

**UNIFIED SCHOOL DISTRICT NO. 395
LACROSSE, KANSAS**

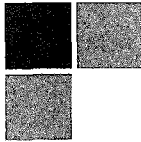
Primary Government Financial Statements
With Independent Auditors' Report

For the Year Ended June 30, 2012

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, 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. 395 LaCrosse, Kansas

LaCrosse, Kansas

We have audited the accompanying primary government financial statements of **Unified School District No. 395 LaCrosse, 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. 395 LaCrosse, 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 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 \$90,944 for the Unified School District No. 395 School Foundation for Educational Excellence.

As described more fully in Note 1, **Unified School District No. 395 LaCrosse, 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 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. 395 LaCrosse, Kansas**, as of June 30, 2012, or the changes in its financial position for the year then ended.

Unified School District No. 395 LaCrosse, 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. 395 LaCrosse, 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.

Adams, Brown, Beran & Ball

ADAMS, BROWN, BERAN & BALL, CHTD.
Certified Public Accountants

October 15, 2012

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS
Summary of Cash Receipts, Expenditures, and Unencumbered Cash
For the Year Ended June 30, 2012

Funds	Beginning Unencumbered Cash Balance	Prior Period Adjustment	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Fund Categories								
General Funds								
General Fund	\$ (139,193)	139,235	10	2,277,408	2,277,450	10	21,061	21,071
Supplemental General Fund	(4,870)	11,710	-	767,579	755,662	18,757	6,352	25,109
Special Revenue Funds								
Capital Outlay Fund	628,764	-	-	271,921	426,225	474,460	319,389	793,849
Driver Training Fund	30,338	-	-	4,410	3,390	31,358	1,950	33,308
Food Service Fund	60,867	-	-	196,877	193,308	64,436	-	64,436
Professional Development Fund	9,195	-	-	-	3,804	5,391	-	5,391
Summer School Fund	14,970	-	-	-	2,909	12,061	-	12,061
Special Education Fund	545,792	-	-	395,927	441,719	500,000	-	500,000
Vocational Education Fund	153,122	-	-	163,222	146,343	170,001	1,796	171,797
KPERS Special Retirement Contribution Fund	-	-	-	218,584	218,584	-	-	-
At Risk (K-12) Fund	-	-	-	184,464	184,464	-	1,890	1,890
Contingency Reserve Fund	269,500	-	-	68,818	110,573	227,745	-	227,745
Textbook Rental Fund	105,465	-	-	16,457	12,494	109,428	10,144	119,572
Title I Fund	1,250	-	-	62,487	61,559	2,178	4,933	7,111
REAP Fund	-	-	-	15,361	15,361	-	-	-
Title II A - Teacher Quality Fund	-	-	-	17,172	17,172	-	654	654
District Activity Funds	11,116	-	-	65,889	62,909	14,096	-	14,096
Total Primary Government (Excluding Agency Funds)	\$ 1,686,316	150,945	10	4,726,576	4,933,926	1,629,921	368,169	1,998,090
Composition of Cash				Checking Accounts			\$	137,213
				Savings Accounts				836,302
				Certificates of Deposit				1,050,000
				Total Cash				2,023,515
				Agency Funds per Statement 4				(25,425)
				Total Primary Government (Excluding Agency Funds)			\$	1,998,090

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

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS

Summary of Expenditures - Actual and Budget
For the Year Ended June 30, 2012

Funds	Certified Budget	Adjustment to Comply With Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
Governmental Fund Categories						
General Funds						
General Fund	\$ 2,396,142	(118,692)	-	2,277,450	2,277,450	-
Supplemental General Fund	755,662	-	-	755,662	755,662	-
Special Revenue Funds						
Capital Outlay Fund	731,315	-	-	731,315	426,225	(305,090)
Driver Training Fund	30,338	-	-	30,338	3,390	(26,948)
Food Service Fund	240,700	-	-	240,700	193,308	(47,392)
Professional Development Fund	12,101	-	-	12,101	3,804	(8,297)
Summer School Fund	10,240	-	-	10,240	2,909	(7,331)
Special Education Fund	583,762	-	-	583,762	441,719	(142,043)
Vocational Education Fund	166,050	-	-	166,050	146,343	(19,707)
KPERs Special Retirement Contribution Fund	234,999	-	-	234,999	218,584	(16,415)
At Risk (K-12) Fund	241,921	-	-	241,921	184,464	(57,457)

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

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, 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 Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues				
Taxes	\$ 364,249	380,781	371,816	8,965
Intergovernmental Revenues				
Mineral Severance Tax	26,537	23,777	-	23,777
Equalization Aid	1,599,955	1,573,912	1,583,739	(9,827)
Federal Aid	120,084	1,099	-	1,099
State Aid	286,747	297,839	321,853	(24,014)
Total Cash Receipts	<u>2,397,572</u>	<u>2,277,408</u>	<u>2,277,408</u>	<u>-</u>
Expenditures				
Instruction	951,555	610,928	945,427	(334,499)
Student Support Services	1,552	1,739	2,655	(916)
Instructional Support Services	44,777	45,577	48,610	(3,033)
General Administration	193,692	206,033	203,500	2,533
School Administration	163,757	163,067	168,519	(5,452)
Operation and Maintenance	254,499	263,972	262,405	1,567
Vehicle Operating Services	152,914	164,549	159,253	5,296
Operating Transfers	634,887	821,585	605,773	215,812
Adjustment to Comply with Legal Max	-	-	(118,692)	118,692
Total Expenditures and Legal General Fund Budget	<u>2,397,633</u>	<u>2,277,450</u>	<u>2,277,450</u>	<u>-</u>
Cash Receipts Over (Under) Expenditures	<u>(61)</u>	<u>(42)</u>		
Unencumbered Cash - Beginning As Previously Stated	61	(139,193)		
Prior Period Adjustment	<u>-</u>	<u>139,235</u>		
Unencumbered Cash - Beginning As Restated	<u>61</u>	<u>42</u>		
Prior Year Cancelled Encumbrances	<u>42</u>	<u>10</u>		
Unencumbered Cash - Ending	<u>\$ 42</u>	<u>10</u>		

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

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, 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 Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues				
Taxes	\$ 506,425	557,232	546,048	11,184
Intergovernmental Revenue				
Equalization Aid	197,108	210,347	202,774	7,573
Total Cash Receipts	703,533	767,579	748,822	18,757
Expenditures				
Instruction	292,186	526,539	470,151	56,388
Operating Transfers	415,814	229,123	285,511	(56,388)
Total Expenditures and Legal Supplemental General Fund Budget	708,000	755,662	755,662	-
Cash Receipts Over (Under) Expenditures	(4,467)	11,917		
Unencumbered Cash - Beginning As Previously Stated	11,113	(4,870)		
Prior Period Adjustment	-	11,710		
Unencumbered Cash - Beginning As Restated	11,113	6,840		
Unencumbered Cash - Ending	\$ 6,646	18,757		

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

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, 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 Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues				
Taxes	\$ 70,195	75,587	83,205	(7,618)
Other Local Sources				
Interest on Idle Funds	10,557	14,401	10,000	4,401
Miscellaneous	4,179	1,592	17,340	(15,748)
Operating Transfers	54,811	180,341	-	180,341
Total Cash Receipts	<u>139,742</u>	<u>271,921</u>	<u>110,545</u>	<u>161,376</u>
Expenditures				
Instruction	49,491	36,572	100,000	(63,428)
General Administration	344	-	219,200	(219,200)
School Administration	-	-	50,494	(50,494)
Operations and Maintenance	140,690	83,218	100,000	(16,782)
Facility Acquisition and Construction	14,500	306,435	261,621	44,814
Total Expenditures	<u>205,025</u>	<u>426,225</u>	<u>731,315</u>	<u>(305,090)</u>
Cash Receipts Over (Under) Expenditures	(65,283)	(154,304)		
Unencumbered Cash - Beginning	<u>694,047</u>	<u>628,764</u>		
Unencumbered Cash - Ending	<u>\$ 628,764</u>	<u>474,460</u>		

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

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, 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 Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Intergovernmental Revenue				
State Aid	\$ 1,924	1,410	2,220	(810)
Other Local Sources				
Student Fees	3,000	3,000	-	3,000
Total Cash Receipts	4,924	4,410	2,220	2,190
Expenditures				
Instruction	2,468	2,216	9,700	(7,484)
Vehicle Operating Services	1,181	1,174	20,638	(19,464)
Total Expenditures	3,649	3,390	30,338	(26,948)
Cash Receipts Over (Under) Expenditures	1,275	1,020		
Unencumbered Cash - Beginning	29,063	30,338		
Unencumbered Cash - Ending	\$ 30,338	31,358		

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

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, 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 Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Intergovernmental Revenues				
State Aid	\$ 1,806	1,840	1,455	385
Federal Aid	80,265	79,462	79,570	(108)
Other Local Sources				
Lunch Receipts - Students	46,216	53,312	45,597	7,715
Lunch Receipts - Adults	2,811	2,061	2,730	(669)
Operating Transfers	51,304	59,493	49,231	10,262
Miscellaneous	1,080	709	1,250	(541)
Total Cash Receipts	183,482	196,877	179,833	17,044
Expenditures				
Food Service Operation	182,601	193,308	240,700	(47,392)
Cash Receipts Over (Under) Expenditures	881	3,569		
Unencumbered Cash - Beginning	59,986	60,867		
Unencumbered Cash - Ending	\$ 60,867	64,436		

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

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, 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)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts	\$ -	-	-	-
Expenditures				
Instruction	2,906	3,804	12,101	(8,297)
Cash Receipts Over (Under) Expenditures	(2,906)	(3,804)		
Unencumbered Cash - Beginning	12,101	9,195		
Unencumbered Cash - Ending	\$ 9,195	5,391		

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

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS
Summer School 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 Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts	\$ -	-	-	-
Expenditures				
Instruction	3,123	2,909	10,240	(7,331)
Cash Receipts Over (Under) Expenditures	(3,123)	(2,909)		
Unencumbered Cash - Beginning	18,093	14,970		
Unencumbered Cash - Ending	\$ 14,970	12,061		

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

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, 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 Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Operating Transfers	\$ 501,753	394,370	521,853	(127,483)
Miscellaneous	38	1,557	-	1,557
Total Cash Receipts	501,791	395,927	<u>521,853</u>	<u>(125,926)</u>
Expenditures				
Instruction	408,969	385,205	411,173	(25,968)
Vehicle Operating Services	51,975	56,514	172,589	(116,075)
Total Expenditures	460,944	441,719	<u>583,762</u>	<u>(142,043)</u>
Cash Receipts Over (Under) Expenditures	40,847	(45,792)		
Unencumbered Cash - Beginning	504,945	545,792		
Unencumbered Cash - Ending	\$ <u>545,792</u>	<u>500,000</u>		

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

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, 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 Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Operating Transfers	\$ 202,676	163,222	<u>54,928</u>	<u>108,294</u>
Expenditures				
Instruction	<u>144,846</u>	<u>146,343</u>	<u>166,050</u>	<u>(19,707)</u>
Cash Receipts Over (Under) Expenditures	57,830	16,879		
Unencumbered Cash - Beginning	<u>95,292</u>	<u>153,122</u>		
Unencumbered Cash - Ending	\$ <u>153,122</u>	<u>170,001</u>		

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

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, 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 Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Intergovernmental Revenue				
State Aid	\$ 130,555	218,584	234,999	(16,415)
Expenditures				
Instruction	99,222	166,124	198,749	(32,625)
Student Support Services	2,611	4,372	2,800	1,572
Instructional Support Services	2,611	4,372	2,200	2,172
General Administration	7,833	13,115	8,500	4,615
School Administration	7,833	13,115	8,500	4,615
Operations and Maintenance	5,222	8,743	6,000	2,743
Student Transportation Services	-	-	1,250	(1,250)
Food Service	5,223	8,743	7,000	1,743
Total Expenditures	130,555	218,584	234,999	(16,415)
Cash Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash - Beginning	-	-		
Unencumbered Cash - Ending	\$ -	-		

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

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, 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 Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Operating Transfers	\$ 240,157	184,464	<u>241,921</u>	<u>(57,457)</u>
Expenditures				
Instruction	<u>240,157</u>	<u>184,464</u>	<u>241,921</u>	<u>(57,457)</u>
Cash Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash - Beginning	-	-		
Unencumbered Cash - Ending	\$ <u>-</u>	<u>-</u>		

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

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, 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 Year Actual	Current Year Actual
Cash Receipts		
Operating Transfers	\$ -	68,818
Expenditures		
Instruction	-	110,573
Cash Receipts Over (Under) Expenditures	-	(41,755)
Unencumbered Cash - Beginning	269,500	269,500
Unencumbered Cash - Ending	\$ 269,500	227,745

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

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, 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 Year Actual	Current Year Actual
Cash Receipts		
Book Rental Fees	\$ 15,960	16,457
Expenditures		
Instruction	12,238	12,494
Cash Receipts Over (Under) Expenditures	3,722	3,963
Unencumbered Cash - Beginning	101,743	105,465
Unencumbered Cash - Ending	\$ 105,465	109,428

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

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, 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 Year Actual	Current Year Actual
Cash Receipts		
Federal Aid	\$ 63,171	62,487
Expenditures		
Instruction	62,650	61,559
Cash Receipts Over (Under) Expenditures	521	928
Unencumbered Cash - Beginning	729	1,250
Unencumbered Cash - Ending	\$ 1,250	2,178

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

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS
REAP 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 Year Actual	Current Year Actual
Cash Receipts		
Federal Aid	\$ 18,682	15,361
Expenditures		
Instruction	18,682	15,361
Cash Receipts Over (Under) Expenditures	-	-
Unencumbered Cash - Beginning	-	-
Unencumbered Cash - Ending	\$ -	-

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

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS
Title II A - 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 Year Actual	Current Year Actual
Cash Receipts		
Federal Aid	\$ 20,209	17,172
Expenditures		
Instruction	20,209	17,172
Cash Receipts Over (Under) Expenditures	-	-
Unencumbered Cash - Beginning	-	-
Unencumbered Cash - Ending	\$ -	-

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

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS
Title II D - Education Technology 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 Year Actual	Current Year Actual
Cash Receipts		
Federal Aid	\$ 214	-
Expenditures		
Instruction	214	-
Cash Receipts Over (Under) Expenditures	-	-
Unencumbered Cash - Beginning	-	-
Unencumbered Cash - Ending	\$ -	-

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

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS
Agency Funds
Summary of Cash Receipts and Cash Disbursements
For the Year Ended June 30, 2012

<u>Funds</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
High School				
Class of 2012	\$ 1,468	462	1,544	386
Class of 2013	1,307	6,772	7,577	502
Class of 2014	1,276	4,909	2,511	3,674
Class of 2015	-	2,471	1,086	1,385
FFA	2,804	11,996	10,227	4,573
STUCO	1,836	1,813	2,291	1,358
Spirit Club	59	310	256	113
Yearbook/Media	-	4,383	2,569	1,814
Speech/Drama	2,216	837	1,060	1,993
National Honor Society	401	180	-	581
Weight Lifting	723	5,100	5,095	728
SADD	1,549	1,611	2,593	567
Band	2,271	3,227	2,071	3,427
Choir	277	100	212	165
Cheerleaders	1,793	7,754	7,171	2,376
Industrial Arts Club	516	127	369	274
Art Club	772	-	185	587
Total High School	<u>19,268</u>	<u>52,052</u>	<u>46,817</u>	<u>24,503</u>
Middle School				
Music Club	409	-	256	153
STUCO	780	298	1,016	62
NJHS	5	-	-	5
Cheerleaders	1,201	863	1,646	418
Total Middle School	<u>2,395</u>	<u>1,161</u>	<u>2,918</u>	<u>638</u>
Grade School				
STUCO	116	1,260	1,092	284
Total	<u>\$ 21,779</u>	<u>54,473</u>	<u>50,827</u>	<u>25,425</u>

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

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS
District Activity Funds
Statement of Cash Receipts, Expenditures, and Unencumbered Cash
For the Year Ended June 30, 2012

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Gate Receipts							
High School							
Athletics	\$ 4,527	-	28,834	29,159	4,202	-	4,202
Middle School							
Athletics	1,658	-	2,785	3,417	1,026	-	1,026
Total Gate Receipts	<u>6,185</u>	<u>-</u>	<u>31,619</u>	<u>32,576</u>	<u>5,228</u>	<u>-</u>	<u>5,228</u>
School Projects							
High School							
Prom Party	731	-	150	-	881	-	881
Engineering and Design	783	-	346	439	690	-	690
Concessions	704	-	25,109	23,786	2,027	-	2,027
Book Fair	270	-	25	-	295	-	295
Site Council	318	-	-	-	318	-	318
Camp Pflaum	6	-	41	-	47	-	47
Camp Parton	241	-	127	215	153	-	153
Camp Webster	112	-	44	74	82	-	82
Camp Legleiter	34	-	112	129	17	-	17
Camp Braun	-	-	12	-	12	-	12
Camp Burk	-	-	91	27	64	-	64
Camp Delimont	-	-	1	-	1	-	1
Camp Hamilton	-	-	72	-	72	-	72
Camp Irvin	-	-	92	-	92	-	92
Camp Nordstedt	-	-	20	-	20	-	20
Camp Taliaferro	-	-	40	-	40	-	40
BB Boys	-	-	3,737	1,893	1,844	-	1,844
KS Hlth Fdn. - Stu. N	400	-	50	136	314	-	314
Big/Littles	303	-	91	210	184	-	184
Total High School	<u>3,902</u>	<u>-</u>	<u>30,160</u>	<u>26,909</u>	<u>7,153</u>	<u>-</u>	<u>7,153</u>
Middle School							
Concessions	733	-	38	269	502	-	502
Grade School							
Book Fair/Accel. Reader	296	-	4,072	3,155	1,213	-	1,213
Total School Projects	<u>4,931</u>	<u>-</u>	<u>34,270</u>	<u>30,333</u>	<u>8,868</u>	<u>-</u>	<u>8,868</u>
Total District Activity Funds	<u>\$ 11,116</u>	<u>-</u>	<u>65,889</u>	<u>62,909</u>	<u>14,096</u>	<u>-</u>	<u>14,096</u>

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

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS

Notes to Financial Statements

June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unified School District No. 395 LaCrosse, 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 board. The financial statements of the District consist of all the funds of the District that are considered to be controlled by or dependent on the District. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing board.

The following is a component unit of **Unified School District No. 395 LaCrosse, Kansas**. The District exercises significant influence or accountability based primarily on operational or financial relationships with the Foundation. The component unit is not included in the District's financial statements.

United School District No. 395 School Foundation for Educational Excellence

Unified School District No. 395 School Foundation for Educational Excellence is organized as a nonprofit organization in the State of Kansas for the sole purpose of providing charitable and educational functions to **Unified School District No. 395 LaCrosse, Kansas**. The Board of Trustees of the foundation are the members of the Board of Education of the District. The Foundation's financial statements are not included in this report. Contact the District Clerk for information on how to obtain its financial information.

The District is the primary government as defined in GASB #14 and further amended by GASB #39. The School 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 and report all financial resources not accounted for and 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.

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS

Notes to Financial Statements

June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Fiduciary Fund Categories

Agency Funds – to account for assets held by the District as 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, 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:

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS
Notes to Financial Statements
June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- a. Preparation of the budget for the succeeding fiscal year on or before August 1st.
- b. Publication in local newspaper on or before August 5th of the proposed budget notice and of public hearing on the budget.
- c. Public hearing on or before August 15th, but at least 10 days after publication of notice of hearing.
- d. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least 10 days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments this year.

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

All legal annual operating budgets are prepared using the 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. All unused budget expenditure authority lapses at year-end.

A legal operating budget is not required for capital project funds, fiduciary funds, permanent funds, and the following special revenue funds: Contingency Reserve Fund, Textbook Rental Fund, Title I Fund, REAP Fund, and Title II A – Teacher Quality Fund, Title II D – Education Technology Fund.

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

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

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS

Notes to Financial Statements

June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 did not use peak depository coverage. All deposits were legally secured at June 30, 2012.

At June 30, 2012, the District's carrying amount of deposits was \$1,998,090 and the bank balance was \$2,146,328. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$531,438 was covered by federal depository insurance and \$1,614,890 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the 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

The District's contracts with various employees permit the employees to accumulate various amounts of vacation and sick leave. The contracts state that accumulated vacation must be taken by the end of the contract date or the time will be lost.

Sick Leave

The District's policy for accrued sick leave is that employees may accumulate a maximum of 90 days of sick leave. Any employee sick leave that exceeds the 90 day limit at the end of the school year is placed in the District's sick leave bank. The District allows for accrued sick leave to be paid upon separation of service due to retirement, work force reduction, or disability or death, provided the employee has been employed by the District for 10 or more years as of the 2000 – 2001 contract year. The amount paid due to separation from service is equal to \$50 a day times the number of days accumulated not to exceed 60 days. No accumulated sick leave is paid to employees at separation of service for any other reason.

Sick Leave Bank – The sick leave bank is voluntary and open to all teachers covered by the negotiated agreement approved by the District. The purpose of the sick leave bank is to allow staff members to contribute unused sick leave to a pool and allow participating members, who have exhausted their accumulated sick leave, to draw from the pool and avoid having their pay reduced. The sick leave bank is administered by the District pursuant to the guidelines it has established. At the end of each regular school year, any excess days a teacher has accumulated beyond 90 days will be placed in the sick leave bank. If the sick leave bank is short of 50 days after excess days are placed in the bank, then all teachers shall contribute one day to the District sick leave bank. Teachers in the District may voluntarily contribute two additional days to the bank. Days remaining in the bank at the end of the regular school year shall accumulate from year to year to a maximum of 50 days. Teachers shall not be eligible for the sick leave bank until they have depleted their current and accumulated individual sick leave. Use of the sick leave bank is subject to approval by the District after the teacher becomes eligible. The total potential liability for sick leave of the District as of June 30, 2012 was \$468,939. This potential liability is shown on the schedule of long-term debt.

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS

Notes to Financial Statements

June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Compensation Plan

The District sponsors a deferred compensation plan under Internal Revenue Code Section 403(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) or by calling 1-888-275-5737.

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-employee 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 contributes 9.77% of covered payroll as established by KPERS requirements 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 \$218,584, \$130,555, and \$148,552, respectively.

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 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. 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 for special purposes.

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS

Notes to Financial Statements

June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reimbursements

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

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. 395 LaCrosse, Kansas'** interfund transfers and statutory authority for the year ended June 30, 2012 were as follows:

From	To	Statutory Authority	Amount
General Fund	Capital Outlay Fund	K.S.A. 72-8803	\$ 180,341
General Fund	Special Education Fund	K.S.A. 72-6420	297,839
General Fund	At-Risk (K-12) Fund	K.S.A. 72-6414a	184,464
General Fund	Contingency Reserve Fund	K.S.A. 72-6420	68,818
General Fund	Vocational Education Fund	K.S.A. 72-6421	90,123
Supplemental General Fund	Special Education Fund	K.S.A. 72-6420	96,531
Supplemental General Fund	Vocational Education Fund	K.S.A. 72-6421	73,099
Supplemental General Fund	Food Service Fund	K.S.A. 72-5119	59,493

NOTE 3 - LITIGATION

Unified School District No. 395 LaCrosse, 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

Unified School District No. 395 LaCrosse, 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 unable to obtain workers' compensation insurance at a cost it considered to be economically justifiable. For this reason, the District joined together with other Districts in the State to participate in the Kansas Association of School Boards Risk Management Services, a public entity risk pool currently operating as a common risk management and insurance program for 86 participating members.

The District pays an annual premium to the Kansas Association of School Boards Risk Management Services for its workers compensation insurance coverage. The agreement to participate provides that the Kansas Association of School Boards Risk Management Services will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$500,000 for each insured event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by the Kansas Association of School Boards Risk Management Services' management.

The District carries commercial insurance for all other risks of loss, including property, general liability, inland marine, crime, automobile, umbrella, linebacker, and employee dishonesty. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS

Notes to Financial Statements

June 30, 2012

NOTE 5 - GRANTS AND SHARED REVENUES

Unified School District No. 395 LaCrosse, 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 audits, is not believed to be material.

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 **Unified School District No. 395 LaCrosse, 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

On May 4, 2009, **Unified School District No. 395 LaCrosse, Kansas** entered into a five year operating lease agreement with Durham School Services, L.P. for the use of school buses. Operating leases do not give rise to property rights or lease obligations and therefore, the result of this lease agreement is not reflected in the District's financial statements. Future scheduled payments are as follows:

Year	Amount
2013	\$ 129,640
2014	133,529
Total	\$ 263,169

On August 24, 2009, the District entered into a 60 month operating lease agreement with Dealers First Financial, L.L.C. for the use of 2 copiers. Operating leases do not give rise to property rights or lease obligations and therefore, the result of this lease agreement is not reflected in the District's financial statements. Future scheduled payments are as follows:

Year	Amount
2013	\$ 5,160
2014	5,160
2015	860
Total	\$ 11,180

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS

Notes to Financial Statements

June 30, 2012

NOTE 7 - OPERATING LEASES (continued)

On July 19, 2010, the District entered into a 60 month operating lease agreement with Dealers First Financial, L.L.C. for the use of 1 copier. Operating leases do not give rise to property rights or lease obligations and therefore, the result of this lease agreement is not reflected in the District's financial statements. Future scheduled payments are as follows:

Year	Amount
2013	\$ 2,748
2014	2,748
2015	2,748
2016	229
Total	\$ 8,473

On June 20, 2011, the District entered into a 60 month operating lease agreement with Dealers First Financial, L.L.C. for the use of 1 copier. Operating leases do not give rise to property rights or lease obligations and therefore, the result of this lease agreement is not reflected in the District's financial statements. Future scheduled payments are as follows:

Year	Amount
2013	\$ 2,040
2014	2,040
2015	2,040
2016	1,870
Total	\$ 7,990

NOTE 8 - IN-SUBSTANCE RECEIPT IN TRANSIT

The District received \$150,863 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 – RELATED PARTY TRANSACTION

The District entered into an arms length transaction with Board member, Mitch Conner. The District paid \$2,803 for services provided by Mitch's Plumbing during the year ended June 30, 2012. Mitch Connor is the sole owner of the business.

NOTE 10 – PRIOR PERIOD ADJUSTMENT

The General Fund and Supplemental General Fund Unencumbered Cash have been restated to \$42 and \$6,646, respectively, to be in conformity with the regulatory basis of accounting as of July 01, 2011.

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS
Notes to Financial Statements
June 30, 2012

NOTE 11 - LONG-TERM DEBT

Unified School District No. 395 LaCrosse, Kansas has the following types of long-term debt.

Lease Obligations

The District has entered into a lease agreement with an option to purchase at the expiration of the lease term. The lease contains a fiscal funding clause.

Changes in and current maturities of long-term debt for the District at June 30, 2012 is included on the following page.

UNIFIED SCHOOL DISTRICT NO. 395 LACROSSE, KANSAS

Notes to Financial Statements

June 30, 2012

NOTE 11 - 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
Lease Obligation										
Construction of Track & Field Improvements	2.910%	06/04/12	\$ 500,000	06/01/22	\$ -	500,000	-	-	500,000	-
Compensated Absences					453,575	-	-	15,364	468,939	-
Total Long-Term Debt					<u>\$ 453,575</u>	<u>500,000</u>	<u>-</u>	<u>15,364</u>	<u>968,939</u>	<u>-</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	Total
Principal							
Lease Obligation							
Construction of Track & Field Improvements	\$ 43,867	45,064	46,375	47,725	49,114	267,855	500,000
Interest							
Lease Obligation							
Construction of Track & Field Improvements	14,470	13,273	11,962	10,612	9,223	23,830	83,370
Total Principal and Interest	<u>\$ 58,337</u>	<u>58,337</u>	<u>58,337</u>	<u>58,337</u>	<u>58,337</u>	<u>291,685</u>	<u>583,370</u>