

**BOARD OF EDUCATION  
UNIFIED SCHOOL DISTRICT NO. 360  
Caldwell, Kansas**

**Financial Statements  
June 30, 2012**

**with  
Independent Auditors' Report**

# UNIFIED SCHOOL DISTRICT NO. 360

## Financial Statements

Year Ended June 30, 2012

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**INDEPENDENT AUDITORS' REPORT**

Board of Education  
Unified School District No. 360  
Caldwell, Kansas

We have audited the accompanying financial statements of the individual funds of Unified School District No. 360, Caldwell, 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. 360, Caldwell, 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. 360 and the Kansas Department of Education and should not be used for any other purpose.

Peterson Peterson & Zoss, LC

September 21, 2012

UNIFIED SCHOOL DISTRICT NO. 360  
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	Add Outstanding Encumbrances	Ending Cash Balance
General	\$ -	\$ 2,164,715	\$ 2,164,715	\$ -	\$ -	\$ -
Supplemental General	24,587	723,786	725,898	22,475		22,475
Special Revenue:						
Capital Outlay	786,015	258,672	406,620	638,067		638,067
Contingency Reserve	228,756	-	15,225	213,531		213,531
Driver Training	1,960	5,216	2,906	4,270		4,270
Food Service	27,743	134,311	127,421	34,633		34,633
KPERS Special Retirement Contribution	-	155,995	155,995	-		-
At Risk Fund (4 Year Old)	-	18,900	18,900	-		-
At Risk Fund (K - 12)	-	245,000	245,000	-		-
Special Education	250,000	401,459	462,034	189,425		189,425
Textbook Rental	4,200	4,900	2,899	6,201		6,201
Professional Development	5,000	1,758	6,758	-		-
Vocational Education	-	94,509	94,509	-		-
Parent Education	-	6,385	6,385	-		-
Recreation Commission	20,379	21,134	16,311	25,202		25,202
Gate Receipts	3,349	21,645	18,370	6,624		6,624
School Projects	19,840	24,867	27,456	17,251		17,251
Revolving Funds	32,005	38,750	47,627	23,128		23,128
Miscellaneous Grants	15,913	5,040	5,412	15,541		15,541
Federal Projects:						
Title I	-	55,931	55,931	-		-
Title IIA Teacher Quality	6	23,706	23,706	6		6
Debt Service:						
Bond and Interest	360,314	353,375	372,698	340,991		340,991
Fiduciary Type Funds:						
Nonexpendable Trusts:						
Scholarship Funds	73,245	1,102	4,855	69,492		69,492
Total Reporting Entity	\$ 1,853,312	\$ 4,761,156	\$ 5,007,631	\$ 1,606,837	\$ -	\$ 1,606,837

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

UNIFIED SCHOOL DISTRICT NO. 360  
Summary of Cash Receipts, Expenditures and Unencumbered Cash  
Year Ended June 30, 2012

## Composition of Cash:

Checking Account - Stock Exchange Bank	\$ 452,325
Checking Accounts - Impact Bank (excess of outstanding checks over bank balance)	(136,205)
Money Market Account - Impact Bank	1,229,957
Certificate of Deposit - F.A. Petrik Scholarship	10,122
Certificate of Deposit - Czech Chapter Scholarship	-
Certificate of Deposit - Charles E. Baker Scholarship	46,223
Certificate of Deposit - H.E. Dodson Memorial Scholarship	13,147
Certificate of Deposit - Lebeda Memorial Scholarship	-
Revolving Funds	14,897
Total cash	<u>1,630,466</u>

Agency Funds per Statement 4	<u>(23,629)</u>
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Total Reporting Entity	<u><u>\$ 1,606,837</u></u>
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The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 360  
Summary of Expenditures - Actual and Budget  
Year Ended June 30, 2012

Funds	Certified Budget	Adjustment to Comply With Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Favorable (Unfavorable)
General	\$ 2,138,724	\$ (4,914)	\$ 30,905	\$ 2,164,715	\$ 2,164,715	\$ -
Supplemental General	726,164	(266)		725,898	725,898	-
Special Revenue:						
Capital Outlay	427,500			427,500	406,620	20,880
Driver Training	4,570			4,570	2,906	1,664
Food Service	153,680			153,680	127,421	26,259
KPERS Special Retirement Contribution	168,773			168,773	155,995	12,778
At Risk Fund (4 Year Old)	18,900			18,900	18,900	-
At Risk Fund (K - 12)	245,000			245,000	245,000	-
Special Education	469,700			469,700	462,034	7,666
Professional Development	10,000			10,000	6,758	3,242
Vocational Education	95,000			95,000	94,509	491
Parent Education	7,500			7,500	6,385	1,115
Recreation Commission	25,000			25,000	16,311	8,689
Debt Service:						
Bond and Interest	373,698			373,698	372,698	1,000

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

## UNIFIED SCHOOL DISTRICT NO. 360

## 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	\$ 224,469	\$ 225,961	\$ 1,492
Delinquent tax	2,697	2,200	(497)
Mineral production tax	-	4,853	4,853
State aid:			
Equalization aid	1,560,696	1,558,122	(2,574)
Special education aid	345,948	341,701	(4,247)
Federal Aid			
Education Jobs Funds	-	973	973
Reimbursements	-	30,905	
Total cash receipts	2,133,810	2,164,715	-
Expenditures:			
Instruction	770,081	633,710	136,371
Student support service	18,515	21,521	(3,006)
Instructional support service	14,500	14,400	100
General administration	233,500	238,568	(5,068)
School administration	205,650	141,792	63,858
Operation and maintenance	124,525	122,076	2,449
Student transportation service	8,105	8,714	(609)
Vehicle operating service	70,000	84,359	(14,359)
Student activities	-	23,348	(23,348)
Transfers to:			
Capital Outlay Fund	-	193,532	(193,532)
Driver Training Fund	1,500	-	1,500
Food Service Fund	10,000	-	10,000
Special Education Fund	345,948	341,701	4,247
Professional Development Fund	5,000	1,758	3,242
Vocational Education Fund	87,500	75,336	12,164
At Risk Fund (4 year old)	18,900	18,900	-
At Risk Fund (K-12)	225,000	245,000	(20,000)
Adjustment to comply with legal max	(4,914)	-	(4,914)
Legal General Fund Budget	2,133,810	2,164,715	(30,905)
Adjustments for Qualifying			
Budget Credits	30,905	-	30,905
Total Expenditures	2,164,715	2,164,715	-
Receipts Over (Under) Expenditures	-	-	-
Unencumbered Cash, Beginning	-	-	-
Unencumbered Cash, Ending	\$ -	\$ -	\$ -

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

UNIFIED SCHOOL DISTRICT NO. 360  
Supplemental General 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	\$ 389,075	\$ 402,903	\$ 13,828
Delinquent tax	4,554	5,790	1,236
Motor vehicle tax	34,953	32,281	(2,672)
State aid:			-
Supplemental state aid	272,729	282,812	10,083
Total cash receipts	<u>701,311</u>	<u>723,786</u>	<u>22,475</u>
Expenditures:			
Instruction	452,631	499,083	(46,452)
Student support service	5,000	6,700	(1,700)
Operation and maintenance	128,533	133,072	(4,539)
Student activities	-	1,727	(1,727)
Transfers to:			
Special Education Fund	125,000	59,758	65,242
Parent Education Fund	7,500	6,385	1,115
Vocational Education Fund	7,500	19,173	(11,673)
Adjustment to comply with legal max	(266)	-	(266)
Total expenditures	<u>725,898</u>	<u>725,898</u>	<u>-</u>
Receipts Over (Under) Expenditures	(24,587)	(2,112)	22,475
Unencumbered Cash, Beginning	<u>24,587</u>	<u>24,587</u>	<u>-</u>
Unencumbered Cash, Ending	<u><u>\$ -</u></u>	<u><u>\$ 22,475</u></u>	<u><u>\$ 22,475</u></u>

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

UNIFIED SCHOOL DISTRICT NO. 360  
 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	\$ 57,467	\$ 53,018	\$ (4,449)
Delinquent tax	1,141	892	(249)
Motor vehicle tax	8,737	5,374	(3,363)
Interest earnings	-	5,856	5,856
Transfer from General Fund	-	193,532	193,532
Total cash receipts	<u>67,345</u>	<u>258,672</u>	<u>191,327</u>
Expenditures:			
Facility acquisition and construction services	<u>427,500</u>	<u>406,620</u>	<u>20,880</u>
Receipts Over (Under) Expenditures	(360,155)	(147,948)	212,207
Unencumbered Cash, Beginning	<u>786,015</u>	<u>786,015</u>	<u>-</u>
Unencumbered Cash, Ending	<u><u>\$ 425,860</u></u>	<u><u>\$ 638,067</u></u>	<u><u>\$ 212,207</u></u>

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

UNIFIED SCHOOL DISTRICT NO. 360  
Contingency Reserve Fund  
Statement of Cash Receipts and Expenditures - Actual  
Year Ended June 30, 2012

Expenditures:

Technology Supplies	<u>\$ 15,225</u>
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Receipts Over (Under) Expenditures	(15,225)
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Unencumbered Cash, Beginning	<u>228,756</u>
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Unencumbered Cash, Ending	<u><u>\$ 213,531</u></u>
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The notes to the financial statements are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 360  
 Driver Training 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:			
State aid	\$ 1,100	\$ 1,316	\$ 216
Fees	-	3,900	3,900
Transfer from General Fund	1,500	-	(1,500)
Total cash receipts	<u>2,600</u>	<u>5,216</u>	<u>2,616</u>
Expenditures:			
Instruction	<u>4,570</u>	<u>2,906</u>	<u>1,664</u>
Receipts Over (Under) Expenditures	(1,970)	2,310	4,280
Unencumbered Cash, Beginning	<u>1,960</u>	<u>1,960</u>	<u>-</u>
Unencumbered Cash, Ending	<u><u>\$ (10)</u></u>	<u><u>\$ 4,270</u></u>	<u><u>\$ 4,280</u></u>

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

UNIFIED SCHOOL DISTRICT NO. 360  
Food Service Fund  
Statement of Cash Receipts and Expenditures - Actual and Budget  
Year Ended June 30, 2012

	Budget	Actual	Variance Favorable (Unfavorable)
Cash receipts:			
State aid	\$ 1,155	\$ 1,273	\$ 118
Federal aid	63,258	71,518	8,260
Grant	-	3,472	3,472
Charges for services	51,525	58,048	6,523
Transfer from General Fund	10,000	-	(10,000)
Total cash receipts	125,938	134,311	8,373
Expenditures:			
Food service operation	45,000	43,172	1,828
Employee benefits	3,350	3,320	30
Supplies	105,330	77,397	27,933
Equipment and furniture	-	897	(897)
Miscellaneous	-	2,635	(2,635)
Total expenditures	153,680	127,421	26,259
Receipts Over (Under) Expenditures	(27,742)	6,890	34,632
Unencumbered Cash, Beginning	27,742	27,743	1
Unencumbered Cash, Ending	\$ -	\$ 34,633	\$ 34,633

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

UNIFIED SCHOOL DISTRICT NO. 360  
 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>	<u>Variance Favorable (Unfavorable)</u>
Cash receipts:			
State aid	\$ 168,773	\$ 155,995	\$ (12,778)
Expenditures:			
Instruction	121,199	93,597	27,602
Student support service	1,229	9,358	(8,129)
Instructional support service	1,425	7,800	(6,375)
General administration	12,483	9,360	3,123
School administration	17,326	9,360	7,966
Operations and maintenance	9,927	12,480	(2,553)
Student transportation service	762	7,800	(7,038)
Food service	4,422	6,240	(1,818)
Total expenditures	<u>168,773</u>	<u>155,995</u>	<u>12,778</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. 360  
 At Risk Fund (4 Year Old)  
 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:			
Transfer from General Fund	\$ 18,900	\$ 18,900	\$ -
Expenditures:			
Instruction	<u>18,900</u>	<u>18,900</u>	<u>-</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. 360  
At Risk Fund (K-12)  
Statement of Cash Receipts and Expenditures - Actual and Budget  
Year Ended June 30, 2012

	Budget	Actual	Variance Favorable (Unfavorable)
Cash receipts:			
Other	\$ 20,000	\$ -	\$ (20,000)
Transfer from General Fund	225,000	245,000	20,000
Total cash receipts	245,000	245,000	-
Expenditures:			
Instruction	245,000	245,000	-
Receipts Over (Under) Expenditures	-	-	-
Unencumbered Cash, Beginning	-	-	-
Unencumbered Cash, Ending	\$ -	\$ -	\$ -

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

UNIFIED SCHOOL DISTRICT NO. 360  
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:			
Transfers from:			
General Fund	\$ 345,948	\$ 341,701	\$ (4,247)
Supplemental General Fund	<u>125,000</u>	<u>59,758</u>	<u>(65,242)</u>
Total cash receipts	470,948	401,459	(69,489)
Expenditures:			
Payments to Co-op	469,700	462,034	7,666
Other	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Total expenditures	494,700	462,034	32,666
Receipts Over (Under) Expenditures	(23,752)	(60,575)	(36,823)
Unencumbered Cash, Beginning	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Unencumbered Cash, Ending	<u><u>\$ 226,248</u></u>	<u><u>\$ 189,425</u></u>	<u><u>\$ (36,823)</u></u>

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

UNIFIED SCHOOL DISTRICT NO. 360  
Textbook Rental Fund  
Statement of Cash Receipts and Expenditures - Actual  
Year Ended June 30, 2012

Cash receipts:	
Rental fees and books	\$ 4,900
Expenditures:	
Textbooks	<u>2,899</u>
Receipts Over (Under) Expenditures	2,001
Unencumbered Cash, Beginning	<u>4,200</u>
Unencumbered Cash, Ending	<u><u>\$ 6,201</u></u>

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

UNIFIED SCHOOL DISTRICT NO. 360  
Professional Development 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:			
Transfers from:			
General Fund	\$ 5,000	\$ 1,758	\$ (3,242)
Total cash receipts	<u>5,000</u>	<u>1,758</u>	<u>(3,242)</u>
Expenditures:			
Instructional support services	<u>10,000</u>	<u>6,758</u>	<u>3,242</u>
Receipts Over (Under) Expenditures	(5,000)	(5,000)	-
Unencumbered Cash, Beginning	<u>5,000</u>	<u>5,000</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. 360  
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:			
Transfers from:			
General Fund	\$ 87,500	\$ 75,336	\$ (12,164)
Supplemental General Fund	7,500	19,173	11,673
Total cash receipts	<u>95,000</u>	<u>94,509</u>	<u>(491)</u>
Expenditures:			
Instruction	<u>95,000</u>	<u>94,509</u>	<u>491</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. 360  
 Parent 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:			
Transfers from Supplemental General Fund	\$ 7,500	\$ 6,385	\$ (1,115)
Expenditures:			
Program expenditures	<u>7,500</u>	<u>6,385</u>	<u>1,115</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. 360  
Recreation Commission 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	\$ 19,329	\$ 19,493	\$ 164
Delinquent tax	228	249	21
Motor vehicle tax	1,534	1,392	(142)
Total cash receipts	<u>21,091</u>	<u>21,134</u>	<u>43</u>
Expenditures:			
Community service operations	<u>25,000</u>	<u>16,311</u>	<u>8,689</u>
Receipts Over (Under) Expenditures	(3,909)	4,823	8,732
Unencumbered Cash, Beginning	<u>20,379</u>	<u>20,379</u>	<u>-</u>
Unencumbered Cash, Ending	<u><u>\$ 16,470</u></u>	<u><u>\$ 25,202</u></u>	<u><u>\$ 8,732</u></u>

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

UNIFIED SCHOOL DISTRICT NO. 360  
Miscellaneous Grants Fund  
Statement of Cash Receipts and Expenditures - Actual  
Year Ended June 30, 2012

Cash receipts:	
Miscellaneous grants	\$ 5,040
Expenditures:	
Grant expenses	<u>5,412</u>
Receipts Over (Under) Expenditures	(372)
Unencumbered Cash, Beginning	<u>15,913</u>
Unencumbered Cash, Ending	<u><u>\$ 15,541</u></u>

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

UNIFIED SCHOOL DISTRICT NO. 360  
 Federal Projects Fund  
 Statement of Cash Receipts and Expenditures - Actual  
 Year Ended June 30, 2012

	<u>Title I</u>	<u>Title IIA Teacher Quality</u>
Cash receipts:		
Federal aid:		
General Aid	\$ 55,931	\$ 23,706
ARRA Stabilization Funds	-	-
	<u>55,931</u>	<u>23,706</u>
Expenditures:		
Instruction and supplies	<u>55,931</u>	<u>23,706</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>6</u>
Unencumbered Cash, Ending	<u><u>\$ -</u></u>	<u><u>\$ 6</u></u>

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

UNIFIED SCHOOL DISTRICT NO. 360  
 Bond and Interest 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	\$ 232,809	\$ 231,649	\$ (1,160)
Delinquent tax	2,635	4,264	1,629
Motor vehicle tax	23,069	21,620	(1,449)
State aid	100,628	95,842	(4,786)
Total cash receipts	<u>359,141</u>	<u>353,375</u>	<u>(5,766)</u>
Expenditures:			
Principal	265,000	265,000	-
Interest	107,698	107,698	-
Postage	1,000	-	1,000
Total expenditures	<u>373,698</u>	<u>372,698</u>	<u>1,000</u>
Receipts Over (Under) Expenditures	(14,557)	(19,323)	(4,766)
Unencumbered Cash, Beginning	<u>360,313</u>	<u>360,314</u>	<u>1</u>
Unencumbered Cash, Ending	<u><u>\$ 345,756</u></u>	<u><u>\$ 340,991</u></u>	<u><u>\$ (4,765)</u></u>

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

UNIFIED SCHOOL DISTRICT NO. 360  
Nonexpendable Trust Fund  
Scholarship Funds  
Statement of Cash Receipts and Expenditures - Actual  
Year Ended June 30, 2012

Cash receipts:	
Contributions and interest	\$       1,102
Expenditures:	
Scholarships awarded	<u>4,855</u>
Receipts Over (Under) Expenditures	(3,753)
Unencumbered Cash, Beginning	<u>73,245</u>
Unencumbered Cash, Ending	<u><u>\$       69,492</u></u>

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

UNIFIED SCHOOL DISTRICT NO. 360  
School Activity Funds  
Statement of Cash Receipts and Cash Disbursements - Actual  
Year Ended June 30, 2012

Funds	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Student Organization Funds:				
Annual	\$ 353	\$ 11,942	\$ 12,065	\$ 230
Bluejay Web Club	132	-	-	132
Student Agendas	135	5	-	140
Class of 2011	424	-	424	-
Class of 2012	2,381	190	2,570	1
Class of 2013	1,794	3,902	4,205	1,491
Class of 2014	1,406	4,518	2,797	3,127
Class of 2015	100	2,581	1,967	714
Class of 2016	75	25	-	100
Class of 2017	-	25	-	25
Class of 2018	-	25	-	25
Concessions	8,605	24,037	25,089	7,553
F.C.A.	423	-	-	423
Kayettes	407	3,027	3,104	330
National Honor Society	477	36,601	36,242	836
CHS Cheerleaders	529	1,796	2,126	199
JH Jay Squad	29	-	-	29
HS Jay Squad	95	-	-	95
Student Council	1,911	1,632	2,354	1,189
Robot Club	192	-	-	192
Engraving Fund	46	-	-	46
Math	725	-	-	725
Forensics	50	-	18	32
Bluejay Academy	1,477	190	156	1,511
JHS Cheerleaders	817	433	945	305
Summer Academy	198	-	-	198
TSA	77	-	-	77
Padlock	80	40	-	120
Flour Power	-	2,015	1,326	689
Miscellaneous fees	3,360	997	1,262	3,095
Total Student Organization Funds	<u>\$ 26,298</u>	<u>\$ 93,981</u>	<u>\$ 96,650</u>	<u>\$ 23,629</u>

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

UNIFIED SCHOOL DISTRICT NO. 360  
District Activity Funds  
Statement of Cash Receipts, Expenditures and Unencumbered Cash  
Year Ended June 30, 2012

Funds	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances	Ending Cash Balance
Gate Receipts:						
Athletics	\$ 2,246	\$ 21,081	\$ 17,875	\$ 5,452	\$	\$ 5,452
School play	1,103	564	495	1,172		1,172
Total gate receipts	3,349	21,645	18,370	6,624	-	6,624
School Projects:						
Special project	7,468	12,039	14,457	5,050		5,050
Band	4,067	3,732	7,421	378		378
Vocal music	1,013	142	19	1,136		1,136
IRC project	52	-	-	52		52
FACS project	857	1,957	2,214	600		600
Elementary school activities	6,383	6,997	3,345	10,035		10,035
Total school projects	19,840	24,867	27,456	17,251	-	17,251
Revolving Funds:						
Art	2,297	927	464	2,760		2,760
Hot lunch	4,554	7,193	11,326	421		421
Music	59	178	172	65		65
Textbook	1,043	4,774	5,391	426		426
Towel	880	377	-	1,257		1,257
Superintendent	500	-	-	500		500
CHS Principal	250	-	-	250		250
CES Principal	250	-	-	250		250
Industrial arts fee	784	3,683	2,458	2,009		2,009
Technology fee	5,051	3,614	5,627	3,038		3,038
Instrument rental	880	495	-	1,375		1,375
Photo Fee	40	-	-	40		40
Driver education	2,469	1,500	3,920	49		49
Metal production	499	-	-	499		499
Tees and things	1,693	5,703	5,458	1,938		1,938
Videography	2,611	226	93	2,744		2,744
District expenses	3,980	8,415	9,262	3,133		3,133
Catch it Kansas	637	-	-	637		637
Computer graphic	1,684	1,665	2,100	1,249		1,249
Scott Rice memorial	1,356	-	1,356	-		-
Surplus sales	488	-	-	488		488
Total revolving funds	32,005	38,750	47,627	23,128	-	23,128
Total	\$ 55,194	\$ 85,262	\$ 93,453	\$ 47,003	\$ -	\$ 47,003

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

# UNIFIED SCHOOL DISTRICT NO. 360

## Notes to Financial Statements

June 30, 2012

### 1. Summary of Significant Accounting Policies

This summary of significant accounting policies of Unified School District No. 360 (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. 360 is a municipal corporation located in Caldwell, Kansas, governed by an elected seven-member board. The Caldwell 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 Caldwell, 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 pronouncement, since 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 Government 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 expenditure for specified purposes.

UNIFIED SCHOOL DISTRICT NO. 360

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

Nonexpendable Trust and 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.

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 and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure would be charged in the fund from which the transfer is made.

The District has approved a 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 accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year-end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. 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 and compensated absences are not presented in the financial statements.

## UNIFIED SCHOOL DISTRICT NO. 360

### 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 1<sup>st</sup>.
2. Publication in local newspaper on or before August 5<sup>th</sup> of the proposed budget and notice of public hearing on the budget.
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 revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The budget of the Professional Development Fund was amended 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 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.

# UNIFIED SCHOOL DISTRICT NO. 360

## Notes to Financial Statements

June 30, 2012

### 2. Budgetary Information (continued)

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

Contingency Reserve  
Textbook Rental  
Gate Receipts  
School Projects  
Revolving Funds  
Miscellaneous Grants  
Federal Projects  
School Activity Funds

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

### 3. 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 were as follows:

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
General Fund	Capital Outlay Fund	K.S.A. 72-6428	\$193,532
General Fund	Special Education Fund	K.S.A. 72-6428	341,701
General Fund	Professional Development Fund	K.S.A. 72-6428	1,758
General Fund	Vocational Education Fund	K.S.A. 72-6428	75,336
General Fund	At Risk Fund (4 Year Old)	K.S.A. 72-6428	18,900
General Fund	At Risk Fund (K-12)	K.S.A. 72-6428	245,000
Supplemental General Fund	Special Education Fund	K.S.A. 72-6428	59,758
Supplemental General Fund	Parent Education Fund	K.S.A. 72-6428	6,385
Supplemental General Fund	Vocational Education Fund	K.S.A. 72-6428	19,173

## UNIFIED SCHOOL DISTRICT NO. 360

### Notes to Financial Statements

June 30, 2012

#### 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 \$155,995, \$88,828, and \$104,212, respectively.

#### 5. Compensated Absences

##### Vacation

After one year of continuous service, the full-time classified staff shall receive ten working days of vacation with pay. All earned vacation time is to be taken from July 1 to June 30 of each fiscal year and cannot be accumulated. Hence, there is no liability for accrued vacation pay at June 30, 2012.

##### General Leave

Both certified and classified employees begin each year with ten days general leave. Part time employees receive general leave days based upon their proportionate number of days worked. Unused general leave will be allowed to accumulate to seventy-five days. Unused general leave is not additional compensation, and payment will not be made for unused general leave.

Upon retirement or termination, if a certified employee has total unused accumulated personal days prior to June 30, 1996 and ten years of service with the District, the employee shall receive pay at the daily rate equivalent to the substitute teacher's daily rate. The District will not pay for personal days accumulated after June 30, 1996. The estimated liability at June 30, 2011, if all employees were to receive the benefit of their accumulated personal days, would be \$2,558.

UNIFIED SCHOOL DISTRICT NO. 360  
Notes to Financial Statements  
June 30, 2012

6. Deposits and Investments

Deposits

At June 30, 2012, the carrying amount of the District's deposits, including certificates of deposit was \$1,630,466. The bank balance was \$1,178,740 for Impact Bank and \$466,918 for the Stock Exchange Bank. The difference between the carrying amount and the bank balances is outstanding checks and deposits in transit. Of the bank balances \$500,000 was covered by FDIC insurance and the remaining \$1,145,658 was collateralized by pledged securities held under joint custody receipts issued by third-party banks in the District's name. The third-party banks holding the pledged securities are independent of the pledging bank. The pledged securities are held under a tri-party custodial agreement signed by all three parties: the District, the pledging bank and the independent third-party bank holding the pledged securities.

Investments

Kansas statutes authorize the District to invest in U.S. Treasury bills and notes, repurchase agreements, and the State Municipal 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 indications 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.

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

# UNIFIED SCHOOL DISTRICT NO. 360

## Notes to Financial Statements

June 30, 2012

### 7. Lease Commitments

At June 30, 2012, the District was leasing copy machines and a postage machine under non-cancelable operating leases. Future minimum lease payments under the operating leases are as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2013	\$ 16,449
2014	16,449
2015	16,449
2016	16,448
2017	<u>891</u>
Total	<u>\$66,686</u>

### 8. Early Retirement

The District discontinued all early retirement plans in 2008-2009. There were seven employees grandfathered into 3 different earlier plans. As of the 2009-2010 school year, five of those people had retired under those plans. Future estimated early retirement benefits for the next three years are as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2013	\$ 24,624
2014	7,200
2015	7,200

### 9. Risk Management

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

### 10. Subsequent Events

Subsequent events have been evaluated through September 7, 2012, which is the date the financial statements were available to be issued. There were no such events identified to be disclosed.

### 11. Compliance with Kansas Statutes

#### 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.

UNIFIED SCHOOL DISTRICT NO. 360  
Notes to Financial Statements  
Year Ended June 30, 2012

12. Long-term debt

Changes to 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	Net Change	Balance End of Year	Interest Paid
General Obligation Bonds: Series 2009	2.0% - 3.8%	9/1/2009	3,625,000	9/1/2021	\$ 3,590,000	\$ -	\$ 265,000	\$ -	\$ 3,325,000	\$ 110,697
Capital Leases: Bobcat Skid Steer      **	4.0%	11/21/2011	26,148	11/21/2012	-	26,148	3,351	-	22,797	-
Total Contractual Indebtedness					3,590,000	26,148	268,351	-	3,347,797	110,697
Compensated Absences					2,558	-	-	-	2,558	-
Total Long-Term Debt					<u>\$ 3,592,558</u>	<u>\$ 26,148</u>	<u>\$ 268,351</u>	<u>\$ -</u>	<u>\$ 3,350,355</u>	<u>\$ 110,697</u>

\*\* - The Bobcat Skid Steer lease is replaced each year with a lease for a new machine with only a minimal payment being made. However, if the machine is not turned in the lease payment would be due.

Annual Debt Service Requirements

	2013	2014	2015	2016	2017	2018-2022	2023-thereafter	Total
Principal								
General obligation bonds	\$ 275,000	\$ 290,000	\$ 295,000	\$ 310,000	\$ 325,000	\$ 1,830,000	\$ -	\$ 3,325,000
Capital leases	22,797	-	-	-	-	-	-	22,797
Total Principal	<u>297,797</u>	<u>290,000</u>	<u>295,000</u>	<u>310,000</u>	<u>325,000</u>	<u>1,830,000</u>	<u>-</u>	<u>3,347,797</u>
Interest								
General obligation bonds	101,954	95,597	88,279	79,573	70,048	241,766	-	677,217
Capital leases	1,043	-	-	-	-	-	-	1,043
Total Interest	<u>102,997</u>	<u>95,597</u>	<u>88,279</u>	<u>79,573</u>	<u>70,048</u>	<u>241,766</u>	<u>-</u>	<u>678,260</u>
Total Principal and Interest	<u>\$ 400,794</u>	<u>\$ 385,597</u>	<u>\$ 383,279</u>	<u>\$ 389,573</u>	<u>\$ 395,048</u>	<u>\$ 2,071,766</u>	<u>\$ -</u>	<u>\$ 4,026,057</u>