

**BOARD OF EDUCATION
UNIFIED SCHOOL DISTRICT NO. 357
Belle Plaine, Kansas**

**Financial Statements
June 30, 2012**

**with
Independent Auditors' Report**

UNIFIED SCHOOL DISTRICT NO. 357

Financial Statements

Year Ended June 30, 2012

Table of Contents

	<u>Page Number</u>
Independent Auditors' Report	1
Statement 1:	
Summary of Cash Receipts, Expenditures and Unencumbered Cash	3
Statement 2:	
Summary of Expenditures - Actual and Budget	5
Statement 3:	
Statement of Cash Receipts and Expenditures:	
General Fund	6
Supplemental General Fund	7
At Risk (4 yr old) Fund	8
At Risk (K - 12) Fund	9
Capital Outlay Fund	10
Contingency Reserve Fund - Actual	11
Driver Training Fund	12
Food Service Fund	13
Special Education Fund	14
Vocational Education Fund	15
KPERs Special Retirement Contribution Fund	16
Textbook and Student Material Revolving Fund - Actual	17
Federal Projects Funds	18
Bond and Interest Fund	19
Gifts and Grants Fund	20
Statement 4:	
School Activity Funds - Statement of Cash Receipts and Cash Disbursements	21
Statement 5:	
District Activity Funds - Summary of Cash Receipts, Expenditures and Unencumbered Cash	23
Notes to Financial Statements	24

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INDEPENDENT AUDITORS' REPORT

Board of Education
Unified School District No. 357
Belle Plaine, Kansas

We have audited the accompanying financial statements of the individual funds of Unified School District No. 357, Belle Plaine, 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 the Kansas Municipal Audit Guide and auditing standards generally accepted in the United States of America. 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, the District 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, the financial statements referred to above presents fairly, in all material respects, the cash and unencumbered cash balances of each of the various funds of Unified School District No. 357, Belle Plaine, Kansas, as of June 30, 2012, and the revenues received and expenditures paid of such funds 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. The summary of expenditures-actual and budget, individual fund schedules of cash receipts and expenditures-actual and budget, schedule of cash receipts and expenditures-agency funds (Schedules 1, 2 and 3 as listed in the table of contents) are presented for analysis and are not a required part of the statutory financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial 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.

This report is intended solely for the use of the management of Unified School District No. 357 and the Kansas Department of Education and should not be used for any other purpose.

December 10, 2012

UNIFIED SCHOOL DISTRICT NO. 357
Summary of Cash Receipts, Expenditures and Unencumbered Cash
Year Ended June 30, 2012

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances	Ending Cash Balance
General	\$ 7,031	\$ -	\$ 4,710,683	\$ 4,710,636	\$ 7,078	\$ 23,169	\$ 30,247
Supplemental General	-	1,557	1,657,370	1,635,805	23,122	119,021	142,143
Special Revenue:							
At Risk (4 yr old)	-	27	61,530	61,470	87	913	1,000
At Risk (K - 12)	89,845	271	367,038	409,381	47,773	42,343	90,116
Capital Outlay	572,501	1,315	153,166	85,313	641,669	-	641,669
Contingency Reserve	32,979	-	50,000	-	82,979	-	82,979
Driver Training	14,437	-	9,346	3,881	19,902	-	19,902
Food Service	26,390	-	319,533	328,731	17,192	-	17,192
Special Education	93,966	-	1,179,209	1,172,563	100,612	-	100,612
Vocational Education	50,000	1,437	137,960	127,538	61,859	8,931	70,790
KPERS Special Retirement Contribution	-	-	426,937	426,937	-	-	-
Textbook and Student Material Revolving	46,900	73	34,411	15,644	65,740	16,099	81,839
Gate Receipts	19,617	-	57,216	60,521	16,312	-	16,312
Federal Projects:							
Title I	(15,865)	53	113,277	97,465	-	6,049	6,049
Title II-A, Improving Teacher Quality	-	-	48,935	48,935	-	150	150
Title II-D, Tech Literacy	-	834	-	831	3	-	3
Title IV-A, Drug Free	939	21	-	-	960	-	960
Title V, Innovative Programs	7,131	-	-	7,131	-	-	-
Debt Service:							
Bond and Interest	353,453	-	396,317	473,900	275,870	-	275,870
Gifts and Grants	-	-	7,675	-	7,675	-	7,675
Total Reporting Entity	<u>\$ 1,299,324</u>	<u>\$ 5,588</u>	<u>\$ 9,730,603</u>	<u>\$ 9,666,682</u>	<u>\$ 1,368,833</u>	<u>\$ 216,675</u>	<u>\$ 1,585,508</u>

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

UNIFIED SCHOOL DISTRICT NO. 357
Summary of Cash Receipts, Expenditures and Unencumbered Cash
Year Ended June 30, 2012

Composition of Cash:

Money Market Account - The Valley State Bank	\$ 1,474,745
NOW Account - The Valley State Bank	91,452
Petty Cash	3,000
NOW Account - The Valley State Bank - High School	51,517
NOW Account - The Valley State Bank - Middle School	21,968
Checking Account - The Valley State Bank - Elementary School	<u>10,047</u>
Total Cash	<u>1,652,729</u>

Agency Funds per Statement 4	<u>(67,221)</u>
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Total Reporting Entity	<u><u>\$ 1,585,508</u></u>
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The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 357
Summary of Expenditures - Actual and Budget
Year Ended June 30, 2012

Funds	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Business Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Favorable (Unfavorable)
General	\$ 4,821,012	\$ (110,376)	\$ -	\$ 4,710,636	\$ 4,710,636	\$ -
Supplemental General	1,663,201	(27,396)	-	1,635,805	1,635,805	-
Special Revenue:						
At Risk (4 yr old)	86,700			86,700	61,470	25,230
At Risk (K - 12)	420,700			420,700	409,381	11,319
Capital Outlay	555,000			555,000	85,313	469,687
Driver Training	7,500			7,500	3,881	3,619
Food Service	332,600			332,600	328,731	3,869
Special Education	1,230,530			1,230,530	1,172,563	57,967
Vocational Education	158,230			158,230	127,538	30,692
KPERS Special Retirement Contribution	503,008			503,008	426,937	76,071
Debt Service:						
Bond and Interest	474,400			474,400	473,900	500

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

UNIFIED SCHOOL DISTRICT NO. 357

General Fund

Statement of Cash Receipts and Expenditures - Actual and Budget
Year Ended June 30, 2012

	Budget	Actual	Variance Favorable (Unfavorable)
Cash Receipts:			
Taxes and shared revenue:			
Ad valorem property	\$ 332,854	\$ 321,806	\$ (11,048)
Delinquent tax	3,612	5,419	1,807
Mineral production tax	600	554	(46)
Federal aid:			
Education jobs fund	-	2,149	2,149
State aid:			
Equalization aid	3,583,946	3,513,302	(70,644)
Special education aid	900,000	867,453	(32,547)
Total Cash Receipts	4,821,012	4,710,683	(110,329)
Expenditures:			
Instruction (net \$6,800 state aid)	2,397,822	2,141,014	256,808
Student support service	256,165	75,402	180,763
Instructional support service	96,900	117,798	(20,898)
General administration	271,450	264,356	7,094
School administration	240,100	467,226	(227,126)
Operations and maintenance	45,600	-	45,600
Student transportation service	96,627	121,431	(24,804)
Transfers to:			
At Risk (4 yr old) Fund	56,700	51,030	5,670
At Risk (K - 12) Fund	396,522	367,038	29,484
Contingency Reserve Fund	-	50,000	(50,000)
Food Service Fund	-	8,000	(8,000)
Capital Outlay Fund	-	142,844	(142,844)
Special Education Fund	900,000	867,453	32,547
Vocational Education Fund	63,126	37,044	26,082
Adjustment to comply with legal max	(110,376)	-	(110,376)
Total Expenditures	4,710,636	4,710,636	-
Receipts Over (Under) Expenditures	110,376	47	(110,329)
Unencumbered Cash, Beginning	-	7,031	7,031
Unencumbered Cash, Ending	\$ 110,376	\$ 7,078	\$ (103,298)

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

UNIFIED SCHOOL DISTRICT NO. 357
Supplemental General Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
Year Ended June 30, 2012

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Cash Receipts:			
Taxes and shared revenue:			
Ad valorem property	\$ 618,268	\$ 608,107	\$ (10,161)
Motor vehicle tax	95,467	79,055	(16,412)
Delinquent tax	5,466	8,341	2,875
State aid	944,000	961,867	17,867
Total Cash Receipts	<u>1,663,201</u>	<u>1,657,370</u>	<u>(5,831)</u>
Expenditures:			
Instruction	407,801	578,471	(170,670)
Student support services	120,000	-	120,000
General administration	110,000	-	110,000
Operations and maintenance	685,400	615,178	70,222
Transfers to:			
Special Education Fund	200,000	311,756	(111,756)
Vocational Education Fund	60,000	100,000	(40,000)
At Risk (4 yr old) Fund	30,000	10,500	19,500
At Risk (K-12) Fund	50,000	-	50,000
Food Service Fund	-	19,900	(19,900)
Adjustment to comply with legal max	(27,396)	-	(27,396)
Total Expenditures	<u>1,635,805</u>	<u>1,635,805</u>	<u>-</u>
Receipts Over (Under) Expenditures	27,396	21,565	(5,831)
Prior Year Cancelled Encumbrances	-	1,557	
Unencumbered Cash, Beginning	<u>80,914</u>	<u>-</u>	<u>(80,914)</u>
Unencumbered Cash, Ending	<u>\$ 108,310</u>	<u>\$ 23,122</u>	<u>\$ (86,745)</u>

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

UNIFIED SCHOOL DISTRICT NO. 357
 At Risk (4 yr old) Fund
 Statement of Cash Receipts and Expenditures - Actual and Budget
 Year Ended June 30, 2012

	Budget	Actual	Variance Favorable (Unfavorable)
Cash Receipts:			
Transfer from General Fund	\$ 56,700	\$ 51,030	\$ (5,670)
Transfer from Supplemental General Fund	30,000	10,500	(19,500)
Total Cash Receipts	86,700	61,530	(25,170)
Expenditures:			
Instruction	86,700	61,470	25,230
Receipts Over (Under) Expenditures	-	60	60
Prior Year Cancelled Encumbrances	-	27	
Unencumbered Cash, Beginning	-	-	-
Unencumbered Cash, Ending	\$ -	\$ 87	\$ 60

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

UNIFIED SCHOOL DISTRICT NO. 357
At Risk (K - 12) Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
Year Ended June 30, 2012

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Cash Receipts:			
Transfer from General Fund	\$ 396,522	\$ 367,038	\$ (29,484)
Transfer from Supplemental General Fund	50,000	-	(50,000)
	<u>446,522</u>	<u>367,038</u>	<u>(79,484)</u>
Expenditures:			
Instruction	<u>420,700</u>	<u>409,381</u>	<u>11,319</u>
Receipts Over (Under) Expenditures	25,822	(42,343)	(68,165)
Prior Year Cancelled Encumbrances	-	271	
Unencumbered Cash, Beginning	<u>89,845</u>	<u>89,845</u>	<u>-</u>
Unencumbered Cash, Ending	<u><u>\$ 115,667</u></u>	<u><u>\$ 47,773</u></u>	<u><u>\$ (68,165)</u></u>

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

UNIFIED SCHOOL DISTRICT NO. 357
 Capital Outlay Fund
 Statement of Cash Receipts and Expenditures - Actual and Budget
 Year Ended June 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Receipts:			
Taxes and shared revenue:			
Ad valorem property	\$ 2,326	\$ 976	\$ (1,350)
Delinquent tax	-	964	964
Motor vehicle tax	4,888	3,172	(1,716)
Interest earnings	848	5,075	4,227
Other	-	136	136
Transfer from General Fund	-	142,843	142,843
Total Cash Receipts	<u>8,062</u>	<u>153,166</u>	<u>145,104</u>
Expenditures:			
Instruction	120,000	85,313	34,687
General administration	50,000	-	50,000
Operations and maintenance	120,000	-	120,000
Transportation	185,000	-	185,000
Facility acquisition and construction	80,000	-	80,000
Total Expenditures	<u>555,000</u>	<u>85,313</u>	<u>469,687</u>
Receipts Over (Under) Expenditures	(546,938)	67,853	614,791
Prior Year Cancelled Encumbrances	-	1,315	1,315
Unencumbered Cash, Beginning	<u>567,237</u>	<u>572,501</u>	<u>5,264</u>
Unencumbered Cash, Ending	<u>\$ 20,299</u>	<u>\$ 641,669</u>	<u>\$ 621,370</u>

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

UNIFIED SCHOOL DISTRICT NO. 357
Contingency Reserve Fund
Statement of Cash Receipts and Expenditures - Actual
Year Ended June 30, 2012

	<u>Actual</u>
Receipts	
Transfer from General Fund	<u>\$ 50,000</u>
Receipts Over (Under) Expenditures	50,000
Unencumbered Cash, Beginning	<u>32,979</u>
Unencumbered Cash, Ending	<u><u>\$ 82,979</u></u>

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

UNIFIED SCHOOL DISTRICT NO. 357
 Driver Training Fund
 Statement of Cash Receipts and Expenditures - Actual and Budget
 Year Ended June 30, 2012

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Cash Receipts:			
State aid	\$ 2,368	\$ 3,008	\$ 640
Miscellaneous	-	6,338	6,338
Total Cash Receipts	<u>2,368</u>	<u>9,346</u>	<u>6,978</u>
Expenditures:			
Instruction	<u>7,500</u>	<u>3,881</u>	<u>3,619</u>
Receipts Over (Under) Expenditures	(5,132)	5,465	10,597
Unencumbered Cash, Beginning	<u>14,436</u>	<u>14,437</u>	<u>1</u>
Unencumbered Cash, Ending	<u><u>\$ 9,304</u></u>	<u><u>\$ 19,902</u></u>	<u><u>\$ 10,598</u></u>

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

UNIFIED SCHOOL DISTRICT NO. 357
Food Service Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
Year Ended June 30, 2012

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Cash Receipts:			
State aid	\$ 3,001	\$ 3,304	\$ 303
Federal aid	175,389	164,640	(10,749)
Charges for services	145,376	123,689	(21,687)
Transfer from General Fund	-	27,900	27,900
Total Cash Receipts	<u>323,766</u>	<u>319,533</u>	<u>(4,233)</u>
Expenditures:			
Food service operation (net \$270 federal aid)	<u>332,600</u>	<u>328,731</u>	<u>3,869</u>
Receipts Over (Under) Expenditures	(8,834)	(9,198)	(364)
Unencumbered Cash, Beginning	<u>26,390</u>	<u>26,390</u>	<u>-</u>
Unencumbered Cash, Ending	<u><u>\$ 17,556</u></u>	<u><u>\$ 17,192</u></u>	<u><u>\$ (364)</u></u>

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

UNIFIED SCHOOL DISTRICT NO. 357
Special Education Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
Year Ended June 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Receipts:			
Federal aid:			
Medicaid	\$ 20,000	\$ -	\$ (20,000)
Reimbursement	15,000	-	(15,000)
Transfers from:			
General Fund	900,000	867,453	(32,547)
Supplemental General Fund	200,000	311,756	111,756
Total Cash Receipts	<u>1,135,000</u>	<u>1,179,209</u>	<u>44,209</u>
Expenditures:			
Instruction	<u>1,230,530</u>	<u>1,172,563</u>	<u>57,967</u>
Receipts Over (Under) Expenditures	(95,530)	6,646	102,176
Unencumbered Cash, Beginning	<u>95,530</u>	<u>93,966</u>	<u>(1,564)</u>
Unencumbered Cash, Ending	<u><u>\$ -</u></u>	<u><u>\$ 100,612</u></u>	<u><u>\$ 100,612</u></u>

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

UNIFIED SCHOOL DISTRICT NO. 357
Vocational Education Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
Year Ended June 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Receipts:			
Student projects	\$ 1,500	\$ 916	\$ (584)
Transfers from:			
General Fund	63,126	37,044	(26,082)
Supplemental General Fund	60,000	100,000	40,000
Total Cash Receipts	<u>124,626</u>	<u>137,960</u>	<u>13,334</u>
Expenditures:			
Instruction	<u>158,230</u>	<u>127,538</u>	<u>30,692</u>
Receipts Over (Under) Expenditures	(33,604)	10,422	44,026
Prior Year Cancelled Encumbrances	-	1,437	
Unencumbered Cash, Beginning	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Unencumbered Cash, Ending	<u><u>\$ 16,396</u></u>	<u><u>\$ 61,859</u></u>	<u><u>\$ 44,026</u></u>

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

UNIFIED SCHOOL DISTRICT NO. 357
 KPERS Special Retirement Contribution Fund
 Statement of Cash Receipts and Expenditures - Actual and Budget
 Year Ended June 30, 2012

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Cash Receipts:			
State aid	\$ 503,008	\$ 426,937	\$ (76,071)
Expenditures:			
Instruction	360,490	179,962	180,528
Student support	31,023	114,724	(83,701)
Instructional support	10,680	17,886	(7,206)
General administration	23,892	48,008	(24,116)
School administration	27,089	18,848	8,241
Operations and maintenance	27,129	16,813	10,316
Student transportation services	3,960	10,461	(6,501)
Food service	18,745	20,235	(1,490)
Total Expenditures	<u>503,008</u>	<u>426,937</u>	<u>76,071</u>
Receipts Over (Under) Expenditures	-	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

UNIFIED SCHOOL DISTRICT NO. 357
Textbook and Student Material Revolving Fund
Statement of Cash Receipts and Expenditures - Actual
Year Ended June 30, 2012

	<u>Actual</u>
Cash Receipts:	
Fees and rentals	\$ 34,411
Expenditures:	
Materials	<u>15,644</u>
Receipts Over (Under) Expenditures	18,767
Prior Year Cancelled Encumbrances	73
Unencumbered Cash, Beginning	<u>46,900</u>
Unencumbered Cash, Ending	<u><u>\$ 65,740</u></u>

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

UNIFIED SCHOOL DISTRICT NO. 357
Federal Projects Funds
Statement of Cash Receipts and Expenditures - Actual
Year Ended June 30, 2012

	<u>Title I</u>	<u>Title II-A, Improving Teacher Quality</u>	<u>Title II-D, Tech Literacy</u>	<u>Title IV-A, Drug Free</u>	<u>Title V, Innovative Programs</u>
Cash Receipts:					
Federal aid	\$ 113,277	\$ 48,935	\$ -	\$ -	\$ -
Expenditures:					
Instruction and supplies	<u>97,465</u>	<u>48,935</u>	<u>831</u>	<u>-</u>	<u>7,131</u>
Receipts Over (Under) Expenditures	15,812	-	(831)	-	(7,131)
Prior Year Cancelled Encumbrances	53		834	21	
Unencumbered Cash, Beginning	<u>(15,865) *</u>	<u>-</u>	<u>-</u>	<u>939</u>	<u>7,131</u>
Unencumbered Cash, Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3</u></u>	<u><u>\$ 960</u></u>	<u><u>\$ -</u></u>

* - This is a reimbursable federal fund that reimbursement was made after the end of the fiscal year.

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

UNIFIED SCHOOL DISTRICT NO. 357
Bond and Interest Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
Year Ended June 30, 2012

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Cash Receipts:			
Taxes and shared revenue:			
Ad valorem property	\$ 172,492	\$ 164,265	\$ (8,227)
Delinquent tax	2,120	4,996	2,876
Motor vehicle tax	47,024	39,827	(7,197)
State aid	212,190	187,229	(24,961)
Total Cash Receipts	<u>433,826</u>	<u>396,317</u>	<u>(37,509)</u>
Expenditures:			
Interest	23,900	23,900	-
Commission and postage	500	-	500
Principal	450,000	450,000	-
Total Expenditures	<u>474,400</u>	<u>473,900</u>	<u>500</u>
Receipts Over (Under) Expenditures	(40,574)	(77,583)	(37,009)
Unencumbered Cash, Beginning	<u>353,454</u>	<u>353,453</u>	<u>(1)</u>
Unencumbered Cash, Ending	<u><u>\$ 312,880</u></u>	<u><u>\$ 275,870</u></u>	<u><u>\$ (37,010)</u></u>

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

UNIFIED SCHOOL DISTRICT NO. 357
Gifts and Grants Fund
Statement of Cash Receipts and Expenditures - Actual
Year Ended June 30, 2012

	<u>Actual</u>
Cash Receipts:	
Grants	<u>\$ 7,675</u>
Receipts Over (Under) Expenditures	7,675
Unencumbered Cash, Beginning	<u>-</u>
Unencumbered Cash, Ending	<u><u>\$ 7,675</u></u>

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

UNIFIED SCHOOL DISTRICT NO. 357
 School Activity Funds
 Statement of Cash Receipts and Cash Disbursements
 Year Ended June 30, 2012

Funds	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Student Organization Funds:				
High School:				
Band Club	\$ 1,110	\$ 2,372	\$ 518	\$ 2,964
Cross Country	-	289	289	-
Musical	568	642	175	1,035
Class of 2011	590	-	590	-
Class of 2012	2,774	-	2,774	-
Junior Class Prom	-	9,503	6,028	3,475
Forensics	113	-	113	-
FBLA	1,125	1,075	1,370	830
Letter Club	2,532	-	24	2,508
National Honor Society	112	1,245	403	954
Yearbook	-	582	71	511
SADD	1,458	907	1,659	706
Language Club	441	426	707	160
Principal's Fund	1,359	15	979	395
Cheerleaders	2,826	3,398	4,823	1,401
Scholars Bowl	287	-	68	219
Stuco	24	5,323	4,547	800
Teachers	183	170	277	76
Dance Team	1,267	1,191	1,379	1,079
Softball	684	2,058	2,010	732
Boys Basketball	570	1,083	995	658
Girls Basketball	32	-	-	32
Football	2,354	3,545	5,421	478
Baseball	2,195	2,010	1,009	3,196
Volleyball	588	1,516	1,584	520
Track	79	56	56	79
T.S.A.	2,594	1,176	222	3,548
Foundation Scholarship	1,314	1,083	1,250	1,147
FCCLA	3,706	1,163	973	3,896
OCC	-	239	-	239
IHT	313	-	313	-
Grant	-	1,000	826	174
Beverage	3,901	5,134	7,275	1,760
Marquee	7,445	5,479	7,053	5,871
Bad Co	7,700	1,429	3,613	5,516
Embroidery Projects	238	-	238	-

UNIFIED SCHOOL DISTRICT NO. 357
School Activity Funds
Statement of Cash Receipts and Cash Disbursements
Year Ended June 30, 2012

<u>Funds</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Student Organization Funds (continued):				
Middle School:				
Band Club	\$ 68	\$ -	\$ -	\$ 68
Cheerleaders	704	688	829	563
Library Club	1,633	39	156	1,516
School Store	86	-	-	86
PTO	170	4,280	2,435	2,015
Student Council	176	-	-	176
Yearbook Club	1,496	1,675	2,044	1,127
Renaissance Fund	129	-	-	129
Reading Renaissance	2,555	3,175	3,562	2,168
Spelling Bee	1	-	-	1
Special Donation	174	-	-	174
Staff Activities	400	616	199	817
AAA	22	-	-	22
SAP	382	-	27	355
Top Dogs	4,064	443	1,652	2,855
Vocal Club	117	-	-	117
Elementary School:				
Equipment	190	3,157	3,296	51
Field Trip	245	4,865	4,893	217
Multi-tier system of support	-	2,421	1,767	654
PE	-	90	90	-
K Grant	18	-	18	-
BP Grant	-	1,518	1,353	165
Software	379	-	193	186
Student Leadership Team	199	-	199	-
Building	5,996	5,185	6,736	4,445
Library Club	3,650	3,704	4,559	2,795
Accelerated Reader	383	1,863	744	1,502
Yearbook	219	1,048	1,234	33
Total Student Organization Funds	73,938	88,876	95,618	67,196
Sales tax	25	3,544	3,544	25
Total	<u>\$ 73,963</u>	<u>\$ 92,420</u>	<u>\$ 99,162</u>	<u>\$ 67,221</u>

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

UNIFIED SCHOOL DISTRICT NO. 357
District Activity Funds
Summary of Cash Receipts, Expenditures and Unencumbered Cash
Year Ended June 30, 2012

Funds	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Ending Cash Balance
Gate Receipts:					
High School:					
Athletics	\$ 5,659	\$ 22,468	\$ 23,359	\$ 4,768	\$ 4,768
Concessions	1,621	9,869	9,725	1,765	1,765
Middle School:					
Athletics	1,390	11,691	12,831	250	250
Concessions	10,947	13,188	14,606	9,529	9,529
Total Gate Receipts	<u>\$ 19,617</u>	<u>\$ 57,216</u>	<u>\$ 60,521</u>	<u>\$ 16,312</u>	<u>\$ 16,312</u>

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

UNIFIED SCHOOL DISTRICT NO. 357

Notes to Financial Statements

June 30, 2012

1. Summary of Significant Accounting Policies

This summary of significant accounting policies of Unified School District No. 357 (the District) is presented to assist in understanding the District's financial statements. The financial statements and notes are representations of the District's management, who is responsible for their integrity and objectivity. These accounting policies conform to a comprehensive basis of accounting other than generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Reporting Entity

Unified School District No. 357 Board of Education ("Board") is the basic level of government which has financial accountability and control over all activities related to the public school education in the City of Belle Plaine, Kansas. The Board receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. However, the Board is not included in any other governmental "reporting entity" as defined by GASB, since the seven Board members are elected by the public and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. In addition, there are no component units, as defined in Governmental Accounting Standards Board Statement 14, which are included in the District's reporting entity.

Basis of Presentation

Fund 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 fiscal year of 2012:

Governmental Funds

General Fund - to account for all unrestricted resources except those required to be accounted for in another fund.

Special Revenue Funds - to account for the proceeds of specific revenue sources that are restricted by law or administrative action to expenditures for specified purposes.

UNIFIED SCHOOL DISTRICT NO. 357

Notes to Financial Statements

June 30, 2012

1. Summary of Significant Accounting Policies (continued)

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

Fiduciary Funds

Fiduciary 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.

Basis of Accounting

Statutory Basis of Accounting. The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or 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 expenditure would be charged in the fund from which the transfer is made.

The District has approved a waiver from generally accepted accounting principles, allowed by the State of Kansas, which allows the District to report on 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, 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 expense, liabilities such as deferred revenue and matured 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. In addition, general fixed assets that account for the land, building 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.

UNIFIED SCHOOL DISTRICT NO. 357

Notes to Financial Statements

June 30, 2012

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), and debt service fund. 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 of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

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

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 budgeted 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 municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

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

Contingency Reserve
Textbook and Student Material Revolving
Gifts and Grants
Gate Receipts
Federal Projects

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.

UNIFIED SCHOOL DISTRICT NO. 357

Notes to Financial Statements

June 30, 2012

3. Interfund Transfers

Recurring annual transfers between budgetary funds for the purpose of shifting resources from the fund legally required to receive the revenue to the fund authorized to expend the revenue are as follows:

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
General Fund	At Risk (4 yr old) Fund	K.S.A. 72-6428	\$ 51,030
General Fund	At Risk (K -12) Fund	K.S.A. 72-6428	367,038
General Fund	Capital Outlay Fund	K.S.A. 72-6428	142,844
General Fund	Special Education Fund	K.S.A. 72-6428	867,453
General Fund	Vocational Education Fund	K.S.A. 72-6428	37,044
General Fund	Contingency Reserve Fund	K.S.A. 72-6428	50,000
General Fund	Food Service Fund	K.S.A. 72-6428	8,000
Supplemental General Fund	Special Education Fund	K.S.A. 72-6428	311,756
Supplemental General Fund	At Risk (4 yr old) Fund	K.S.A. 72-6428	10,500
Supplemental General Fund	Vocational Education Fund	K.S.A. 72-6428	100,000
Supplemental General Fund	Food Service Fund	K.S.A. 72-6428	19,900

4. Defined Benefit Pension Plan

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

Funding Policy. K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% (Tier 1) and 6% (Tier 2) of covered salary. Member-employees' contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. Kansas currently contributes 8.57% of covered payroll. 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, \$188,864,532, 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 \$426,937, \$260,741, and \$340,043, respectively.

UNIFIED SCHOOL DISTRICT NO. 357

Notes to Financial Statements

June 30, 2012

5. Compensated Absences

Vacation

Twelve-month, non-teacher personnel are provided vacation ranging from 2 to 3 weeks based on years of service. All earned vacation time is to be taken from July 1 to June 30 of each fiscal year and cannot be accumulated or carried forward. Hence, there is no estimated liability for accrued vacation pay at June 30, 2012.

Sick Leave

Full-time teachers contracted for twelve-month positions start each school year with ten days of sick leave with full pay. Teachers may accumulate unused sick leave to a total of 70 days. Classified personnel contracted for twelve-month positions start each school year with ten days of sick leave with full pay and may accumulate to a total of 60 days. Classified personnel contracted for ten-month positions may only accumulate unused sick leave to 40 days. Terminated or retiring employees are not compensated for their unused sick leave. Hence, there is no estimated liability for accrued sick leave at June 30, 2012.

6. Deposits and Investments

Deposits

At June 30, 2012, the carrying amount of the District's deposits was \$1,652,729. The bank balance was \$1,801,923. The difference between the carrying amount and the bank balance is outstanding checks and deposits in transit. Of the bank balance, \$250,000 was covered by FDIC insurance and the remainder as collateralized by pledged securities held under joint custody receipts issued by UMB Bank Kansas, Kansas City, Kansas. UMB Bank Kansas is independent of Valley State Bank.

Investments

Kansas statutes authorize the District to invest in U.S. Treasury bills and notes, repurchase agreements and the State Treasurer's investment pool. All investments must be insured, registered, or held by the District or its agent in the District's name. The District's investments are categorized to give an indication of the level of risk assumed by the entity at year-end. Category 1 includes investments that are insured or registered, or for which the securities are held by the District or its agent in the District's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the dealer bank's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the dealer bank. Of the three risk categories, the investments classified in Risk Category 1 have the least risk to the District.

UNIFIED SCHOOL DISTRICT NO. 357

Notes to Financial Statements

June 30, 2012

6. Deposits and Investments (continued)

At year ended June 30, 2012, the District had no investments required to be categorized in the risk categories discussed in the preceding paragraph.

7. Lease Commitments

As of June 30, 2012, the district was subject to a copier operating lease with Digital Office Systems. The following is a listing of the equipment, term and payment amount for the lease.

<u>Equipment Leased</u>	<u>Term of Lease</u>	<u>Payment Amount</u>
5 copiers	63 month term	\$ 3,441 per month

8. Risk Management

The District manages risk primarily through the purchase of insurance coverage from commercial insurers.

9. Subsequent Events

Subsequent events have been evaluated through December 10, 2012, which is the date the financial statements were available to be issued. There were no such events identified to be disclosed.

10. Compliance with Kansas Statutes

Management is aware of no statutory violations for the period ended June 30, 2012 audit.

UNIFIED SCHOOL DISTRICT NO. 357

Notes to Financial Statements

Year Ended June 30, 2012

11. Long-term Debt

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

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds:									
Refunding	1.4% to 2.5%	9/1/2009	1,875,000	9/1/2013	\$ 1,290,000	\$ -	\$ 450,000	\$ 840,000	\$ 23,900
Capital Leases:									
HVAC Equipment		7/18/2008	207,270	7/23/2012	62,056	-	57,111	4,945	2,575
Total Capital Leases					62,056	-	57,111	4,945	2,575
Total Contractual Indebtedness					\$ 1,352,056	\$ -	\$ 507,111	\$ 844,945	\$ 26,475

Annual Debt Service Requirements

	2013	2014	Total
Principal:			
General obligation bonds	\$ 460,000	\$ 380,000	\$ 840,000
Capital leases	4,945	-	4,945
Total Principal	464,945	380,000	844,945
Interest:			
General obligation bonds	14,675	4,750	19,425
Capital leases	29	-	29
Total Interest	14,704	4,750	19,454
Total Principal and Interest	\$ 479,649	\$ 384,750	\$ 864,399