

UNIFIED SCHOOL DISTRICT NO. 387

Altoona, Kansas

Financial Statements
and
Supplemental Information
with

Report of Independent Auditors

For the Year Ended June 30, 2012

Unified School District No. 387
Altoona, Kansas
Special Financial Statements
For the Fiscal Year Ended June 30, 2012

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Unified School District No. 387
Altoona, Kansas
Special Financial Statements
For the Fiscal Year Ended June 30, 2012

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INDEPENDENT AUDITORS' REPORT

Board of Education
Unified School District No. 387
Altoona, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 387, Altoona, Kansas, as of and for the year ended June 30, 2012, and the related notes to the financial statement.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the Kansas Municipal Audit and Accounting Guide as described in Note 1 to meet the financial reporting requirements of the State of Kansas. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the Kansas Municipal Audit and Accounting Guide. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by Unified School District No. 387, Altoona, Kansas, to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District No. 387, Altoona, Kansas, as of June 30, 2012, or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of Unified School District No. 387, Altoona, Kansas, as of June 30, 2012, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note 1.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis 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 basic financial statement, however are required to be presented under the provisions of the Kansas Municipal Audit and Accounting Guide. 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 basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic 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 basic financial statement as a whole, on the basis of accounting described in Note 1.

Prior Year Comparative Analysis

The 2011 Actual columns presented in the individual fund schedules of cash receipts and expenditures actual and budget (Schedule 2 as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2011 financial statement upon which we rendered an unqualified opinion dated January 19, 2012. The 2011 financial statements and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration, Office of Management Analysis and Standards. Such 2011 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2011 financial statement. The 2011 comparative information was subjected to the auditing procedures applied in the audit of the 2011 financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2011 financial statement or to the 2011 financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2011 comparative information is fairly stated in all material respects in relation to the 2011 financial statement as a whole.

Restricted Use

This report is intended solely for the information and use of the governing body and management of Unified School District No. 387, and for filing with the Kansas Department of Education, the Kansas Department of Administration, Division of Accounts and Reports, the cognizant federal agency, and other federal audit agencies. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Respectfully Submitted,

Schlatterbeck and Burns, LLC

February 10, 2013

Unified School District No. 387
Summary of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2012

		Beginning Unencumbered Cash Balance	Beginning Balance Adjustment	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds:								
General	(2)	\$ 507	7	1,767,152	1,767,056	610	132,514	133,124
Supplemental General	(2)	102,959	19	451,450	456,860	97,568	32,054	129,622
Special Purpose:								
At Risk (4 Year Old)	(2)	59,424	1	10,000	20,684	48,741	76	48,817
At Risk (K-12)		102,143		199,999	180,696	121,446	1,149	122,595
Capital Outlay		738,050		35,653	156,579	617,124	5,703	622,827
Driver Training		12,826		3,570	3,274	13,122		13,122
Food Service		56,271		136,865	137,947	55,189	18,719	73,908
Professional Development		27,381			986	26,395	261	26,656
Special Education		268,108		335,115	326,472	276,751	291	277,042
Vocational Education		96,353		65,016	74,309	87,060	1,161	88,221
Gifts and Grants		8,123		194	768	7,549	7	7,556
KPERS Special Retirement Contribution	(2)	(48,826)	48,826	124,293	124,293			
Contingency Reserve		217,843		18,111	59,239	176,715		176,715
21st Century Community Learning Centers		1				1		1
Rural Education Achievement Program				10,800	10,800			
Low Income ESEA (Title I)		1		42,968	42,969			
Improving Teacher Quality (Title II-A)		(280)		24,870	26,318	(1,728)	1,768	40
Concurrent Classes				7,056	7,056			
Gate Receipts		395		9,359	8,847	907		907
Special Projects		2,847		8,811	10,592	1,066		1,066
Total Primary Government (1)		<u>1,644,126</u>	<u>48,853</u>	<u>3,251,282</u>	<u>3,415,745</u>	<u>1,528,516</u>	<u>193,703</u>	<u>1,722,219</u>
Composition of Cash:								
Cash and Cash Items on Hand								240
Demand Deposits								1,625,922
Due from St of Ks (Recognized per KSA 10-1116a)								120,025
Less: Agency Funds							(23,967)	
Adjustment for Rounding							(1)	
Total Primary Government (1)								<u>1,722,219</u>

(1) Excluding Agency Funds
(2) Beg Bal Adjust - Prior Year Encumbrances Cancelled

Unified School District No. 387
Altoona, Kansas
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2012

Note 1 - Summary of Significant Accounting Policies

A. Reporting Entity

Principles Used in Determining Scope of Entity

Altoona-Midway Unified School District No. 387 is a municipal corporation governed by an elected seven-member board. This financial statement presents Altoona-Midway Unified School District No. 387 as a primary government only. The school district has waived the application of accounting principles generally accepted in the United States of America and as such, has not included any component units in these financial statements.

B. Basis of Presentation

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 Regulatory Basis Fund Types comprise the financial activities of the School for the year of 2012:

General fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose fund – used to account for the proceeds of specific tax levies and other specific revenue sources that are intended for specified purposes.

Trust fund – funds used to report assets held in trust for the benefit of the municipal financial reporting entity.

Agency fund – funds used to report assets held by the municipal reporting entity in a purely custodial capacity.

C. Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America.

The Kansas Municipal Accounting and Audit Guide regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The Kansas Municipal Accounting and Audit Guide regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The School 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 School to use the regulatory basis of accounting.

D. Budgets

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business

Unified School District No. 387
Altoona, Kansas
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2012

funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper 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 budget amendments during the year ended June 30, 2012.

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

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which, revenues are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the School 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 project funds, fiduciary funds, permanent funds and the following special revenue funds of the School:

ESEA Low Income Title I Fund	Improving Teacher Quality Grant Fund
Concurrent Classes	Rural Education Achievement Program
Technology Literacy Grant Fund	Gate Receipts Fund
Special Projects Fund	

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

E. Assets, Liabilities, and Fund Equity

Cash

To facilitate better management of the District's cash resources, excess cash is combined in pooled operating accounts. Each fund's portion of total cash is based on its equity in the pooled cash amount. Cash in excess of current operating needs is invested on a pooled investment basis and earnings thereon are credited to the special revenue funds designated by Kansas statutes.

Property Taxes and Other Receivables

Collection of current year property tax by the County Treasurer is not completed, apportioned nor distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes.

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

Unified School District No. 387
Altoona, Kansas
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2012

F. Revenues and Expenditures

Property Tax Revenue Recognition

Property taxes become a lien against all property November 1st. Taxpayers have the option of paying in full or in two installments. The delinquency dates are December 20th and May 10th. Delinquent taxes are assessed interest at 12% per annum. This interest is retained by the county.

Taxes levied to finance the budget are made available to the School after January 1st and are distributed by the county treasurer approximately every month and a half. At least 50% of the taxes levied are available in January.

Reimbursed Expenses

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.

Interfund Transactions

Quasi-external transactions are accounted for as revenue, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Note 2 – In Substance Receipt in Transit

The District received \$120,012 subsequent to June 30, 2012, and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2012. The entire amount of these receipts were for the General Fund. The above amount is displayed in the “Composition of Cash” as “Due from State of Kansas”.

Note 3 - Deposits and Investments

Deposits and Investments

K.S.A. 9-1401 establishes the depositories which may be used by the School. The statute requires banks eligible to hold the School’s funds have a main or branch bank in the county in which the School is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The School has no other policies that would further limit interest rate risk.

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

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

Unified School District No. 387
 Altoona, Kansas
 Notes to Financial Statements
 For the Fiscal Year Ended June 30, 2012

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the School's deposits may not be returned to it. State statutes require the School's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The School has no peak depository period designations.

Deposits

At June 30, 2012, the School's carrying amount of deposits was \$1,625,922 and the bank balance was \$1,928,754. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$266,645 was covered by federal depository insurance and \$1,662,109 was collateralized with securities held by the pledging financial institutions' agents in the School's name.

Investments:

As of June 30, 2012 the School held no investments.

Note 4 – Long-term Debt

General Obligation Bonds

Kansas Schools are limited to aggregate debt not to exceed 14% of assessed valuation of tangible taxable property within the School. The School's assessed valuation at June 30, 2012 not including motor vehicle valuation was \$19,081,012. The resulting debt limit was \$2,671,340. There was no outstanding bonded indebtedness for debt limitation comparison purposes as of June 30, 2012.

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

<u>Issue</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Net Change</u>	<u>Balance end of Year</u>	<u>Interest Paid</u>
OUTSTANDING OBLIGATIONS:										
<u>Capital Leases:</u>										
HVAC Equipment	3.96%	5/1/2012	347,994	5/1/2020		347,994			347,994	
<u>Early Retirement Plan:</u>										
Options not Exercised					46,278			(20,547)	25,731	
Total Long-Term Debt					<u>46,278</u>	<u>347,994</u>	<u>-</u>	<u>(20,547)</u>	<u>373,725</u>	<u>-</u>

Unified School District No. 387
Altoona, Kansas
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2012

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

<u>Issue</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018/20</u>	<u>Totals</u>
<u>Principal:</u>							
<u>Capital Leases:</u>							
HVAC Equipment	37,821	39,319	40,876	42,469	44,176	143,333	347,994
Total Principal	37,821	39,319	40,876	42,469	44,176	143,333	347,994
<u>Interest:</u>							
<u>Capital Leases:</u>							
HVAC Equipment	13,781	12,283	10,726	9,132	7,425	11,505	64,852
Total Interest	13,781	12,283	10,726	9,132	7,425	11,505	64,852
Total Principal and Interest	51,602	51,602	51,602	51,601	51,601	154,838	412,846

Note 5 – Claims and Judgments

The School participates in federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the School may be required to reimburse the grantor government. As of January 18, 2013, grant expenditures have not been audited, but the School believes disallowed expenditures or overpayments, if any, will not have a material effect on individual governmental funds or the overall financial position of the School.

During the course of its operations, the School is a party to various claims, legal actions and complaints. It is the opinion of the School's management and legal counsel that these matters are not anticipated to have a material impact on the School.

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The School has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage from 2011 to 2012, and there were no settlements that exceeded insurance coverage in the past three years.

Note 6 - Interfund Transfers

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Authority</u>	<u>Amount</u>
General Fund	At-Risk (K-12) Fund	K.S.A. 72-6428	\$ 40,000
General Fund	At-Risk (4 Year Old) Fund	K.S.A. 72-6428	5,000
General Fund	Special Education Fund	K.S.A. 72-6428	283,642
General Fund	Driver Training Fund	K.S.A. 72-6428	2,000
General Fund	Contingency Reserve Fund	K.S.A. 72-6428	18,111
General Fund	Food Service Fund	K.S.A. 72-6428	20,000

Unified School District No. 387
Altoona, Kansas
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2012

General Fund	Capital Outlay Fund	K.S.A. 72-6428	15,000
Supp. General	Special Education Fund	K.S.A. 72-6433	45,000
Supp. General	At-Risk (4 Year Old) Fund	K.S.A. 72-6433	5,000
Supp. General	At-Risk (K-12) Fund	K.S.A. 72-6433	160,000
Supp. General	Vocational Education Fund	K.S.A. 72-6433	65,000

Note 7 - Other Long-Term Obligations from Operations

Other Post Employment Benefits

As provided by K.S.A. 12-5040, the School allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the School 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 this financial statement.

Consolidated Omnibus Budget Reconciliation Act (COBRA)

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the School makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

Other Post Employment Benefits

As provided by K.S.A. 12-5040, the School allows retirees to participate in the group health insurance plan. The School pays none of the premium for each retiree and each retiree is responsible for the entire premium.

Consolidated Omnibus Budget Reconciliation Act (COBRA)

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage.

Termination Benefits.

Present policy does not provide an early retirement program for employees. Contract liability under a prior early retirement program are as follows:

<u>Year</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>Total</u>
Amount	15,293	5,219	5,219	25,731

Compensated Absences.

The school district's sick leave policy allows for tenured teachers to accumulate ten days sick leave per year to a maximum of sixty days. The school district pays tenured teachers for unused sick leave at termination or retirement up to a maximum of thirty days at the rate of \$35 per day. In addition, all teachers who have 30 days sick leave at the beginning of each fiscal period will be paid \$35 per day for any unused days accumulated during that fiscal period to a maximum of ten days. These days are still allowed to be accumulated to the maximum of sixty days.

Defined Benefit Pension Plan

Plan description. The School participates in the Kansas Public Employees Retirement System (KPERS) and the Kansas Police and Firemen's Retirement System (KP&F). Both are part of a cost-sharing, multiple-employer defined benefit pension plan as provided by Kansas law. KPERS and KP&F provide retirement benefits, life insurance, disability income benefits, and death benefits.

Unified School District No. 387
Altoona, Kansas
Notes to Financial Statements
For the Fiscal Year Ended June 30, 2012

Kansas law establishes and amends benefit provisions. KPERS and KP&F issue a publicly available financial report (only one is issued) that includes financial statements and required supplementary information. Those reports may be obtained by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Funding Policy. K.S.A. 74-419 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends 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 at 4% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. K.S.A. 74-4975 establishes KP&F member-employee contribution rate at 7% of covered salary. The employer collects and remits member-employee contributions according to the provisions of Section 414(h) of the Internal Revenue Code. Kansas law provides that employer contribution rates be determined annually based on the results of an annual actuarial valuation. KPERS and KP&F are funded on an actuarial reserve basis. Kansas law sets a limitation on annual increases in the employer contribution rates.

Note 8 - Summary Disclosure of Significant Contingencies

Federally Assisted Programs - Compliance Audits

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the School expects such amounts, if any, to be immaterial.

Note 9 - Economic Dependency

The school district is economically dependent on state and federal financial assistance. The revenue from the state and federal governments in relation to total revenues are displayed below for the general fund, supplemental general fund, bond and interest fund and all other funds.

General Fund	1,767,152	1,388,823	78.6		
Supplemental General	451,450				
Other Funds (Less Transfers)	1,691,431	126,168	7.5	152,619	9.0
Totals All Funds	3,910,033	1,514,991	38.7	152,619	3.9

Note 10 - On Behalf Payments for Fringe Benefits

The District recognizes as revenues and expenses contributions made by the State of Kansas to the Kansas Public Employees Retirement System (KPERS) on behalf of the District's employees. For the year ended June 30, 2012, the State made contributions of \$98,432. These contributions are recorded in the KPERS Contribution Fund as receipts and expenditures.

Note 11 - Other Post-Employment Benefits

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

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

Unified School District No. 387
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2012

Schedule 1

		<u>Certified Budget</u>	<u>Legal Max. Adjustment</u>	<u>Qualified Budget Cr. Adjustment</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Favorable (Unfavorable)</u>
Governmental Type Funds:							
General	\$	1,800,036	(32,886)		1,767,150	1,767,056	94
Supplemental General		520,000			520,000	456,860	63,140
Special Revenue:							
At Risk (4 Year Old)		59,422			59,422	20,684	38,738
At Risk (K-12)		217,744			217,744	180,696	37,048
Capital Outlay		690,000			690,000	156,579	533,421
Driver Training		13,417			13,417	3,274	10,143
Food Service		180,000		17,106	197,106	137,947	59,159
Professional Development		27,381			27,381	986	26,395
Special Education		510,068			510,068	326,472	183,596
Vocational Education		117,350		16	117,366	74,309	43,057
Gifts and Grants		10,000			10,000	768	9,232
KPERS Special Retirement Contribution		164,990			164,990	124,293	40,697
Totals		<u>4,310,408</u>	<u>(32,886)</u>	<u>17,122</u>	<u>4,294,644</u>	<u>3,249,924</u>	<u>1,044,720</u>

General Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

		Prior Year Actual	Current Year		Variance Favorable (Unfavor)
			Current Year Actual	Budget	
Cash Receipts					
Revenue from Local Sources					
Ad Valorem Taxes	\$	349,058	360,861	342,626	18,235
Delinquent Taxes		3,523	3,233	5,546	(2,313)
Total Revenue from Local Sources		352,581	364,094	348,172	15,922
Revenue from State Sources					
State Financial Aid		1,190,590	1,146,614	1,170,348	(23,734)
Mineral Production Tax		13,085	13,373	7,000	6,373
Special Education Aid		220,631	242,211	241,611	600
Total Revenue from State Sources		1,424,306	1,402,198	1,418,959	(16,761)
Revenue from Federal Sources					
ARRA Grant		34,446			
Other Federal Financial Assistance		60,314	860		860
Total Revenue from Federal Sources		94,760	860		860
Total Cash Receipts		1,871,647	1,767,152	1,767,131	21
Expenditures and Transfers					
Instruction					
Certified Salaries		658,394	598,788	662,000	63,212
Non-Certified Salaries		57	148		(148)
Group Insurance		30,640	23,362	32,000	8,638
Social Security Contributions		47,018	43,899	50,700	6,801
Other Employee Benefits		27,238	19,270	30,000	10,730
Purchased Professional and Technical Services		761		700	700
Other Miscellaneous Purchased Services		3,829	3,861	3,000	(861)
General Supplies and Materials		25,230	37,131	24,000	(13,131)
Textbooks		783	3,460	1,000	(2,460)
Property (Equipment & Furnishings)			3,248	5,000	1,752
Other		10,286	26,697	10,000	(16,697)
Total Instruction		804,236	759,864	818,400	58,536
Support Services - Students					
Certified Salaries		69,692	47,794	48,000	206
Group Insurance		4,500	3,000	3,000	
Social Security Contributions		4,237	3,453	3,700	247
Other Employee Benefits		966	924	800	(124)
Supplies and Materials		182	415	200	(215)
Property (Equipment & Furnishings)		147			
Other		270	1,000	300	(700)
Total Support Services - Students		79,994	56,586	56,000	(586)
Support Services - Instructional Staff					
Certified Salaries		22,333		23,000	23,000
Non-Certified Salaries		12,693	13,958	13,500	(458)
Social Security Contributions		2,666	1,059	2,800	1,741
Other Employee Benefits		622	404	650	246
Purchased Professional and Technical Services		599	599		(599)
Other Purchased Services				600	600
Books and Periodicals		368	92	400	308
Miscellaneous Supplies		54	161	50	(111)
Other		56		50	50
Total Support Services - Instructional Staff		39,391	16,273	41,050	24,777
Support Services - General Administration					
Certified Salaries		44,200			
Non-Certified Salaries		46,735			
Group Insurance		4,906	7,715	6,915	(800)
Social Security Contributions		6,698			
Other Employee Benefits		10,533	414	11,500	11,086
Purchased Professional and Technical Services		3,783	8,140	9,600	1,460

General Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

		Current Year		
		Prior Year Actual	Current Year Actual	Budget Variance Favorable (Unfavor)
Insurance Services	\$	444	589	450 (139)
Communication Services		2,849	3,552	3,000 (552)
Other Miscellaneous Purchased Services		20	37	50 13
Supplies and Materials		8,924	4,235	1,000 (3,235)
Other		5,440	5,209	20,000 14,791
Total Support Services - General Administration		134,532	29,891	52,515 22,624
Support Services - School Administration				
Certified Salaries		89,823	88,750	90,000 1,250
Non-Certified Salaries		24,883	25,961	25,250 (711)
Group Insurance		1,634	5,466	5,000 (466)
Social Security Contributions		8,728	8,635	8,850 215
Other Employee Benefits		7,707	8,404	8,500 96
Communication Services		4,289	4,201	4,300 99
Other Miscellaneous Purchased Services			91	(91)
Supplies and Materials		1,123	1,344	1,200 (144)
Property (Equipment & Furnishings)			272	(272)
Other		1,231	1,270	1,200 (70)
Total Support Services - School Administration		139,418	144,394	144,300 (94)
Support Services - Plant Operation and Maintenance				
Non-Certified Salaries		79,003	68,164	80,000 11,836
Group Insurance		9,000	8,750	9,000 250
Social Security Contributions		5,639	4,923	6,200 1,277
Other Employee Benefits		1,226	1,275	1,500 225
Water/Sewer Services (Non-Energy)		4,312	9,225	4,400 (4,825)
Repairs and Maintenance Services		16,730	14,865	16,000 1,135
Repair of Buildings		2,434	66,693	4,000 (62,693)
Insurance Services		19,115	20,965	19,500 (1,465)
Other Miscellaneous Purchased Services		7,439	7,318	7,500 182
General Supplies and Materials		22,032	22,249	25,000 2,751
Heating		17,877	772	23,000 22,228
Electricity		37,072	4,740	38,000 33,260
Motor Fuel		1,173	1,216	1,200 (16)
Property (Equipment & Furnishings)		3,763	912	3,800 2,888
Other		148	80	150 70
Total Support Services - Plant Operation and Maintenance		226,963	232,147	239,250 7,103
Vehicle Operation Services				
Non-Certified Salaries		50,377	53,309	52,000 (1,309)
Group Insurance		6,750	5,625	6,750 1,125
Social Security Contributions		3,324	3,637	4,000 363
Other Employee Benefits		854	936	950 14
Insurance Services		5,734	4,975	6,000 1,025
Motor Fuel		33,865	40,881	35,000 (5,881)
Equipment		2,083	7,500	(7,500)
Other				79,178 79,178
Total Vehicle Operation Services		102,987	116,863	183,878 67,015
Vehicle Servicing and Maintenance Services				
Purchased Professional and Technical Services		12,213	18,216	10,000 (8,216)
Supplies and Materials		7,540	7,197	3,500 (3,697)
Other		339	592	350 (242)
Total Vehicle Servicing and Maintenance Services		20,092	26,005	13,850 (12,155)
Other Student Transportation Services				
Other		1,393	1,282	1,400 118
Fund Transfers				
Capital Outlay		40,000	15,000	(15,000)
Driver Training		5,000	2,000	(2,000)
Food Service			20,000	(20,000)
Special Education		220,631	283,641	242,000 (41,641)
Vocational Education		15,000		

General Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

		Current Year		
		Prior Year Actual	Current Year Actual	Budget
Contingency Reserve	\$		18,110	
At Risk (4yr Old)			5,000	
At Risk (K-12)		42,010	40,000	7,393
Total Fund Transfers		<u>322,641</u>	<u>383,751</u>	<u>249,393</u>
Budget Adjustments				
Legal Max Adjustment				(32,886)
Total Expenditures and Transfers		<u>1,871,647</u>	<u>1,767,056</u>	<u>1,767,150</u>
Receipts Over (Under)				
Unencumbered Cash, Beginning		21	507	
Expenditures and Transfers			96	
Prior Year Encumbrances Cancelled		<u>486</u>	<u>7</u>	
Unencumbered Cash, Ending		<u>507</u>	<u>610</u>	

Unified School District No. 387
Supplemental General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

Schedule 2
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For the Year Ended June 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

		Current Year		
	Prior Year Actual	Current Year Actual	Budget	Variance Favorable (Unfavor)
Cash Receipts				
Revenue from Local Sources				
Ad Valorem Taxes	\$ 370,814	399,879	361,266	38,613
Delinquent Taxes	5,129	4,751	5,742	(991)
Total Revenue from Local Sources	375,943	404,630	367,008	37,622
Revenue from County Sources				
Motor Vehicle Tax	42,627	46,259	49,429	(3,170)
Recreational Vehicle Tax	610	561	605	(44)
Total Revenue from County Sources	43,237	46,820	50,034	(3,214)
Total Cash Receipts	419,180	451,450	417,042	34,408
Expenditures and Transfers				
Instruction				
Purchased Professional and Technical Services	9,146	8,585	3,500	(5,085)
General Supplies and Materials	5,285	4,047	53,000	48,953
Textbooks	908		1,000	1,000
Property (Equipment & Furnishings)	676		700	700
Other	2,250	4,250	2,300	(1,950)
Total Instruction	18,265	16,882	60,500	43,618
Support Services - Students				
Purchased Professional and Technical Services	18,048	18,073	19,000	927
Support Services - Instructional Staff				
Purchased Professional and Technical Services	5,489	2,900	5,500	2,600
Books and Periodicals		249		(249)
Total Support Services - Instructional Staff	5,489	3,149	5,500	2,351
Support Services - General Administration				
Certified Salaries		43,136	44,200	1,064
Non-Certified Salaries		53,019	49,000	(4,019)
Social Security Contributions		7,051		(7,051)
Other Employee Benefits		11,203		(11,203)
Purchased Professional and Technical Services		7,677		(7,677)
Other Miscellaneous Purchased Services		1,006		(1,006)
Total Support Services - General Administration		123,092	93,200	(29,892)
Support Services - School Administration				
Supplies and Materials	261	21	300	279
Support Services - Plant Operation and Maintenance				
Purchased Property Services		13,786		(13,786)
Other Purchased Property Services	11,686	5,207	3,000	(2,207)
Supplies and Materials	12,545	1,510		(1,510)
General Supplies and Materials			3,000	3,000
Property (Equipment & Furnishings)	1,620		2,000	2,000
Other			2,000	2,000
Total Support Services - Plant Operation and Maintenance	25,851	20,503	10,000	(10,503)
Vehicle Operation Services				
Equipment	4,433	140		(140)
Support Services - Business				
Property (Equipment & Furnishings)			187,900	187,900
Fund Transfers				
Food Service	15,000		15,000	15,000
Professional Development	5,000			
Special Education	103,000	45,000		(45,000)
Vocational Education	80,000	65,000	20,600	(44,400)
At Risk (4yr Old)	5,000	5,000		(5,000)
At Risk (K-12)	135,000	160,000	108,000	(52,000)
Total Fund Transfers	343,000	275,000	143,600	(131,400)
Total Expenditures and Transfers	415,347	456,860	520,000	63,140

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

			Current Year		
			Prior Year Actual	Current Year Actual	Budget
					Variance Favorable (Unfavor)
Receipts Over (Under)					
Expenditures and Transfers	\$	3,833	(5,410)	
Unencumbered Cash, Beginning		99,095		102,959	
Prior Year Encumbrances Cancelled		31		19	
Unencumbered Cash, Ending		<u>102,959</u>		<u>97,568</u>	

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

		Current Year		
		Prior Year Actual	Current Year Actual	Budget
				Variance Favorable (Unfavor)
Cash Receipts				
Operating Transfers				
Transfer from General Fund	\$		5,000	5,000
Transfer from Supplemental General Fund		5,001	5,000	5,000
Total Cash Receipts		5,001	10,000	10,000
Expenditures and Transfers				
Instruction				
Certified Salaries		5,844	4,542	20,000
Non-Certified Salaries		230	594	1,000
Group Insurance		4,020	3,559	5,000
Social Security Contributions		2,917	1,719	4,000
Other Employee Benefits		113	72	300
General Supplies and Materials		384	346	1,000
Total Instruction		13,508	10,832	31,300
Support Services - Students				
Other Purchased Services				1,500
Property (Equipment & Furnishings)				3,317
Other				55
Total Support Services - Students				4,872
Support Services - Instructional Staff				
Books and Periodicals				500
Support Services - School Administration				
Certified Salaries				2,000
Non-Certified Salaries				1,500
Total Support Services - School Administration				3,500
Vehicle Operation Services				
Non-Certified Salaries		6,414	5,216	13,000
Social Security Contributions		398	331	(331)
Other Employee Benefits		96	91	1,250
Motor Fuel		3,797	4,214	(4,214)
Other				5,000
Total Vehicle Operation Services		10,705	9,852	19,250
Total Expenditures and Transfers		24,213	20,684	59,422
Receipts Over (Under)				
Unencumbered Cash, Beginning		78,636	59,424	
Expenditures and Transfers	(19,212)	(10,684)	
Prior Year Encumbrances Cancelled			1	
Unencumbered Cash, Ending		59,424	48,741	

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

		Prior Year Actual	Current Year		Variance Favorable (Unfavor)
			Current Year Actual	Budget	
Cash Receipts					
Operating Transfers					
Transfer from General Fund	\$	42,010	40,000	7,393	32,607
Transfer from Supplemental General Fund		135,002	159,999	108,000	51,999
Total Cash Receipts		<u>177,012</u>	<u>199,999</u>	<u>115,393</u>	<u>84,606</u>
Expenditures and Transfers					
Instruction					
Certified Salaries		130,840	132,696	156,000	23,304
Non-Certified Salaries		11,013	17,720	20,000	2,280
Group Insurance		7,300	9,150	9,644	494
Social Security Contributions		10,416	11,000	13,000	2,000
Other Employee Benefits		9,110	9,269	13,000	3,731
General Supplies and Materials		583	60	1,000	940
Other			6	100	94
Total Instruction		<u>169,262</u>	<u>179,901</u>	<u>212,744</u>	<u>32,843</u>
Support Services - Students					
Social Security Contributions		17	35		(35)
Other Employee Benefits		1			
Motor Fuel		183	248		(248)
Total Support Services - Students		<u>201</u>	<u>283</u>		<u>(283)</u>
Support Services - School Administration					
Certified Salaries				5,000	5,000
Vehicle Operation Services					
Non-Certified Salaries		211	512		(512)
Total Expenditures and Transfers		<u>169,674</u>	<u>180,696</u>	<u>217,744</u>	<u>37,048</u>
Receipts Over (Under)					
Unencumbered Cash, Beginning		94,805	102,143		
Expenditures and Transfers		<u>7,338</u>	<u>19,303</u>		
Unencumbered Cash, Ending		<u>102,143</u>	<u>121,446</u>		

Capital Outlay Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

		Current Year		
		Current Year Actual	Budget	Variance Favorable (Unfavor)
Cash Receipts				
Revenue from Local Sources				
Earnings on Investments	\$	8,298	25,000	(16,702)
Other Revenue From Local Sources		12,354	10,000	2,354
Total Revenue from Local Sources		20,652	35,000	(14,348)
Operating Transfers				
Transfer from General Fund		15,001		15,001
Total Cash Receipts		35,653	35,000	653
Expenditures and Transfers				
Instruction				
Property (Equipment & Furnishings)		32,706	100,000	67,294
Support Services - General Administration				
Property (Equipment & Furnishings)				
Support Services - Plant Operation and Maintenance				
Property (Equipment & Furnishings)		18,775	100,000	81,225
Student Transportation Services				
Property (Equipment & Furnishings)			150,000	150,000
Facilities Acquisition and Construction Services				
Construction Services (Outside Contractors)		941		(941)
Site Improvement Services				
Building Repair and Remodeling		104,157	340,000	235,843
Total Facilities Acquisition and Construction Services		105,098	340,000	234,902
Total Expenditures and Transfers		156,579	690,000	533,421
Receipts Over (Under)				
Expenditures and Transfers		(120,926)		
Unencumbered Cash, Beginning				
		738,050		
Unencumbered Cash, Ending				
		617,124		

Driver Training Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

		Prior Year Actual	Current Year		Variance Favorable (Unfavor)
			Current Year Actual	Budget	
Cash Receipts					
Revenue from Local Sources					
Other Revenue From Local Sources	\$	482	818		818
Revenue from State Sources					
State Financial Aid				592	(592)
Other State Aid		518	752		752
Total Revenue from State Sources		518	752	592	160
Operating Transfers					
Transfer from General Fund		5,000	2,000		2,000
Total Cash Receipts		6,000	3,570	592	2,978
Expenditures and Transfers					
Instruction					
Certified Salaries		1,350	1,650	3,000	1,350
Social Security Contributions		103	126	250	124
Other Employee Benefits		46	20	100	80
General Supplies and Materials		675	1,200	900	(300)
Total Instruction		2,174	2,996	4,250	1,254
Vehicle Operation and Maintenance Services					
Purchased Professional and Technical Services			32	500	468
Motor Fuel		386	246	450	204
Property (Equipment & Furnishings)				8,217	8,217
Total Vehicle Operation and Maintenance Services		386	278	9,167	8,889
Total Expenditures and Transfers		2,560	3,274	13,417	10,143
Receipts Over (Under)					
Expenditures and Transfers		3,440	296		
Unencumbered Cash, Beginning		9,386	12,826		
Unencumbered Cash, Ending		12,826	13,122		

Food Service Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		
		Current Year Actual	Budget	Variance Favorable (Unfavor)
Cash Receipts				
Revenue from Local Sources				
Earnings on Investments	\$ 618	256	600	(344)
Student Sales	23,647	23,308	19,829	3,479
Adults and Non-Reimbursable Programs	8,479	8,261	21,075	(12,814)
Total Revenue from Local Sources	<u>32,744</u>	<u>31,825</u>	<u>41,504</u>	<u>(9,679)</u>
Revenue from State Sources				
Other State Aid	1,176	1,121	838	283
Revenue from Federal Sources				
Passed Through State of Kansas	81,405	83,919	66,813	17,106
Operating Transfers				
Transfer from General Fund		20,000	15,000	5,000
Transfer from Supplemental General Fund	15,000			
Total Operating Transfers	<u>15,000</u>	<u>20,000</u>	<u>15,000</u>	<u>5,000</u>
Total Cash Receipts	<u>130,325</u>	<u>136,865</u>	<u>124,155</u>	<u>12,710</u>
Expenditures and Transfers				
Support Services - Plant Operation and Maintenance				
Non-Certified Salaries	7,257	7,398	7,800	402
Social Security Contributions	519	542	550	8
Other Employee Benefits	140	140	200	60
Property (Equipment & Furnishings)	1,234		1,000	1,000
Total Support Services - Plant Operation and Maintenance	<u>9,150</u>	<u>8,080</u>	<u>9,550</u>	<u>1,470</u>
Food Service Operations				
Non-Certified Salaries	53,397	53,650	60,000	6,350
Group Insurance		1,125		(1,125)
Social Security Contributions	4,124	4,052	4,600	548
Other Employee Benefits	1,228	949	1,700	751
Food and Milk	55,555	61,817	83,650	21,833
Miscellaneous Supplies	3,074	3,579	4,000	421
Property (Equipment & Furnishings)		585	1,500	915
Other	4,012	4,110	15,000	10,890
Total Food Service Operations	<u>121,390</u>	<u>129,867</u>	<u>170,450</u>	<u>40,583</u>
Budget Credit Adjustment			17,106	17,106
Total Expenditures and Transfers	<u>130,540</u>	<u>137,947</u>	<u>197,106</u>	<u>59,159</u>
Receipts Over (Under)				
Expenditures and Transfers	(215)	(1,082)		
Unencumbered Cash, Beginning	56,331	56,271		
Prior Year Encumbrances Cancelled	155			
Unencumbered Cash, Ending	<u>56,271</u>	<u>55,189</u>		

Unified School District No. 387
Professional Development Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

Schedule 2
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For the Year Ended June 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

		Current Year		
		Prior Year Actual	Current Year Actual	Budget
				Variance Favorable (Unfavor)
Cash Receipts				
Operating Transfers				
Transfer from Supplemental General Fund	\$	5,000		
Total Cash Receipts		<u>5,000</u>	<u></u>	<u></u>
Expenditures and Transfers				
Support Services - Instructional Staff				
Certified Salaries				9,431
Social Security Contributions				400
Other Employee Benefits	16			50
Purchased Professional and Technical Services				15,000
Other		578	986	2,500
Total Expenditures and Transfers		<u>594</u>	<u>986</u>	<u>27,381</u>
Receipts Over (Under)				
Expenditures and Transfers	4,406	(986)	
Unencumbered Cash, Beginning		<u>22,975</u>	<u>27,381</u>	
Unencumbered Cash, Ending		<u>27,381</u>	<u>26,395</u>	

Special Education Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

		Prior Year Actual	Current Year		Variance Favorable (Unfavor)
			Current Year Actual	Budget	
Cash Receipts					
Revenue from Local Sources					
Other Revenue From Local Sources	\$	3,531	6,473		6,473
Operating Transfers					
Transfer from General Fund		220,632	283,642	242,000	41,642
Transfer from Supplemental General Fund		103,000	45,000		45,000
Total Operating Transfers		323,632	328,642	242,000	86,642
Total Cash Receipts		327,163	335,115	242,000	93,115
Expenditures and Transfers					
Instruction					
Certified Salaries		1,948	1,514	3,500	1,986
Group Insurance		1,340	1,186	1,400	214
Social Security Contributions		545	558	700	142
LEA Payments to COOP (Local Share)		70,329	79,521	120,000	40,479
LEA Payments to COOP (Flowthrough)		200,639	226,867	300,000	73,133
General Supplies and Materials		189	1,100	200	(900)
Total Instruction		274,990	310,746	425,800	115,054
Vehicle Operation Services					
Non-Certified Salaries		12,036	10,479	25,000	14,521
Social Security Contributions		912	792	2,000	1,208
Other Employee Benefits		235	184	500	316
Insurance Services		364	304	400	96
Motor Fuel		3,677	3,434	4,500	1,066
Total Vehicle Operation Services		17,224	15,193	32,400	17,207
Vehicle Servicing and Maintenance Services					
Purchased Professional and Technical Services		867	309	1,000	691
Supplies and Materials		4	4		(4)
Other		113	148	250	102
Total Vehicle Servicing and Maintenance Services		984	461	1,250	789
Other Student Transportation Services					
Property (Equipment & Furnishings)				31,000	31,000
Other		3,683	72	19,618	19,546
Total Other Student Transportation Services		3,683	72	50,618	50,546
Total Expenditures and Transfers		296,881	326,472	510,068	183,596
Receipts Over (Under)					
Expenditures and Transfers		30,282	8,643		
Unencumbered Cash, Beginning		237,786	268,108		
Prior Year Encumbrances Cancelled		40			
Unencumbered Cash, Ending		268,108	276,751		

Vocational Education Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

		Current Year		
		Prior Year Actual	Current Year Actual	Budget
				Variance Favorable (Unfavor)
Cash Receipts				
Revenue from Local Sources				
Other Revenue From Local Sources	\$			398 (398)
Other Sources				
Reimbursements		441	16	16
Operating Transfers				
Transfer from General Fund		15,000		20,600 (20,600)
Transfer from Supplemental General Fund		79,999	65,000	65,000
Total Operating Transfers		94,999	65,000	44,400
Total Cash Receipts		95,440	65,016	44,018
Expenditures and Transfers				
Instruction				
Certified Salaries		74,102	60,353	75,000 14,647
Group Insurance		4,125	4,650	4,500 (150)
Social Security Contributions		5,217	4,357	5,800 1,443
Other Employee Benefits		1,455	1,124	1,750 626
Other Miscellaneous Purchased Services		30	219	100 (119)
General Supplies and Materials		2,411	2,945	3,500 555
Textbooks		41		100 100
Technology Supplies			41	(41)
Miscellaneous Supplies		26		1,600 1,600
Total Instruction		87,407	73,689	92,350 18,661
Support Services - Plant Operation and Maintenance				
Repairs and Maintenance Services				3,000 3,000
Other Purchased Services		420	420	500 80
Heating		2,039	55	3,500 3,445
Electricity		2,798	145	3,000 2,855
Property (Equipment & Furnishings)				15,000 15,000
Total Support Services - Plant Operation and Maintenance		5,257	620	25,000 24,380
Budget Credit Adjustment				16 16
Total Expenditures and Transfers		92,664	74,309	117,366 43,057
Receipts Over (Under)				
Operating Transfers				
Unencumbered Cash, Beginning				
Operating Transfers				
Expenditures and Transfers		2,776	(9,293)	
Unencumbered Cash, Beginning		93,577	96,353	
Unencumbered Cash, Ending		96,353	87,060	

Gifts and Grants Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		
		Current Year Actual	Budget	Variance Favorable (Unfavor)
Cash Receipts				
Revenue from Local Sources				
Earnings on Investments	\$ 195	60		60
Donations	745	134	1,884	(1,750)
Total Cash Receipts	<u>940</u>	<u>194</u>	<u>1,884</u>	<u>(1,690)</u>
Expenditures and Transfers				
Support Services - Instructional Staff				
Supplies and Materials	599	599		(599)
Books and Periodicals	20	9	4,500	4,491
Technology Supplies	1,303		1,000	1,000
Miscellaneous Supplies	130	21		(21)
Property (Equipment & Furnishings)	<u>1,451</u>		<u>4,000</u>	<u>4,000</u>
Total Support Services - Instructional Staff	<u>3,503</u>	<u>629</u>	<u>9,500</u>	<u>8,871</u>
Food Service Operations				
Food and Milk	<u>366</u>	<u>139</u>	<u>500</u>	<u>361</u>
Total Expenditures and Transfers	<u>3,869</u>	<u>768</u>	<u>10,000</u>	<u>9,232</u>
Receipts Over (Under)				
Expenditures and Transfers	(2,929)	(574)		
Unencumbered Cash, Beginning	<u>11,052</u>	<u>8,123</u>		
Unencumbered Cash, Ending	<u>8,123</u>	<u>7,549</u>		

Unified School District No. 387
KPERs Special Retirement Contribution Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

Schedule 2
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For the Year Ended June 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

		Current Year		
	Prior Year Actual	Current Year Actual	Budget	Variance Favorable (Unfavor)
Cash Receipts				
Revenue from State Sources				
Other State Aid	\$ 117,811	124,293	164,990	(40,697)
Total Cash Receipts	<u>117,811</u>	<u>124,293</u>	<u>164,990</u>	<u>(40,697)</u>
Expenditures and Transfers				
Instruction				
Employee Benefits	<u>62,144</u>	<u>75,930</u>	<u>105,756</u>	<u>29,826</u>
Support Services - Students				
Employee Benefits	<u>4,644</u>	<u>6,963</u>	<u>7,095</u>	<u>132</u>
Support Services - Instructional Staff				
Employee Benefits	<u>3,077</u>	<u>3,954</u>	<u>5,115</u>	<u>1,161</u>
Support Services - General Administration				
Employee Benefits	<u>4,498</u>	<u>5,336</u>	<u>7,755</u>	<u>2,419</u>
Support Services - School Administration				
Employee Benefits	<u>6,248</u>	<u>9,333</u>	<u>9,571</u>	<u>238</u>
Support Services - Plant Operation and Maintenance				
Employee Benefits	<u>7,314</u>	<u>9,579</u>	<u>12,044</u>	<u>2,465</u>
Student Transportation Services				
Employee Benefits	<u>5,782</u>	<u>7,232</u>	<u>9,735</u>	<u>2,503</u>
Food Service Operations				
Employee Benefits	<u>4,725</u>	<u>5,966</u>	<u>7,919</u>	<u>1,953</u>
Total Expenditures and Transfers	<u>98,432</u>	<u>124,293</u>	<u>164,990</u>	<u>40,697</u>
Receipts Over (Under)				
Expenditures and Transfers	19,379			
Unencumbered Cash, Beginning	(42,491)	(48,826)		
Prior Year Encumbrances Cancelled		48,826		
Beginning Balance Adjustment	(25,714)			
Unencumbered Cash, Ending	<u>(48,826)</u>	<u></u>		

Unified School District No. 387
Contingency Reserve Fund
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis

Schedule 2
Page 16 of 22

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Operating Transfers		
Transfer from General Fund	\$	18,111
Total Cash Receipts		18,111
Expenditures and Transfers		
Instruction		
Property (Equipment & Furnishings)		2,800
Support Services - Students		
Property (Equipment & Furnishings)		1,699
Support Services - General Administration		
Purchased Professional and Technical Services		1,000
Support Services - Plant Operation and Maintenance		
Energy		15,333
Electricity		38,407
Total Support Services - Plant Operation and Maintenance		53,740
Total Expenditures and Transfers		59,239
Receipts Over (Under)		
Expenditures and Transfers		(41,128)
Unencumbered Cash, Beginning	217,843	217,843
Unencumbered Cash, Ending	217,843	176,715

Unified School District No. 387
21st Century Community Learning Centers Fund
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis

Schedule 2
Page 17 of 22

For the Year Ended June 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
None	\$	
Expenditures and Transfers		
None		
Receipts Over (Under)		
Expenditures and Transfers		
Unencumbered Cash, Beginning	<u>1</u>	<u>1</u>
Unencumbered Cash, Ending	<u><u>1</u></u>	<u><u>1</u></u>

Unified School District No. 387
Technology Literacy Challenge (Title II-D) Fund
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis

Schedule 2
Page 18 of 22

For the Year Ended June 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Passed Through State of Kansas	\$ 1,024	
Total Cash Receipts	<u>1,024</u>	
Expenditures and Transfers		
Instruction		
Purchased Professional and Technical Services	<u>1,024</u>	
Total Expenditures and Transfers	<u>1,024</u>	
Receipts Over (Under)		
Expenditures and Transfers		
Unencumbered Cash, Beginning		
Unencumbered Cash, Ending		

Unified School District No. 387
Rural Education Achievement Program Fund
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis

Schedule 2
Page 19 of 22

For the Year Ended June 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Revenue from Federal Sources		
Direct From Federal Government	\$ 11,700	10,800
Total Cash Receipts	<u>11,700</u>	<u>10,800</u>
Expenditures and Transfers		
Instruction		
Purchased Professional and Technical Services	<u>10,800</u>	<u>10,800</u>
Total Expenditures and Transfers	<u>10,800</u>	<u>10,800</u>
Receipts Over (Under)		
Expenditures and Transfers	900	
Unencumbered Cash, Beginning	(900)	
Unencumbered Cash, Ending	<u><u> </u></u>	<u><u> </u></u>

Unified School District No. 387
Low Income ESEA (Title I) Fund
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis

Schedule 2
Page 20 of 22

For the Year Ended June 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Passed Through State of Kansas	\$ 31,748	42,968
ARRA Grant	10,000	
Total Cash Receipts	<u>41,748</u>	<u>42,968</u>
Expenditures and Transfers		
Instruction		
Certified Salaries	38,400	39,500
Social Security Contributions	2,940	2,996
Other Employee Benefits	267	152
Purchased Professional and Technical Services		155
General Supplies and Materials	141	166
Total Expenditures and Transfers	<u>41,748</u>	<u>42,969</u>
Receipts Over (Under)		
Expenditures and Transfers		(1)
Unencumbered Cash, Beginning	<u>1</u>	<u>1</u>
Unencumbered Cash, Ending	<u><u>1</u></u>	<u><u>1</u></u>

Unified School District No. 387
Improving Teacher Quality (Title II-A) Fund
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis

Schedule 2
Page 21 of 22

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Passed Through State of Kansas	\$ 20,028	24,870
Total Cash Receipts	<u>20,028</u>	<u>24,870</u>
Expenditures and Transfers		
Instruction		
Certified Salaries	1,410	10,791
Non-Certified Salaries		354
Social Security Contributions	103	837
Other Employee Benefits	11	21
Purchased Professional and Technical Services	16,880	11,713
Other Purchased Services	1,492	2,436
Total Instruction	<u>19,896</u>	<u>26,152</u>
Vehicle Operation Services		
Non-Certified Salaries	211	122
Social Security Contributions	17	9
Other Employee Benefits	1	1
Motor Fuel	183	34
Total Vehicle Operation Services	<u>412</u>	<u>166</u>
Total Expenditures and Transfers	<u>20,308</u>	<u>26,318</u>
Receipts Over (Under)		
Expenditures and Transfers	(280)	(1,448)
Unencumbered Cash, Beginning		(280)
Unencumbered Cash, Ending	<u>(280)</u>	<u>(1,728)</u>

Unified School District No. 387
Concurrent Classes Fund
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis

Schedule 2
Page 22 of 22

For the Year Ended June 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Local Sources		
Other Revenue From Local Sources	\$ 4,192	7,056
Total Cash Receipts	<u>4,192</u>	<u>7,056</u>
Expenditures and Transfers		
Instruction		
Certified Salaries	4,192	7,056
Total Expenditures and Transfers	<u>4,192</u>	<u>7,056</u>
Receipts Over (Under)		
Expenditures and Transfers		
Unencumbered Cash, Beginning	<u> </u>	<u> </u>
Unencumbered Cash, Ending	<u> </u>	<u> </u>

Altoona, Kansas

District Activity Funds

Statement of Cash Receipts, Expenditures and Unencumbered Cash

For the Year Ended June 30, 2012

<u>Fund</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Student Organization Funds:				
Middle School:				
Student Council	\$ 294	85	60	319
Forensics		1,492	849	643
Music Club	431	11	9	433
Library	1		1	
High School:				
Class of '07	648			648
Class of '08	259			259
Class of '09				
Class of '10	95			95
Class of '11	102	102	47	157
Class of '12	610	12,799	13,092	317
Class of '13	2,589	5,007	6,003	1,593
Class of '14	696	3,080	1,882	1,894
Class of '15		2,292	1,119	1,173
Cheerleader	1,068	1,218	1,440	846
Music/Band	2,044	1,658	1,902	1,800
KAYS	138	2,277	1,886	529
Kay Wall of Honor		140		140
Student Council	203	987	963	227
FFA	(149)	4,845	3,334	1,362
Forensics	140	16		156
Drill Team	16			16
Art Club	604	90	488	206
Scholar Bowl	36	292	328	
Family Consumer Science	166			166
FCCLA	566	401	761	206
Wrestler Scholarship	280			280
Science Club	1,000	260	735	525
Total Student Organizations	11,837	37,052	34,899	13,990
Other Agency Funds:				
Board Funds:				
Clearing	2,611	5,060	4,298	3,373
Agency	8,960	66,714	69,072	6,602
Middle School:				
Sales Tax	1	-	1	
High School:				
Sales Tax		-	-	
Total Other Agency Funds:	11,572	71,774	73,371	9,975
Total Agency Funds	23,409	108,826	108,270	23,965

Unified School District No. 387

Schedule 4

Altoona, Kansas

District Activity Funds

Statement of Cash Receipts, Expenditures and Unencumbered Cash

For the Year Ended June 30, 2012

<u>Fund</u>	<u>Beginning Unencumbered Cash Balance</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add Outstanding Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
<u>Gate Receipts:</u>						
Middle School: Athletics	\$ 484	671	253	902		902
High School: Athletics	(90)	8,204	8,108	6		6
Subtotal Gate Receipts	394	8,875	8,361	908	-	908
<u>Special Projects:</u>						
Middle School: Clearing						
Partners in Education	889		387	502		502
High School: Library	236	210	133	313		313
Yearbook	1,630	4,714	6,244	100		100
Clearing	1	2,997	2,885	113		113
Football	11			11		11
Locks and Misc. Kansas Beef Account	80		55	25		25
Subtotal Special Projects	2,847	7,921	9,704	1,064	-	1,064
Total District Activity Funds	3,241	16,796	18,065	1,972	-	1,972

Altoona, Kansas

Expenditure Reconciliation: Statement 1 to Schedule 1

For the Year Ended June 30, 2012

Total Expenditures per Schedule 1	\$ 3,163,285
Plus Non Budgeted Funds:	
Technology Literacy (Title II-D)	1,024
Rural Education Achievement Program	10,800
Title I	41,748
Improving Teacher Quality (Title II-A)	20,308
Concurrent Classes	4,192
Gate Receipts	9,414
Special Projects	8,521
Total Expenditures per Statement 1	<u><u>3,259,292</u></u>