

UNIFIED SCHOOL DISTRICT NO. 333

Concordia, Kansas

**FINANCIAL STATEMENT AND
INDEPENDENT AUDITOR'S REPORT**

June 30, 2012

**MAPES & MILLER
Certified Public Accountants
Phillipsburg, Kansas**

**UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas
June 30, 2012**

**Beverly Mortimer - Superintendent
Denise Cyr - Clerk
Becky Stevenson - Treasurer**

BOARD MEMBERS

**Chuck Knapp - President
Rick Limon - Vice President
Jay Thomas
Patricia Murk
Mary Beth Smith
Steve Wetter
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UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

For the Year Ended June 30, 2012

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INDEPENDENT AUDITOR'S REPORT

**Board of Education
Unified School District No. 333
Concordia, Kansas 66901**

We have audited the summary statement of cash receipts, expenditures, and unencumbered cash balances of Unified School District No. 333, Concordia, Kansas as of and for the year ended June 30, 2012, as listed in the table of contents. This financial statement is the responsibility of the District's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit 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 the Kansas Municipal Audit Guide. Those standards and guidance require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Unified School District No. 333, Concordia, Kansas has prepared this financial statement using accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between these statutory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District No. 333, Concordia, Kansas, as of June 30, 2012, or the changes in its financial position for the year then ended.

Also, in our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the Unified School District No. 333, Concordia, Kansas, as of June 30, 2012, and cash receipts and expenditures, for the year then ended, on the basis of accounting described in Note 1.

Our audit was conducted for the purpose of forming an opinion on the financial statement as a whole. The summary of expenditures-actual and budget, individual fund schedules of cash receipts and expenditures, summary of cash receipts and cash disbursements-agency funds, schedule of cash receipts, expenditures, and unencumbered cash-district activity

Board of Education
Unified School District No. 333
December 10, 2012
Page Two

funds, and schedule of cash receipts and cash disbursements-student activity funds, (Schedules 1, 2, 3, 4, and 5) as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the statutory financial statement. 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 statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statement as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2012, on our consideration of Unified School District No. 333's internal control over financial reporting and on our test 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 an opinion on the financial statement that collectively comprise Unified School District No. 333, Concordia, Kansas, financial statement 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 statement of Unified School District No. 333. 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 statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement 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 statement taken as a whole, on the basis of accounting described in Note 1.

Respectfully submitted,
Mapes & Miller LLP
Certified Public Accountants

December 10, 2012
Phillipsburg, Kansas

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Statement 1

SUMMARY OF CASH RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
For The Year Ended June 30, 2012

FUND	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds:							
General Funds							
General Fund	\$ - *	\$ -	\$ 7,412,625	\$ 7,412,625	\$ -	\$ 593,838	\$ 593,838
Supplemental General Fund	33,580 *	-	2,286,065	2,253,710	65,935	102,508	168,443
Special Revenue Funds							
Special Education Cooperative Fund	16,681	-	5,093,853	4,765,552	344,982	459,732	804,714
At Risk (4 Year Old) Fund	-	-	58,032	58,032	-	7,800	7,800
At Risk (K-12) Fund	-	-	1,000,000	1,000,000	-	31,474	31,474
Bilingual Education Fund	-	-	8,000	8,000	-	58	58
Capital Outlay Fund	488,558	-	105,628	325,111	269,075	-	269,075
Driver Training Fund	24,125	-	12,492	23,256	13,361	106	13,467
Food Service Fund	44,406	-	671,060	686,753	28,713	3,663	32,376
Professional Development Fund	15,314	-	12,907	14,401	13,820	-	13,820
Special Education Fund	65,979	-	1,775,815	1,841,794	-	-	-
Vocational Education Fund	-	-	194,337	194,337	-	18,028	18,028
Textbook & Student Material Revolving Fund	85,469	-	77,200	90,695	71,974	25	71,999
KPERS Special Retirement Contribution Fund	-	-	961,348	961,348	-	-	-
Contingency Reserve Fund	570,263	-	-	222,710	347,553	-	347,553
Special Assesment Fund	5	-	8	-	13	-	13
Student Teacher Fund	-	-	50	50	-	-	-
Gifts & Grants Fund	47,805	1,218	60,157	65,651	43,529	8,014	51,543
Parents as Teachers Fund	306 *	-	80,692	79,360	1,638	20,995	22,633
Federal Funds	3,133	-	262,515	256,622	9,026	27,379	36,405
District Activity Funds	34,219	50	110,728	113,833	31,164	9,293	40,457

* See Note 10 (Restatement of Beginning Balances)

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

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Statement 1
(Cont.)

SUMMARY OF CASH RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
For The Year Ended June 30, 2012

FUNDS	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds (Cont.):							
Debt Service Fund							
Bond & Interest Fund	\$ 752,420	\$ -	\$ 394,812	\$ 440,500	\$ 706,732	\$ -	\$ 706,732
Fiduciary Type Funds:							
Private Purpose Trust Funds							
Donald Wade Scholarship Fund	4,214	-	21	-	4,235	-	4,235
Cheryl Laas Memorial Fund	8,437	-	479	500	8,416	-	8,416
Nicole Barleen Scholarship Fund	20,960	-	1,179	1,000	21,139	-	21,139
CHS Centennial Scholarship Fund	1,585	-	12	500	1,097	-	1,097
Floyd Hull Scholarship Fund	2,041	-	11	250	1,802	-	1,802
Trevor Gennette Scholarship Fund	2,060	-	260	200	2,120	-	2,120
Total Reporting Entity (Excluding Agency Funds)	\$ 2,221,560	\$ 1,268	\$ 20,580,286	\$ 20,816,790	\$ 1,986,324	\$ 1,282,913	\$ 3,269,237

Composition of Cash	
People's Exchange Bank Checking	\$ 2,129,440
Citizens National Bank Savings Accounts	2,327
Certificates of Deposit	36,482
Elk State Bank Certificates of Deposit	1,100,000
United Bank & Trust Certificates of Deposit	100,000
Total Cash	3,368,249
Agency Funds per Schedule 3	(99,012)
Total Reporting Entity (Excluding Agency Funds)	\$ 3,269,237

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

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

NOTES TO THE FINANCIAL STATEMENT
June 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

Unified School District No. 333, Concordia, Kansas operates as a unified school district in accordance with the laws of the State of Kansas. The District is governed by an elected seven-member board and provides the following services: education, culture, and recreation.

The accompanying basic financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 39, "Determining Whether Certain Organizations Are Component Units," in that the financial statements include all organizations, activities and functions for which the District is financially accountable. Financial accountability is defined as the appointment of a voting majority of a component unit's board and either the District's ability to impose its will over a component unit, or the possibility that the component unit will provide a financial benefit or impose a financial burden on the District. On that basis, the reporting entity of the District includes the services of the District only (i.e., there are no component units).

FUND ACCOUNTING

The accounts of the District are organized on the basis of funds. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. Funds are classified into three categories: governmental, proprietary, and fiduciary. Within each of these three categories there are one or more fund types. The District uses the following fund types:

Governmental Type Funds:

General Funds—General Funds are used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds—Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments or major capital projects) that are legally restricted to expenditures for specified purposes.

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

Fiduciary Type Funds:

Private Purpose Trust Funds—Private Purpose Trust Funds are used to report trust agreements where both the principal and interest benefit individuals, private organizations, or other governments. The principal and revenue are not being used for the District's benefit.

Agency Funds—Agency Funds generally are used to account for assets that the government holds on behalf of others as their agent.

BASIS OF ACCOUNTING

Statutory Basis of Accounting—The statutory basis of accounting, as used in the preparation of this statutory basis financial statement, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable, and encumbrances with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure 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 to 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. 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 fiscal year in accordance with generally accepted accounting principles in the United States of America. 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.

LEAVE POLICIES

Certified employees are granted four days of personal leave each year. Certified employees are not allowed to carry over personal leave days to future years. Full-time classified employees are granted up to twelve days of vacation per year. Classified employees are allowed to accumulate up to fifteen vacation days. The District has a sick leave policy whereby each certified full-time employee is granted ten sick leave days per school year. Classified employees who work at least fifty hours a month will be granted one day per month of sick leave with pay. Any unused sick leave can accumulate to a maximum of ninety days for both certified and classified employees. Upon the resignation, retirement, termination or death of a certified employee, the District will pay \$20 per day (maximum amount \$1,800) for the number of accumulated sick leave days. The total cost of accumulated vacation and sick leave payable accrued on June 30, 2012 is shown on Note 12, and will be recorded as a normal expenditure at the time that leave is utilized.

REIMBURSEMENTS

Reimbursements are defined as repayments of amounts remitted on behalf of another party. All reimbursements shown in the financial statements meet the following criteria: 1) the related disbursement was made in the current year on behalf of the payee, 2) the item paid for was directly identifiable as having been used by or provided to the payee, and 3) the amount of the reimbursement was directly tied to the amount of the original cash disbursement.

2. BUDGETARY INFORMATION

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds, and enterprise funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of the 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. There were no budget amendments made for the year ended June 30, 2012.

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

All legal annual operating budgets are prepared using the statutory basis of accounting, in which, revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

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

Textbook & Student Material Revolving Fund
Contingency Reserve Fund
Special Assessment Fund
Student Teacher Fund
Gifts & Grants Fund
Federal Funds
District Activity Funds

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

3. PROPERTY TAXES

Property taxes are levied November 1st of the calendar year. A lien is placed on the property when the taxes are levied. The taxes are due ½ on December 20th and ½ the following May 10th. Any taxes unpaid at the due dates are considered delinquent. Collection of current year property tax by the County Treasurer is not completed, apportioned nor distributed to the various subdivisions until the succeeding year: such procedure being in conformity with governing state statutes. Consequently, current year property taxes receivable are not available as a resource that can be used to finance the current year operation of the District and therefore are not susceptible to accrual.

It is not practical to apportion delinquent taxes held by the County Treasurer at the end of the audit period and, further, the amounts thereof are not material to the financial statements taken as a whole.

4. DEPOSITS AND INVESTMENTS

Deposits

As of June 30, 2012, the District had no investments other than certificates of deposit, which are considered deposits under GASB Statement No. 3. 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; savings and loan associations savings banks that participate in the Certificate of Deposit Account Registry Service (CDARS); U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices.

Concentration of Credit Risk

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

Custodial Credit Risk – Deposits

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

At June 30, 2012, the District’s carrying amount of deposits was \$3,368,249 and the bank balance was \$3,255,757. The bank balance was held by four banks resulting in a concentration of credit risk. Of the bank balance, \$638,809 was covered by federal depository insurance, \$2,616,948 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.

5. COMPLIANCE WITH KANSAS STATUTES

The District is not aware of any noncompliance with Kansas Statutes.

6. INTERFUND TRANSFERS

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
General Fund	At Risk (4 Year Old) Fund	K.S.A. 72-6428	\$ 58,032
General Fund	At Risk (K-12) Fund	K.S.A. 72-6428	999,725
General Fund	Bilingual Fund	K.S.A. 72-6428	8,000
General Fund	Capital Outlay Fund	K.S.A. 72-6428	60,000
General Fund	Professional Development Fund	K.S.A. 72-6428	75
General Fund	Special Education Fund	K.S.A. 72-6428	1,508,764
Supplemental General Fund	Professional Development Fund	K.S.A. 72-6433	12,063
Supplemental General Fund	Special Education Fund	K.S.A. 72-6433	2,805
Supplemental General Fund	Vocational Education Fund	K.S.A. 72-6433	194,337
Special Education Fund	Special Education Cooperative Fund	K.S.A. 72-6420	1,779,241
Contingency Reserve Fund	Special Education Fund	K.S.A. 72-6426	222,710

7. DEFINED BENEFIT PENSION PLAN

Plan Description - Unified School District No. 333 participates in the Kansas Public Employees Retirement System (KPERs), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. KPERs provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERs issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERs (611 S Kansas, Suite 100; Topeka, KS 66603-3869) 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 for active members hired before July 1, 2009. For active members employed on or after July 1, 2009, K.S.A. 74-49,210 establishes the KPERs member-employee contribution rate at 6% of covered salaries. Member-employees' contributions are withheld by their employer and paid to KPERs according to the provisions of section 414(h) of the Internal Revenue Service Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. Kansas currently contributes 9.77% of covered payroll, which includes pension contributions and group disability insurance. From April 1, 2012 through June 30, 2012, there was a moratorium on the collection of the 1% Group Death and Disability Insurance premium. These contribution requirements are established by KPERs and are periodically revised. Kansas' contributions to KPERs for all Kansas public school employees for the years ending June 30, 2012, 2011 and 2010 were \$298,635,383, \$253,834,044 and \$248,468,186, respectively, equal to the required contributions for each year. The amounts attributable to the District for the years ending June 30, 2012, 2011 and 2010 were \$961,348, \$600,432 and \$701,887, respectively.

8. OTHER POST EMPLOYMENT BENEFITS

As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. For employees who retired prior to 2011-2012, the local government paid the retiree a maximum of \$2,700 annually towards the premium of each retiree. The retiree is responsible for any premiums over the \$2,700. This is paid as a lump sum payment by September 30 until the retiree reaches the age of sixty-five. In the year the retiree reaches the age of sixty-five, the payment will be prorated by the number of months until their sixty-fifth birthday. In the event of the retiree's death before the age of sixty-five, this benefit would continue to the retiree's spouse until the retiree would have reached sixty-five or as limited by COBRA regulations. During the year ended June 30, 2012, eight retirees participated in this plan and the local government paid \$21,600 in premiums for these retirees. Any remaining subsidy to retirees due to the plan's level premium structure have not been quantified in these financial statements.

Beginning fiscal year 2012, the District will provide a single health insurance plan for the retiree, with premiums being paid directly to the provider, until age 65 or until the retiree is eligible for Medicare benefits. Retirees may elect to also pay for dependent coverage at the employee rate. The total amount paid by the District for these retirees was \$81,978.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the district under this program.

9. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; injuries to employees; and natural disasters, for which the District purchases commercial insurance.

During the year ended June 30, 2012, the District did not reduce insurance coverage from levels in place during the prior year. No settlements have exceeded coverage levels in place during the past three fiscal years.

10. RESTATEMENT OF BEGINNING BALANCES

Due to a technical amendment to the 2011 Kansas Municipal Audit Guide, which governs the format and accounting for this financial statement, beginning unencumbered cash balances have been restated from \$(443,877) to \$0 in the General Fund, from (\$38,145) to \$33,580 in the Supplemental General Fund; and from (\$24,184) to \$306 in the Parents as Teachers Fund. These changes reflect the change in policy of the Kansas Municipal Audit Guide as to when the final State Aid payments are posted. The previous policy dictated that the payment received in July of the subsequent fiscal year be posted in the subsequent fiscal year. The technical amendment for the statutory statements now states that the payment should be posted in the prior fiscal year. The balances have been adjusted for this change in policy.

11. SUBSEQUENT EVENT

The District approved the closing of the Concordia Middle School building after the 2012-2013 school year. The decision was made at the November 12th, 2012 board meeting by unanimous vote of the board of education. The reasons cited for the decision were a decline in funding provided to the District from the State of Kansas and closing the school would be a more efficient use of current facilities, staffing and district resources. Grades 5 and 6 that were taught in the middle school building will be consolidated to the High School building beginning with the 2013-2014 school year.

12. LONG-TERM DEBT

Changes in long-term liabilities for the District for the year ended June 30, 2012, were as follows:

Issue	Interest Rate	Date Issued	Amount of Issue	Date of Final Maturity	Balance 7/1/2011	Additions	Reductions/ Payments	Net Change	Balance 6/30/2012	Interest Paid
General Obligation Bonds										
Series 2009	3.50%	3/15/2009	\$ 2,100,000	9/1/2014	\$ 1,350,000	\$ -	\$ 400,000	\$ -	\$ 950,000	\$ 40,250
Capital Leases										
HP Financial Services Lease	5.88%	7/2/2009	282,024	7/2/2013	143,670	-	66,807	-	76,863	8,023
HP Financial Services Lease	5.55%	7/2/2009	79,092	7/2/2011	26,338	-	26,338	-	-	1,462
Total Capital Leases			361,116		170,008	-	93,145	-	76,863	9,485
QZAB Bonds										
QZAB-Lasalle Bank	1.61%	8/14/2007	450,000	8/14/2017	325,000	-	45,000	-	280,000	5,233
QZAB-Local Banks	0.00%	8/14/2007	1,050,000	8/14/2017	735,000	-	105,000	-	630,000	-
Total QZAB Bonds			1,500,000		1,060,000	-	150,000	-	910,000	5,233
Total Indebtedness			\$ 3,961,116		2,580,008	-	643,145	-	1,936,863	54,968
Compensated Absences										
Accumulated Vacation					21,617	-	-	1,172	22,789	-
Accumulated Sick Leave					131,745	-	-	(5,179)	126,566	-
Total Compensated Absences					153,362	-	-	(4,007)	149,355	-
Total Long Term Debt					\$ 2,733,370	\$ -	\$ 643,145	\$ (4,007)	\$ 2,086,218	\$ 54,968

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

Year Ended June 30	General Obligation Bonds		QZAB Bonds		Capital Leases		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 400,000	\$ 26,250	\$ 150,000	\$ 4,508	\$ 70,737	\$ 4,521	\$ 620,737	\$ 35,279
2014	425,000	11,813	150,000	3,784	6,126	361	581,126	15,958
2015	125,000	2,187	150,000	3,059	-	-	275,000	5,246
2016	-	-	150,000	2,334	-	-	150,000	2,334
2017	-	-	155,000	1,610	-	-	155,000	1,610
2018	-	-	155,000	805	-	-	155,000	805
Total	\$ 950,000	\$ 40,250	\$ 910,000	\$ 16,100	\$ 76,863	\$ 4,882	\$ 1,936,863	\$ 61,232

UNIFIED SCHOOL DISTRICT NO. 333
SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2012

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 1

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
(Budgeted Funds Only)
For the Year Ended June 30, 2012

FUNDS	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
Governmental Type Funds:						
General Funds						
General Fund	\$ 7,398,972	\$ (221,130)	\$ 234,783	\$ 7,412,625	\$ 7,412,625	\$ -
Supplemental General Fund	2,238,750	-	14,960	2,253,710	2,253,710	-
Special Revenue Funds						
Special Education Cooperative Fund	5,362,071	-	-	5,362,071	4,765,552	(596,519)
At Risk (4 Year Old) Fund	70,000	-	-	70,000	58,032	(11,968)
At Risk (K-12) Fund	1,000,000	-	-	1,000,000	1,000,000	-
Bilingual Education Fund	8,000	-	-	8,000	8,000	-
Capital Outlay Fund	566,396	-	-	566,396	325,111	(241,285)
Driver Training Fund	29,675	-	-	29,675	23,256	(6,419)
Food Service Fund	715,000	-	-	715,000	686,753	(28,247)
Professional Development Fund	15,314	-	-	15,314	14,401	(913)
Special Education Fund	1,990,979	-	-	1,990,979	1,841,794	(149,185)
Vocational Education Fund	300,000	-	-	300,000	194,337	(105,663)
KPERS Special Retirement Contribution Fund	1,080,778	-	-	1,080,778	961,348	(119,430)
Parents as Teachers Fund	79,666	-	-	79,666	79,360	(306)
Debt Service Fund						
Bond & Interest Fund	440,500	-	-	440,500	440,500	-

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-1

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
For The Year Ended June 30, 2012

GENERAL FUND

	Actual	Budget	Variance Over (Under)
CASH RECEIPTS			
General Property Taxes			
Ad Valorem Taxes			
Tax in Process	\$ 16,098	\$ 12,067	\$ 4,031
Current Tax	824,822	762,506	62,316
Delinquent Tax	16,795	10,589	6,206
In Lieu of Taxes	57	2,597	(2,540)
Reimbursements	234,483	-	234,483
Federal Reimbursements	300	-	300
State Aid	5,265,938	5,393,849	(127,911)
Special Education Aid	1,050,833	1,217,364	(166,531)
Education Jobs Funds	3,299	-	3,299
Total Cash Receipts	7,412,625	\$ 7,398,972	\$ 13,653
EXPENDITURES			
Instruction	2,635,384	\$ 2,576,542	\$ 58,842
Student Support Services	232,619	239,354	(6,735)
Instructional Support Staff	239,825	246,835	(7,010)
General Administration	211,613	240,299	(28,686)
School Administration	509,781	515,314	(5,533)
Operations & Maintenance	488,876	533,420	(44,544)
Supervision	240,143	51,534	188,609
Vehicle Operating Services	51,465	287,936	(236,471)
Vehicle & Maintenance Services	72,021	85,930	(13,909)
Other Student Transportation Services	4,700	15,000	(10,300)
Other Supplemental Service	91,602	96,214	(4,612)
Outgoing Transfers	2,634,596	2,510,594	124,002
Adjustments to Comply with Legal Max	-	(221,130)	221,130
Legal General Fund Budget	7,412,625	7,177,842	234,783
Adjustment for Qualifying Budget Credits			
Reimbursements	-	234,483	(234,483)
Federal Reimbursements	-	300	(300)
Total Adjustment for Qualifying Budget Credits	-	234,783	(234,783)
Total Expenditures	7,412,625	\$ 7,412,625	\$ -
Cash Receipts Over (Under) Expenditures	-		
UNENCUMBERED CASH, July 1, 2011	-	*	
UNENCUMBERED CASH, June 30, 2012	\$ -		

* See Note 10 (Restatement of Beginning Balances)

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-2

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
For The Year Ended June 30, 2012**

SUPPLEMENTAL GENERAL FUND

	Actual	Budget	Variance Over (Under)
CASH RECEIPTS			
General Property Taxes			
Ad Valorem Taxes			
Tax In Process	\$ 20,664	\$ 22,630	\$ (1,966)
Current Tax	1,022,191	993,763	28,428
Delinquent Tax	21,352	13,592	7,760
Motor Vehicle Tax	122,518	126,750	(4,232)
Recreational Vehicle Tax	1,600	1,757	(157)
In Lieu of Taxes	67	2,948	(2,881)
Reimbursements	14,960	-	14,960
State Aid	1,082,713	1,043,730	38,983
	<u>2,286,065</u>	<u>\$ 2,205,170</u>	<u>\$ 80,895</u>
EXPENDITURES			
Instruction	1,122,870	\$ 1,009,651	\$ 113,219
Student Support Services	48,720	49,585	(865)
Instructional Support Staff	31,742	30,896	846
General Administration	25,523	30,650	(5,127)
School Administration	79,232	91,188	(11,956)
Operations & Maintenance	531,240	669,963	(138,723)
Vehicle Operating Services	75,925	-	75,925
Other Supplemental Services	107,178	44,317	62,861
Architectural & Engineering Services	22,075	12,500	9,575
Outgoing Transfers	209,205	300,000	(90,795)
	<u>2,253,710</u>	<u>2,238,750</u>	<u>14,960</u>
Legal Supplemental General Fund Budget			
Adjustment for Qualifying Budget Credits			
Reimbursements	-	14,960	(14,960)
	<u>2,253,710</u>	<u>\$ 2,253,710</u>	<u>\$ -</u>
Cash Receipts Over (Under) Expenditures	32,355		
UNENCUMBERED CASH, July 1, 2011	<u>33,580</u>	*	
UNENCUMBERED CASH, June 30, 2012	<u>\$ 65,935</u>		

* See Note 10 (Restatement of Beginning Balances)

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-3

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
For The Year Ended June 30, 2012

SPECIAL EDUCATION COOPERATIVE FUND

	Learning Cooperative of NCK	Medicaid	Total Special Education Cooperative Fund	Budget	Variance Over (Under)
CASH RECEIPTS					
Reimbursements	\$ 3,689	\$ -	\$ 3,689	\$ -	\$ 3,689
Payments from Other Districts	1,007,882	8,768	1,016,650	4,160,485	(3,143,835)
Interest on Idle Funds	2,127	-	2,127	-	2,127
Other Revenue from Local Sources	1,458	-	1,458	300,000	(298,542)
State Aid	1,402,663	-	1,402,663	-	1,402,663
Federal Aid	695,594	-	695,594	684,905	10,689
Medicaid Aid	-	192,431	192,431	200,000	(7,569)
Incoming Transfers	1,779,241	-	1,779,241	-	1,779,241
	<u>4,892,654</u>	<u>201,199</u>	<u>5,093,853</u>	<u>\$ 5,345,390</u>	<u>\$ (251,537)</u>
Total Cash Receipts					
EXPENDITURES					
Instruction	3,748,708	1,669	3,750,377	\$ 4,262,672	\$ (512,295)
Student Support Services	205,337	420,898	626,235	652,297	(26,062)
Instructional Support Staff	62,917	-	62,917	78,592	(15,675)
School Administration	280,848	-	280,848	296,610	(15,762)
Operations & Maintenance	44,722	-	44,722	70,900	(26,178)
Supervision	453	-	453	-	453
Vehicle Operating Services	-	-	-	1,000	(1,000)
	<u>4,342,985</u>	<u>422,567</u>	<u>4,765,552</u>	<u>\$ 5,362,071</u>	<u>\$ (596,519)</u>
Total Expenditures					
Cash Receipts Over (Under) Expenditures	549,669	(221,368)	328,301		
UNENCUMBERED CASH, July 1, 2011	(771,384)	788,065	16,681		
Prior Year Cancelled Encumbrances	-	-	-		
UNENCUMBERED CASH, June 30, 2012	<u>\$ (221,715)</u>	<u>\$ 566,697</u>	<u>\$ 344,982</u>		

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-4

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
For The Year Ended June 30, 2012

AT RISK (4 YEAR OLD) FUND

	Actual	Budget	Variance Over (Under)
CASH RECEIPTS			
Incoming Transfers	\$ 58,032	\$ 70,000	\$ (11,968)
EXPENDITURES			
Instruction	46,356	\$ 57,150	\$ (10,794)
Student Transportation Services	11,676	12,850	(1,174)
Total Expenditures	58,032	\$ 70,000	\$ (11,968)
Cash Receipts Over (Under) Expenditures	-		
UNENCUMBERED CASH, July 1, 2011	-		
UNENCUMBERED CASH, June 30, 2012	\$ -		

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-5

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
For The Year Ended June 30, 2012

AT RISK (K-12) FUND

	Actual	Budget	Variance Over (Under)
CASH RECEIPTS			
Other Revenue from Local Sources	\$ 275	\$ -	\$ 275
Incoming Transfers	999,725	1,000,000	(275)
Total Cash Receipts	1,000,000	\$ 1,000,000	\$ -
EXPENDITURES			
Instruction	964,203	\$ 962,127	\$ 2,076
Student Support Services	35,797	36,773	(976)
Student Transportation Services	-	1,100	(1,100)
Total Expenditures	1,000,000	\$ 1,000,000	\$ -
Cash Receipts Over (Under) Expenditures	-		
UNENCUMBERED CASH, July 1, 2011	-		
UNENCUMBERED CASH, June 30, 2012	\$ -		

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-6

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
For The Year Ended June 30, 2012

BILINGUAL EDUCATION FUND

	Actual	Budget	Variance Over (Under)
CASH RECEIPTS			
Incoming Transfers	\$ 8,000	\$ 8,000	\$ -
EXPENDITURES			
Instruction	8,000	\$ 8,000	\$ -
Cash Receipts Over (Under) Expenditures	-		
UNENCUMBERED CASH, July 1, 2011	-		
UNENCUMBERED CASH, June 30, 2012	\$ -		

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-7

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
For The Year Ended June 30, 2012

CAPITAL OUTLAY FUND

	Actual	Budget	Variance Over (Under)
CASH RECEIPTS			
General Property Taxes			
Ad Valorem Taxes			
Tax in Process	\$ (39)	\$ -	\$ (39)
Current Tax	(174)	-	(174)
Delinquent Tax	2,421	-	2,421
Motor Vehicle Tax	17,370	17,199	171
Recreational Vehicle Tax	211	238	(27)
In Lieu of Taxes	-	401	(401)
Interest on Idle Funds	11,333	50,000	(38,667)
Other Revenue from Local Sources	14,506	10,000	4,506
Incoming Transfers	60,000	-	60,000
	105,628	\$ 77,838	\$ 27,790
EXPENDITURES			
Instruction	124,567	\$ 275,000	\$ (150,433)
General Administration	1,043	15,000	(13,957)
Operations & Maintenance	44,269	-	44,269
Architectural & Engineering Services	-	10,000	(10,000)
Site Improvement	-	106,396	(106,396)
Building Improvements	155,232	160,000	(4,768)
	325,111	\$ 566,396	\$ (241,285)
Cash Receipts Over (Under) Expenditures	(219,483)		
UNENCUMBERED CASH, July 1, 2011	488,558		
UNENCUMBERED CASH, June 30, 2012	\$ 269,075		

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-8

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
For The Year Ended June 30, 2012

DRIVER TRAINING FUND

	Actual	Budget	Variance Over (Under)
CASH RECEIPTS			
Other Revenue from Local Sources	\$ 6,100	\$ -	\$ 6,100
State Aid	6,392	5,550	842
Total Cash Receipts	12,492	\$ 5,550	\$ 6,942
EXPENDITURES			
Instruction	21,974	\$ 25,675	\$ (3,701)
Vehicle Operations & Maintenance Services	1,282	4,000	(2,718)
Total Expenditures	23,256	\$ 29,675	\$ (6,419)
Cash Receipts Over (Under) Expenditures	(10,764)		
UNENCUMBERED CASH, July 1, 2011	24,125		
UNENCUMBERED CASH, June 30, 2012	\$ 13,361		

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-9

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
For The Year Ended June 30, 2012

FOOD SERVICE FUND

	Actual	Budget	Variance Over (Under)
CASH RECEIPTS			
Interest on Idle Funds	\$ -	\$ 56,287	\$ (56,287)
Lunch Receipts	186,149	146,246	39,903
Breakfast Receipts	16,350	16,181	169
Adult Receipts	21,643	52,727	(31,084)
Miscellaneous Receipts	22,087	50,000	(27,913)
State Aid	6,966	5,399	1,567
Federal Aid	417,865	343,754	74,111
	671,060	\$ 670,594	\$ 466
EXPENDITURES			
Operations & Maintenance	12,745	\$ 11,000	\$ 1,745
Food Service Operations	674,008	704,000	(29,992)
	686,753	\$ 715,000	\$ (28,247)
Cash Receipts Over (Under) Expenditures	(15,693)		
UNENCUMBERED CASH, July 1, 2011	44,406		
UNENCUMBERED CASH, June 30, 2012	\$ 28,713		

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-10

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
For The Year Ended June 30, 2012

PROFESSIONAL DEVELOPMENT FUND

	Actual	Budget	Variance Over (Under)
CASH RECEIPTS			
Other Revenue from Local Sources	\$ 382	\$ -	\$ 382
Federal Aid	387	-	387
Incoming Transfers	12,138	-	12,138
Total Cash Receipts	12,907	\$ -	\$ 12,907
EXPENDITURES			
Instructional Support Staff	14,401	\$ 15,314	\$ (913)
Cash Receipts Over (Under) Expenditures	(1,494)		
UNENCUMBERED CASH, July 1, 2011	15,314		
UNENCUMBERED CASH, June 30, 2012	\$ 13,820		

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-11

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
For The Year Ended June 30, 2012

SPECIAL EDUCATION FUND

	Actual	Budget	Variance Over (Under)
CASH RECEIPTS			
Other Revenue from Local Sources	\$ 41,536	\$ 492,406	\$ (450,870)
Incoming Transfers	1,734,279	1,432,594	301,685
Total Cash Receipts	1,775,815	\$ 1,925,000	\$ (149,185)
EXPENDITURES			
Instruction	42,967	\$ 40,000	\$ 2,967
Vehicle Operating Services	-	36,000	(36,000)
Supervision	19,586	-	19,586
Outgoing Transfers	1,779,241	1,914,979	(135,738)
Total Expenditures	1,841,794	\$ 1,990,979	\$ (149,185)
Cash Receipts Over (Under) Expenditures	(65,979)		
UNENCUMBERED CASH, July 1, 2011	65,979		
UNENCUMBERED CASH, June 30, 2012	\$ -		

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-12

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
For The Year Ended June 30, 2012

VOCATIONAL EDUCATION FUND

	Actual	Budget	Variance Over (Under)
CASH RECEIPTS			
Incoming Transfers	\$ 194,337	\$ 300,000	\$ (105,663)
EXPENDITURES			
Instruction	194,337	\$ 300,000	\$ (105,663)
Cash Receipts Over (Under) Expenditures	-		
UNENCUMBERED CASH, July 1, 2011	-		
UNENCUMBERED CASH, June 30, 2012	\$ -		

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-13

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES-ACTUAL
For The Year Ended June 30, 2012

TEXTBOOK & STUDENT MATERIAL REVOLVING FUND

	Textbook	Student Material	Total
CASH RECEIPTS			
Rental Fees & Books	\$ 22,562	\$ -	\$ 22,562
Miscellaneous Receipts	27,051	27,587	54,638
Total Cash Receipts	49,613	27,587	77,200
EXPENDITURES			
Instruction	68,420	-	68,420
Support Services	-	22,275	22,275
Total Expenditures	68,420	22,275	90,695
Cash Receipts Over (Under) Expenditures	(18,807)	5,312	(13,495)
UNENCUMBERED CASH, July 1, 2011	49,009	36,460	85,469
UNENCUMBERED CASH, June 30, 2012	<u>\$ 30,202</u>	<u>\$ 41,772</u>	<u>\$ 71,974</u>

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-14

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
For The Year Ended June 30, 2012

KPERS SPECIAL RETIREMENT CONTRIBUTION FUND

	Actual	Budget	Variance Over (Under)
CASH RECEIPTS			
State Aid	\$ 961,348	\$ 1,080,778	\$ (119,430)
EXPENDITURES			
Instruction	758,779	\$ 843,893	\$ (85,114)
Student Support Services	33,132	40,690	(7,558)
Instructional Support Staff	23,458	26,392	(2,934)
General Administration	14,137	16,676	(2,539)
School Administration	45,667	53,731	(8,064)
Other Supplemental Services	7,414	8,511	(1,097)
Operations & Maintenance	41,191	48,725	(7,534)
Student Transportation Services	17,990	19,734	(1,744)
Food Service	19,580	22,426	(2,846)
Total Expenditures	961,348	\$ 1,080,778	\$ (119,430)
Cash Receipts Over (Under) Expenditures	-		
UNENCUMBERED CASH, July 1, 2011	-		
UNENCUMBERED CASH, June 30, 2012	\$ -		

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-15

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES-ACTUAL
For The Year Ended June 30, 2012

CONTINGENCY RESERVE FUND

	<u>Actual</u>
CASH RECEIPTS	<u>\$ -</u>
EXPENDITURES	
Outgoing Transfers	<u>222,710</u>
Cash Receipts Over (Under) Expenditures	(222,710)
UNENCUMBERED CASH, July 1, 2011	<u>570,263</u>
UNENCUMBERED CASH, June 30, 2012	<u><u>\$ 347,553</u></u>

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-16

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES-ACTUAL
For The Year Ended June 30, 2012

SPECIAL ASSESSMENT FUND

	<u>Actual</u>
CASH RECEIPTS	
General Property Taxes	
Ad Valorem Taxes	
Delinquent Tax	<u>\$ 8</u>
EXPENDITURES	
Site Improvement Services	<u>-</u>
Cash Receipts Over (Under) Expenditures	8
UNENCUMBERED CASH, July 1, 2011	<u>5</u>
UNENCUMBERED CASH, June 30, 2012	<u><u>\$ 13</u></u>

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-17

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES-ACTUAL
For The Year Ended June 30, 2012

STUDENT TEACHER FUND

	<u>Actual</u>
CASH RECEIPTS	
Miscellaneous Receipts	<u>\$ 50</u>
EXPENDITURES	
Instruction	<u>50</u>
Cash Receipts Over (Under) Expenditures	-
UNENCUMBERED CASH, July 1, 2011	<u>-</u>
UNENCUMBERED CASH, June 30, 2012	<u><u>\$ -</u></u>

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-18

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
For The Year Ended June 30, 2012

GIFTS & GRANTS FUND

	Owls Grant Fund	Carl Perkins Grant Fund	Duclos Grant Fund	NCK Honor Flight	Children's Trust Fund	Other Gifts & Donations Fund	Total Gifts and Donations	Budget*	Variance Over (Under)
CASH RECEIPTS									
Other Revenue from Local Sources	\$ -	\$ 4,708	\$ 896	\$ 26,448	\$ -	\$ 27,315	\$ 59,367	\$ 50,000	\$ 9,367
Federal Aid	-	-	-	-	-	790	790	-	790
Total Cash Receipts	<u>-</u>	<u>4,708</u>	<u>896</u>	<u>26,448</u>	<u>-</u>	<u>28,105</u>	<u>60,157</u>	<u>\$ 50,000</u>	<u>\$ 10,157</u>
EXPENDITURES									
Instruction	-	4,360	3,553	25,799	356	31,583	65,651	<u>\$ 97,697</u>	<u>\$ (32,046)</u>
Cash Receipts Over (Under) Expenditures	-	348	(2,657)	649	(356)	(3,478)	(5,494)		
UNENCUMBERED CASH, July 1, 2011	1,000	4,296	2,891	109	358	39,151	47,805		
Prior Year Cancelled Encumbrances	-	-	-	675	-	543	1,218		
UNENCUMBERED CASH, June 30, 2012	<u>\$ 1,000</u>	<u>\$ 4,644</u>	<u>\$ 234</u>	<u>\$ 1,433</u>	<u>\$ 2</u>	<u>\$ 36,216</u>	<u>\$ 43,529</u>		

* Gifts and Grants Funds are not required by statute to be budgeted, this budget is for informational purposes only.

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-19

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
For The Year Ended June 30, 2012

PARENTS AS TEACHERS FUND

	Actual	Budget	Variance Over (Under)
CASH RECEIPTS			
Payments from Other Districts	\$ 32,470	\$ 31,263	\$ 1,207
Reimbursements	125	-	125
State Aid	48,097	48,097	-
Total Cash Receipts	80,692	\$ 79,360	\$ 1,332
EXPENDITURES			
Instructional Support Staff	79,360	\$ 79,666	\$ (306)
Cash Receipts Over (Under) Expenditures	1,332		
UNENCUMBERED CASH, July 1, 2011	306 *		
UNENCUMBERED CASH, June 30, 2012	\$ 1,638		

See Note 10 (Restatement of Beginning Balances)

UNIFIED SCHOOL DISTRICT NO. 333
 Concordia, Kansas

Schedule 2-20

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
 For The Year Ended June 30, 2012

	FEDERAL FUNDS			
	Title I	Title IIA Improving Teacher Quality	Total Federal Funds	Variance Over (Under)
			Budget*	
CASH RECEIPTS				
Federal Aid	\$ 212,952	\$ 49,563	\$ 262,515	\$ 263,955
				\$ (1,440)
EXPENDITURES				
Instruction	207,059	44,607	251,666	\$ 267,088
Instructional Support Staff	-	4,956	4,956	-
				4,956
Total Expenditures	207,059	49,563	256,622	\$ 267,088
				\$ (10,466)
Cash Receipts Over (Under) Expenditures	5,893	-	5,893	
UNENCUMBERED CASH, July 1, 2011	3,133	-	3,133	
UNENCUMBERED CASH, June 30, 2012	\$ 9,026	\$ -	\$ 9,026	

* Federal Funds are not required by statute to be budgeted, this budget is for informational purposes only.

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-21

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES-ACTUAL
For The Year Ended June 30, 2012

DISTRICT ACTIVITY FUNDS

	<u>Actual</u>
CASH RECEIPTS	<u>\$ 110,728</u>
EXPENDITURES	<u>113,833</u>
Cash Receipts Over (Under) Expenditures	(3,105)
UNENCUMBERED CASH, July 1, 2011	34,219
Prior Year Cancelled Encumbrance	<u>50</u>
UNENCUMBERED CASH, June 30, 2012	<u><u>\$ 31,164</u></u>

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-22

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
For The Year Ended June 30, 2012

BOND & INTEREST FUND

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
CASH RECEIPTS			
General Property Taxes			
Ad Valorem Taxes			
Tax in Process	\$ 4,813	\$ 5,272	\$ (459)
Current Tax	183,981	183,731	250
Delinquent Tax	5,625	3,168	2,457
Motor Vehicle Tax	32,628	33,577	(949)
Recreational Vehicle Tax	423	465	(42)
In Lieu of Taxes	12	781	(769)
State Aid	<u>167,330</u>	<u>167,390</u>	<u>(60)</u>
Total Cash Receipts	<u>394,812</u>	<u>\$ 394,384</u>	<u>\$ 428</u>
EXPENDITURES			
Principal	400,000	\$ 400,000	\$ -
Interest	40,250	40,250	-
Commission & Postage	<u>250</u>	<u>250</u>	<u>-</u>
Total Expenditures	<u>440,500</u>	<u>\$ 440,500</u>	<u>\$ -</u>
Cash Receipts Over (Under) Expenditures	(45,688)		
UNENCUMBERED CASH, July 1, 2011	<u>752,420</u>		
UNENCUMBERED CASH, June 30, 2012	<u>\$ 706,732</u>		

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-23

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES-ACTUAL
For The Year Ended June 30, 2012

DONALD WADE SCHOLARSHIP FUND

	<u>Actual</u>
CASH RECEIPTS	
Interest on Idle Funds	<u>\$ 21</u>
EXPENDITURES	
	<u>-</u>
Cash Receipts Over (Under) Expenditures	21
UNENCUMBERED CASH, July 1, 2011	<u>4,214</u>
UNENCUMBERED CASH, June 30, 2012	<u><u>\$ 4,235</u></u>

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-24

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES-ACTUAL
For The Year Ended June 30, 2012

CHERYL LAAS MEMORIAL FUND

	<u>Actual</u>
CASH RECEIPTS	
Interest on Idle Funds	\$ 78
Donations	<u>401</u>
Total Cash Receipts	<u>479</u>
EXPENDITURES	
Scholarship	<u>500</u>
Cash Receipts Over (Under) Expenditures	(21)
UNENCUMBERED CASH, July 1, 2011	<u>8,437</u>
UNENCUMBERED CASH, June 30, 2012	<u><u>\$ 8,416</u></u>

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-25

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES-ACTUAL
For The Year Ended June 30, 2012

NICOLE BARLEEN SCHOLARSHIP FUND

	<u>Actual</u>
CASH RECEIPTS	
Interest on Idle Funds	\$ 179
Donations	<u>1,000</u>
Total Cash Receipts	<u>1,179</u>
EXPENDITURES	
Scholarship	<u>1,000</u>
Cash Receipts Over (Under) Expenditures	179
UNENCUMBERED CASH, July 1, 2011	<u>20,960</u>
UNENCUMBERED CASH, June 30, 2012	<u><u>\$ 21,139</u></u>

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-26

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES-ACTUAL
For The Year Ended June 30, 2012

CHS CENTENNIAL SCHOLARSHIP FUND

	<u>Actual</u>
CASH RECEIPTS	
Interest on Idle Funds	<u>\$ 12</u>
EXPENDITURES	
Scholarship	<u> 500</u>
Cash Receipts Over (Under) Expenditures	(488)
UNENCUMBERED CASH, July 1, 2011	<u> 1,585</u>
UNENCUMBERED CASH, June 30, 2012	<u><u>\$ 1,097</u></u>

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-27

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES-ACTUAL
For The Year Ended June 30, 2012

FLOYD HULL SCHOLARSHIP FUND

	<u>Actual</u>
CASH RECEIPTS	
Interest on Idle Funds	<u>\$ 11</u>
EXPENDITURES	
Scholarship	<u>250</u>
Cash Receipts Over (Under) Expenditures	(239)
UNENCUMBERED CASH, July 1, 2011	<u>2,041</u>
UNENCUMBERED CASH, June 30, 2012	<u><u>\$ 1,802</u></u>

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-28

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES-ACTUAL
For The Year Ended June 30, 2012

TREVOR GENNETTE SCHOLARSHIP

	<u>Actual</u>
CASH RECEIPTS	
Interest on Idle Funds	\$ 60
Donations	<u>200</u>
Total Cash Receipts	<u>260</u>
EXPENDITURES	
Scholarship	<u>200</u>
Cash Receipts Over (Under) Expenditures	60
UNENCUMBERED CASH, July 1, 2011	<u>2,060</u>
UNENCUMBERED CASH, June 30, 2012	<u><u>\$ 2,120</u></u>

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 3

SUMMARY OF CASH RECEIPTS AND CASH DISBURSEMENTS
For The Year Ended June 30, 2012

AGENCY FUNDS

FUND	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Student Organization Funds	\$ 81,492	\$ 246,211	\$ 258,496	\$ 69,207
Payroll Hold-Backs USD 333	11,724	20,364	21,069	11,019
Payroll Hold-Backs LCNCK	21,602	27,611	30,440	18,773
Student Organization Sales Tax	11	10,242	10,240	13
Total	<u>\$ 114,829</u>	<u>\$ 304,428</u>	<u>\$ 320,245</u>	<u>\$ 99,012</u>

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 4

SCHEDULE OF CASH RECEIPTS, EXPENDITURES & UNENCUMBERED CASH
For The Year Ended June 30, 2012

DISTRICT ACTIVITY FUNDS

Fund	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Athletics	\$ 17,893	\$ -	\$ 87,875	\$ 95,101	\$ 10,667	\$ 9,198	\$ 19,865
Drama	1,718	-	7,372	4,698	4,392	-	4,392
Music Festival	1,375	-	-	-	1,375	-	1,375
Nature Trail	133	50	-	-	183	-	183
Business Production	858	-	70	122	806	-	806
Cat Scratch Productions	2,239	-	149	940	1,448	-	1,448
Athletics Concession	10,003	-	13,779	12,321	11,461	95	11,556
Library Project Fund	-	-	1,483	651	832	-	832
Total District Activity Funds	\$ 34,219	\$ 50	\$ 110,728	\$ 113,833	\$ 31,164	\$ 9,293	\$ 40,457

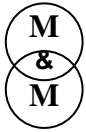
UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 5

SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS
For The Year Ended June 30, 2012

STUDENT ORGANIZATION FUNDS

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
High School Student Council	\$ 868	\$ 6,399	\$ 6,485	\$ 782
Junior High Student Council	1,390	8,034	7,696	1,728
Con Global Action Team	60	510	328	242
Leo Club	67	150	-	217
Chess Club	918	8,661	8,499	1,080
National Honor Society	176	88	63	201
Scholar Bowl	414	-	207	207
Football & Weight Club	1,608	3,582	2,891	2,299
National Art Honor Society	396	-	-	396
Cheerleaders	2,430	5,675	5,427	2,678
Dance Squad	2,734	15,422	15,684	2,472
National Forensic League	412	884	929	367
Friends of Rachel	2,021	4,270	4,453	1,838
F.B.L.A.	680	228	149	759
Junior High Band	1,928	2,163	2,545	1,546
High School Band	4,181	23,667	27,607	241
F.C.C.L.A.	548	3,106	2,379	1,275
F.F.A.	1,913	21,566	22,171	1,308
F.F.A. Fruit	14,059	59,472	51,472	22,059
F.F.A. Scholarship	2,416	-	350	2,066
Skills USA	155	-	-	155
F.C.A.	1,690	1,160	633	2,217
Junior High Vocal Music	4,057	1,222	4,731	548
High School Vocal Music	11,968	25,565	37,159	374
Softball Club	1,000	-	-	1,000
Baseball Club	807	2,841	3,355	293
Volleyball Club	198	2,010	1,240	968
Golf Club	280	1,127	839	568
Tennis Club	383	3,049	2,046	1,386
Drama Club	1,341	1,987	3,299	29
Science Club	2,277	3,352	2,744	2,885
Foreign Language Club	167	310	300	177
Track Club	146	1,200	38	1,308
S.A.D.D.	790	4,062	4,606	246
Wrestling Club	2,027	7,200	7,969	1,258
Girls Basketball	88	2,538	2,185	441
Boys Basketball	2,004	1,075	2,360	719
Football Team	-	3,016	1,800	1,216
CMS Friends of Rachel	-	1,861	1,244	617
Renaissance	7,417	7,335	10,066	4,686
Class of 2012	1,484	268	335	1,417
Class of 2013	3,706	4,262	7,349	619
Class of 2014	288	3,233	2,613	908
Class of 2015	-	3,661	2,250	1,411
Total Student Organization Funds	\$ 81,492	\$ 246,211	\$ 258,496	\$ 69,207



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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*

December 10, 2012

Board of Education
Unified School District No. 333
Concordia, Kansas 66901

We have audited the financial statements of Unified School District No. 333, Concordia, Kansas, as of and for the year ended June 30, 2012 which collectively comprise the District's basic financial statement, and have issued our report thereon dated December 10, 2012. Our report on the financial statements disclosed that, as described in Note 1 to the financial statements, the District prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than generally accepted accounting principles. We conducted our audit 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 the Kansas Municipal Audit Guide.

Internal Control Over Financial Reporting

Management of Unified School District No. 333 is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Unified School District No. 333's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of Unified School District No. 333's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Unified School District No. 333'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.

Board of Education
Unified School District No. 333
December 10, 2012
Page Two

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 previously. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting. (2012-1 and 2012-2). 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. 333'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. 333 in a separate letter dated December 10, 2012.

Unified School District No. 333's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Unified School District No. 333's response, and accordingly, we express no opinion on it.

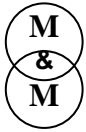
This report is intended for the information of the Board of Education and management of Unified School District No. 333, Concordia, Kansas, others within the entity, and the federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

Mapes & Miller LLP

Certified Public Accountants

December 10, 2012
Phillipsburg, Kansas



MAPES & MILLER LLP

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

December 10, 2012

Board of Education
Unified School District No. 333
Concordia, Kansas 66901

Compliance

We have audited the compliance of Unified School District No. 333 with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Unified School District No. 333's major federal programs for the year ended June 30, 2012. Unified School District No. 333'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. 333's management. Our responsibility is to express an opinion on Unified School District No. 333'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. 333'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. 333's compliance with those requirements.

In our opinion, Unified School District No. 333 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

Management of Unified School District No. 333 is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered

Board of Education
Unified School District No. 333
December 10, 2012
Page Two

Unified School District No. 333's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the our auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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. 333'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 over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended for the information of the Board of Education and management of Unified School District No. 333, Concordia, Kansas, others within the entity, and the federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specific parties.

Respectfully submitted,

Mapes & Miller LLP

Certified Public Accountants

December 10, 2012
Phillipsburg, Kansas

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 6

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2012

Federal Grantor/Pass-Through Grantor	Federal CFDA Number	Pass Through Entity Identifying Number	Federal Unencumbered Cash July 1, 2011	Cash Receipts	Expenditures	Federal Unencumbered Cash June 30, 2012
U.S. Department of Education						
Passed through Kansas Department of Education						
Title I Low Income	84.010	D0333	\$ 3,042	\$ 212,952	\$ 207,059	\$ 8,935
Special Education-Preschool Grants	84.173	D0333	-	43,953	43,953	-
Special Education-IDEA Part B	84.027	D0333	-	647,326	647,326	-
Title II-A Improving Teacher Quality	84.367	D0333	-	49,950	49,950	-
Education Jobs Fund	84.410	D0333	-	3,299	3,299	-
Total U.S. Department of Education			3,042	957,480	951,587	8,935
U.S. Department of Agriculture						
Passed through Kansas Department of Education						
National School Lunch Program	10.555	D0333	-	298,569	298,569	-
School Breakfast Program	10.553	D0333	-	83,483	83,483	-
Child and Adult Care Food Program	10.558	D0333	-	4,315	4,315	-
Summer Food Service Program	10.559	D0333	-	14,114	14,114	-
State Administrative Expenses for Child Nutrition	10.560	D0333	-	300	300	-
Team Nutrition Grant	10.574	D0333	-	790	790	-
Fresh Fruit & Vegetable Program	10.582	D0333	-	21,699	21,699	-
Total U.S. Department of Agriculture			-	423,270	423,270	-
Total			\$ 3,042	\$ 1,380,750	\$ 1,374,857	\$ 8,935

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Unified School District No. 333 and is presented using the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, the same as the financial statements accompanying this schedule. The information presented in this schedule is in accordance with the requirements of OMB Circular A-133, Audits of States, local governments, and non-profit organizations.

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 7
Page 1 of 3

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended June 30, 2012

SECTION 1 – SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

- Type of auditor's report issued: **Unqualified**
- Internal control over financial reporting:
- Material weaknesses identified? Yes No
 - Significant deficiencies identified that are not considered to be material weaknesses? Yes None reported
 - Noncompliance material to financial statements noted? Yes No

FEDERAL AWARDS

- Internal control over major programs:
- Material weaknesses identified? Yes No
 - Significant deficiencies identified that are not considered to be material weaknesses? Yes None reported
- Type of auditor's report issued on compliance for major programs: **Unqualified**
- Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB *Circular A-133*? Yes No

Identification of major programs:

<u>CFDA NUMBER</u>	<u>NAME OF FEDERAL PROGRAM</u>
84.027	Special Education Cluster (IDEA):
84.173	Special Education – IDEA Part B
	Special Education – Preschool Grants

- Dollar threshold used to distinguish between type A and type B programs: **\$300,000**
- Auditee qualified as low-risk auditee? Yes No

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

SECTION 2 – FINDINGS – FINANCIAL STATEMENT AUDIT

INTERNAL CONTROL

2012-1 Segregation of duties

Condition: The limited staff size does not provide for adequate segregating of duties.

Criteria: Segregation of duties should be maintained to strengthen internal control over accounting and compliance functions.

Effect: Lack of segregation of duties increases the risk of errors and noncompliance occurring and not being detected in a timely manner.

Cause: Because the entity is small, management does not feel it is feasible to hire more staff.

Recommendations: Duties of key financial and compliance personnel should be evaluated to determine if duties could be segregated.

Response: We concur with the recommendation. However, the size of the entity does not make it practical to have sufficient number of employees to achieve the optimum level of internal control.

2012-2 Financial Statement Preparation

Condition: Management does not have the qualifications and training necessary to prepare the financial statements which would include the related footnote disclosures.

Criteria: Management must have controls over the preparation of the financial statements including footnote disclosures which would prevent or detect an omission/misstatement in the financial statements.

Effect: The control deficiency allows for omission/misstatements in the financial statements including footnotes that may not be prevented, detected, or corrected.

Cause: There are no procedures in place that require management to obtain the necessary qualifications and training.

Recommendations: Management would need to attend training classes and annual continuing education classes to educate on proper and complete preparation of the financial statements and footnote disclosures and to be aware of all of the current accounting standards by purchasing annual accounting subscriptions.

Response: We concur with the recommendation. However, the cost of annual subscription services and the continuous education/training classes do not make it practical to obtain the competency and expertise required to correct the deficiency.

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

SECTION 3 – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

U.S. DEPARTMENT OF EDUCATION

Special Education Cluster - CFDA No. 84.027, 84.173, 84.391, and 84.173. No findings or questioned costs for the year ended June 30, 2012.

SECTION 4 – SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

U.S. DEPARTMENT OF EDUCATION

Special Education Cluster - CFDA No. 84.027, 84.173, 84.391, and 84.392
No prior year findings.

Child Nutrition Cluster - CFDA No. 10.553, 10.555, and 10.559
No prior year findings.