00	6,573.97	-	6,573.97
Wunsch Foundation Fund	1,610.65	-	-	1,610.65	-	1,610.65
Alice M. Woodson Fund	1,277.26	1.40	-	1,278.66	-	1,278.66
Wyatt Oakman Scholarship	1,019.63	7.18	-	1,026.81	-	1,026.81
Greg Berry Scholarship	6,189.77	46.61	-	6,236.38	-	6,236.38
Adams Union Sunday School Scholarship	4,314.60	23.04	-	4,337.64	-	4,337.64
Bob Vanlandingham Fund	8,089.99	79.67	250.00	7,919.66	-	7,919.66
Totals	<u>\$ 272,969.55</u>	<u>\$ 6,199.80</u>	<u>\$ 8,322.72</u>	<u>\$ 270,846.63</u>	<u>\$ -</u>	<u>\$ 270,846.63</u>

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

UNIFIED SCHOOL DISTRICT NO. 331

Statement 4

Kingman, Kansas

Agency Funds

Summary of Cash Receipts and Cash Disbursements - Statutory Basis

For the Fiscal Year Ended June 30, 2012

Funds	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Kingman High School				
Class of '10	\$ 261.18	\$ -	\$ 261.18	\$ -
Class of '11	1,096.16	-	1,096.16	-
Class of '12	615.92	955.34	1,301.62	269.64
Class of '13	4,166.76	11,818.03	14,872.88	1,111.91
Class of '14	1,396.05	4,900.75	1,616.93	4,679.87
Class of '15	-	2,551.32	-	2,551.32
Art Club	5,609.24	1,480.00	3,928.11	3,161.13
Band	821.91	1,008.00	1,266.39	563.52
Career Day	1,037.08	-	-	1,037.08
Cheerleaders	951.15	9,981.46	10,572.06	360.55
Choir	619.16	492.00	634.19	476.97
Community Experiences	341.05	3,227.43	1,676.74	1,891.74
Entrepreneurship Store	2,056.23	250.00	12.93	2,293.30
FBLA	7,415.14	22,141.47	23,749.63	5,806.98
FCA	113.50	-	-	113.50
FCCLA	398.16	6,120.00	6,311.00	207.16
FFA	7.09	35,647.21	34,555.87	1,098.43
Government Activities	244.16	-	-	244.16
Graphic Design	-	4,592.34	4,431.34	161.00
Interact	327.56	-	-	327.56
National Honor Society	352.58	840.50	496.95	696.13
SADD	470.23	76.00	363.66	182.57
Scholars Bowl	695.65	1,394.20	1,409.46	680.39
Science	300.01	-	-	300.01
Student Council	4,855.96	12,966.36	13,256.78	4,565.54
TTLT	2,790.18	4,868.26	5,008.37	2,650.07
USD 331 Outdoor Club	-	786.00	-	786.00
Veterans Day	716.00	1,004.39	1,279.70	440.69
Youth in Government	600.32	4,514.52	3,988.33	1,126.51
Subtotal Kingman High School	38,258.43	131,615.58	132,090.28	37,783.73
Norwich School				
Class of '12	2,255.75	-	2,255.75	-
Class of '13	372.35	6,635.34	6,654.72	352.97
Class of '14	-	559.90	71.39	488.51
Quiz Bowl	144.26	-	-	144.26
Forensics	1,912.08	875.90	916.96	1,871.02
Cheerleaders	1,233.25	7,823.00	8,631.80	424.45
Cheerleaders Junior High	169.67	526.55	543.52	152.70
Eagle & Company	1,970.43	267.89	-	2,238.32
Student Activities	6,131.80	1,591.59	3,930.28	3,793.11
Student Elementary Activity	2,606.70	4,184.85	3,578.67	3,212.88
SADD	2,155.13	12,608.48	12,545.73	2,217.88
Occupational Home	63.59	180.48	184.75	59.32
Speech	474.55	467.07	333.04	608.58
Student Council	676.16	556.42	762.12	470.46
Student Discretionary	344.41	197.50	231.76	310.15

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

UNIFIED SCHOOL DISTRICT NO. 331

Statement 4

Kingman, Kansas

Agency Funds

Summary of Cash Receipts and Cash Disbursements - Statutory Basis

For the Fiscal Year Ended June 30, 2012

<u>Funds</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Norwich School (Cont.)				
Kayettes	\$ 192.11	\$ 1,717.44	\$ 1,317.39	\$ 592.16
Outdoor Club	312.00	1,952.41	1,691.51	572.90
Caregiver	0.54	-	0.54	-
Science Technology	354.55	-	-	354.55
Quilting	-	237.06	-	237.06
Community Experiences	85.51	70.00	81.25	74.26
Subtotal Norwich School	<u>21,454.84</u>	<u>40,451.88</u>	<u>43,731.18</u>	<u>18,175.54</u>
Kingman Elementary School				
Cheerleaders	58.98	-	-	58.98
FACS	287.82	-	-	287.82
Student Activities	5,574.04	5,158.36	1,747.48	8,984.92
Homeroom Representatives	8,546.43	6,302.35	5,710.54	9,138.24
Band	390.35	268.80	419.66	239.49
SAIT	139.49	-	-	139.49
Subtotal Kingman Elementary School	<u>14,997.11</u>	<u>11,729.51</u>	<u>7,877.68</u>	<u>18,848.94</u>
Total Student Organization Funds	<u>74,710.38</u>	<u>183,796.97</u>	<u>183,699.14</u>	<u>74,808.21</u>
Sales Tax				
Norwich Schools	-	3,500.02	3,500.02	-
Kingman Elementary School	<u>3.74</u>	<u>276.88</u>	<u>279.85</u>	<u>0.77</u>
Total Sales Tax Funds	<u>3.74</u>	<u>3,776.90</u>	<u>3,779.87</u>	<u>0.77</u>
Total Agency Funds	<u>\$ 74,714.12</u>	<u>\$ 187,573.87</u>	<u>\$ 187,479.01</u>	<u>\$ 74,808.98</u>

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

UNIFIED SCHOOL DISTRICT NO. 331

Kingman, Kansas

District Activity Funds

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

For the Fiscal Year Ended June 30, 2012

Statement 5

Funds	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Gate Receipts						
Kingman Elementary	\$ 7,149.64	\$ 5,243.98	\$ 9,315.61	\$ 3,078.01	\$ -	\$ 3,078.01
Norwich School	15,177.72	27,853.82	26,096.10	16,935.44	-	16,935.44
Kingman High School	4,507.07	54,947.30	48,666.81	10,787.56	-	10,787.56
Subtotal Gate Receipts	<u>26,834.43</u>	<u>88,045.10</u>	<u>84,078.52</u>	<u>30,801.01</u>	<u>-</u>	<u>30,801.01</u>
Board Funds						
Kingman High School	-	102,064.31	102,064.31	-	-	-
Norwich School	-	82,473.91	82,473.91	-	-	-
Kingman Elementary	-	103,851.86	103,851.86	-	-	-
Subtotal Board Funds	<u>-</u>	<u>288,390.08</u>	<u>288,390.08</u>	<u>-</u>	<u>-</u>	<u>-</u>
School Projects						
Kingman Elementary	5,994.14	106.98	349.17	5,751.95	-	5,751.95
Norwich School	13,224.90	30,874.27	29,774.79	14,324.38	-	14,324.38
Kingman High School	11,471.73	12,303.74	14,697.09	9,078.38	-	9,078.38
Elementary Projects	1,309.91	3,777.53	4,038.15	1,049.29	-	1,049.29
Subtotal School Projects	<u>32,000.68</u>	<u>47,062.52</u>	<u>48,859.20</u>	<u>30,204.00</u>	<u>-</u>	<u>30,204.00</u>
Total District Activity Funds	<u>\$ 58,835.11</u>	<u>\$ 423,497.70</u>	<u>\$ 421,327.80</u>	<u>\$ 61,005.01</u>	<u>\$ -</u>	<u>\$ 61,005.01</u>

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

UNIFIED SCHOOL DISTRICT NO. 331
Kingman, Kansas

NOTES TO FINANCIAL STATEMENTS
June 30, 2012

Note 1 Reporting Entity

Unified School District No. 331 is an independent unit of government governed by an elected seven-member board. These financial statements present only the primary government of the District.

In addition to the primary government, the Kingman-Norwich Recreation Commission, which operates recreational programs within the District, qualifies as a component unit of the district. However, its financial activity is not included in the accompanying financial statements. The Recreation Commission is being audited as a separate unit, and the financial data is available at the Kingman-Norwich Recreation Commission's office.

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.

The Government 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 Government 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 Government 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.

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), and debt service funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

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

Note 3 Budgetary Information (Cont.)

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.
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.

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 Government 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, trust funds, and the following special revenue funds:

Title I Grants to Local Education Agencies Fund	Textbook Rental Fund
Title II Education Technology State Grants Fund	Under Age Drinking Grant Fund
Title II-A Improving Teacher Quality Fund	Contingency Reserve Fund
Title IV Safe and Drug Free Schools Fund	Technology Rich Classroom
Carl Perkins Vocational Basic Grants to States Fund	KDHE Bullying Grant
Grants Received	

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.

Note 4 Deposits and Investments

K.S.A. 9-1401 establishes the depositories which may be used by the Government. The statute requires banks eligible to hold the Government's funds have a main or branch bank in the county in which the Government is located, 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 Government has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the Government'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 Government has no investment policy that would further limit its investment choices.

UNIFIED SCHOOL DISTRICT NO. 331
Kingman, Kansas

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

Note 4 Deposits and Investments (Cont.)

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

Custodial credit risk - deposits. Custodial credit risk is the risk that in the event of a bank failure, the Government's deposits may not be returned to it. State statutes require the Government'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 Government has not designated a "peak period." All deposits were legally secured at June 30, 2012.

Deposits. At June 30, 2012, the Government's carrying amount of deposits was \$4,067,111.34 and the bank balance was \$5,001,419.96. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance \$750,000.00 was covered by federal depository insurance, and \$4,251,419.96 was collateralized with securities held by the pledging financial institutions' agents in the Government's name.

Note 5 Interfund Transfers

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General Fund	At Risk Fund	K.S.A. 72-6428	\$ 743,641.90
General Fund	Capital Outlay Fund	K.S.A. 72-6428	7,186.05
General Fund	Contingency Reserve Fund	K.S.A. 72-6428	256,544.20
General Fund	Food Service Fund	K.S.A. 72-6428	5,000.00
General Fund	Professional Development Fund	K.S.A. 72-6428	613.28
General Fund	Special Education Fund	K.S.A. 72-6428	1,375,379.00
General Fund	Textbook Rental Fund	K.S.A. 72-6428	230.84
General Fund	Vocational Education Fund	K.S.A. 72-6428	203,368.00
Supplemental General Fund	At Risk Fund	K.S.A. 72-6433	19,124.01
Supplemental General Fund	Drivers Education Fund	K.S.A. 72-6433	4,027.77
Supplemental General Fund	Food Service Fund	K.S.A. 72-6433	15,466.71
Supplemental General Fund	Professional Development Fund	K.S.A. 72-6433	20,485.00
Supplemental General Fund	Special Education Fund	K.S.A. 72-6433	378,889.84
Supplemental General Fund	Vocational Education Fund	K.S.A. 72-6433	42,544.30

Note 6 Defined Benefit Pension Plan

Plan Description. The Government 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. 331
Kingman, Kansas

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

Note 6 Defined Benefit Pension Plan (Cont.)

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. These contribution requirements are established by KPERS and are periodically revised. For more information please see the KPERS website at 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, \$253,834,044.00, and \$248,468,186.00 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 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.

Note 8 Termination Benefits

The local government provides an early retirement program for certain eligible employees. An employee is eligible for early retirement if such employee meets the criteria as stated in the Government's early retirement policy. Early retirement benefits will be provided by the Government for a maximum of five years from the date of retirement with no benefits being paid after the retiree's 65th birthday. Payments to retired employees under this plan were \$129,491.45 for the fiscal year ended June 30, 2012.

Note 9 Compensated Absences

The Government provides compensation for absences. For an in depth understanding, the policy in its entirety should be reviewed. Government policy is to recognize the costs of compensated absences when paid.

UNIFIED SCHOOL DISTRICT NO. 331
Kingman, Kansas

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

Note 10 Subsequent Events

The Government's management has evaluated events and transactions occurring after June 30, 2012 through December 26, 2012. The aforementioned date represents the date the financial statements were available to be issued. There is currently a pending case in U.S. District Court of Kansas, in which requested judgment in excess of \$75,000 plus costs. The claim was filed on November 14, 2011 and has been submitted to the district's insurance carrier and is currently under investigation.

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 Government had two funds (Title I and Underage Drinking Grant) that had a negative balance as of June 30, 2012. These funds must be first spent to be reimbursed, therefore they are exempt from K.S.A. 10-1113.

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 \$332,681.00 for the General Fund and \$40,715.00 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. 331
Kingman, Kansas

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

Note 11 Compliance With Statutes (Cont.)

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)

	General Fund			
	Prior Year Statutory Transactions	Statutory Transactions	Current Year Budget	Variance Over (Under)
Statutory Revenues				
Taxes and Shared Revenue:				
Ad Valorem Property Tax	\$ 1,161,017.89	\$ 1,197,227.40	\$ 1,200,474.00	\$ (3,246.60)
Delinquent	30,106.95	50,088.91	26,415.00	23,673.91
Mineral Tax	36,892.32	40,996.74	30,000.00	10,996.74
Federal Aid				
ARRA Stabalization Funds	123,286.00	-	-	-
Education Jobs Fund	215,873.00	3,125.00	-	3,125.00
State Aid				
Equalization	4,433,768.00	4,426,698.00	4,507,468.00	(22,022.00)
New Hope Detention Center	156,170.00	-	-	-
Special Education Aid	1,165,423.00	1,275,379.00	1,376,200.00	(100,821.00)
Total Cash Receipts	<u>7,322,537.16</u>	<u>6,993,515.05</u>	<u>\$ 7,140,557.00</u>	<u>\$ (88,293.95)</u>
Expenditures				
Instruction	3,414,704.61	2,695,324.52	\$ 2,838,600.00	\$ (143,275.48)
Student Support Services	290,105.45	309,218.22	307,938.00	1,280.22
Instructional Support Services	139,009.30	106,824.96	124,087.00	(17,262.04)
General Administration	13,198.12	2,002.93	-	2,002.93
School Administration	749.82	9,878.48	-	9,878.48
Operations and Maintenance	978,488.27	853,139.38	1,088,240.00	(235,100.62)
Vehicle Operating Service	301,757.93	357,760.86	360,630.00	(2,869.14)
Vehicle Service and Maintenance	90,602.87	67,643.38	118,995.00	(51,351.62)
Other Supplemental Service	2,879.67	-	-	-
Operating Transfers	2,090,800.96	2,591,963.27	2,302,308.00	289,655.27
Adjustment to Comply with Legal Max	-	-	(147,042.00)	147,042.00
Total Expenditures	<u>7,322,297.00</u>	<u>6,993,756.00</u>	<u>\$ 6,993,756.00</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	240.16	(240.95)		
Unencumbered Cash, Beginning	<u>0.84</u>	<u>241.00</u>		
Unencumbered Cash, Ending	<u>\$ 241.00</u>	<u>\$ 0.05</u>		

UNIFIED SCHOOL DISTRICT NO. 331
Kingman, Kansas

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

Note 11 Compliance With Statutes (Cont.)

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)

Supplemental General Fund

	Prior Year Statutory Transactions	Current Year		Variance Over (Under)
		Statutory Transactions	Budget	
Statutory Revenues				
Taxes and shared Revenue:				
Ad Valorem Property Tax	\$ 1,487,801.79	\$ 1,536,648.88	\$ 1,505,353.00	\$ 31,295.88
Delinquent	37,373.28	62,904.47	34,048.00	28,856.47
Motor Vehicle	146,734.82	152,500.37	111,130.00	41,370.37
Recreational Vehicle	2,400.38	2,146.50	1,977.00	169.50
State Aid				
Supplemental State Aid	597,445.00	701,852.00	681,214.00	15,418.00
Total Cash Receipts	<u>2,271,755.27</u>	<u>2,456,052.22</u>	<u>\$ 2,333,722.00</u>	<u>\$ 117,110.22</u>
Expenditures				
Instruction	228,472.57	480,445.00	\$ 443,543.00	\$ 36,902.00
Student Support Services	159,058.06	159,864.74	167,435.00	(7,570.26)
Instructional Support Staff	18,993.56	16,888.44	16,086.00	802.44
School Administration	397,068.98	403,972.23	421,320.00	(17,347.77)
General Administration	134,416.37	177,951.02	187,765.00	(9,813.98)
Operations and Maintenance	252,645.52	259,559.54	320,500.00	(60,940.46)
Other Supplemental Service	375,726.30	315,771.40	330,140.00	(14,368.60)
Student Transportation Service	135,439.05	-	-	-
Vehicle Operating Services	-	74,657.00	100,000.00	(25,343.00)
Operating Transfers	657,054.59	480,537.63	399,083.00	81,454.63
Adjustment to Comply with Legal Max	-	-	(16,225.00)	16,225.00
Total Expenditures	<u>2,358,875.00</u>	<u>2,369,647.00</u>	<u>\$ 2,369,647.00</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	(87,119.73)	86,405.22		
Unencumbered Cash, Beginning	<u>139,269.30</u>	<u>52,149.57</u>		
Unencumbered Cash, Ending	<u>\$ 52,149.57</u>	<u>\$ 138,554.79</u>		

UNIFIED SCHOOL DISTRICT NO. 331
Kingman, Kansas
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
General Obligation Bonds:										
Refunding Bond 2002	3.00%/4.60%	8/15/2002	\$ 7,800,000.00	10/1/2019	\$ 7,170,000.00	\$ -	\$ 6,465,000.00	\$ -	\$ 705,000.00	\$ 291,965.00
Refunding Bond 2011	1.00%/2.971%	10/26/2011	6,115,000.00	10/1/2019	-	6,115,000.00	-	-	6,115,000.00	50,173.99
			<u>13,915,000.00</u>		<u>7,170,000.00</u>	<u>6,115,000.00</u>	<u>6,465,000.00</u>	<u>-</u>	<u>6,820,000.00</u>	<u>342,138.99</u>
Capital Leases										
QZAB Lease	5.52%	5/18/2011	<u>1,500,000.00</u>	5/18/2023	<u>1,500,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,500,000.00</u>	<u>82,800.00</u>
Total Contractual Indebtedness					<u>8,670,000.00</u>	<u>6,115,000.00</u>	<u>6,465,000.00</u>	<u>-</u>	<u>8,320,000.00</u>	<u>424,938.99</u>
Compensated Absences	N/A	N/A	N/A	N/A	<u>694,632.05</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>694,632.05</u>	<u>-</u>
Total Long-Term Debt					<u>\$ 9,364,632.05</u>	<u>\$ 6,115,000.00</u>	<u>\$ 6,465,000.00</u>	<u>\$ -</u>	<u>\$ 9,014,632.05</u>	<u>\$ 424,938.99</u>

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

	2013	2014	2015	2016	2017	2018-2022	2023-2027	Total
Principal								
General Obligation Bonds	\$ 810,000.00	\$ 825,000.00	\$ 835,000.00	\$ 840,000.00	\$ 855,000.00	\$ 2,655,000.00	\$ -	\$ 6,820,000.00
QZAB Lease	-	-	-	-	-	-	1,500,000.00	1,500,000.00
Total Principal	<u>\$ 810,000.00</u>	<u>\$ 825,000.00</u>	<u>\$ 835,000.00</u>	<u>\$ 840,000.00</u>	<u>\$ 855,000.00</u>	<u>\$ 2,655,000.00</u>	<u>\$ 1,500,000.00</u>	<u>\$ 8,320,000.00</u>
Interest								
General Obligation Bonds	\$ 129,755.66	\$ 111,358.16	\$ 102,694.93	\$ 91,449.30	\$ 76,418.48	\$ 109,974.19	\$ -	\$ 621,650.72
QZAB Lease	<u>82,800.00</u>	<u>82,800.00</u>	<u>82,800.00</u>	<u>82,800.00</u>	<u>82,800.00</u>	<u>414,000.00</u>	<u>82,800.00</u>	<u>910,800.00</u>
Total Interest	<u>212,555.66</u>	<u>194,158.16</u>	<u>185,494.93</u>	<u>174,249.30</u>	<u>159,218.48</u>	<u>523,974.19</u>	<u>82,800.00</u>	<u>1,532,450.72</u>
Total Principal and Interest	<u>\$ 1,022,555.66</u>	<u>\$ 1,019,158.16</u>	<u>\$ 1,020,494.93</u>	<u>\$ 1,014,249.30</u>	<u>\$ 1,014,218.48</u>	<u>\$ 3,178,974.19</u>	<u>\$ 1,582,800.00</u>	<u>\$ 9,852,450.72</u>

UNIFIED SCHOOL DISTRICT NO. 331
Kingman, Kansas

Schedule 1

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2012

<u>Federal Grantor / Pass-through Grantor / Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
U.S. Department of Agriculture:			
Pass-through program from Kansas State Department of Education			
School Breakfast Program	10.553	3529-3490	\$ 48,139.29
National School Lunch Program	10.555	3530-3500	184,351.30
Cash for Commodities	10.555	3530-3500	27,498.11
Total Child Nutrition Cluster			<u>259,988.70</u>
State Administrative Expense for Child Nutrition	10.560	3230-3020	50.00
Fresh Fruits & Vegetables	10.582	3230-3020	24,334.22
Total Pass-through Programs			<u>284,372.92</u>
Total U.S. Department of Agriculture			<u>284,372.92</u>
U.S. Department of Education:			
Pass-through program from Kansas State Department of Education			
Title I Grants to Local Education Agencies	84.010	3532-3520	287,612.00
Title II Education Technology State Grants	84.318	3233-3040	25,500.00
Title II-A Improving Teacher Quality	84.367	3526-3860	44,811.00
Education Jobs Fund	84.410	3551-3551	3,125.00
Total Pass-through Programs			<u>361,048.00</u>
Total U.S. Department of Education			<u>361,048.00</u>
Total Expenditures of Federal Awards			<u>\$ 645,420.92</u>

See accompanying notes to schedule of expenditures of federal awards.

UNIFIED SCHOOL DISTRICT NO. 331
Kingman, Kansas

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2012

Note 1 Basis of Accounting

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Unified School District No. 331 and is presented on the statutory basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

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 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.

UNIFIED SCHOOL DISTRICT NO. 331
Kingman, Kansas

Schedule 2

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2012

FINDINGS - FINANCIAL STATEMENT AUDIT

2011-1 Significant Deficiency

Condition: Unified School District No. 331 maintains financial records which accurately report revenues and expenditures throughout the year and prepares year end adjusting and closing entries necessary to prepare the financial statements in accordance with accounting practices prescribed or permitted by the State of Kansas. The district does not prepare the related notes and disclosures to the financial statements.

Criteria: Accounting personnel should have adequate training and skills to be able to prepare the financial statements and the related notes to those financial statements.

Effect: Unified School District No. 331 relies on auditor assistance to prepare the financial statements in the format mandated by the *Kansas Municipal Audit Guide* as well as to prepare the related notes to the financial statements.

Recommendation: The auditor recommended that Unified School District No. 331 weigh the costs of correcting the deficiency versus the benefits.

Response: This is not uncommon in relatively small units of government and is considered financially impractical.

STATUS OF FINDING

Unified School District No. 331 has sent a financial employee to a *Kansas Municipal Audit Guide* seminar, however, the district does not yet have a policy in place to prepare these financial statements internally, thus the District still relies on auditor assistance.

UNIFIED SCHOOL DISTRICT NO. 331
Kingman, Kansas

Schedule 3

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2012

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of Unified School District No. 331 which are prepared 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.
2. One significant deficiency disclosed during the audit of the financial statements is reported in the Schedule of Findings and Questioned Costs. The deficiency disclosed was not considered a material weakness.
3. No instances of noncompliance material to the financial statements of Unified School District No. 331, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. The auditor's report on compliance for the major federal award programs for Unified School District No. 331 expresses an unqualified opinion on all major federal programs.
5. There were no audit findings relative to the major federal award programs for Unified School District No. 331.

IDENTIFICATION OF MAJOR PROGRAMS

6. The programs tested as major programs include:
 - 10.553 School Breakfast Program
 - 10.555 National School Lunch Program
 - 10.555 Cash for Commodities
 - 84.010 Title I Grants to Local Education Agencies
7. The threshold for distinguishing between Type A and B programs was \$300,000.00.
8. Unified School District No. 331 did not qualify as a low-risk auditee under OMB Circular A-133.

UNIFIED SCHOOL DISTRICT NO. 331
Kingman, Kansas

Schedule 3

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2012

FINDINGS - FINANCIAL STATEMENTS AUDIT

2012-1 Significant Deficiency

Condition: Our firm has been asked to prepare the financial statements for the Unified School District No. 331, however, our firm cannot be considered part of the internal control structure of the District in regard to the preparation of the financial statements.

Criteria: United School District No. 331 prepares its financial statements in accordance with the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, in accordance with the reporting and formatting requirements displayed in the *Kansas Municipal Audit Guide*.

Effect: We consider this condition related to external financial statement and other supplement information preparation to be a significant deficiency under the standards established by the American Institute of Certified Public Accountants.

Cause: District personnel do have the skill and knowledge to process all the financial transactions and the ability to issue the internal financial statements needed to provide appropriate budget and operating information to the District governing body on an as needed basis. Also a member of the District staff has attended a *Kansas Municipal Audit Guide* training session. However, the District has no policy or procedures related to the preparation of the external financial statements.

Recommendation: To strengthen internal control over financial statement preparation, we recommend obtaining a current copy of the *Kansas Municipal Audit Guide*, and for the District to adopt a policy that annual financial statements will be reviewed prior to being subjected to audit.

Schedule 4

CORRECTIVE ACTION PLAN
For the Year Ended June 30, 2012

None required.