

**UNIFIED SCHOOL DISTRICT NO. 337**  
Mayetta, Kansas

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

And

**INDEPENDENT AUDITORS' REPORTS**

**Long CPA, PA**  
**A Professional Association**  
**Certified Public Accountants**

UNIFIED SCHOOL DISTRICT NO. 337  
Mayetta, Kansas

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Mayetta, Kansas

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## INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

We have audited the financial statements of Unified School District No. 337, Mayetta, Kansas, as of and for the year ended June 30 2012, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As described more fully in Note 1, Unified School District No. 337 has prepared these financial statements in conformity with the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonable determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District No. 337 as of June 30, 2012, or the changes in its financial position for the year then ended.

In our opinion the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of the Unified School District No. 337, as of June 30, 2012, and its cash receipts and expenditures, budgetary comparisons, and changes in long-term debt and long-term debt maturities for the year then ended, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated July 23, 2012, on our consideration of Unified School District No. 337'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. 337's basic financial statements. The accompanying schedule of expenditures of federal awards and schedule of findings and questioned costs are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of State and Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements of Unified School District No. 337. The schedule of expenditures of federal awards and schedule of findings and questioned costs have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Long CPA, PA  
A Professional Association  
Certified Public Accountant

July 23, 2012

USD #337 MAYETA, KANSAS  
 Summary of Cash Receipts, Expenditures, and Unencumbered Cash  
 For the Year Ended June 30, 2012

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
<b>Governmental Type Funds</b>							
<b>General Funds</b>							
General	\$ (271,577)	\$ 0	\$ 6,352,046	\$ 6,504,325	\$ (423,856)	\$ 0	\$ (423,856)
Supplemental General	(59,810)	0	2,317,028	2,220,000	37,218	0	37,218
Special Revenue Funds							
Vocational Education	40,946	0	180,000	192,197	28,749	0	28,749
Special Education	300,277	0	1,275,793	1,293,443	282,627	0	282,627
Driver Education	22,899	0	11,990	14,031	20,858	0	20,858
Food Service	63,861	0	507,561	502,678	68,744	0	68,744
Capital Outlay	787,892	0	998,208	1,122,911	663,189	0	663,189
Gifts and Grants	16,820	0	10,963	12,029	15,754	0	15,754
Parent Education	45,236	0	63,270	66,530	41,976	0	41,976
Professional Development	45,499	0	25,000	30,000	40,499	0	40,499
Summer School	0	0	4,690	4,690	0	0	0
Extraordinary School Program	115,546	0	68,612	66,900	117,258	0	117,258
KPERS Special Contribution	0	0	631,464	631,464	0	0	0
At Risk (K-12)	56,111	0	537,000	552,000	41,111	0	41,111
District Activity Funds	83,893	0	238,222	233,518	88,597	0	88,597
Textbook Rental Fund	221,643	0	41,162	114,095	148,710	0	148,710
Contingency Reserve Fund	325,000	0	0	0	325,000	0	325,000
Title I	0	0	131,699	131,699	0	0	0
Title IV	0	0	0	0	0	0	0
Title VII	0	0	66,246	66,246	0	0	0
Title IIA - Teacher Quality	0	0	41,978	41,978	0	0	0
Hodison Memorial	2,835	0	13	0	2,848	0	2,848
Grow Your Own teacher	1,467	0	4	0	1,471	0	1,471
Parent Info Resource Center	0	0	66,246	66,246	0	0	0
Title IID	0	0	0	0	0	0	0
Impact Aid	277,434	0	96,024	160,000	213,458	0	213,458
JCCTCC Grant	0	0	67,942	67,942	0	0	0
<b>Total Reporting Entity</b>	<b>\$ 2,075,972</b>	<b>\$ 0</b>	<b>\$ 13,733,161</b>	<b>\$ 14,094,922</b>	<b>\$ 1,714,211</b>	<b>\$ 0</b>	<b>\$ 1,714,211</b>

Composition of Cash

Checking Accounts	\$ (250,419)
Savings Accounts	1,453,869
Certificates of Deposit	537,467
Total Cash	<u>1,740,917</u>
Agency Funds per Statement 4	26,706
<b>Total Reporting Entity</b>	<b>\$ 1,714,211</b>

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

USD #337 MAYETTA, KANSAS  
 Summary of Expenditures - Actual and Budget  
 For the Year Ended June 30, 2012

Funds	Certified Budget	Adjustments to Comply with Legal Max	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Favorable (Unfavorable)
<b>Governmental Type Funds</b>						
<b>General Funds</b>						
General	\$ 6,532,218	\$ (86,184)	\$ 58,291	\$ 6,504,325	\$ 6,504,325	\$ 0
Supplemental General	2,220,000	0	0	2,220,000	2,220,000	0
<b>Special Revenue Funds</b>						
Vocational Education	253,500	0	0	253,500	192,197	61,303
Special Education	1,518,000	0	0	1,518,000	1,293,443	224,557
Driver Training	19,000	0	0	19,000	14,031	4,969
Food Service	552,500	0	0	552,500	502,678	49,822
Capital Outlay	1,456,391	0	0	1,456,391	1,122,911	333,480
Gifts and Grants	40,000	0	0	40,000	12,029	27,971
Parent Education	70,250	0	0	70,250	66,530	3,720
Professional Development	42,200	0	0	42,200	30,000	12,200
Summer School	20,000	0	0	20,000	4,690	15,310
Extraordinary School Program	96,600	0	0	96,600	66,900	29,700
KPERS Special Contribution	695,138	0	0	695,138	631,464	63,674
At-Risk Fund	667,114	0	0	667,114	552,000	115,114

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

USD #337 MAYETTA, KS  
GENERAL FUND  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended June 30, 2012

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 444,988	\$ 427,270	\$ 17,718
Delinquent tax	8,946	6,621	2,325
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants	286,559	315,000	(28,441)
State aid/grants	5,553,262	5,783,327	(230,065)
Charges for services			0
Interest income			0
Miscellaneous revenues	58,291		58,291
Operating transfers			0
	<u>6,352,046</u>	<u>6,532,218</u>	<u>(180,172)</u>
<b>EXPENDITURES</b>			
Instruction	3,020,406	2,999,756	(20,650)
Student support services	178,880	194,100	15,220
Instruction support staff	267,254	182,750	(84,504)
General administration	253,907	272,400	18,493
School administration	530,501	544,500	13,999
Operations and maintenance	468,825	473,500	4,675
Student transportation services			0
Central support services			0
Other support services	49,450	60,000	10,550
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers	1,735,102	1,805,212	70,110
Adjustment to comply with legal max		(86,184)	(86,184)
Adjustment for qualifying budget credits		58,291	58,291
	<u>6,504,325</u>	<u>\$ 6,504,325</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	(152,279)		
Unencumbered Cash, Beginning	(271,577)		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ (423,856)</u>		

See Note 9 (Cash Basis Exception)

See Note 11 (Statutory Presentaion)

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



USD #337 MAYETTA, KS  
SUPPLEMENTAL GENERAL FUND  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended June 30, 2012

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 783,208	\$ 832,853	(49,645)
Delinquent tax	14,292	10,381	3,911
Motor vehicle tax	109,979	100,725	9,254
RV tax	2,663	3,168	(505)
Mineral production tax			0
Federal grants			0
State aid/grants	1,406,886	1,351,731	55,155
Charges for services			0
Interest income			0
Miscellaneous revenues			0
Operating transfers			0
	<u>2,317,028</u>	<u>2,298,858</u>	<u>18,170</u>
<b>EXPENDITURES</b>			
Instruction	104,092	232,699	128,607
Student support services	27,464	27,400	(64)
Instruction support staff	66,871	67,607	736
General administration	85,666	83,250	(2,416)
School administration	109,150	121,780	12,630
Operations and maintenance	458,216	453,510	(4,706)
Student transportation services	420,631	410,750	(9,881)
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers	947,910	823,004	(124,906)
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
	<u>2,220,000</u>	<u>\$ 2,220,000</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	97,028		
Unencumbered Cash, Beginning	(59,810)		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 37,218</u>		

See Note 9 (Cash Basis Exception)

See Note 11 (Statutory Presentaion)

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

USD #337 MAYETTA, KS  
 VOCATIONAL EDUCATION FUND  
 Statement of Cash Receipts and Expenditures - Actual and Budget  
 For the Year Ended June 30, 2012

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants			0
Charges for services			0
Interest income			0
Miscellaneous revenues		25,000	(25,000)
Operating transfers	<u>180,000</u>	<u>230,000</u>	<u>(50,000)</u>
Total Cash Receipts	<u>180,000</u>	<u>255,000</u>	<u>(75,000)</u>
<b>EXPENDITURES</b>			
Instruction	192,197	253,500	61,303
Student support services			0
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance			0
Student transportation services			0
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>192,197</u>	<u>\$ 253,500</u>	<u>\$ 61,303</u>
Receipts Over (Under) Expenditures	(12,197)		
Unencumbered Cash, Beginning	40,946		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 28,749</u>		

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

USD #337 MAYETTA, KS  
SPECIAL EDUCATION FUND  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended June 30, 2012

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants	60,339	64,486	(4,147)
State aid/grants			0
Charges for services			0
Interest income			0
Miscellaneous revenues	524	80,000	(79,476)
Operating transfers	<u>1,214,930</u>	<u>1,150,820</u>	<u>64,110</u>
 Total Cash Receipts	 <u>1,275,793</u>	 <u>1,295,306</u>	 <u>(19,513)</u>
<b>EXPENDITURES</b>			
Instruction	1,156,198	1,374,300	218,102
Student support services	10,903	7,500	(3,403)
Instruction support staff			0
General administration			0
School administration	135		(135)
Operations and maintenance			0
Student transportation services	126,207	136,200	9,993
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
 Total Expenditures	 <u>1,293,443</u>	 <u>\$ 1,518,000</u>	 <u>\$ 224,557</u>
 Receipts Over (Under) Expenditures	 (17,650)		
Unencumbered Cash, Beginning	300,277		
Prior Year Cancelled Encumbrances	<u>0</u>		
 Unencumbered Cash, Ending	 <u>\$ 282,627</u>		

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

USD #337 MAYETTA, KS  
DRIVER TRAINING FUND  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended June 30, 2012

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants	3,854	3,330	524
Charges for services	3,136		3,136
Interest income			0
Miscellaneous revenues			0
Operating transfers	<u>5,000</u>		<u>5,000</u>
 Total Cash Receipts	 <u>11,990</u>	 <u>3,330</u>	 <u>8,660</u>
<b>EXPENDITURES</b>			
Instruction	14,031	18,000	3,969
Student support services			0
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance		1,000	1,000
Student transportation services			0
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
 Total Expenditures	 <u>14,031</u>	 <u>\$ 19,000</u>	 <u>\$ 4,969</u>
 Receipts Over (Under) Expenditures	 (2,041)		
Unencumbered Cash, Beginning	22,899		
Prior Year Cancelled Encumbrances	<u>0</u>		
 Unencumbered Cash, Ending	 <u>\$ 20,858</u>		

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

USD #337 MAYETTA, KS  
 FOOD SERVICE FUND  
 Statement of Cash Receipts and Expenditures - Actual and Budget  
 For the Year Ended June 30, 2012

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants	277,200	257,520	19,680
State aid/grants	5,595	4,471	1,124
Charges for services	224,766	200,739	24,027
Interest income			0
Miscellaneous revenues		80,000	(80,000)
Operating transfers		10,000	(10,000)
	<u>507,561</u>	<u>552,730</u>	<u>(45,169)</u>
<b>EXPENDITURES</b>			
Instruction			0
Student support services			0
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance	1,667	10,000	8,333
Student transportation services			0
Central support services			0
Other support services			0
Food service operations	501,011	542,500	41,489
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
	<u>502,678</u>	<u>\$ 552,500</u>	<u>\$ 49,822</u>
Receipts Over (Under) Expenditures	4,883		
Unencumbered Cash, Beginning	63,861		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 68,744</u>		

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

USD #337 MAYETTA, KS  
CAPITAL OUTLAY FUND  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended June 30, 2012

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 99,504	\$ 94,091	\$ 5,413
Delinquent tax	976		976
Motor vehicle tax	31		31
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants			0
Charges for services			0
Interest income	9,495	25,000	(15,505)
Miscellaneous revenues	196,810	200,000	(3,190)
Operating transfers	<u>691,392</u>	<u>691,392</u>	<u>0</u>
Total Cash Receipts	<u>998,208</u>	<u>1,010,483</u>	<u>(12,275)</u>
<b>EXPENDITURES</b>			
Instruction	89,187	100,000	10,813
Student support services			0
Instruction support staff	948		(948)
General administration	4,710		(4,710)
School administration			0
Operations and maintenance	19,242	20,000	758
Student transportation services	90,335	95,000	4,665
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services	918,489	1,241,391	322,902
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>1,122,911</u>	<u>\$ 1,456,391</u>	<u>\$ 333,480</u>
Receipts Over (Under) Expenditures	(124,703)		
Unencumbered Cash, Beginning	787,892		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 663,189</u>		

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

USD #337 MAYETTA, KS  
GIFTS AND GRANTS FUND  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended June 30, 2012

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants			0
Charges for services			0
Interest income			0
Miscellaneous revenues	10,963	35,000	(24,037)
Operating transfers			0
	<u>10,963</u>	<u>35,000</u>	<u>(24,037)</u>
<b>Total Cash Receipts</b>	<u>10,963</u>	<u>35,000</u>	<u>(24,037)</u>
<b>EXPENDITURES</b>			
Instruction	11,829	40,000	28,171
Student support services			0
Instruction support staff	200		(200)
General administration			0
School administration			0
Operations and maintenance			0
Student transportation services			0
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
	<u>12,029</u>	<u>\$ 40,000</u>	<u>\$ 27,971</u>
<b>Total Expenditures</b>	<u>12,029</u>	<u>\$ 40,000</u>	<u>\$ 27,971</u>
Receipts Over (Under) Expenditures	(1,066)		
Unencumbered Cash, Beginning	16,820		
Prior Year Cancelled Encumbrances	<u>0</u>		
<b>Unencumbered Cash, Ending</b>	<u>\$ 15,754</u>		

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

USD #337 MAYETTA, KS  
PARENT EDUCATION FUND  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended June 30, 2012

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants	38,270	41,456	(3,186)
Charges for services			0
Interest income			0
Miscellaneous revenues		10,000	(10,000)
Operating transfers	<u>25,000</u>	<u>5,000</u>	<u>20,000</u>
 Total Cash Receipts	 <u>63,270</u>	 <u>56,456</u>	 <u>6,814</u>
<b>EXPENDITURES</b>			
Instruction			0
Student support services	66,530	70,250	3,720
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance			0
Student transportation services			0
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
 Total Expenditures	 <u>66,530</u>	 <u>\$ 70,250</u>	 <u>\$ 3,720</u>
 Receipts Over (Under) Expenditures	 (3,260)		
Unencumbered Cash, Beginning	45,236		
Prior Year Cancelled Encumbrances	<u>0</u>		
 Unencumbered Cash, Ending	 <u>\$ 41,976</u>		

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



USD #337 MAYETTA, KS  
PROFESSIONAL DEVELOPMENT FUND  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended June 30, 2012

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants			0
Charges for services			0
Interest income			0
Miscellaneous revenues		20,000	(20,000)
Operating transfers	<u>25,000</u>	<u>5,000</u>	<u>20,000</u>
Total Cash Receipts	<u>25,000</u>	<u>25,000</u>	<u>0</u>
<b>EXPENDITURES</b>			
Instruction			0
Student support services			0
Instruction support staff	30,000	42,200	12,200
General administration			0
School administration			0
Operations and maintenance			0
Student transportation services			0
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>30,000</u>	<u>\$ 42,200</u>	<u>\$ 12,200</u>
Receipts Over (Under) Expenditures	(5,000)		
Unencumbered Cash, Beginning	45,499		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 40,499</u>		

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

USD #337 MAYETTA, KS  
 SUMMER SCHOOL FUND  
 Statement of Cash Receipts and Expenditures - Actual and Budget  
 For the Year Ended June 30, 2012

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants			0
Charges for services			0
Interest income			0
Miscellaneous revenues		20,000	(20,000)
Operating transfers	<u>4,690</u>		<u>4,690</u>
Total Cash Receipts	<u>4,690</u>	<u>20,000</u>	<u>(15,310)</u>
<b>EXPENDITURES</b>			
Instruction	4,690	20,000	15,310
Student support services			0
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance			0
Student transportation services			0
Community support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>4,690</u>	<u>\$ 20,000</u>	<u>\$ 15,310</u>
Receipts Over (Under) Expenditures	0		
Unencumbered Cash, Beginning	0		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>		

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

USD #337 MAYETTA, KS  
 EXTRAORDINARY SCHOOL PROGRAM FUND  
 Statement of Cash Receipts and Expenditures - Actual and Budget  
 For the Year Ended June 30, 2012

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants			0
Charges for services			0
Interest income			0
Miscellaneous revenues	68,612	80,000	(11,388)
Operating transfers			0
	<u>68,612</u>	<u>80,000</u>	<u>(11,388)</u>
Total Cash Receipts			
<b>EXPENDITURES</b>			
Instruction	32,671	71,100	38,429
Student support services	20	25,500	25,480
Instruction support staff			0
General administration			0
School administration	518		(518)
Operations and maintenance	29,927		(29,927)
Student transportation services			0
Community support services			0
Other support services			0
Food service operations	3,764		(3,764)
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
	<u>66,900</u>	<u>\$ 96,600</u>	<u>\$ 29,700</u>
Total Expenditures			
Receipts Over (Under) Expenditures	1,712		
Unencumbered Cash, Beginning	115,546		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 117,258</u>		

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

USD #337 MAYETTA, KS  
 KPERS SPECIAL RETIREMENT CONTRIBUTION FUND  
 Statement of Cash Receipts and Expenditures - Actual and Budget  
 For the Year Ended June 30, 2012

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable <u>(Unfavorable)</u>
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants	631,464	695,138	(63,674)
Charges for services			0
Interest income			0
Miscellaneous revenues			0
Operating transfers			0
	<u>631,464</u>	<u>695,138</u>	<u>(63,674)</u>
<b>Total Cash Receipts</b>	<u>631,464</u>	<u>695,138</u>	<u>(63,674)</u>
<b>EXPENDITURES</b>			
Instruction	397,822	437,937	40,115
Student support services	24,627	27,110	2,483
Instruction support staff	15,780	17,371	1,591
General administration	21,470	23,635	2,165
School administration	50,517	55,611	5,094
Operations and maintenance	54,937	60,477	5,540
Student transportation services	41,557	45,747	4,190
Central support services			0
Other support services	5,677	6,249	572
Food service operations	19,077	21,001	1,924
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
	<u>631,464</u>	<u>\$ 695,138</u>	<u>\$ 63,674</u>
<b>Total Expenditures</b>	<u>631,464</u>	<u>\$ 695,138</u>	<u>\$ 63,674</u>
Receipts Over (Under) Expenditures	0		
Unencumbered Cash, Beginning	0		
Prior Year Cancelled Encumbrances	0		
	<u>0</u>		
<b>Unencumbered Cash, Ending</b>	<u>\$ 0</u>		

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

USD #337 MAYETTA, KS  
 AT RISK FUND (K-12)  
 Statement of Cash Receipts and Expenditures - Actual and Budget  
 For the Year Ended June 30, 2012

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ 0
Delinquent tax			0
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants			0
State aid/grants			0
Charges for services			0
Interest income			0
Miscellaneous revenues		75,000	(75,000)
Operating transfers	<u>537,000</u>	<u>536,004</u>	<u>996</u>
Total Cash Receipts	<u>537,000</u>	<u>611,004</u>	<u>(74,004)</u>
<b>EXPENDITURES</b>			
Instruction	515,286	630,100	114,814
Student support services	36,714	37,014	300
Instruction support staff			0
General administration			0
School administration			0
Operations and maintenance			0
Student transportation services			0
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers			0
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
Total Expenditures	<u>552,000</u>	<u>\$ 667,114</u>	<u>\$ 115,114</u>
Receipts Over (Under) Expenditures	(15,000)		
Unencumbered Cash, Beginning	56,111		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 41,111</u>		

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

USD #337 MAYETTA, KS  
 ANY NONBUDGETED FUNDS  
 Statement of Cash Receipts and Expenditures  
 For the Year Ended June 30, 2012

	<u>Textbook</u>	<u>Contingency Reserve</u>	<u>Title I</u>
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$
Delinquent tax			
Motor vehicle tax			
RV tax			
Mineral production tax			
Federal grants			131,699
State aid/grants			
Charges for services	41,162		
Interest income			
Miscellaneous revenues			
Operating transfers			
	<u>          </u>	<u>          </u>	<u>          </u>
Total Cash Receipts	<u>41,162</u>	<u>0</u>	<u>131,699</u>
<b>EXPENDITURES</b>			
Instruction	114,095		131,699
Student support services			
Instruction support staff			
General administration			
School administration			
Operations and maintenance			
Student transportation services			
Central support services			
Other support services			
Food service operations			
Student activities			
Facility acquisition and construction services			
Debt service			
Operating transfers			
Adjustment for qualifying budget credits			
	<u>          </u>	<u>          </u>	<u>          </u>
Total Expenditures	<u>114,095</u>	<u>0</u>	<u>131,699</u>
Receipts Over (Under) Expenditures	(72,933)	0	0
Unencumbered Cash, Beginning	221,643	325,000	0
Prior Year Cancelled Encumbrances	<u>0</u>	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 148,710</u>	<u>\$ 325,000</u>	<u>\$ 0</u>

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

USD #337 MAYETTA, KS  
 ANY NONBUDGETED FUNDS  
 Statement of Cash Receipts and Expenditures  
 For the Year Ended June 30, 2012

	<u>Title IV</u>	<u>Title VII</u>	<u>Title IIA</u>
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$
Delinquent tax			
Motor vehicle tax			
RV tax			
Mineral production tax			
Federal grants		66,246	41,978
State aid/grants			
Charges for services			
Interest income			
Miscellaneous revenues			
Operating transfers			
	<u>0</u>	<u>66,246</u>	<u>41,978</u>
<b>EXPENDITURES</b>			
Instruction		60,716	37,780
Student support services			
Instruction support staff			4,198
General administration		5,530	
School administration			
Operations and maintenance			
Student transportation services			
Central support services			
Other support services			
Food service operations			
Student activities			
Facility acquisition and construction services			
Debt service			
Operating transfers			
Adjustment for qualifying budget credits			
	<u>0</u>	<u>66,246</u>	<u>41,978</u>
Receipts Over (Under) Expenditures	0	0	0
Unencumbered Cash, Beginning	0	0	0
Prior Year Cancelled Encumbrances	<u>0</u>	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

USD #337 MAYETTA, KS  
 ANY NONBUDGETED FUNDS  
 Statement of Cash Receipts and Expenditures  
 For the Year Ended June 30, 2012

	<u>Hodison Memorial</u>	<u>Grow Your Own Teacher</u>	<u>Title IID</u>
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$
Delinquent tax			
Motor vehicle tax			
RV tax			
Mineral production tax			
Federal grants			
State aid/grants			
Charges for services			
Interest income	13	4	
Miscellaneous revenues			
Operating transfers			
	<u>          </u>	<u>          </u>	<u>          </u>
Total Cash Receipts	<u>      13</u>	<u>      4</u>	<u>      0</u>
<b>EXPENDITURES</b>			
Instruction			
Student support services			
Instruction support staff			
General administration			
School administration			
Operations and maintenance			
Student transportation services			
Central support services			
Other support services			
Food service operations			
Student activities			
Facility acquisition and construction services			
Debt service			
Operating transfers			
Adjustment for qualifying budget credits			
	<u>          </u>	<u>          </u>	<u>          </u>
Total Expenditures	<u>      0</u>	<u>      0</u>	<u>      0</u>
Receipts Over (Under) Expenditures	13	4	0
Unencumbered Cash, Beginning	2,835	1,467	0
Prior Year Cancelled Encumbrances	<u>      0</u>	<u>      0</u>	<u>      0</u>
Unencumbered Cash, Ending	<u>      \$ 2,848</u>	<u>      \$ 1,471</u>	<u>      \$ 0</u>

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



USD #337 MAYETTA, KS  
 ANY NONBUDGETED FUNDS  
 Statement of Cash Receipts and Expenditures  
 For the Year Ended June 30, 2012

	<u>Impact Aid</u>	<u>JCCTCC Grant</u>
<b>CASH RECEIPTS</b>		
Taxes and Shared Revenue		
Ad valorem property tax	\$	\$
Delinquent tax		
Motor vehicle tax		
RV tax		
Mineral production tax		
Federal grants	96,024	
State aid/grants		
Charges for services		67,942
Interest income		
Miscellaneous revenues		
Operating transfers		
	<u>          </u>	<u>          </u>
Total Cash Receipts	<u>96,024</u>	<u>67,942</u>
<b>EXPENDITURES</b>		
Instruction	125,037	38,852
Student support services		
Instruction support staff		
General administration		29,090
School administration		
Operations and maintenance		
Student transportation services	29,900	
Central support services		
Other support services		
Food service operations	5,063	
Student activities		
Facility acquisition and construction services		
Debt service		
Operating transfers		
Adjustment for qualifying budget credits		
	<u>          </u>	<u>          </u>
Total Expenditures	<u>160,000</u>	<u>67,942</u>
Receipts Over (Under) Expenditures	(63,976)	0
Unencumbered Cash, Beginning	277,434	0
Prior Year Cancelled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 213,458</u>	<u>\$ 0</u>

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

USD #337 MAYETTA, KS  
 AGENCY FUNDS  
 Statement of Cash Receipts and Cash Disbursements  
 For the Year Ended June 30, 2012

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
High School				
Class of 2015	\$ 0	\$ 10	\$ 0	\$ 10
Class of 2014	5	5	0	10
Class of 2013	140	4,302	4,216	226
Class of 2012	110	25	50	85
Class of 2011	132	0	132	0
Cheerleaders	2,894	10,404	13,290	8
Dance Team	442	4,619	4,939	122
Student Council	2,238	1,927	1,786	2,379
FCCLA	3,447	16,525	14,716	5,256
Kays	976	1,775	2,056	695
National Honor Society	428	1,248	1,256	420
SADD	1,176	297	409	1,064
Native American Club	0	7,550	7,441	109
Art Club	358	793	195	956
Band	9,418	37,220	41,697	4,941
Drumline/Percussion	0	3,023	2,773	250
Forensics	4,544	7,551	8,159	3,936
Scholar Bowl	71	0	0	71
Mexico Trip	215	983	974	224
Middle school				
Pep Club	2,815	1,158	2,369	1,604
Student Council	994	521	568	947
Indian Club	62	0	0	62
Scholarships	1,373	502	378	1,497
Fundraisers	2,255	965	2,736	484
Grants	603	282	685	200
Renaissance Fund	1,290	5,140	5,280	1,150
<b>Total</b>	<b>\$ 35,986</b>	<b>\$ 106,825</b>	<b>\$ 116,105</b>	<b>\$ 26,706</b>

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

USD #337 MAYETTA, KS  
DISTRICT ACTIVITY FUNDS  
Statement of Cash Receipts, Expenditures, and Unencumbered Cash  
For the Year Ended June 30, 2012

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
<b>Gate Receipts</b>							
Middle school							
Athletics	\$ 15,787	\$	\$ 24,888	\$ 32,477	\$ 8,198	\$	\$ 8,198
Concessions	10,545		11,264	18,989	2,820		2,820
High School							
Athletics	16,824		57,034	49,649	24,209		24,209
Miscellaneous	9,217		56,648	51,801	14,064		14,064
<b>Subtotal Gate Receipts</b>	<b>52,373</b>	<b>0</b>	<b>149,834</b>	<b>152,916</b>	<b>49,291</b>	<b>0</b>	<b>49,291</b>
<b>School Projects</b>							
Elementary School							
Faculty	502		1,844	1,153	1,193		1,193
Hospitality	1,387		2,065	1,982	1,470		1,470
Special Events	5,425		11,279	8,639	8,065		8,065
Playground	131		0	0	131		131
Middle School							
PE Equipment	205		0	205	0		0
Big Seven League	70		1,680	1,701	49		49
Faculty	3,512		4,739	3,790	4,461		4,461
School Improvement	325		0	325	0		0
School Machines	964		691	946	709		709
School	1,007		188	174	1,021		1,021
Yearbook	0		2,561	1,948	613		613
High School							
Booster/After Prom	225		19,029	19,254	0		0
Booster Club	2,381		6,009	6,150	2,240		2,240
Parent Spirit	0		1,446	1,212	234		234
Technology Classes	0		912	912	0		0
Business AV	0		35	14	21		21
Family and Consumer	0		490	490	0		0
Chorus/Vocal music	1,025		1,127	1,237	915		915
Publications	2,939		13,564	10,817	5,686		5,686
Art Classes	0		4,120	4,120	0		0
Library	124		372	395	101		101
School Musical/Drama	2,652		871	1,575	1,948		1,948
Nutrition Advisory	534		0	0	534		534
Learning Lab	81		0	41	40		40
Faculty Lab	39		1,127	794	372		372
Gifts/Donations	965		0	0	965		965
After Prom Committee	7,027		14,239	12,728	8,538		8,538
<b>Subtotal School Projects</b>	<b>31,520</b>	<b>0</b>	<b>88,388</b>	<b>80,602</b>	<b>39,306</b>	<b>0</b>	<b>39,306</b>
<b>Total District Activity Funds</b>	<b>\$ 83,893</b>	<b>\$ 0</b>	<b>\$ 238,222</b>	<b>\$ 233,518</b>	<b>\$ 88,597</b>	<b>\$ 0</b>	<b>\$ 88,597</b>

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

UNIFIED SCHOOL DISTRICT NO. 337  
Mayetta, Kansas

NOTES TO FINANCIAL STATEMENTS

**NOTE 1 – Summary of Significant Accounting Policies**

**Financial Reporting Entity**

USD No.337 is a municipal corporation governed by an elected seven member board. The district as an entity has been defined to include, on a combined basis, (a) USD No.337 (b) organizations for which USD No. 337 is financially accountable, and (c) other organizations for which the nature and significance of their relationship with USD No.337 are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. There are currently no organizations which meet the foregoing criteria for being combined in the District's report.

**Fund Descriptions**

In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The following types of funds comprise the financial activities of the District for the year 2012:

**Governmental Funds**

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

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

**Fiduciary Funds**

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

UNIFIED SCHOOL DISTRICT NO. 337  
Mayetta, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Statutory Basis of Accounting

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

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

Departure from Generally Accepted Accounting Principles (GAAP)

The basis of accounting described above results in a financial statement presentation which shows cash receipts, cash disbursement, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expense, liabilities such as deferred revenues and matured principle and interest payable, and reservations of fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year-end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with United States generally accepted accounting principles. Capital assets that account for the land, buildings, and equipment owned by the municipality are not presented in the financial statements. Also, general long-term debt such as general obligation bonds, temporary notes, and compensated absences are not presented in the financial statements.

UNIFIED SCHOOL DISTRICT NO. 337  
Mayetta, Kansas

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 – Summary of Significant Accounting Policies (Continued)**

**Reimbursed Expenses**

Expenditures in the amount of \$ 58,291 are classified as reimbursed expenses in the General Fund. The purpose of these expenditures is payment for goods and services in which fees are collected and such expenditures are exempt from the budget law under K.S.A. 79-2934.

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

**Budgetary Information**

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

1. Preparation of the budget for the succeeding calendar year on or before August 1<sup>st</sup>.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5<sup>th</sup>.
3. Public hearing on or before August 15<sup>th</sup>, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25<sup>th</sup>.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenues other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no budget amendments for the year 2012.

UNIFIED SCHOOL DISTRICT NO. 337  
Mayetta, Kansas

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 – Summary of Significant Accounting Policies (Continued)**

**Budgetary Information (Continued)**

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

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

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

Title IID Fund	Title IIA Fund
Title IV Fund	Title V Fund
Contingency Reserve Fund	District Activity Funds
Title I Fund	Title VII Fund
Textbook Rental Fund	JCCTCC Grant Fund
Grow Your Own Teacher Fund	Impact Aid Fund
Parent Info Resource Grant Fund	Hodison Memorial Fund
RVMS Afterschool Grant Fund	

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

**Inventories and Prepaid Expenses**

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

UNIFIED SCHOOL DISTRICT NO. 337  
Mayetta, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Use of Estimates

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

NOTE 2 – Deposits and Investments

Deposits

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 and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The district has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the district's investments of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The district has no investment policy that would further limit its investment choices. The district had no investments during 2011.

Concentration of Credit Risk

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



UNIFIED SCHOOL DISTRICT NO. 337  
Mayetta, Kansas

NOTES TO FINANCIAL STATEMENTS

**NOTE 2 – Deposits and Investments (continued)**

**Custodial Credit Risk – Deposits**

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

At June 30, 2012, the government's carrying amount of deposits was \$ 1,714,211 and the bank balance was \$ 1,982,959. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$ 250,000 was covered by federal depository insurance and the balance was collateralized with securities held by the pledging financial institutions' agents in the district's name.

**Custodial Credit Risk – Investments**

For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

**NOTE 3 – Defined Benefit Pension Plan**

**Plan Description** – USD No. 337 participates in the Kansas Public Employees Retirement System (KPERS), a cost sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas; Topeka, KS 66603) or by calling 1-888-275-5737.

UNIFIED SCHOOL DISTRICT NO. 337  
Mayetta, Kansas

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 3 – Defined Benefit Pension Plan (continued)**

**Funding Policy** – K.S.A. 74-4919 and K.S.A. 74-4921 establishes the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depending on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate of 4% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. Member-employees' contributions are withheld by their employer and paid to KPERS according to the provisions of section 414 (h) of the Internal Revenue Code.

The State of Kansas is required to contribute the statutory required employers share.

**NOTE 4 – Risk Management**

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

**NOTE 5 – Compliance with Kansas Statutes**

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

**NOTE 6 – Compensated Absences**

Classified employees and administrators receive one day of sick leave for each full month of contracted employment. They may accumulate an amount of days equal to annual contracted full months multiplied by five. Once a classified employee or administrator has accumulated the maximum number of sick leave days, the employee will be paid at a rate of 56% of his hourly pay for the unused days in October of each contract year. Teachers have the option of receiving payment for unused sick leave (maximum of ten days) or transferring one or more days to a special sick leave account. The district has not computed or recorded the liability at year end.

UNIFIED SCHOOL DISTRICT NO. 337  
Mayetta, Kansas

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 7 – Interfund Transactions**

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General Fund	Special Education Fund	K.S.A. 72-6428	\$ 910,710
General Fund	Capital Outlay Fund	K.S.A. 72-6428	691,392
General Fund	At Risk Fund	K.S.A. 72-6428	133,000
Supplemental General Fund	At Risk Fund	K.S.A. 72-6425	404,000
Supplemental General Fund	Driver Training Fund	K.S.A. 72-6425	5,000
Supplemental General Fund	Vocational Education Fund	K.S.A. 72-6425	188,000
Supplemental General Fund	Professional Dev. Fund	K.S.A. 72-6425	25,000
Supplemental General Fund	Parent Education Fund	K.S.A. 72-6425	25,000
Supplemental General Fund	Special Education Fund	K.S.A. 72-6425	304,220
Supplemental General Fund	Summer School Fund	K.S.A. 72-6425	4,690

**NOTE 8 – Other Post Employment Benefits**

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

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

**NOTE 9 – Cash Basis Exception**

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

UNIFIED SCHOOL DISTRICT NO. 337  
Mayetta, Kansas

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 10 – Subsequent Events**

Subsequent events for management's review have been evaluated through July 23, 2012. The date in the prior sentence is the date the financial statements were available to be issued.

**NOTE 11 – Compliance with K.S.A. 72-6417 (d) and K.S.A. 72-6434 (d)**

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

Note 11

USD #337 MAYETTA, KS  
GENERAL FUND  
STATUTORY REVENUES AND EXPENDITURES - STATUTORY AND BUDGET  
For the Year Ended June 30, 2012

	Actual	Budget	Variance- Favorable (Unfavorable)
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 444,988	\$ 427,270	\$ 17,718
Delinquent tax	8,946	6,621	2,325
Motor vehicle tax			0
RV tax			0
Mineral production tax			0
Federal grants	286,559	315,000	(28,441)
State aid/grants	5,705,541	5,783,327	(77,786)
Charges for services			0
Interest income			0
Miscellaneous revenues	58,291		58,291
Operating transfers			0
	<u>6,504,325</u>	<u>6,532,218</u>	<u>(27,893)</u>
<b>EXPENDITURES</b>			
Instruction	3,020,406	2,999,756	(20,650)
Student support services	178,880	194,100	15,220
Instruction support staff	267,254	182,750	(84,504)
General administration	253,907	272,400	18,493
School administration	530,501	544,500	13,999
Operations and maintenance	468,825	473,500	4,675
Student transportation services			0
Central support services			0
Other support services	49,450	60,000	10,550
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers	1,735,102	1,805,212	70,110
Adjustment to comply with legal max		(86,184)	(86,184)
Adjustment for qualifying budget credits		58,291	58,291
	<u>6,504,325</u>	<u>\$ 6,504,325</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	0		
Unencumbered Cash, Beginning	0		
Prior Year Cancelled Encumbrances	0		
Unencumbered Cash, Ending	\$ 0		

Note 11

USD #337 MAYETTA, KS  
 SUPPLEMENTAL GENERAL FUND  
 STATUTORY REVENUES AND EXPENDITURES - STATUTORY AND BUDGET  
 For the Year Ended June 30, 2012

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
<b>CASH RECEIPTS</b>			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 783,208	\$ 832,853	\$ (49,645)
Delinquent tax	14,292	10,381	3,911
Motor vehicle tax	109,979	100,725	9,254
RV tax	2,663	3,168	(505)
Mineral production tax			0
Federal grants			0
State aid/grants	1,402,218	1,351,731	50,487
Charges for services			0
Interest income			0
Miscellaneous revenues			0
Operating transfers			0
	<u>2,312,360</u>	<u>2,298,858</u>	<u>13,502</u>
<b>EXPENDITURES</b>			
Instruction	104,092	232,699	128,607
Student support services	27,464	27,400	(64)
Instruction support staff	66,871	67,607	736
General administration	85,666	83,250	(2,416)
School administration	109,150	121,780	12,630
Operations and maintenance	458,216	453,510	(4,706)
Student transportation services	420,631	410,750	(9,881)
Central support services			0
Other support services			0
Food service operations			0
Student activities			0
Facility acquisition and construction services			0
Debt service			0
Operating transfers	947,910	823,004	(124,906)
Adjustment to comply with legal max			0
Adjustment for qualifying budget credits			0
	<u>2,220,000</u>	<u>\$ 2,220,000</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	92,360		
Unencumbered Cash, Beginning	27,152		
Prior Year Cancelled Encumbrances	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 119,512</u>		

UNIFIED SCHOOL DISTRICT NO.337  
Mayetta, Kansas

NOTES TO FINANCIAL STATEMENTS

Note 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 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										
None			\$		\$ 0		\$ 0	\$ 0	\$ 0	\$ -
Compensated Absences Leases					70,446	4,025	0	4,025	74,471	
School Addition	4.31-4.60%	6/21/07	5,600,000	4/1/19	4,565,000		490,000	(490,000)	4,075,000	201,392
Total Long Term Debt					\$ 4,635,446	\$ 4,025	\$ 490,000	\$ (485,975)	\$ 4,149,471	\$ 201,392

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	2017-2020	Total
Principal							
General Obligation Bonds	\$	\$	\$	\$	\$	\$	\$ 0
Special Assessment Bonds							0
Certificates of Participation							0
Capital Leases	510,000	530,000	555,000	580,000	815,000	1,085,000	4,075,000
Revenue Bonds							0
KDHE Loans							0
Temporary Notes							0
Total Principal	510,000	530,000	555,000	580,000	815,000	1,085,000	4,075,000
Interest							
General Obligation Bonds							0
Special Assessment Bonds							0
Certificates of Participation							0
Capital Leases	180,273	158,292	135,449	111,528	173,060	70,610	829,212
Revenue Bonds							0
KDHE Loans							0
Temporary Notes							0
Total Interest	180,273	158,292	135,449	111,528	173,060	70,610	829,212
Total Principal and Interest	\$ 690,273	\$ 688,292	\$ 690,449	\$ 691,528	\$ 988,060	\$ 1,155,610	\$ 4,904,212

# Long CPA, PA

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Board of Education  
Unified School District No. 337  
Mayetta, Kansas 66509

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

We have audited the financial statements of Unified School District No. 337, Mayetta, Kansas as of and for the year ended June 30, 2012, and have issued our report thereon dated July 23, 2012. In our report, our opinion was qualified due to the use of an other comprehensive basis of accounting. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered Unified School District No. 337's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Unified School District No. 337's internal control over financial reporting. Accordingly we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

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



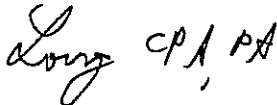
Board of Education  
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Mayetta, Kansas 66509

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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Unified School District No. 337's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

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



Long CPA, PA  
A Professional Association  
Certified Public Accountant

July 23, 2012

# Long CPA, PA

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Board of Education  
Unified School District No. 337  
Mayetta, Kansas 66509

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

### Compliance

We have audited the compliance of Unified School District No. 337, Mayetta, Kansas with the types of compliance requirements described in the U.S. Office Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2012. Unified School District No. 337'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. 337's management. Our responsibility is to express an opinion on Unified School District No. 337'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. 337'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 on Unified School District No. 337's compliance with those requirements.

In our opinion, Unified School District No. 337 complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2012.

Board of Education  
Unified School District No. 337  
Mayetta, Kansas 66509

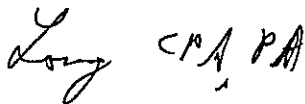
### **Internal Control Over Compliance**

The management of Unified School District No. 337 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 Unified School District No. 337's internal control over compliance with 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 and to test and report on the 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. 337'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 the 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 solely for the information and use of the audit committee, management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Long CPA, PA  
A Professional Association  
Certified Public Accountant

July 23, 2012

UNIFIED SCHOOL DISTRICT NO. 337  
Mayetta, Kansas

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
For the year ended June 30, 2012

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass- Through Grantor Number	Federal Expenditures
<hr/>			
U.S. Department of Education			
<hr/>			
<b>Passed through State Department of Education:</b>			
Title I	84.010	*	\$ 131,699
State Grants (Part B Education Act)	84.027	*	14,432
Early Childhood Aid	84.173	*	10,119
Title II - Teacher Quality	84.367	*	41,978
Title VI - State Assessments	84.369	*	40
Education Jobs Fund	84.410	*	3,009
<hr/>			
U.S. Department of Agriculture			
<hr/>			
<b>Passed through State Department of Education:</b>			
School Breakfast Program	10.553	*	74,698
National School Lunch Program	10.555	*	202,502
<hr/>			
Other Federal Assistance			
<hr/>			
<b>Direct Programs:</b>			
P.L. 382, Impact Aid	84.041	*	400,532
Title VII - Indian Education	84.060	*	66,246
			<hr/>
Total Federal Assistance			<u>\$ 945,255</u>

\* Not available

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

UNIFIED SCHOOL DISTRICT NO. 337  
Mayetta, Kansas

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

For the year ended June 30, 2012

A. Summary of Audit Results

1. The auditors' report expresses a qualified opinion on the general purpose financial statements of Unified School District #337.
2. No reportable conditions relating to the audit of the general purpose financial statements are reported in the Independent Auditors' Report on Compliance and on Internal Control over Financial Reporting Based on a Audit of Financial Statements Performed in accordance with Government Auditing Standards.
3. No instances of noncompliance material to the general purpose financial statements of Unified School District #337 were disclosed during the audit.
4. The auditors' report on compliance for the major federal award programs for Unified School District #337 expresses an unqualified opinion on all major federal programs.
5. Audit findings relative to the major federal award programs for Unified School District #337 are reported in this schedule.
6. The programs tested as major programs included:  
Department of Education  
P.L. 382, Impact Aid, CFDA No. 84.041
7. Unified School District #337 was determined to be a low-risk auditee.
8. The threshold for distinguishing types A and B programs was \$300,000.

B. Findings – Financial Statement Audit  
None

C. Findings and Questioned Costs – Major Federal Awards Programs Audit  
Department of Education  
P.L. 382, CFDA No. 84.041

No findings of noncompliance or questioned costs were noted.

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

UNIFIED SCHOOL DISTRICT NO. 337  
Mayetta, 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. 337 Mayetta, Kansas 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. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure would be charged in the fund from which the transfer is made.

Unified School District No. 337 has obtained a waiver from generally accepted accounting principles which allows the district to revert to statutory basis of accounting.

**Departure from Generally Accepted Accounting Principles** – The basis of accounting described above results in a financial statement presentation which shows cash receipts, cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expenses, liabilities such as deferred revenue and mature principal and interest payable, and reservations of the fund balance are not presented. Under generally accepted accounting principles, 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.

UNIFIED SCHOOL DISTRICT NO. 337  
Mayetta, Kansas

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

**NOTE 1 – Basis of Accounting (continued)**

**Departure from Generally Accepted Account Principles (ctd.)** - General fixed assets that account for the land, buildings, and equipment owned by the district are not presented in the financial statements. Also, general long-term debt such as general obligation bonds, temporary notes, and compensated absences are not presented in the financial statements.

**NOTE 2 – Pass-Through Awards**

Unified School District No. 337 receives certain federal awards in the form of pass-through awards from the State of Kansas. Such amounts received as pass-through awards are specifically identified on the Schedule of Expenditures of Federal Awards.

**NOTE 3 – Major Programs**

In accordance with OMB Circular A-133, major programs are determined using a risk-based approach. The P.L. 382, Impact Aid have been determined by the independent auditor to be major programs.

**NOTE 4 – Contingencies**

The District receives funds under various federal grant programs and such awards are to be expended in accordance with provisions of the various grants. Compliance with the grants is subject to audit by various government agencies which may impose sanctions in the event of non-compliance. Managements believes that they have complied with all aspects of the various grant provisions and the results of adjustments, if any, relating to such audits would not have any material financial impact.