

**UNIFIED SCHOOL DISTRICT NO. 388 ELLIS, KANSAS**

Primary Government Financial Statements  
With Independent Auditors' Report

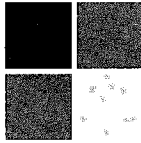
For the Year Ended June 30, 2012

**UNIFIED SCHOOL DISTRICT NO. 388 ELLIS, KANSAS**  
Primary Government Financial Statements With Independent Auditors' Report  
For the Year Ended June 30, 2012

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Certified  
Public  
Accountants

## INDEPENDENT AUDITORS' REPORT

To the Board of Education  
**Unified School District No. 388 Ellis, Kansas**  
Ellis, Kansas

We have audited the accompanying primary government financial statements of **Unified School District No. 388 Ellis, 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 **Unified School District No. 388 Ellis, Kansas'** management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit Guide*. 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 opinions.

The financial statements do not include financial data for the District's legally separate component unit. Accounting principles generally accepted in the United States of America require the financial data for this component unit to be reported with the financial data of the District's primary government unless the District also issues financial statements for the financial reporting entity that include the financial data for its component unit. The District has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the cash and unencumbered cash balances of the aggregate discretely presented component unit would have been reported as \$264,057.

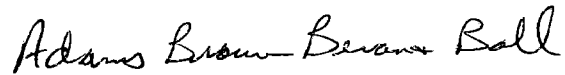
As described more fully in Note 1, **Unified School District No. 388 Ellis, Kansas** has prepared these financial statements using accounting practices prescribed or permitted by the State of Kansas, whose practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matters discussed in the preceding two paragraphs, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of **Unified School District No. 388 Ellis, Kansas**, as of June 30, 2012, or the changes in its financial position for the year then ended.

**Unified School District No. 388 Ellis, Kansas**

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In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of each fund of **Unified School District No. 388 Ellis, Kansas**, as of June 30, 2012, and their respective cash receipts and disbursements and budgetary results for the year then ended, on the basis of accounting described in Note 1.

A handwritten signature in cursive script that reads "Adams Brown Beran Ball".

**ADAMS, BROWN, BERAN & BALL, CHTD.**

Certified Public Accountants

October 08, 2012

**UNIFIED SCHOOL DISTRICT NO. 388 ELLIS, KANSAS**  
Summary of Cash Receipts, Expenditures, and Unencumbered Cash  
For the Year Ended June 30, 2012

| Funds  | Beginning<br>Unencumbered<br>Cash Balance | Prior<br>Period<br>Adjustment | Prior Year<br>Cancelled<br>Encumbrances | Cash<br>Receipts   | Expenditures     | Ending<br>Unencumbered<br>Cash Balance | Add<br>Outstanding<br>Encumbrances<br>and Accounts<br>Payable | Ending<br>Cash Balance |
|--|---|-------------------------------|---|--|------------------|--|---|------------------------|
| <b>Governmental Fund Categories</b>                          |   |                               |   |  |                  |  |   |                        |
| <b>General Funds</b>   |   |                               |   |  |                  |  |   |                        |
| General Fund   | \$ (206,332)                              | 206,332                       | -                                       | 2,843,721  | 2,833,577        | 10,144                                 | -   | 10,144                 |
| Supplemental General Fund                                    | 24,592                                    | 11,466                        | -                                       | 952,403  | 942,606          | 45,855                                 | -   | 45,855                 |
| <b>Special Revenue Funds</b>                                 |   |                               |   |  |                  |  |   |                        |
| At-Risk (K-12) Fund  | 79,582                                    | -                             | -                                       | 82,657   | 102,215          | 60,024                                 | -   | 60,024                 |
| Capital Outlay Fund  | 614,845                                   | -                             | -                                       | 600,070  | 272,426          | 942,489                                | -   | 942,489                |
| Driver Training Fund   | 16,706                                    | -                             | -                                       | 11,968   | 6,270            | 22,404                                 | -   | 22,404                 |
| Food Service Fund  | 29,931                                    | -                             | -                                       | 199,579  | 193,868          | 35,642                                 | -   | 35,642                 |
| Professional Development Fund                                | 28,504                                    | -                             | -                                       | 30,000   | 22,227           | 36,277                                 | -   | 36,277                 |
| Special Education Fund                                       | 289,922                                   | -                             | -                                       | 474,124  | 540,590          | 223,456                                | -   | 223,456                |
| Vocational Education Fund                                    | -   | -                             | -                                       | 148,543  | 138,085          | 10,458                                 | -   | 10,458                 |
| Recreation Commission Fund                                   | 7,813                                     | -                             | -                                       | 158,482  | 151,471          | 14,824                                 | -   | 14,824                 |
| Recreation Commission Employee Benefits Fund                 | 237                                       | -                             | -                                       | 25,331   | 25,053           | 515                                    | -   | 515                    |
| Textbook Rental Fund   | 32,211                                    | -                             | -                                       | 18,738   | 10,073           | 40,876                                 | -   | 40,876                 |
| Vo Ag Revolving Fund   | 2,991                                     | -                             | -                                       | 3,186  | 3,405            | 2,772                                  | -   | 2,772                  |
| Industrial Arts Fund   | 2,025                                     | -                             | -                                       | 6,540  | 7,259            | 1,306                                  | -   | 1,306                  |
| Title I Fund   | 3,772                                     | -                             | -                                       | 101,064  | 104,836          | -                                      | -   | -                      |
| Contingency Reserve Fund                                     | 200,000                                   | -                             | -                                       | -  | -                | 200,000                                | -   | 200,000                |
| KPERS Special Retirement Contribution Fund                   | -   | -                             | -                                       | 243,725  | 243,725          | -                                      | -   | -                      |
| Gifts and Grants Fund  | 6,738                                     | -                             | -                                       | 24,530   | 27,042           | 4,226                                  | -   | 4,226                  |
| Extraordinary School Program Fund                            | 15,753                                    | -                             | -                                       | 13,629   | 12,691           | 16,691                                 | -   | 16,691                 |
| District Activity Funds                                      | 38,850                                    | -                             | -                                       | 121,912  | 127,626          | 33,136                                 | -   | 33,136                 |
| <b>Total Primary Government<br/>(Excluding Agency Funds)</b> | <b>\$ 1,188,140</b>                       | <b>217,798</b>                | <b>-</b>                                | <b>6,060,202</b>   | <b>5,765,045</b> | <b>1,701,095</b>                       | <b>-</b>  | <b>1,701,095</b>       |
| <b>Composition of Cash</b>                                   |   |                               |   | Checking Accounts  |                  |  | \$  | 420,966                |
|  |   |                               |   | Money Market Accounts                                    |                  |  |   | 1,225,139              |
|  |   |                               |   | Petty Cash   |                  |  |   | 1,000                  |
|  |   |                               |   | Certificate of Deposit                                   |                  |  |   | 110,538                |
|  |   |                               |   | Total Cash   |                  |  |   | 1,757,643              |
|  |   |                               |   | Agency Funds per Statement 4                             |                  |  |   | (56,548)               |
|  |   |                               |   | <b>Total Primary Government (Excluding Agency Funds)</b> |                  |  | <b>\$</b>   | <b>1,701,095</b>       |

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

## UNIFIED SCHOOL DISTRICT NO. 388 ELLIS, KANSAS

Summary of Expenditures - Actual and Budget

For the Year Ended June 30, 2012

| Funds  | Certified<br>Budget | Adjustment to<br>Comply with<br>Legal Max | Adjustment for<br>Qualifying<br>Budget Credits | Total<br>Budget for<br>Comparison | Expenditures<br>Chargeable to<br>Current Year | Variance<br>Over<br>(Under) |
|--|---------------------|---|--|-----------------------------------|---|-----------------------------|
| <b>Governmental Fund Categories</b>          |                     |   |  |                                   |   |                             |
| <b>General Funds</b>                         |                     |   |  |                                   |   |                             |
| General Fund                                 | \$ 2,854,656        | (46,116)                                  | 25,037   | 2,833,577                         | <b>2,833,577</b>                              | -                           |
| Supplemental General Fund                    | 942,500             | -   | 106  | 942,606                           | <b>942,606</b>                                | -                           |
| <b>Special Revenue Funds</b>                 |                     |   |  |                                   |   |                             |
| At-Risk (K-12) Fund                          | 229,072             | -   | -  | 229,072                           | <b>102,215</b>                                | (126,857)                   |
| Capital Outlay Fund                          | 1,056,954           | -   | -  | 1,056,954                         | <b>272,426</b>                                | (784,528)                   |
| Driver Training Fund                         | 23,556              | -   | -  | 23,556                            | <b>6,270</b>                                  | (17,286)                    |
| Food Service Fund                            | 222,009             | -   | -  | 222,009                           | <b>193,868</b>                                | (28,141)                    |
| Professional Development Fund                | 38,504              | -   | -  | 38,504                            | <b>22,227</b>                                 | (16,277)                    |
| Special Education Fund                       | 857,120             | -   | -  | 857,120                           | <b>540,590</b>                                | (316,530)                   |
| Vocational Education Fund                    | 144,933             | -   | -  | 144,933                           | <b>138,085</b>                                | (6,848)                     |
| Recreation Commission Fund                   | 151,471             | -   | -  | 151,471                           | <b>151,471</b>                                | -                           |
| Recreation Commission Employee Benefits Fund | 25,053              | -   | -  | 25,053                            | <b>25,053</b>                                 | -                           |
| KPERs Special Retirement Contribution Fund   | 268,964             | -   | -  | 268,964                           | <b>243,725</b>                                | (25,239)                    |
| Gifts and Grants Fund                        | 26,738              | -   | 6,530  | 33,268                            | <b>27,042</b>                                 | (6,226)                     |
| Extraordinary School Program Fund            | 15,753              | -   | -  | 15,753                            | <b>12,691</b>                                 | (3,062)                     |

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

## UNIFIED SCHOOL DISTRICT NO. 388 ELLIS, KANSAS

## General Fund

## Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2012

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

|  | Prior<br>Year<br>Actual | Current Year     |                  | Variance<br>Over<br>(Under) |
|--|-------------------------|------------------|------------------|-----------------------------|
|  |                         | Actual           | Budget           |                             |
| <b>Cash Receipts</b>   |                         |                  |                  |                             |
| Taxes and Shared Revenues  |                         |                  |                  |                             |
| Taxes  | \$ 644,801              | 704,758          | 717,529          | (12,771)                    |
| Intergovernmental Revenues   |                         |                  |                  |                             |
| Mineral Severance Tax  | 34,927                  | 35,498           | -                | 35,498                      |
| Equalization Aid   | 1,757,318               | 1,727,355        | 1,708,813        | 18,542                      |
| State Aid  | 343,327                 | 349,729          | 382,198          | (32,469)                    |
| Other State Aid  | 1,000                   | -                | -                | -                           |
| Federal Aid - ARRA   | 52,067                  | -                | -                | -                           |
| Federal Aid - Education Jobs Act   | 91,169                  | 1,344            | -                | 1,344                       |
| Other Local Sources  |                         |                  |                  |                             |
| Reimbursements   | 17,609                  | 25,037           | -                | 25,037                      |
| <b>Total Cash Receipts</b>   | <u>2,942,218</u>        | <u>2,843,721</u> | <u>2,808,540</u> | <u>35,181</u>               |
| <b>Expenditures</b>  |                         |                  |                  |                             |
| Instruction  | 1,263,689               | 1,316,031        | 1,398,435        | (82,404)                    |
| Student Support Services   | 93,788                  | 99,146           | 98,695           | 451                         |
| Instructional Support Services   | 68,347                  | 71,275           | 72,160           | (885)                       |
| General Administration   | 224,257                 | 191,859          | 191,385          | 474                         |
| School Administration  | 225,382                 | 234,644          | 228,682          | 5,962                       |
| Operations and Maintenance   | 218,895                 | 189,629          | 205,425          | (15,796)                    |
| Other Supplemental Services  | 405                     | -                | -                | -                           |
| Student Transportation Services  | 63,020                  | 69,554           | 68,290           | 1,264                       |
| Vehicle Operating Services   | 33,194                  | 6,540            | 32,500           | (25,960)                    |
| Vehicle and Maintenance Services   | 53,549                  | 50,893           | 57,396           | (6,503)                     |
| Transfers Out  | 697,699                 | 604,006          | 501,688          | 102,318                     |
| (a) Adjustment for Qualifying Budget Credit  | -                       | -                | 25,037           | (25,037)                    |
| Adjustment to Comply With Legal Max  | -                       | -                | (46,116)         | 46,116                      |
| <b>Total Expenditures and Legal General Fund Budget</b>                                | <u>2,942,225</u>        | <u>2,833,577</u> | <u>2,833,577</u> | <u>-</u>                    |
| <b>Cash Receipts Over (Under) Expenditures</b>   | <u>(7)</u>              | <u>10,144</u>    |                  |                             |
| <b>Unencumbered Cash - Beginning As Previously Stated</b>                              | 7                       | (206,332)        |                  |                             |
| <b>Prior Period Adjustment</b>   | <u>-</u>                | <u>206,332</u>   |                  |                             |
| <b>Unencumbered Cash - Beginning As Restated</b>                                       | <u>7</u>                | <u>-</u>         |                  |                             |
| <b>Unencumbered Cash - Ending</b>  | \$ <u>-</u>             | <u>10,144</u>    |                  |                             |
| <b>(a) Adjustment for Qualifying Budget Credit Reimbursements Over Amount Budgeted</b> |                         |                  | \$ <u>25,037</u> |                             |

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

**UNIFIED SCHOOL DISTRICT NO. 388 ELLIS, KANSAS**  
**Supplemental General Fund**  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended June 30, 2012  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

|   | Prior<br>Year<br>Actual | Current Year   |                | Variance<br>Over<br>(Under) |
|---|-------------------------|----------------|----------------|-----------------------------|
|   |                         | Actual         | Budget         |                             |
| <b>Cash Receipts</b>                                      |                         |                |                |                             |
| Taxes and Shared Revenues                                 |                         |                |                |                             |
| Taxes   | \$ 770,712              | 840,392        | 798,566        | 41,826                      |
| Intergovernmental Revenues                                |                         |                |                |                             |
| Equalization Aid  | 192,994                 | 111,905        | 107,876        | 4,029                       |
| Other Local Sources                                       |                         |                |                |                             |
| Reimbursements  | 2,030                   | 106            | -              | 106                         |
| <b>Total Cash Receipts</b>                                | <u>965,736</u>          | <u>952,403</u> | <u>906,442</u> | <u>45,961</u>               |
| <b>Expenditures</b>                                       |                         |                |                |                             |
| Instruction   | 151,345                 | 187,156        | 180,980        | 6,176                       |
| Instructional Support Services                            | 57,235                  | 58,692         | 58,587         | 105                         |
| General Administration                                    | -                       | 77,229         | 55,000         | 22,229                      |
| Operations and Maintenance                                | 99,770                  | 149,643        | 153,000        | (3,357)                     |
| Vehicle Operating Services                                | 378                     | 37,199         | -              | 37,199                      |
| Other Supplemental Services                               | 26,219                  | 10,635         | -              | 10,635                      |
| Transfers Out   | 628,974                 | 422,052        | 494,933        | (72,881)                    |
| (a) Adjustment for Qualifying Budget Credit               | -                       | -              | 106            | (106)                       |
| <b>Total Expenditures</b>                                 | <u>963,921</u>          | <u>942,606</u> | <u>942,606</u> | <u>-</u>                    |
| <b>Cash Receipts Over (Under) Expenditures</b>            | <u>1,815</u>            | <u>9,797</u>   |                |                             |
| <b>Unencumbered Cash - Beginning As Previously Stated</b> | 34,243                  | 24,592         |                |                             |
| <b>Prior Period Adjustment</b>                            | -                       | 11,466         |                |                             |
| <b>Unencumbered Cash - Beginning As Restated</b>          | <u>34,243</u>           | <u>36,058</u>  |                |                             |
| <b>Unencumbered Cash - Ending</b>                         | \$ <u>36,058</u>        | <u>45,855</u>  |                |                             |
| <b>(a) Adjustment for Qualifying Budget Credit</b>        |                         |                |                |                             |
| Reimbursements Over Amount Budgeted                       |                         |                | \$ <u>106</u>  |                             |

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



**UNIFIED SCHOOL DISTRICT NO. 388 ELLIS, KANSAS**  
**At-Risk (K-12) Fund**  
 Statement of Cash Receipts and Expenditures - Actual and Budget  
 For the Year Ended June 30, 2012  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

|  | Prior<br>Year<br>Actual | Current Year |         | Variance<br>Over<br>(Under) |
|--|-------------------------|--------------|---------|-----------------------------|
|  |                         | Actual       | Budget  |                             |
| <b>Cash Receipts</b>                           |                         |              |         |                             |
| Other Local Sources                            |                         |              |         |                             |
| Transfers In                                   | \$ 191,879              | 82,657       | 149,490 | (66,833)                    |
| <b>Expenditures</b>                            |                         |              |         |                             |
| Instruction                                    | 136,653                 | 102,027      | 224,952 | (122,925)                   |
| School Administration                          | 1,710                   | -            | 3,015   | (3,015)                     |
| Vehicle Operating Services                     | 919                     | 188          | 1,105   | (917)                       |
| <b>Total Expenditures</b>                      | 139,282                 | 102,215      | 229,072 | (126,857)                   |
| <b>Cash Receipts Over (Under) Expenditures</b> | 52,597                  | (19,558)     |         |                             |
| <b>Unencumbered Cash - Beginning</b>           | 26,985                  | 79,582       |         |                             |
| <b>Unencumbered Cash - Ending</b>              | \$ 79,582               | 60,024       |         |                             |

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

**UNIFIED SCHOOL DISTRICT NO. 388 ELLIS, KANSAS**  
**Capital Outlay Fund**  
 Statement of Cash Receipts and Expenditures - Actual and Budget  
 For the Year Ended June 30, 2012  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

|  | Prior<br>Year<br>Actual | Current Year   |                  | Variance<br>Over<br>(Under) |
|--|-------------------------|----------------|------------------|-----------------------------|
|  |                         | Actual         | Budget           |                             |
| <b>Cash Receipts</b>                           |                         |                |                  |                             |
| Taxes and Shared Revenues                      |                         |                |                  |                             |
| Taxes  | \$ 289,423              | 313,075        | 308,224          | 4,851                       |
| Other Local Sources                            |                         |                |                  |                             |
| Miscellaneous Revenue                          | 8,903                   | 18,723         | -                | 18,723                      |
| Interest on Idle Funds                         | 4,169                   | 4,905          | -                | 4,905                       |
| Insurance Proceeds                             | 19,725                  | 9,090          | -                | 9,090                       |
| Transfers In                                   | 275,000                 | 254,277        | 100,000          | 154,277                     |
| <b>Total Cash Receipts</b>                     | <u>597,220</u>          | <u>600,070</u> | <u>408,224</u>   | <u>191,846</u>              |
| <b>Expenditures</b>                            |                         |                |                  |                             |
| Instruction                                    | 20,226                  | 10,367         | 30,000           | (19,633)                    |
| Student Support Services                       | -                       | 544            | 350,000          | (349,456)                   |
| General Administration                         | 3,740                   | -              | 25,000           | (25,000)                    |
| Operations and Maintenance                     | 4,012                   | 2,060          | 25,000           | (22,940)                    |
| Facility Acquisition and Construction          | 481,246                 | 259,455        | 626,954          | (367,499)                   |
| <b>Total Expenditures</b>                      | <u>509,224</u>          | <u>272,426</u> | <u>1,056,954</u> | <u>(784,528)</u>            |
| <b>Cash Receipts Over (Under) Expenditures</b> | 87,996                  | 327,644        |                  |                             |
| <b>Unencumbered Cash - Beginning</b>           | <u>526,849</u>          | <u>614,845</u> |                  |                             |
| <b>Unencumbered Cash - Ending</b>              | \$ <u>614,845</u>       | <u>942,489</u> |                  |                             |

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

**UNIFIED SCHOOL DISTRICT NO. 388 ELLIS, KANSAS**  
**Driver Training Fund**  
 Statement of Cash Receipts and Expenditures - Actual and Budget  
 For the Year Ended June 30, 2012  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

|  | Prior<br>Year<br>Actual | Current Year  |               | Variance<br>Over<br>(Under) |
|--|-------------------------|---------------|---------------|-----------------------------|
|  |                         | Actual        | Budget        |                             |
| <b>Cash Receipts</b>                           |                         |               |               |                             |
| Intergovernmental Revenues                     |                         |               |               |                             |
| State Aid                                      | \$ 2,072                | 2,068         | 1,850         | 218                         |
| Other Local Sources                            |                         |               |               |                             |
| Student Fees                                   | 4,014                   | 4,900         | -             | 4,900                       |
| Transfers In                                   | 5,000                   | 5,000         | 5,000         | -                           |
| <b>Total Cash Receipts</b>                     | <u>11,086</u>           | <u>11,968</u> | <u>6,850</u>  | <u>5,118</u>                |
| <b>Expenditures</b>                            |                         |               |               |                             |
| Instruction                                    | 5,490                   | 5,016         | 19,656        | (14,640)                    |
| Operations and Maintenance                     | 1,879                   | 1,254         | 3,900         | (2,646)                     |
| <b>Total Expenditures</b>                      | <u>7,369</u>            | <u>6,270</u>  | <u>23,556</u> | <u>(17,286)</u>             |
| <b>Cash Receipts Over (Under) Expenditures</b> | 3,717                   | 5,698         |               |                             |
| <b>Unencumbered Cash - Beginning</b>           | <u>12,989</u>           | <u>16,706</u> |               |                             |
| <b>Unencumbered Cash - Ending</b>              | \$ <u>16,706</u>        | <u>22,404</u> |               |                             |

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

**UNIFIED SCHOOL DISTRICT NO. 388 ELLIS, KANSAS**  
**Food Service Fund**

Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended June 30, 2012  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

|  | Prior<br>Year<br>Actual | Current Year   |                | Variance<br>Over<br>(Under) |
|--|-------------------------|----------------|----------------|-----------------------------|
|  |                         | Actual         | Budget         |                             |
| <b>Cash Receipts</b>                           |                         |                |                |                             |
| Intergovernmental Revenues                     |                         |                |                |                             |
| State Aid                                      | \$ 2,423                | 2,356          | 2,119          | 237                         |
| Federal Aid                                    | 82,633                  | 79,190         | 85,234         | (6,044)                     |
| Other Local Sources                            |                         |                |                |                             |
| Lunch Receipts - Students                      | 76,934                  | 83,965         | 80,275         | 3,690                       |
| Lunch Receipts - Adults                        | 9,011                   | 8,797          | 14,450         | (5,653)                     |
| Miscellaneous Revenue                          | 268                     | 271            | -              | 271                         |
| Transfers In                                   | 8,686                   | 25,000         | 10,000         | 15,000                      |
| <b>Total Cash Receipts</b>                     | <u>179,955</u>          | <u>199,579</u> | <u>192,078</u> | <u>7,501</u>                |
| <b>Expenditures</b>                            |                         |                |                |                             |
| Operations and Maintenance                     | 9,405                   | 7,539          | 12,908         | (5,369)                     |
| Food Service Operation                         | <u>170,828</u>          | <u>186,329</u> | <u>209,101</u> | <u>(22,772)</u>             |
| <b>Total Expenditures</b>                      | <u>180,233</u>          | <u>193,868</u> | <u>222,009</u> | <u>(28,141)</u>             |
| <b>Cash Receipts Over (Under) Expenditures</b> | (278)                   | 5,711          |                |                             |
| <b>Unencumbered Cash - Beginning</b>           | <u>30,209</u>           | <u>29,931</u>  |                |                             |
| <b>Unencumbered Cash - Ending</b>              | \$ <u>29,931</u>        | <u>35,642</u>  |                |                             |

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

**UNIFIED SCHOOL DISTRICT NO. 388 ELLIS, KANSAS**  
**Professional Development Fund**  
 Statement of Cash Receipts and Expenditures - Actual and Budget  
 For the Year Ended June 30, 2012  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

|  |                         | Current Year |        |                             |
|--|-------------------------|--------------|--------|-----------------------------|
|  | Prior<br>Year<br>Actual | Actual       | Budget | Variance<br>Over<br>(Under) |
| <b>Cash Receipts</b>                           |                         |              |        |                             |
| Other Local Sources                            |                         |              |        |                             |
| Reimbursements                                 | \$ 3,146                | -            | -      | -                           |
| Transfers In                                   | 5,000                   | 30,000       | 10,000 | 20,000                      |
| <b>Total Cash Receipts</b>                     | 8,146                   | 30,000       | 10,000 | 20,000                      |
| <b>Expenditures</b>                            |                         |              |        |                             |
| Instructional Support Services                 | 9,640                   | 22,227       | 38,504 | (16,277)                    |
| <b>Cash Receipts Over (Under) Expenditures</b> | (1,494)                 | 7,773        |        |                             |
| <b>Unencumbered Cash - Beginning</b>           | 29,998                  | 28,504       |        |                             |
| <b>Unencumbered Cash - Ending</b>              | \$ 28,504               | 36,277       |        |                             |

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

**UNIFIED SCHOOL DISTRICT NO. 388 ELLIS, KANSAS**  
**Special Education Fund**  
 Statement of Cash Receipts and Expenditures - Actual and Budget  
 For the Year Ended June 30, 2012  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

|  | Prior<br>Year<br>Actual | Current Year |         | Variance<br>Over<br>(Under) |
|--|-------------------------|--------------|---------|-----------------------------|
|  |                         | Actual       | Budget  |                             |
| <b>Cash Receipts</b>                           |                         |              |         |                             |
| Other Local Sources                            |                         |              |         |                             |
| Transfers In                                   | \$ 693,327              | 474,124      | 567,198 | (93,074)                    |
| <b>Expenditures</b>                            |                         |              |         |                             |
| Instruction                                    | 545,570                 | 521,242      | 829,620 | (308,378)                   |
| Vehicle Operating Services                     | 487                     | -            | -       | -                           |
| Student Transportation Services                | 19,243                  | 19,348       | 27,500  | (8,152)                     |
| <b>Total Expenditures</b>                      | 565,300                 | 540,590      | 857,120 | (316,530)                   |
| <b>Cash Receipts Over (Under) Expenditures</b> | 128,027                 | (66,466)     |         |                             |
| <b>Unencumbered Cash - Beginning</b>           | 161,895                 | 289,922      |         |                             |
| <b>Unencumbered Cash - Ending</b>              | \$ 289,922              | 223,456      |         |                             |

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

**UNIFIED SCHOOL DISTRICT NO. 388 ELLIS, KANSAS**  
**Vocational Education Fund**  
 Statement of Cash Receipts and Expenditures - Actual and Budget  
 For the Year Ended June 30, 2012  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

|  | Prior<br>Year<br>Actual | Current Year |         | Variance<br>Over<br>(Under) |
|--|-------------------------|--------------|---------|-----------------------------|
|  |                         | Actual       | Budget  |                             |
| <b>Cash Receipts</b>                           |                         |              |         |                             |
| Other Local Sources                            |                         |              |         |                             |
| Transfers In                                   | \$ 137,781              | 145,000      | 144,933 | 67                          |
| Miscellaneous Revenue                          | 80                      | 3,543        | -       | 3,543                       |
| <b>Total Cash Receipts</b>                     | 137,861                 | 148,543      | 144,933 | 3,610                       |
| <b>Expenditures</b>                            |                         |              |         |                             |
| Instruction                                    | 137,861                 | 138,085      | 144,933 | (6,848)                     |
| <b>Cash Receipts Over (Under) Expenditures</b> | -                       | 10,458       |         |                             |
| <b>Unencumbered Cash - Beginning</b>           | -                       | -            |         |                             |
| <b>Unencumbered Cash - Ending</b>              | \$ -                    | 10,458       |         |                             |

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

**UNIFIED SCHOOL DISTRICT NO. 388 ELLIS, KANSAS**  
**Recreation Commission Fund**  
 Statement of Cash Receipts and Expenditures - Actual and Budget  
 For the Year Ended June 30, 2012  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

|  | Prior<br>Year<br>Actual | Current Year |         | Variance<br>Over<br>(Under) |
|--|-------------------------|--------------|---------|-----------------------------|
|  |                         | Actual       | Budget  |                             |
| <b>Cash Receipts</b>                           |                         |              |         |                             |
| Taxes and Shared Revenues                      |                         |              |         |                             |
| Taxes  | \$ 147,525              | 158,482      | 155,717 | 2,765                       |
| <b>Expenditures</b>                            |                         |              |         |                             |
| Community Service Operations                   | 139,712                 | 151,471      | 151,471 | -                           |
| <b>Cash Receipts Over (Under) Expenditures</b> | 7,813                   | 7,011        |         |                             |
| <b>Unencumbered Cash - Beginning</b>           | -                       | 7,813        |         |                             |
| <b>Unencumbered Cash - Ending</b>              | \$ 7,813                | 14,824       |         |                             |

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



**UNIFIED SCHOOL DISTRICT NO. 388 ELLIS, KANSAS**  
**Recreation Commission Employee Benefits Fund**  
 Statement of Cash Receipts and Expenditures - Actual and Budget  
 For the Year Ended June 30, 2012  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

|  | Prior<br>Year<br>Actual | Current Year |        | Variance<br>Over<br>(Under) |
|--|-------------------------|--------------|--------|-----------------------------|
|  |                         | Actual       | Budget |                             |
| <b>Cash Receipts</b>                           |                         |              |        |                             |
| Taxes and Shared Revenues                      |                         |              |        |                             |
| Taxes  | \$ 21,653               | 25,331       | 24,595 | 736                         |
| <b>Expenditures</b>                            |                         |              |        |                             |
| Community Service Operations                   | 21,786                  | 25,053       | 25,053 | -                           |
| <b>Cash Receipts Over (Under) Expenditures</b> | (133)                   | 278          |        |                             |
| <b>Unencumbered Cash - Beginning</b>           | 370                     | 237          |        |                             |
| <b>Unencumbered Cash - Ending</b>              | \$ 237                  | 515          |        |                             |

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

**UNIFIED SCHOOL DISTRICT NO. 388 ELLIS, KANSAS**  
**Textbook Rental Fund**  
 Statement of Cash Receipts and Expenditures  
 For the Year Ended June 30, 2012  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

|  | Prior<br>Year<br>Actual | Current<br>Year<br>Actual |
|--|-------------------------|---------------------------|
| <b>Cash Receipts</b>                           |                         |                           |
| Other Local Sources                            |                         |                           |
| Rental Fees                                    | \$ 9,100                | 8,738                     |
| Transfers In                                   | <u>10,000</u>           | <u>10,000</u>             |
| <b>Total Cash Receipts</b>                     | 19,100                  | 18,738                    |
| <b>Expenditures</b>                            |                         |                           |
| Textbooks                                      | <u>14,699</u>           | <u>10,073</u>             |
| <b>Cash Receipts Over (Under) Expenditures</b> | 4,401                   | 8,665                     |
| <b>Unencumbered Cash - Beginning</b>           | <u>27,810</u>           | <u>32,211</u>             |
| <b>Unencumbered Cash - Ending</b>              | <u>\$ 32,211</u>        | <u>40,876</u>             |

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

**UNIFIED SCHOOL DISTRICT NO. 388 ELLIS, KANSAS**  
**Vo Ag Revolving Fund**  
 Statement of Cash Receipts and Expenditures  
 For the Year Ended June 30, 2012  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

|  | Prior<br>Year<br>Actual | Current<br>Year<br>Actual |
|--|-------------------------|---------------------------|
| <b>Cash Receipts</b>                           |                         |                           |
| Other Local Sources                            |                         |                           |
| Reimbursements                                 | \$ 4,664                | 3,186                     |
| <b>Expenditures</b>                            |                         |                           |
| Instruction                                    | 3,014                   | 3,405                     |
| <b>Cash Receipts Over (Under) Expenditures</b> | 1,650                   | (219)                     |
| <b>Unencumbered Cash - Beginning</b>           | 1,341                   | 2,991                     |
| <b>Unencumbered Cash - Ending</b>              | \$ 2,991                | 2,772                     |

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

**UNIFIED SCHOOL DISTRICT NO. 388 ELLIS, KANSAS**  
**Industrial Arts Fund**  
 Statement of Cash Receipts and Expenditures  
 For the Year Ended June 30, 2012  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

|  | Prior<br>Year<br>Actual | Current<br>Year<br>Actual |
|--|-------------------------|---------------------------|
| <b>Cash Receipts</b>                           |                         |                           |
| Other Local Sources                            |                         |                           |
| Reimbursements                                 | \$ 4,703                | 6,540                     |
| <b>Expenditures</b>                            |                         |                           |
| Instruction                                    | 4,661                   | 7,259                     |
| <b>Cash Receipts Over (Under) Expenditures</b> | 42                      | (719)                     |
| <b>Unencumbered Cash - Beginning</b>           | 1,983                   | 2,025                     |
| <b>Unencumbered Cash - Ending</b>              | \$ 2,025                | 1,306                     |

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

**UNIFIED SCHOOL DISTRICT NO. 388 ELLIS, KANSAS**  
**Title I Fund**  
**Statement of Cash Receipts and Expenditures**  
**For the Year Ended June 30, 2012**  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

|  | Prior<br>Year<br>Actual | Current<br>Year<br>Actual |
|--|-------------------------|---------------------------|
| <b>Cash Receipts</b>                           |                         |                           |
| Intergovernmental Revenues                     |                         |                           |
| Federal Aid                                    | \$ 48,765               | 68,405                    |
| Federal Aid - ARRA                             | 11,899                  | -                         |
| Federal Aid - REAP Grant                       | -                       | 32,659                    |
| <b>Total Cash Receipts</b>                     | 60,664                  | 101,064                   |
| <b>Expenditures</b>                            |                         |                           |
| Instruction                                    | 56,892                  | 104,836                   |
| <b>Cash Receipts Over (Under) Expenditures</b> | 3,772                   | (3,772)                   |
| <b>Unencumbered Cash - Beginning</b>           | -                       | 3,772                     |
| <b>Unencumbered Cash - Ending</b>              | \$ 3,772                | -                         |

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

**UNIFIED SCHOOL DISTRICT NO. 388 ELLIS, KANSAS**  
**Contingency Reserve Fund**  
 Statement of Cash Receipts and Expenditures  
 For the Year Ended June 30, 2012  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

|  | Prior<br>Year<br>Actual | Current<br>Year<br>Actual |
|--|-------------------------|---------------------------|
| <b>Cash Receipts</b>                           | \$ -                    | -                         |
| <b>Expenditures</b>                            | -                       | -                         |
| <b>Cash Receipts Over (Under) Expenditures</b> | -                       | -                         |
| <b>Unencumbered Cash - Beginning</b>           | 200,000                 | 200,000                   |
| <b>Unencumbered Cash - Ending</b>              | \$ 200,000              | 200,000                   |

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

**UNIFIED SCHOOL DISTRICT NO. 388 ELLIS, KANSAS**  
**KPERS Special Retirement Contribution Fund**  
 Statement of Cash Receipts and Expenditures - Actual and Budget  
 For the Year Ended June 30, 2012  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

|  | Prior<br>Year<br>Actual | Current Year |         | Variance<br>Over<br>(Under) |
|--|-------------------------|--------------|---------|-----------------------------|
|  |                         | Actual       | Budget  |                             |
| <b>Cash Receipts</b>                           |                         |              |         |                             |
| Intergovernmental Revenues                     |                         |              |         |                             |
| State Aid                                      | \$ 145,386              | 243,725      | 268,964 | (25,239)                    |
| <b>Expenditures</b>                            |                         |              |         |                             |
| Instruction                                    | 122,125                 | 204,729      | 225,625 | (20,896)                    |
| Student Support Services                       | 1,454                   | 2,437        | 4,100   | (1,663)                     |
| Instructional Support Services                 | 1,454                   | 2,437        | 4,100   | (1,663)                     |
| General Administration                         | 4,362                   | 7,312        | 6,500   | 812                         |
| School Administration                          | 5,815                   | 9,749        | 6,500   | 3,249                       |
| Operations and Maintenance                     | 4,362                   | 7,312        | 7,000   | 312                         |
| Student Transportation Services                | 4,362                   | 7,312        | 7,000   | 312                         |
| Food Service                                   | 1,452                   | 2,437        | 8,139   | (5,702)                     |
| <b>Total Expenditures</b>                      | 145,386                 | 243,725      | 268,964 | (25,239)                    |
| <b>Cash Receipts Over (Under) Expenditures</b> | -                       | -            |         |                             |
| <b>Unencumbered Cash - Beginning</b>           | -                       | -            |         |                             |
| <b>Unencumbered Cash - Ending</b>              | \$ -                    | -            |         |                             |

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

**UNIFIED SCHOOL DISTRICT NO. 388 ELLIS, KANSAS**  
**Gifts and Grants Fund**  
 Statement of Cash Receipts and Expenditures - Actual and Budget  
 For the Year Ended June 30, 2012  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

|  | Prior<br>Year<br>Actual | Current Year  |                 | Variance<br>Over<br>(Under) |
|--|-------------------------|---------------|-----------------|-----------------------------|
|  |                         | Actual        | Budget          |                             |
| <b>Cash Receipts</b>                               |                         |               |                 |                             |
| Other Local Sources                                |                         |               |                 |                             |
| Contributions and Donations                        | \$ 23,063               | 18,000        | 20,000          | (2,000)                     |
| Miscellaneous Revenue                              | 6,361                   | 6,530         | -               | 6,530                       |
| <b>Total Cash Receipts</b>                         | <u>29,424</u>           | <u>24,530</u> | <u>20,000</u>   | <u>4,530</u>                |
| <b>Expenditures</b>                                |                         |               |                 |                             |
| Instruction  | -                       | -             | 9,068           | (9,068)                     |
| Operations and Maintenance                         | 12,946                  | 6,764         | -               | 6,764                       |
| Student Transportation Services                    | 2,499                   | 2,656         | 3,625           | (969)                       |
| Other Supplemental Services                        | 14,895                  | 17,622        | 14,045          | 3,577                       |
| (a) Adjustment for Qualifying<br>Budget Credit     | -                       | -             | 6,530           | (6,530)                     |
| <b>Total Expenditures</b>                          | <u>30,340</u>           | <u>27,042</u> | <u>33,268</u>   | <u>(6,226)</u>              |
| <b>Cash Receipts Over (Under) Expenditures</b>     | (916)                   | (2,512)       |                 |                             |
| <b>Unencumbered Cash - Beginning</b>               | <u>7,654</u>            | <u>6,738</u>  |                 |                             |
| <b>Unencumbered Cash - Ending</b>                  | \$ <u>6,738</u>         | <u>4,226</u>  |                 |                             |
| <b>(a) Adjustment for Qualifying Budget Credit</b> |                         |               |                 |                             |
| Miscellaneous Revenue Over Amount Budgeted         |                         |               | \$ <u>6,530</u> |                             |

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



**UNIFIED SCHOOL DISTRICT NO. 388 ELLIS, KANSAS**  
**Title II/Teacher Quality Fund**  
**Statement of Cash Receipts and Expenditures**  
**For the Year Ended June 30, 2012**  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

|  | Prior<br>Year<br>Actual | Current<br>Year<br>Actual |
|--|-------------------------|---------------------------|
| <b>Cash Receipts</b>                           |                         |                           |
| Intergovernmental Revenues                     |                         |                           |
| Federal Aid                                    | \$ 14,739               | -                         |
| <b>Expenditures</b>                            |                         |                           |
| Instruction                                    | 13,929                  | -                         |
| Operations and Maintenance                     | 810                     | -                         |
| <b>Total Expenditures</b>                      | 14,739                  | -                         |
| <b>Cash Receipts Over (Under) Expenditures</b> | -                       | -                         |
| <b>Unencumbered Cash - Beginning</b>           | -                       | -                         |
| <b>Unencumbered Cash - Ending</b>              | \$ -                    | -                         |

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

**UNIFIED SCHOOL DISTRICT NO. 388 ELLIS, KANSAS**  
**Extraordinary School Program Fund**  
 Statement of Cash Receipts and Expenditures - Actual and Budget  
 For the Year Ended June 30, 2012  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

|  | Prior<br>Year<br>Actual | Current Year |        | Variance<br>Over<br>(Under) |
|--|-------------------------|--------------|--------|-----------------------------|
|  |                         | Actual       | Budget |                             |
| <b>Cash Receipts</b>                           |                         |              |        |                             |
| Other Local Sources                            |                         |              |        |                             |
| Tuition  | \$ 12,805               | 13,629       | -      | 13,629                      |
| <b>Expenditures</b>                            |                         |              |        |                             |
| Instruction                                    | 10,695                  | 12,329       | 15,753 | (3,424)                     |
| Operations and Maintenance                     | 131                     | 362          | -      | 362                         |
| <b>Total Expenditures</b>                      | 10,826                  | 12,691       | 15,753 | (3,062)                     |
| <b>Cash Receipts Over (Under) Expenditures</b> | 1,979                   | 938          |        |                             |
| <b>Unencumbered Cash - Beginning</b>           | 13,774                  | 15,753       |        |                             |
| <b>Unencumbered Cash - Ending</b>              | \$ 15,753               | 16,691       |        |                             |

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

**UNIFIED SCHOOL DISTRICT NO. 388 ELLIS, KANSAS**  
**REAP Grant Fund**  
 Statement of Cash Receipts and Expenditures  
 For the Year Ended June 30, 2012  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

|  | Prior<br>Year<br>Actual | Current<br>Year<br>Actual |
|--|-------------------------|---------------------------|
| <b>Cash Receipts</b>                           |                         |                           |
| Intergovernmental Revenues                     |                         |                           |
| Federal Aid                                    | \$ 34,561               | -                         |
| <b>Expenditures</b>                            |                         |                           |
| Instruction                                    | 34,561                  | -                         |
| <b>Cash Receipts Over (Under) Expenditures</b> | -                       | -                         |
| <b>Unencumbered Cash - Beginning</b>           | -                       | -                         |
| <b>Unencumbered Cash - Ending</b>              | \$ -                    | -                         |

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

**UNIFIED SCHOOL DISTRICT NO. 388 ELLIS, KANSAS**  
**Agency Funds**  
Summary of Cash Receipts and Cash Disbursements  
For the Year Ended June 30, 2012

| <u>Funds</u>           | <u>Beginning<br/>Cash<br/>Balance</u> | <u>Cash<br/>Receipts</u> | <u>Cash<br/>Disbursements</u> | <u>Ending<br/>Cash<br/>Balance</u> |
|------------------------|---------------------------------------|--------------------------|-------------------------------|------------------------------------|
| <b>High School</b>     |                                       |                          |                               |                                    |
| Class of 2011          | \$ 1,351                              | -                        | 1,351                         | -                                  |
| Class of 2012          | 3,772                                 | 452                      | 3,670                         | 554                                |
| Class of 2013          | 9,483                                 | 2,032                    | 8,794                         | 2,721                              |
| Class of 2014          | 90                                    | 23,919                   | 13,721                        | 10,288                             |
| Class of 2015          | -                                     | 245                      | 229                           | 16                                 |
| FCCLA                  | 2,213                                 | 9,010                    | 6,771                         | 4,452                              |
| FFA                    | 3,181                                 | 54,571                   | 50,427                        | 7,325                              |
| Student Council        | 10,632                                | 3,710                    | 4,238                         | 10,104                             |
| Skills USA             | 42                                    | 90                       | -                             | 132                                |
| Spanish Club           | 60                                    | -                        | 60                            | -                                  |
| Kayettes               | 1,979                                 | 3,080                    | 3,897                         | 1,162                              |
| Forensics              | 1,301                                 | 1,128                    | 1,983                         | 446                                |
| Yearbook               | 13,001                                | 7,837                    | 10,466                        | 10,372                             |
| National Honor Society | 59                                    | -                        | 59                            | -                                  |
| Vocal Music            | 2,474                                 | 794                      | 1,358                         | 1,910                              |
| Band                   | 80                                    | 201                      | 201                           | 80                                 |
| Cheerleaders           | 840                                   | 13,381                   | 13,251                        | 970                                |
| Scholar's Bowl         | -                                     | 296                      | 296                           | -                                  |
| Multi-Media            | 2,359                                 | 1,965                    | 965                           | 3,359                              |
| Photography            | 2,261                                 | 621                      | 225                           | 2,657                              |
| <b>Total</b>           | <b>\$ 55,178</b>                      | <b>123,332</b>           | <b>121,962</b>                | <b>56,548</b>                      |

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

**UNIFIED SCHOOL DISTRICT NO. 388 ELLIS, KANSAS**  
**District Activity Funds**  
Summary of Cash Receipts, Expenditures, and Unencumbered Cash  
For the Year Ended June 30, 2012

| Funds                                | Beginning<br>Unencumbered<br>Cash Balance | Prior Year<br>Cancelled<br>Encumbrances | Cash<br>Receipts | Expenditures | Ending<br>Unencumbered<br>Cash Balance | Add<br>Outstanding<br>Encumbrances<br>and Accounts<br>Payable | Ending<br>Cash Balance |
|--------------------------------------|---|---|------------------|--------------|--|---|------------------------|
| <b>Gate Receipts</b>                 |   |   |                  |              |  |   |                        |
| <b>High School</b>                   |   |   |                  |              |  |   |                        |
| Athletics                            | \$ 28,638                                 | -                                       | 77,096           | 81,571       | 24,163                                 | -   | 24,163                 |
| <b>Elementary School</b>             |   |   |                  |              |  |   |                        |
| Athletics                            | 7,074                                     | -                                       | 17,166           | 18,115       | 6,125                                  | -   | 6,125                  |
| <b>Total Gate Receipts</b>           | 35,712                                    | -                                       | 94,262           | 99,686       | 30,288                                 | -   | 30,288                 |
| <b>School Projects</b>               |   |   |                  |              |  |   |                        |
| <b>Elementary School</b>             |   |   |                  |              |  |   |                        |
| Box Tops for Education               | 377                                       | -                                       | 581              | 602          | 356                                    | -   | 356                    |
| Fundraiser                           | 332                                       | -                                       | 2,329            | 2,625        | 36                                     | -   | 36                     |
| Misc. Activity                       | -   | -                                       | 23,140           | 22,184       | 956                                    | -   | 956                    |
| Yearbook                             | 2,429                                     | -                                       | 1,600            | 2,529        | 1,500                                  | -   | 1,500                  |
| <b>Total School Projects</b>         | 3,138                                     | -                                       | 27,650           | 27,940       | 2,848                                  | -   | 2,848                  |
| <b>Total District Activity Funds</b> | \$ 38,850                                 | -                                       | 121,912          | 127,626      | 33,136                                 | -   | 33,136                 |

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

## UNIFIED SCHOOL DISTRICT NO. 388 ELLIS, KANSAS

Notes to Financial Statements

June 30, 2012

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Unified School District No. 388 Ellis, Kansas** has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. The accompanying financial statements are presented to conform to the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The following is a summary of such significant policies.

#### **Reporting Entity**

The District is a municipal corporation governed by an elected seven-member board. These financial statements present the District (primary government) and no component unit. The following is a component unit of the District. The District exercises significant influence or accountability based primarily on operational or financial relationships with the District.

#### **Ellis Recreation Commission**

Ellis Recreation Commission oversees recreation activities. The recreation commission operates as a separate governing body but the District levies the taxes for the recreation commission and the recreation commission has only the powers granted by statute, K.S.A. 12-1928.

*The District is the primary government as defined in GASB #14 and further amended by GASB #39. The Board is elected by the public. The Board has the authority to make decisions, levy taxes, influence operations and has the primary accountability in fiscal matters.*

#### **Use of Estimates**

The preparation of financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas requires management to make estimates and assumptions that affect the reported amount of unencumbered cash balances and accounts payable during the reporting period. Actual results could differ from these estimates.

#### **Basis of Presentation – Fund Accounting**

The accounts of the District are organized and operated on the basis of funds. In governmental accounting, a fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The following categories of funds comprise the financial activities of the District for the year ended June 30, 2012.

#### **Governmental Fund Categories**

**General Funds** – to account for all financial resources except for those required to be reported in another fund.

**Special Revenue Funds** – to account for the proceeds of specific revenue sources that are legally restricted to expenditure for a specified purpose.

**District Activity Funds** – a special revenue fund that accounts for the receipts and disbursements of monies from District activities. These organizations exist with the explicit approval of and are subject to revocation by the District's Board of Education. The students participate in the activities, but the board of education has control of the expenditures. This accounting reflects the District's agency relationship with the student activity organizations.

UNIFIED SCHOOL DISTRICT NO. 388 ELLIS, KANSAS

Notes to Financial Statements

June 30, 2012

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Fiduciary Fund Categories**

**Agency Funds** – to account for assets held by the District as a trustee or agent for others.

**Student Activity Funds** – an agency fund that accounts for the receipts and disbursements of monies from student activity organizations in which the students participate and are involved in the management of the organization's activities. These organizations exist with the explicit approval of and are subject to revocation by the District's Board of Education. The student organization approves the expenditure, not the Board of Education. This accounting reflects the District's agency relationship with the student activity organizations.

**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, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure would be charged in the fund from which the transfer is made.

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

**Departure From Accounting Principles Generally Accepted in the United States of America**

The basis of accounting described above results in a financial statement presentation which shows cash receipts, expenditures, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expenses, liabilities such as deferred revenue and 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. Capital assets that account for the land, buildings, and equipment owned by the District are not presented in the financial statements. Also, long-term debt such as general obligation bonds, revenue bonds, capital leases, temporary notes, and compensated absences are not presented in the financial statements.

**Budgetary Information**

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

- a. Preparation of the budget for the succeeding fiscal year on or before August 1<sup>st</sup>.
- b. Publication in local newspaper on or before August 5<sup>th</sup> of the proposed budget and notice of public hearing on the budget.

**UNIFIED SCHOOL DISTRICT NO. 388 ELLIS, KANSAS**

Notes to Financial Statements

June 30, 2012

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

- c. Public hearing on or before August 15<sup>th</sup>, but at least 10 days after publication of notice of hearing.
- d. 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 10 days after publication the hearing may be held and the governing body may amend the budget at that time. There were no budget amendments in the current 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 statutory basis of accounting, in which, revenues are recognized when cash is received and expenditures include disbursements, accounts payable and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budget expenditure authority lapses at year-end.

A legal operating budget is not required for capital projects funds, fiduciary funds and the following special revenue funds: Textbook Rental Fund, Vo Ag Revolving Fund, Industrial Arts Fund, Title I Fund, Contingency Reserve Fund, Title II/Teacher Quality Fund, REAP Grant Fund, and District Activity Funds.

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

**Deposits and Investments**

The District follows the practice of pooling cash and investments of all funds. Each fund's portion of total cash and investments is summarized by fund category in the summary of cash receipts, expenditures, and unencumbered cash.

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

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

**Concentration of Credit Risk**

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



**UNIFIED SCHOOL DISTRICT NO. 388 ELLIS, KANSAS**  
Notes to Financial Statements  
June 30, 2012

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Custodial Credit Risk – Deposits**

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

At June 30, 2012, the District's carrying amount of deposits was \$1,757,643 and the bank balance was \$1,633,154. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$442,161 was covered by federal depository insurance and \$1,190,993 was collateralized with securities held by pledging financial institutions' agents in the District's name.

**Custodial Credit Risk – Investments**

For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured. The District had no investments at June 30, 2012.

**Compensated Absences**

**Vacation**

The District's policy regarding vacation is that non-certified employees with a 12 month work term are entitled to 12 days annual vacation for the first 10 years of employment. After 10 years of employment, they receive 15 days of vacation per year.

**Sick Leave**

The District's policy for sick leave is that employees working a 12 month work term are entitled to 12 days of sick leave per year. All other employees are entitled to 10 days of sick leave per year. In both cases, days accumulate up to a maximum of 100 days. Accumulated sick leave for personnel who retire, except for bus drivers, will be paid at \$50 per day for a maximum of 90 days.

**Deferred Compensation Plan**

The District sponsors deferred compensation plans under Internal Revenue Code Section 403(b) and 457(b). Permanent and part-time employees are eligible to participate under the plan. The employee is responsible for the amount of deferred compensation to be contributed. The District is not required to make any contributions.

**Defined Benefit Pension Plan**

**Plan Description**

The District contributes to the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.* KPERS provides retirement benefits, life insurance, disability income benefits and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S Kansas, Suite 100; Topeka, KS 66603-3869) or by calling 1-888-275-5737.

## UNIFIED SCHOOL DISTRICT NO. 388 ELLIS, KANSAS

Notes to Financial Statements

June 30, 2012

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### Funding Policy

K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% and 6% (if hired on or after July 1, 2009) 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. The State currently contributes 9.77% of covered payroll and 18.96% for non-licensed KPERS retirees and 22.96% for licensed KPERS retirees. These contribution requirements are established by KPERS and are periodically revised. The State of Kansas' contributions to KPERS for all Kansas public school employees for the years ending June 30, 2012, 2011, and 2010, were \$298,635,383, \$253,834,044, and \$248,468,186, respectively, equal to the required contributions for each year as set forth by the legislature. The amounts attributable to the District for the years ending June 30, 2012, 2011, and 2010 were \$243,725, \$145,386, and \$172,216, respectively.

#### Early Retirement Benefits

The District provides an early retirement program for certified eligible employees retiring under the KPERS Plan, or at age 60 or older with at least 10 years of full-time employment with the District. Those eligible under this program receive 10% of their highest salary earned as an employee of the District. Eligible employees receive benefits for up to five years or until age 65. Payments are made to a 403(b) Plan that is administered by American Fidelity Insurance Company. Payments made on behalf of 10 certified retired employees under this plan totaled \$26,835 for the year ended June 30, 2012.

#### Other Post Employment Benefits

As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the District 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 District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the District under this program.

#### Property Tax Calendar

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. Property taxes are collected and remitted to the County Treasurer. Taxes levied annually on November 1st are due one-half by December 20th and one-half by May 10th. Major tax distributions are made in the months of December through July. Lien dates for personal property are in March and August and lien dates for real property are in September. Taxes are recognized as revenue in the year received. Delinquent tax payments are recognized as revenue in the year received.

#### Restricted Assets

Restricted cash balances are reported in various funds that are legally restricted for specified uses such as the payment of debt service and fiscal fees on long-term debt and for expenditures approved in federal and state grant contracts. Also, cash is restricted in the agency funds of the District.

#### Reimbursements

The District records reimbursable expenditures (or expenses) in the fund that makes the disbursement and records reimbursements as revenue to the fund. For purposes of budgetary comparison, the expenditures (or expenses) are properly offset by the reimbursements.

**UNIFIED SCHOOL DISTRICT NO. 388 ELLIS, KANSAS**

Notes to Financial Statements

June 30, 2012

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**NOTE 2 – INTERFUND TRANSFERS**

Interfund transfers within the reporting entity are substantially for the purpose of subsidizing operating functions, funding capital projects and asset acquisitions or maintaining debt service on a routine basis as authorized by Kansas statutes. **Unified School District No. 388 Ellis, Kansas'** interfund transfers and statutory authority for the year ended June 30, 2012 were as follows:

| From                      | To                            | Statutory<br>Authority | Amount     |
|---------------------------|-------------------------------|------------------------|------------|
| General Fund              | Capital Outlay Fund           | K.S.A. 72-6428         | \$ 254,277 |
| General Fund              | Special Education Fund        | K.S.A. 72-6428         | 349,729    |
| Supplemental General Fund | Driver Training Fund          | K.S.A. 72-6433         | 5,000      |
| Supplemental General Fund | Food Service Fund             | K.S.A. 72-6433         | 25,000     |
| Supplemental General Fund | Professional Development Fund | K.S.A. 72-6433         | 30,000     |
| Supplemental General Fund | Special Education Fund        | K.S.A. 72-6433         | 124,395    |
| Supplemental General Fund | Vocational Education Fund     | K.S.A. 72-6433         | 145,000    |
| Supplemental General Fund | Textbook Rental Fund          | K.S.A. 72-6433         | 10,000     |
| Supplemental General Fund | At-Risk (K-12) Fund           | K.S.A. 72-6433         | 82,657     |

**NOTE 3 – LITIGATION**

**Unified School District No. 388 Ellis, Kansas** is party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material adverse impact on the funds of the District.

**NOTE 4 – RISK MANAGEMENT CLAIMS AND JUDGMENTS**

**Unified School District No. 388 Ellis, Kansas** 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 students; and natural disasters. The District has been able to obtain workman's compensation and errors and omissions insurance at a cost it considered to be economically justifiable.

The District carries commercial insurance for all other risks of loss, including property, general liability, inland marine, auto, linebacker, fidelity bond, and comprehensive collision insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**NOTE 5 – GRANTS AND SHARED REVENUES**

**Unified School District No. 388 Ellis, Kansas** participates in numerous state and federal grant programs, which are governed by various rules and regulations for the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the District, any liability for reimbursement, which may arise as the result of the audit, is not believed to be material.

**UNIFIED SCHOOL DISTRICT NO. 388 ELLIS, KANSAS**

Notes to Financial Statements

June 30, 2012

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**NOTE 6 – COMPARATIVE DATA**

Comparative data for the prior year has been presented in Statement 3 in the accompanying financial statements in order to provide an understanding of changes in the **Unified School District No. 388 Ellis, Kansas'** cash and unencumbered cash balances. However, complete comparative data (presentation of prior year totals in Statement 1) has not been presented since their inclusion would make the statement unduly complex and difficult to read.

**NOTE 7 – OPERATING LEASES**

**Unified School District No. 388 Ellis, Kansas** has entered into the operating leases listed below. Operating leases do not give rise to property rights or lease obligations and therefore, the result of these following lease agreements are not reflected in the District's financial statements.

On December 29, 2009, the District entered into a lease agreement with Essdack to lease 3 copiers. The agreement calls for monthly payments of \$285 plus copy fees per copier for 60 months. Payments totaling \$10,260, plus copy fees were made during the year ended June 30, 2012. Future scheduled payments per copier are as follows:

| District Office |                       | Grade School |                       | High School  |                       |
|-----------------|-----------------------|--------------|-----------------------|--------------|-----------------------|
| Year            | Amount                | Year         | Amount                | Year         | Amount                |
| 2013            | <b>\$3,420</b>        | 2013         | <b>\$3,420</b>        | 2013         | <b>\$3,420</b>        |
| 2014            | <b>3,420</b>          | 2014         | <b>3,420</b>          | 2014         | <b>3,420</b>          |
| 2015            | <b>1,995</b>          | 2015         | <b>1,995</b>          | 2015         | <b>1,995</b>          |
| <b>Total</b>    | <b><u>\$8,835</u></b> | <b>Total</b> | <b><u>\$8,835</u></b> | <b>Total</b> | <b><u>\$8,835</u></b> |

On April 26, 2010, the District entered into a lease agreement with National City Commercial Capital Company, LLC to lease 105 IBM ThinkPad Notebooks. The agreement calls for annual payments of \$16,840 for three years beginning July 1, 2010. The final payment of \$16,840 was made during the year ended June 30, 2012.

On April 4, 2011, the District entered into a lease agreement with SHI International Corp. to lease 77 Lenovo ThinkPad Notebooks. The agreement calls for annual payments of \$16,986 for three years beginning May 6, 2011. One payment of \$16,986 was made during the year ended June 30, 2012. Future scheduled payments are as follows:

| Year | Amount           |
|------|------------------|
| 2013 | <b>\$ 16,986</b> |

On April 5, 2012, the District entered into a lease agreement with CSI Leasing, Inc. to lease 120 Acer Netbooks. The agreement calls for annual payments of \$16,219 for three years beginning in June 2012. One payment of \$16,219 was made during the year ended June 30, 2012. Future scheduled payments are as follows:

| Year | Amount           |
|------|------------------|
| 2013 | <b>\$ 16,219</b> |
| 2014 | <b>16,219</b>    |

**UNIFIED SCHOOL DISTRICT NO. 388 ELLIS, KANSAS**

Notes to Financial Statements

June 30, 2012

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**NOTE 8 – IN-SUBSTANCE RECEIPT IN TRANSIT**

The District received \$184,992 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.

**NOTE 9 – PRIOR PERIOD ADJUSTMENT**

The General Fund and Supplemental General Fund Unencumbered Cash have been restated to zero and \$36,058, respectively to be in conformity with the regulatory basis of accounting as of July 1, 2011.

**NOTE 10 – LONG-TERM DEBT**

**Unified School District No. 388 Ellis, Kansas** has the following types of long-term debt.

**Capital Leases**

The District has entered into lease agreements with an option to purchase at the expiration of the lease terms. The leases contain a fiscal funding clause.

**UNIFIED SCHOOL DISTRICT NO. 388 ELLIS, KANSAS**

Notes to Financial Statements

June 30, 2012

**NOTE 10 - LONG-TERM DEBT (continued)**

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

| Issue                                     | Interest Rates | Date of Issue | Amount of Issue | Date of Final Maturity | Balance Beginning of Year | Additions | Reductions/ Payments | Net Change    | Balance End of Year | Interest Paid |
|---|----------------|---------------|-----------------|------------------------|---------------------------|-----------|----------------------|---------------|---------------------|---------------|
| <b>Capital Lease</b>                      |                |               |                 |                        |                           |           |                      |               |                     |               |
| District Wide Energy Conservation Program | 5.295%         | 02/09/09      | \$ 1,756,645    | 09/01/23               | \$ 1,562,693              | -         | (84,798)             |               | 1,477,895           | 87,832        |
| <b>Compensated Absences</b>               |                |               |                 |                        | 93,546                    |           |                      | 10,087        | 103,633             |               |
| <b>Total Long-Term Debt</b>               |                |               |                 |                        | <u>\$ 1,656,239</u>       | <u>-</u>  | <u>(84,798)</u>      | <u>10,087</u> | <u>1,581,528</u>    | <u>87,832</u> |

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

|   | YEAR              |                |                |                |                |                |                |                  |
|---|-------------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|
|   | 2013              | 2014           | 2015           | 2016           | 2017           | 2018-2022      | 2023-2024      | Total            |
| <b>Principal</b>                          |                   |                |                |                |                |                |                |                  |
| <b>Capital Lease</b>                      |                   |                |                |                |                |                |                |                  |
| District Wide Energy Conservation Program | \$ 89,564         | 94,599         | 99,915         | 105,531        | 111,463        | 658,632        | 318,191        | <b>1,477,895</b> |
| <b>Interest</b>                           |                   |                |                |                |                |                |                |                  |
| <b>Capital Lease</b>                      |                   |                |                |                |                |                |                |                  |
| District Wide Energy Conservation Program | 83,066            | 78,032         | 72,715         | 67,099         | 61,168         | 204,520        | 27,071         | <b>593,671</b>   |
| <b>Total Principal and Interest</b>       | <u>\$ 172,630</u> | <u>172,631</u> | <u>172,630</u> | <u>172,630</u> | <u>172,631</u> | <u>863,152</u> | <u>345,262</u> | <u>2,071,566</u> |