

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas

STATUTORY BASIS FINANCIAL STATEMENTS
For the year ended June 30, 2012

And

INDEPENDENT AUDITORS' REPORTS

Long CPA, PA
A Professional Association
Certified Public Accountants

UNIFIED SCHOOL DISTRICT NO. 409

Atchison, Kansas

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UNIFIED SCHOOL DISTRICT NO. 409

Atchison, Kansas

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Board of Education
Unified School District No. 409
Atchison, Kansas

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS

We have audited the financial statements of the individual funds of Unified School District No. 409, Atchison, Kansas, as of and for the year ended June 30 2012, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the Kansas Municipal Audit Guide and the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, Unified School District No. 409 has prepared these financial statements in conformity with the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The 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 reasonable determinable, are presumed to be material.

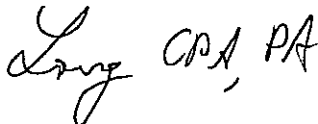
In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District No. 409 as of June 30, 2012, or the changes in its financial position for the year then ended.

Board of Education
Unified School District No. 409
Atchison, Kansas

In our opinion the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of the Unified School District No. 409, as of June 30, 2012, and its cash receipts and expenditures, budgetary comparisons, and changes in long-term debt and long-term debt maturities for the year then ended, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated September 20, 2012, on our consideration of Unified School District No. 409's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Unified School District No. 409's basic financial statements. The accompanying schedule of expenditures of federal awards and schedule of findings and questioned costs are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of State and Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements of Unified School District No. 409. The schedule of expenditures of federal awards and schedule of findings and questioned costs have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in cursive script that reads "Long CPA, PA".

Long CPA, PA
A Professional Association
Certified Public Accountant

September 20, 2012

USD #409 ATCHISON, KANSAS
Summary 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
Governmental Type Funds							
General Funds							
General	\$ (791,901)	\$ -	\$ 10,756,327	\$ 10,782,181	\$ (817,755)	\$ -	\$ (817,755)
Supplemental General	6,451	-	3,338,724	3,272,000	73,175	-	73,175
Special Revenue Funds							
4-year old at risk	38,566	-	69,968	69,968	38,566	-	38,566
K-12 at risk	222,569	-	3,118,925	3,118,925	222,569	-	222,569
Bilingual Education	-	-	756	756	-	-	-
Capital outlay	2,065,198	-	495,838	608,358	1,952,478	-	1,952,478
Driver education	5,443	-	6,544	3,226	8,761	-	8,761
Food service	404,848	-	886,647	959,913	331,582	-	331,582
KPERS special retirement contribution	-	-	1,190,851	1,190,851	-	-	-
Professional development	228,678	-	51,394	51,394	228,678	-	228,678
Parent education	-	-	17,300	17,300	-	-	-
Special education	839,015	-	3,307,228	3,307,228	839,015	-	839,015
Vocational education	73,047	-	341,670	341,670	73,047	-	73,047
Gifts and grants	57,881	-	38,153	16,698	79,336	-	79,336
Contingency reserve	976,561	-	93,665	596	1,069,630	-	1,069,630
Textbook rental	346,747	-	102,042	161,280	287,509	-	287,509
Title I	22,904	-	432,707	453,961	1,650	-	1,650
Title IV	3,578	-	-	3,578	-	-	-
Title IIA	29,232	-	87,426	107,714	8,944	-	8,944
Carl Perkins	-	-	19,603	19,603	-	-	-
Title IID	-	-	72,200	61,127	11,073	-	11,073
Gate receipts	12,924	-	67,129	69,001	11,052	-	11,052
District activity funds	123,539	-	149,724	173,788	99,475	-	99,475
Debt service fund:							
Bond and interest	1,524,422	-	1,893,081	1,644,737	1,772,766	-	1,772,766
Total primary government	6,189,702	-	26,537,902	26,436,053	6,291,551	-	6,291,551
Component unit:							
Atchison Recreation Commission: General	192,972	-	382,957	372,964	202,965	-	202,965
Atchison Recreation Commission: Employee Benefit	23,250	-	77,076	64,992	35,334	-	35,334
Total component unit	216,222	-	460,033	437,956	238,299	-	238,299
Total reporting entity (excluding agency funds)	6,405,924	-	26,997,935	26,874,009	6,529,850	-	6,529,850
Composition of Cash							
Checking Accounts						\$	\$ 6,354,476
Petty Cash							1,800
Total Component Unit							238,299
Total Cash							6,594,575
Agency Funds per Statement 4							64,725
Total Reporting Entity						\$	\$ 6,529,850

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

USD #409 ATCHISON, KANSAS
Summary of Expenditures - Actual and Budget
For the Year Ended June 30, 2012

Funds	Certified Budget	Adjustments to Comply with Legal Max	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Favorable (Unfavorable)
General fund	\$ 10,858,050	\$ (157,625)	\$ 81,756	\$ 10,782,181	\$ 10,782,181	\$ -
Supplemental General	3,272,000	0	0	3,272,000	3,272,000	-
4-year old at risk	114,236	0	0	114,236	69,968	44,268
K-12 at risk	3,467,551	0	0	3,467,551	3,118,925	348,626
Bilingual Education	22,766	0	0	22,766	756	22,010
Capital outlay	2,324,694	0	0	2,324,694	608,558	1,716,136
Driver education	8,911	0	0	8,911	3,226	5,685
Food service	1,401,855	0	0	1,401,855	959,913	441,942
KPERS special retirement contribution	845,321	0	0	845,321	1,190,851	(345,530)
Professional development	258,678	0	0	258,678	51,394	207,284
Parent education	21,000	0	0	21,000	17,300	3,700
Special education	3,910,911	0	0	3,910,911	3,307,228	603,683
Vocational education	487,335	0	0	487,335	341,670	145,665
Gifts and grants	127,880	0	0	127,880	16,698	111,182
Bond and interest	1,722,482	0	0	1,722,482	1,644,737	77,745
Atchison Recreation Commission: General	408,539	0	0	408,539	372,964	35,575
Atchison Recreation Commission: Employee Benefit	69,200	0	0	69,200	64,992	4,208

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

USD #409 ATCHISON, KANSAS
GENERAL FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2012

	Actual	Budget	Variance- Favorable (Unfavorable)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 1,253,124	\$ 1,209,567	\$ 43,557
Delinquent tax	19,985	14,663	5,322
Motor vehicle tax			-
RV tax			-
Mineral production tax			-
Federal grants	4,896	-	4,896
State aid/grants	9,396,566	9,633,820	(237,254)
Charges for services			-
Interest income			-
Miscellaneous revenues	81,756		81,756
Operating transfers			-
Total Cash Receipts	<u>10,756,327</u>	<u>10,858,050</u>	<u>(101,723)</u>
EXPENDITURES			
Instruction	3,266,467	3,286,953	20,486
Student support services	257,208	264,972	7,764
Instruction support staff	112,663	119,308	6,645
General administration	415,069	441,610	26,541
School administration	854,599	894,655	40,056
Operations and maintenance	1,479,601	1,720,311	240,710
Student transportation services	429,112	460,292	31,180
Central support services			-
Other support services	74,585	74,717	132
Food service operations			-
Student activities			-
Facility acquisition and construction services			-
Debt service			-
Operating transfers	3,892,877	3,595,232	(297,645)
Adjustment to comply with legal max		(157,625)	(157,625)
Adjustment for qualifying budget credits		81,756	81,756
Total Expenditures	<u>10,782,181</u>	<u>\$ 10,782,181</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	(25,854)		
Unencumbered Cash, Beginning	(791,901)		
Prior Year Cancelled Encumbrances	-		
Unencumbered Cash, Ending	<u>\$ (817,755)</u>		

See Note 12 (Cash Basis Exception)

See Note 13 (Statutory Presentation)

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

USD #409 ATCHISON, KANSAS
SUPPLEMENTAL GENERAL FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2012

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 1,521,230	\$ 1,811,484	\$ (290,254)
Delinquent tax	27,545	15,315	12,230
Motor vehicle tax	182,023	159,979	22,044
RV tax	1,606	1,530	76
Mineral production tax			-
Federal grants	-		-
State aid/grants	1,606,238	1,531,689	74,549
Charges for services			-
Interest income			-
Miscellaneous revenues	82		82
Operating transfers			-
	<u>3,338,724</u>	<u>3,519,997</u>	<u>(181,273)</u>
EXPENDITURES			
Instruction	206,915	301,000	(94,085)
Student support services			-
Instruction support staff	196,033	206,331	(10,298)
General administration			-
School administration	85,279	10,076	75,203
Operations and maintenance	99,666	67,500	32,166
Student transportation services			-
Central support services			-
Other support services			-
Food service operations			-
Student activities			-
Facility acquisition and construction services			-
Debt service			-
Operating transfers	2,684,107	2,687,093	(2,986)
Adjustment to comply with legal max			-
Adjustment for qualifying budget credits			-
	<u>3,272,000</u>	<u>\$ 3,272,000</u>	<u>\$ -</u>
Total Expenditures			
	<u>3,272,000</u>	<u>\$ 3,272,000</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	66,724		
Unencumbered Cash, Beginning	6,451		
Prior Year Cancelled Encumbrances	-		
	<u>73,175</u>		
Unencumbered Cash, Ending	<u>\$ 73,175</u>		

See Note 12 (Cash Basis Exception)

See Note 13 (Statutory Presentation)

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

USD #409 ATCHISON, KANSAS
 AT RISK FUND (4-year old)
 Statement of Cash Receipts and Expenditures - Actual and Budget
 For the Year Ended June 30, 2012

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ -
Delinquent tax			-
Motor vehicle tax			-
RV tax			-
Mineral production tax			-
Federal grants			-
State aid/grants			-
Charges for services			-
Interest income			-
Miscellaneous revenues			-
Operating transfers	<u>69,968</u>	<u>75,670</u>	<u>(5,702)</u>
Total Cash Receipts	<u>69,968</u>	<u>75,670</u>	<u>(5,702)</u>
EXPENDITURES			
Instruction	69,968	114,236	44,268
Student support services			-
Instruction support staff			-
General administration			-
School administration			-
Operations and maintenance			-
Student transportation services			-
Central support services			-
Other support services			-
Food service operations			-
Student activities			-
Facility acquisition and construction services			-
Debt service			-
Operating transfers			-
Adjustment to comply with legal max			-
Adjustment for qualifying budget credits			-
Total Expenditures	<u>69,968</u>	<u>\$ 114,236</u>	<u>\$ 44,268</u>
Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	38,566		
Prior Year Cancelled Encumbrances	-		
Unencumbered Cash, Ending	<u>\$ 38,566</u>		

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

USD #409 ATCHISON, KANSAS
Summary 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
Governmental Type Funds							
General Funds							
General	\$ (791,901)	\$ -	\$ 10,756,327	\$ 10,782,181	\$ (817,755)	\$	\$ (817,755)
Supplemental General	6,451	-	3,338,724	3,272,000	73,175		73,175
Special Revenue Funds							
4-year old at risk	38,566	-	69,968	69,968	38,566		38,566
K-12 at risk	222,569	-	3,118,925	3,118,925	222,569		222,569
Bilingual Education	-	-	756	756	-		-
Capital outlay	2,065,198	-	495,838	608,558	1,952,478		1,952,478
Driver education	5,443	-	6,544	3,226	8,761		8,761
Food service	404,848	-	886,647	959,913	331,582		331,582
KPERS special retirement contribution	-	-	1,190,851	1,190,851	-		-
Professional development	228,678	-	51,394	51,394	228,678		228,678
Parent education	-	-	17,300	17,300	-		-
Special education	839,015	-	3,307,228	3,307,228	839,015		839,015
Vocational education	73,047	-	341,670	341,670	73,047		73,047
Gifts and grants	57,881	-	38,153	16,698	79,336		79,336
Contingency reserve	976,561	-	93,665	596	1,069,630		1,069,630
Textbook rental	346,747	-	102,042	161,280	287,509		287,509
Title I	22,904	-	432,707	453,961	1,650		1,650
Title IV	3,578	-	-	3,578	-		-
Title IIA	29,232	-	87,426	107,714	8,944		8,944
Carl Perkins	-	-	19,603	19,603	-		-
Title IID	-	-	72,200	61,127	11,073		11,073
Gate receipts	12,924	-	67,129	69,001	11,052		11,052
District activity funds	123,539	-	149,724	173,788	99,475		99,475
Debt service fund:							
Bond and interest	1,524,422	-	1,893,081	1,644,737	1,772,766		1,772,766
Total primary government	6,189,702	-	26,537,902	26,436,053	6,291,551	-	6,291,551
Component unit:							
Atchison Recreation Commission: General	192,972	-	382,957	372,964	202,965		202,965
Atchison Recreation Commission: Employee Benefit	23,250	-	77,076	64,992	35,334		35,334
Total component unit	216,222	-	460,033	437,956	238,299	-	238,299
Total reporting entity (excluding agency funds)	6,405,924	-	26,997,935	26,874,009	6,529,850	-	6,529,850
Composition of Cash							
					Checking Accounts		\$ 6,354,476
					Petty Cash		1,800
					Total Component Unit		238,299
					Total Cash		6,594,575
					Agency Funds per Statement 4		64,725
					Total Reporting Entity		\$ 6,529,850

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

USD #409 ATCHISON, KANSAS
Summary of Expenditures - Actual and Budget
For the Year Ended June 30, 2012

Funds	Certified Budget	Adjustments to Comply with Legal Max	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Favorable (Unfavorable)
General fund	\$ 10,858,050	\$ (157,625)	\$ 81,756	\$ 10,782,181	\$ 10,782,181	\$ -
Supplemental General	3,272,000	0	0	3,272,000	3,272,000	-
4-year old at risk	114,236	0	0	114,236	69,968	44,268
K-12 at risk	3,467,551	0	0	3,467,551	3,118,925	348,626
Bilingual Education	22,766	0	0	22,766	756	22,010
Capital outlay	2,324,694	0	0	2,324,694	608,558	1,716,136
Driver education	8,911	0	0	8,911	3,226	5,685
Food service	1,401,855	0	0	1,401,855	959,913	441,942
KPERS special retirement contribution	845,321	0	0	845,321	1,190,851	(345,530)
Professional development	258,678	0	0	258,678	51,394	207,284
Parent education	21,000	0	0	21,000	17,300	3,700
Special education	3,910,911	0	0	3,910,911	3,307,228	603,683
Vocational education	487,335	0	0	487,335	341,670	145,665
Gifts and grants	127,880	0	0	127,880	16,698	111,182
Bond and interest	1,722,482	0	0	1,722,482	1,644,737	77,745
Atchison Recreation Commission: General	408,539	0	0	408,539	372,964	35,575
Atchison Recreation Commission: Employee Benefit	69,200	0	0	69,200	64,992	4,208

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

USD #409 ATCHISON, KANSAS
GENERAL FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2012

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 1,253,124	\$ 1,209,567	\$ 43,557
Delinquent tax	19,985	14,663	5,322
Motor vehicle tax			-
RV tax			-
Mineral production tax			-
Federal grants	4,896	-	4,896
State aid/grants	9,396,566	9,633,820	(237,254)
Charges for services			-
Interest income			-
Miscellaneous revenues	81,756		81,756
Operating transfers			-
Total Cash Receipts	<u>10,756,327</u>	<u>10,858,050</u>	<u>(101,723)</u>
EXPENDITURES			
Instruction	3,266,467	3,286,953	20,486
Student support services	257,208	264,972	7,764
Instruction support staff	112,663	119,308	6,645
General administration	415,069	441,610	26,541
School administration	854,599	894,655	40,056
Operations and maintenance	1,479,601	1,720,311	240,710
Student transportation services	429,112	460,292	31,180
Central support services			-
Other support services	74,585	74,717	132
Food service operations			-
Student activities			-
Facility acquisition and construction services			-
Debt service			-
Operating transfers	3,892,877	3,595,232	(297,645)
Adjustment to comply with legal max		(157,625)	(157,625)
Adjustment for qualifying budget credits		81,756	81,756
Total Expenditures	<u>10,782,181</u>	<u>\$ 10,782,181</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	(25,854)		
Unencumbered Cash, Beginning	(791,901)		
Prior Year Cancelled Encumbrances	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ (817,755)</u>		

See Note 12 (Cash Basis Exception)

See Note 13 (Statutory Presentation)

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

USD #409 ATCHISON, KANSAS
SUPPLEMENTAL GENERAL FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2012

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 1,521,230	\$ 1,811,484	\$ (290,254)
Delinquent tax	27,545	15,315	12,230
Motor vehicle tax	182,023	159,979	22,044
RV tax	1,606	1,530	76
Mineral production tax			-
Federal grants	-		-
State aid/grants	1,606,238	1,531,689	74,549
Charges for services			-
Interest income			-
Miscellaneous revenues	82		82
Operating transfers			-
Total Cash Receipts	<u>3,338,724</u>	<u>3,519,997</u>	<u>(181,273)</u>
EXPENDITURES			
Instruction	206,915	301,000	(94,085)
Student support services			-
Instruction support staff	196,033	206,331	(10,298)
General administration			-
School administration	85,279	10,076	75,203
Operations and maintenance	99,666	67,500	32,166
Student transportation services			-
Central support services			-
Other support services			-
Food service operations			-
Student activities			-
Facility acquisition and construction services			-
Debt service			-
Operating transfers	2,684,107	2,687,093	(2,986)
Adjustment to comply with legal max			-
Adjustment for qualifying budget credits			-
Total Expenditures	<u>3,272,000</u>	<u>\$ 3,272,000</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	66,724		
Unencumbered Cash, Beginning	6,451		
Prior Year Cancelled Encumbrances	-		
Unencumbered Cash, Ending	<u>\$ 73,175</u>		

See Note 12 (Cash Basis Exception)

See Note 13 (Statutory Presentation)

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

USD #409 ATCHISON, KANSAS
 AT RISK FUND (4-year old)
 Statement of Cash Receipts and Expenditures - Actual and Budget
 For the Year Ended June 30, 2012

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ -
Delinquent tax			-
Motor vehicle tax			-
RV tax			-
Mineral production tax			-
Federal grants			-
State aid/grants			-
Charges for services			-
Interest income			-
Miscellaneous revenues			-
Operating transfers	<u>69,968</u>	<u>75,670</u>	<u>(5,702)</u>
Total Cash Receipts	<u>69,968</u>	<u>75,670</u>	<u>(5,702)</u>
EXPENDITURES			
Instruction	69,968	114,236	44,268
Student support services			-
Instruction support staff			-
General administration			-
School administration			-
Operations and maintenance			-
Student transportation services			-
Central support services			-
Other support services			-
Food service operations			-
Student activities			-
Facility acquisition and construction services			-
Debt service			-
Operating transfers			-
Adjustment to comply with legal max			-
Adjustment for qualifying budget credits			-
Total Expenditures	<u>69,968</u>	<u>\$ 114,236</u>	<u>\$ 44,268</u>
Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	38,566		
Prior Year Cancelled Encumbrances	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 38,566</u>		

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

USD #409 ATCHISON, KANSAS
 AT RISK FUND (K-12)
 Statement of Cash Receipts and Expenditures - Actual and Budget
 For the Year Ended June 30, 2012

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ -
Delinquent tax			-
Motor vehicle tax			-
RV tax			-
Mineral production tax			-
Federal grants			-
State aid/grants			-
Charges for services			-
Interest income			-
Miscellaneous revenues			-
Operating transfers	<u>3,118,925</u>	<u>3,244,982</u>	<u>(126,057)</u>
Total Cash Receipts	<u>3,118,925</u>	<u>3,244,982</u>	<u>(126,057)</u>
EXPENDITURES			
Instruction	2,746,611	2,855,315	108,704
Student support services	142,710	146,234	3,524
Instruction support staff	85,458	91,528	6,070
General administration			-
School administration	115,608	119,010	3,402
Operations and maintenance	28,538	255,464	226,926
Student transportation services			-
Central support services			-
Other support services			-
Food service operations			-
Student activities			-
Facility acquisition and construction services			-
Debt service			-
Operating transfers			-
Adjustment to comply with legal max			-
Adjustment for qualifying budget credits			-
Total Expenditures	<u>3,118,925</u>	<u>\$ 3,467,551</u>	<u>\$ 348,626</u>
Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	222,569		
Prior Year Cancelled Encumbrances	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 222,569</u>		

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

USD #409 ATCHISON, KANSAS
 BILINGUAL EDUCATION
 Statement of Cash Receipts and Expenditures - Actual and Budget
 For the Year Ended June 30, 2012

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ -
Delinquent tax			-
Motor vehicle tax			-
RV tax			-
Mineral production tax			-
Federal grants			-
State aid/grants			-
Charges for services			-
Interest income			-
Miscellaneous revenues		5,000	(5,000)
Operating transfers	<u>756</u>	<u>17,766</u>	<u>(17,010)</u>
Total Cash Receipts	<u>756</u>	<u>22,766</u>	<u>(22,010)</u>
EXPENDITURES			
Instruction	756	22,766	22,010
Student support services			-
Instruction support staff			-
General administration			-
School administration			-
Operations and maintenance			-
Student transportation services			-
Central support services			-
Other support services			-
Food service operations			-
Student activities			-
Facility acquisition and construction services			-
Debt service			-
Operating transfers			-
Adjustment to comply with legal max			-
Adjustment for qualifying budget credits			-
Total Expenditures	<u>756</u>	<u>\$ 22,766</u>	<u>\$ 22,010</u>
Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	-		
Prior Year Cancelled Encumbrances	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>		

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

USD #409 ATCHISON, KANSAS
CAPITAL OUTLAY FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2012

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 214,378	\$ 210,051	\$ 4,327
Delinquent tax	5,082	2,489	2,593
Motor vehicle tax	34,311	29,735	4,576
RV tax	300	285	15
Mineral production tax			-
Federal grants			-
State aid/grants			-
Charges for services			-
Interest income	12,123	15,000	(2,877)
Miscellaneous revenues	13,277		13,277
Operating transfers	216,367		216,367
	<u>495,838</u>	<u>257,560</u>	<u>238,278</u>
EXPENDITURES			
Instruction	199,206	500,609	301,403
Student support services			-
Instruction support staff			-
General administration			-
School administration		500,000	500,000
Operations and maintenance	382,307	1,000,000	617,693
Student transportation services	1,440	13,932	12,492
Central support services			-
Other support services			-
Food service operations			-
Student activities			-
Facility acquisition and construction services	25,605	310,153	284,548
Debt service			-
Operating transfers			-
Adjustment to comply with legal max			-
Adjustment for qualifying budget credits			-
	<u>608,558</u>	<u>\$ 2,324,694</u>	<u>\$ 1,716,136</u>
Total Expenditures			
	<u>608,558</u>	<u>\$ 2,324,694</u>	<u>\$ 1,716,136</u>
Receipts Over (Under) Expenditures	(112,720)		
Unencumbered Cash, Beginning	2,065,198		
Prior Year Cancelled Encumbrances	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 1,952,478</u>		

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

USD #409 ATCHISON, KANSAS
 DRIVER TRAINING FUND
 Statement of Cash Receipts and Expenditures - Actual and Budget
 For the Year Ended June 30, 2012

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ -
Delinquent tax			-
Motor vehicle tax			-
RV tax			-
Mineral production tax			-
Federal grants			-
State aid/grants	1,222	888	334
Charges for services	5,322	2,580	2,742
Interest income			-
Miscellaneous revenues			-
Operating transfers			-
	<u>6,544</u>	<u>3,468</u>	<u>3,076</u>
EXPENDITURES			
Instruction	3,177	8,611	5,434
Student support services			-
Instruction support staff			-
General administration			-
School administration			-
Operations and maintenance	49	300	251
Student transportation services			-
Central support services			-
Other support services			-
Food service operations			-
Student activities			-
Facility acquisition and construction services			-
Debt service			-
Operating transfers			-
Adjustment to comply with legal max			-
Adjustment for qualifying budget credits			-
	<u>3,226</u>	<u>\$ 8,911</u>	<u>\$ 5,685</u>
Total Expenditures			
	<u>3,226</u>	<u>\$ 8,911</u>	<u>\$ 5,685</u>
Receipts Over (Under) Expenditures	3,318		
Unencumbered Cash, Beginning	5,443		
Prior Year Cancelled Encumbrances	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 8,761</u>		

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

USD #409 ATCHISON, KANSAS
 FOOD SERVICE FUND
 Statement of Cash Receipts and Expenditures - Actual and Budget
 For the Year Ended June 30, 2012

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ -
Delinquent tax			-
Motor vehicle tax			-
RV tax			-
Mineral production tax			-
Federal grants	649,294	624,403	24,891
State aid/grants	8,910	7,995	915
Charges for services	228,443	364,609	(136,166)
Interest income			-
Miscellaneous revenues			-
Operating transfers			-
Total Cash Receipts	<u>886,647</u>	<u>997,007</u>	<u>(110,360)</u>
EXPENDITURES			
Instruction			-
Student support services			-
Instruction support staff			-
General administration			-
School administration			-
Operations and maintenance		416,569	416,569
Student transportation services			-
Central support services			-
Other support services			-
Food service operations	959,913	985,286	25,373
Student activities			-
Facility acquisition and construction services			-
Debt service			-
Operating transfers			-
Adjustment to comply with legal max			-
Adjustment for qualifying budget credits			-
Total Expenditures	<u>959,913</u>	<u>\$ 1,401,855</u>	<u>\$ 441,942</u>
Receipts Over (Under) Expenditures	(73,266)		
Unencumbered Cash, Beginning	404,848		
Prior Year Cancelled Encumbrances	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 331,582</u>		

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

USD #409 ATCHISON, KANSAS
 KPERS SPECIAL RETIREMENT CONTRIBUTION FUND
 Statement of Cash Receipts and Expenditures - Actual and Budget
 For the Year Ended June 30, 2012

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ -
Delinquent tax			-
Motor vehicle tax			-
RV tax			-
Mineral production tax			-
Federal grants			-
State aid/grants	1,190,851	845,321	345,530
Charges for services			-
Interest income			-
Miscellaneous revenues			-
Operating transfers			-
	<u>1,190,851</u>	<u>845,321</u>	<u>345,530</u>
EXPENDITURES			
Instruction	802,504	566,365	(236,139)
Student support services	64,227	50,719	(13,508)
Instruction support staff	37,455	33,813	(3,642)
General administration	45,310	16,906	(28,404)
School administration	92,096	59,173	(32,923)
Operations and maintenance	74,880	59,172	(15,708)
Student transportation services	32,526	25,360	(7,166)
Central support services			-
Other support services	7,397	8,453	1,056
Food service operations	34,456	25,360	(9,096)
Student activities			-
Facility acquisition and construction services			-
Debt service			-
Operating transfers			-
Adjustment to comply with legal max			-
Adjustment for qualifying budget credits			-
	<u>1,190,851</u>	<u>\$ 845,321</u>	<u>\$ (345,530)</u>
Total Expenditures			
	<u>1,190,851</u>	<u>\$ 845,321</u>	<u>\$ (345,530)</u>
Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	-		
Prior Year Cancelled Encumbrances	-		
	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>		

NOTE: Not a budget violation due to the Flow-through of the KPERS funds Per K.S.A. 74-4939

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

USD #409 ATCHISON, KANSAS
PROFESSIONAL DEVELOPMENT FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2012

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ -
Delinquent tax			-
Motor vehicle tax			-
RV tax			-
Mineral production tax			-
Federal grants			-
State aid/grants			-
Charges for services			-
Interest income			-
Miscellaneous revenues	103		103
Operating transfers	<u>51,291</u>	<u>30,000</u>	<u>21,291</u>
Total Cash Receipts	<u>51,394</u>	<u>30,000</u>	<u>21,394</u>
EXPENDITURES			
Instruction			-
Student support services			-
Instruction support staff	51,394	258,678	207,284
General administration			-
School administration			-
Operations and maintenance			-
Student transportation services			-
Central support services			-
Other support services			-
Food service operations			-
Student activities			-
Facility acquisition and construction services			-
Debt service			-
Operating transfers			-
Adjustment to comply with legal max			-
Adjustment for qualifying budget credits			-
Total Expenditures	<u>51,394</u>	<u>\$ 258,678</u>	<u>\$ 207,284</u>
Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	228,678		
Prior Year Cancelled Encumbrances	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 228,678</u>		

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

USD #409 ATCHISON, KANSAS
PARENT EDUCATION FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2012

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ -
Delinquent tax			-
Motor vehicle tax			-
RV tax			-
Mineral production tax			-
Federal grants		3,700	(3,700)
State aid/grants			-
Charges for services			-
Interest income			-
Miscellaneous revenues			-
Operating transfers	<u>17,300</u>	<u>17,300</u>	<u>-</u>
Total Cash Receipts	<u>17,300</u>	<u>21,000</u>	<u>(3,700)</u>
EXPENDITURES			
Instruction			-
Student support services	17,300	21,000	3,700
Instruction support staff			-
General administration			-
School administration			-
Operations and maintenance			-
Student transportation services			-
Central support services			-
Other support services			-
Food service operations			-
Student activities			-
Facility acquisition and construction services			-
Debt service			-
Operating transfers			-
Adjustment to comply with legal max			-
Adjustment for qualifying budget credits			-
Total Expenditures	<u>17,300</u>	<u>\$ 21,000</u>	<u>\$ 3,700</u>
Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	-		
Prior Year Cancelled Encumbrances	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>		

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

USD #409 ATCHISON, KANSAS
SPECIAL EDUCATION FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2012

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ -
Delinquent tax			-
Motor vehicle tax			-
RV tax			-
Mineral production tax			-
Federal grants	636,758	542,177	94,581
State aid/grants		45,000	(45,000)
Charges for services			-
Interest income			-
Miscellaneous revenues	3,428	2,400	1,028
Operating transfers	<u>2,667,042</u>	<u>2,482,319</u>	<u>184,723</u>
Total Cash Receipts	<u>3,307,228</u>	<u>3,071,896</u>	<u>235,332</u>
EXPENDITURES			
Instruction	2,418,021	3,006,322	588,301
Student support services	628,287	619,947	(8,340)
Instruction support staff		117,044	117,044
General administration	116,668	1,000	(115,668)
School administration			-
Operations and maintenance			-
Student transportation services	144,252	166,598	22,346
Central support services			-
Other support services			-
Food service operations			-
Student activities			-
Facility acquisition and construction services			-
Debt service			-
Operating transfers			-
Adjustment to comply with legal max			-
Adjustment for qualifying budget credits			-
Total Expenditures	<u>3,307,228</u>	<u>\$ 3,910,911</u>	<u>\$ 603,683</u>
Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	839,015		
Prior Year Cancelled Encumbrances	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 839,015</u>		

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

USD #409 ATCHISON, KANSAS
 VOCATIONAL EDUCATION FUND
 Statement of Cash Receipts and Expenditures - Actual and Budget
 For the Year Ended June 30, 2012

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ -
Delinquent tax			-
Motor vehicle tax			-
RV tax			-
Mineral production tax			-
Federal grants			-
State aid/grants			-
Charges for services			-
Interest income			-
Miscellaneous revenues			-
Operating transfers	<u>341,670</u>	<u>414,288</u>	<u>(72,618)</u>
Total Cash Receipts	<u>341,670</u>	<u>414,288</u>	<u>(72,618)</u>
EXPENDITURES			
Instruction	341,670	487,335	145,665
Student support services			-
Instruction support staff			-
General administration			-
School administration			-
Operations and maintenance			-
Student transportation services			-
Central support services			-
Other support services			-
Food service operations			-
Student activities			-
Facility acquisition and construction services			-
Debt service			-
Operating transfers			-
Adjustment to comply with legal max			-
Adjustment for qualifying budget credits			-
Total Expenditures	<u>341,670</u>	<u>\$ 487,335</u>	<u>\$ 145,665</u>
Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	73,047		
Prior Year Cancelled Encumbrances	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 73,047</u>		

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

USD #409 ATCHISON, KANSAS
 GIFTS AND GRANTS FUND
 Statement of Cash Receipts and Expenditures - Actual and Budget
 For the Year Ended June 30, 2012

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$ -
Delinquent tax			-
Motor vehicle tax			-
RV tax			-
Mineral production tax			-
Federal grants			-
State aid/grants			-
Charges for services			-
Interest income			-
Miscellaneous revenues	38,153	70,000	(31,847)
Operating transfers			-
	<u>38,153</u>	<u>70,000</u>	<u>(31,847)</u>
Total Cash Receipts			
EXPENDITURES			
Instruction	14,698	127,880	113,182
Student support services			-
Instruction support staff			-
General administration			-
School administration			-
Operations and maintenance	2,000		(2,000)
Student transportation services			-
Central support services			-
Other support services			-
Food service operations			-
Student activities			-
Facility acquisition and construction services			-
Debt service			-
Operating transfers			-
Adjustment to comply with legal max			-
Adjustment for qualifying budget credits			-
	<u>16,698</u>	<u>\$ 127,880</u>	<u>\$ 111,182</u>
Total Expenditures			
Receipts Over (Under) Expenditures	21,455		
Unencumbered Cash, Beginning	57,881		
Prior Year Cancelled Encumbrances	<u>-</u>		
Unencumbered Cash, Ending	\$ <u>79,336</u>		

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

USD #409 ATCHISON, KANSAS
BOND AND INTEREST FUND
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2012

	Actual	Budget	Variance- Favorable (Unfavorable)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 1,039,292	\$ 1,016,628	\$ 22,664
Delinquent tax	23,324	13,558	9,766
Motor vehicle tax	142,435	126,885	15,550
RV tax	1,267	1,214	53
Mineral production tax			-
Federal grants			-
State aid/grants	686,763	654,543	32,220
Charges for services			-
Interest income			-
Miscellaneous revenues			-
Operating transfers			-
Total Cash Receipts	<u>1,893,081</u>	<u>1,812,828</u>	<u>80,253</u>
EXPENDITURES			
Instruction			-
Student support services			-
Instruction support staff			-
General administration			-
School administration			-
Operations and maintenance			-
Student transportation services			-
Central support services			-
Other support services			-
Food service operations			-
Student activities			-
Facility acquisition and construction services			-
Debt service	1,644,737	1,722,482	77,745
Operating transfers			-
Adjustment to comply with legal max			-
Adjustment for qualifying budget credits			-
Total Expenditures	<u>1,644,737</u>	<u>\$ 1,722,482</u>	<u>\$ 77,745</u>
Receipts Over (Under) Expenditures	248,344		
Unencumbered Cash, Beginning	1,524,422		
Prior Year Cancelled Encumbrances	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 1,772,766</u>		

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

USD #409 ATCHISON, KANSAS
 RECREATION COMMISSION - GENERAL FUND
 Statement of Cash Receipts and Expenditures - Actual and Budget
 For the Year Ended June 30, 2012

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 234,999	\$ 199,265	\$ 35,734
Delinquent tax	3,837	2,354	1,483
Motor vehicle tax	23,873	21,364	2,509
RV tax	213	205	8
Mineral production tax			-
Federal grants			-
State aid/grants			-
Charges for services	119,703	95,000	24,703
Interest income			-
Miscellaneous revenues	332		332
Operating transfers			-
Total Cash Receipts	<u>382,957</u>	<u>318,188</u>	<u>64,769</u>
EXPENDITURES			
Instruction			-
Student support services			-
Instruction support staff			-
General administration			-
School administration			-
Operations and maintenance			-
Student transportation services			-
Central support services			-
Other support services			-
Food service operations			-
Community service operations	372,964	408,539	35,575
Facility acquisition and construction services			-
Debt service			-
Operating transfers			-
Adjustment to comply with legal max			-
Adjustment for qualifying budget credits			-
Total Expenditures	<u>372,964</u>	<u>\$ 408,539</u>	<u>\$ 35,575</u>
Receipts Over (Under) Expenditures	9,993		
Unencumbered Cash, Beginning	192,972		
Prior Year Cancelled Encumbrances	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 202,965</u>		

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

USD #409 ATCHISON, KANSAS
 RECREATION COMMISSION - EMPLOYEE BENEFITS FUND
 Statement of Cash Receipts and Expenditures - Actual and Budget
 For the Year Ended June 30, 2012

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Favorable (Unfavorable)</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 70,262	\$ 65,484	\$ 4,778
Delinquent tax	857	466	391
Motor vehicle tax	5,905	5,149	756
RV tax	52	50	2
Mineral production tax			-
Federal grants			-
State aid/grants			-
Charges for services			-
Interest income			-
Miscellaneous revenues			-
Operating transfers			-
	<u>77,076</u>	<u>71,149</u>	<u>5,927</u>
EXPENDITURES			
Instruction			-
Student support services			-
Instruction support staff			-
General administration			-
School administration			-
Operations and maintenance			-
Student transportation services			-
Central support services			-
Other support services			-
Food service operations			-
Community service operations	64,992	69,200	4,208
Facility acquisition and construction services			-
Debt service			-
Operating transfers			-
Adjustment to comply with legal max			-
Adjustment for qualifying budget credits			-
	<u>64,992</u>	<u>\$ 69,200</u>	<u>\$ 4,208</u>
Total Expenditures			
	<u>64,992</u>	<u>\$ 69,200</u>	<u>\$ 4,208</u>
Receipts Over (Under) Expenditures	12,084		
Unencumbered Cash, Beginning	23,250		
Prior Year Cancelled Encumbrances	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 35,334</u>		

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

USD #409 ATCHISON, KANSAS
 ANY NONBUDGETED FUNDS
 Statement of Cash Receipts and Expenditures
 For the Year Ended June 30, 2012

	<u>Textbook</u>	<u>Contingency Reserve</u>	<u>Title I</u>
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$	\$	\$
Delinquent tax			
Motor vehicle tax			
RV tax			
Mineral production tax			
Federal grants			432,707
State aid/grants			
Charges for services	102,042		
Interest income			
Miscellaneous revenues			
Operating transfers		93,665	
Total Cash Receipts	<u>102,042</u>	<u>93,665</u>	<u>432,707</u>
EXPENDITURES			
Instruction	145,264	596	453,961
Student support services			
Instruction support staff	16,016		
General administration			
School administration			
Operations and maintenance			
Student transportation services			
Central support services			
Other support services			
Food service operations			
Student activities			
Facility acquisition and construction services			
Debt service			
Operating transfers			
Adjustment for qualifying budget credits			
Total Expenditures	<u>161,280</u>	<u>596</u>	<u>453,961</u>
Receipts Over (Under) Expenditures	(59,238)	93,069	(21,254)
Unencumbered Cash, Beginning	346,747	976,561	22,904
Prior Year Cancelled Encumbrances	<u>-</u>	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	\$ <u>287,509</u>	\$ <u>1,069,630</u>	\$ <u>1,650</u>

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

USD #409 ATCHISON, KANSAS
 ANY NONBUDGETED FUNDS
 Statement of Cash Receipts and Expenditures
 For the Year Ended June 30, 2012

	<u>Title IV</u>	<u>Title IIA</u>
CASH RECEIPTS		
Taxes and Shared Revenue		
Ad valorem property tax	\$	\$
Delinquent tax		
Motor vehicle tax		
RV tax		
Mineral production tax		
Federal grants		87,426
State aid/grants		
Charges for services		
Interest income		
Miscellaneous revenues		
Operating transfers		
	<u>0</u>	<u>87,426</u>
EXPENDITURES		
Instruction	3,578	107,714
Student support services		
Instruction support staff		
General administration		
School administration		
Operations and maintenance		
Student transportation services		
Central support services		
Other support services		
Food service operations		
Student activities		
Facility acquisition and construction services		
Debt service		
Operating transfers		
Adjustment for qualifying budget credits		
	<u>3,578</u>	<u>107,714</u>
Total Expenditures	<u>3,578</u>	<u>107,714</u>
Receipts Over (Under) Expenditures	(3,578)	(20,288)
Unencumbered Cash, Beginning	3,578	29,232
Prior Year Cancelled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	\$ <u><u>0</u></u>	\$ <u><u>8,944</u></u>

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

USD #409 ATCHISON, KANSAS
 ANY NONBUDGETED FUNDS
 Statement of Cash Receipts and Expenditures
 For the Year Ended June 30, 2012

	<u>Carl Perkins</u>	<u>Title IID</u>
CASH RECEIPTS		
Taxes and Shared Revenue		
Ad valorem property tax	\$	\$
Delinquent tax		
Motor vehicle tax		
RV tax		
Mineral production tax		
Federal grants	19,603	72,200
State aid/grants		
Charges for services		
Interest income		
Miscellaneous revenues		
Operating transfers		
	<u>19,603</u>	<u>72,200</u>
EXPENDITURES		
Instruction	18,623	61,127
Student support services		
Instruction support staff		
General administration	980	
School administration		
Operations and maintenance		
Student transportation services		
Central support services		
Other support services		
Food service operations		
Student activities		
Facility acquisition and construction services		
Debt service		
Operating transfers		
Adjustment for qualifying budget credits		
	<u>19,603</u>	<u>61,127</u>
Receipts Over (Under) Expenditures	-	11,073
Unencumbered Cash, Beginning	-	-
Prior Year Cancelled Encumbrances	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	\$ <u><u>-</u></u>	\$ <u><u>11,073</u></u>

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

USD #409 ATCHISON, KANSAS
 AGENCY FUNDS
 Statement of Cash Receipts and Cash Disbursements
 For the Year Ended June 30, 2012

<u>Fund</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Payroll liabilities				
Revolving	\$ <u>36,235</u>	\$ <u>74,335</u>	\$ <u>71,375</u>	\$ <u>39,195</u>
Atchison High School				
Arts Club	491		13	478
Cheerleaders	4,740	11,686	13,729	2,697
Construction	-	565	434	131
Junior class	693	3,917	4,540	70
Sophomore class	1,508	887	876	1,519
Freshman class	603	657	592	668
Senior class	565	967	1,442	90
DECA club	1,551	6,815	8,188	178
Gentleman's/Ladies club	221	1,183	1,115	289
Kayettes	125	-	-	125
National Honor Society	380	970	1,093	257
Newspaper	378	70		448
Redmen Committee	315	1,591	1,422	484
Sash	1,051	1,030	1,434	647
FACS	630	221	62	789
SAFE	-	750	698	52
Sales Tax	210	678	784	104
Spanish Club	3,411	1,504	2,314	2,601
Student Council	26	1,863	1,865	24
RADD	345		150	195
YoDVD	604	715	600	719
Subtotal Atchison High School	<u>17,847</u>	<u>36,069</u>	<u>41,351</u>	<u>12,565</u>
Atchison Alternative School				
Activities	<u>1,601</u>	<u>1,368</u>	<u>552</u>	<u>2,417</u>
Subtotal Atchison Alternative School	<u>1,601</u>	<u>1,368</u>	<u>552</u>	<u>2,417</u>

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

USD #409 ATCHISON, KANSAS
 AGENCY FUNDS
 Statement of Cash Receipts and Cash Disbursements
 For the Year Ended June 30, 2012

<u>Fund</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Atchison Middle School				
6th Grade Fundraise	\$ 801	\$ 2,366	\$ 3,167	\$ -
7th Grade Fundraiser	1,019	4,588	4,310	1,297
8th Grade Fundraiser	833	4,720	5,043	510
Activity Fundraiser	1,371	300	164	1,507
Athletic Fundraiser	60	-	-	60
Gentleman's Club	438	323	727	34
Laminating film	1,087	-	536	551
Project Move	543	-	-	543
Science Olympiad	724	-	-	724
Spirit Squad	80	-	-	80
Sales Tax	131	-	63	68
Student Council	<u>1,234</u>	<u>5,841</u>	<u>5,342</u>	<u>1,733</u>
Subtotal Atchison Middle School	<u>8,321</u>	<u>18,138</u>	<u>19,352</u>	<u>7,107</u>
Atchison Elementary School				
Student Council	1,956	1,848	1,194	2,610
Gift Fund	53	650	651	52
Sales Tax	<u>567</u>	<u>212</u>	<u>-</u>	<u>779</u>
Subtotal Atchison Elementary School	<u>3,389</u>	<u>2,710</u>	<u>1,845</u>	<u>3,441</u>
Total	\$ <u><u>67,393</u></u>	\$ <u><u>132,620</u></u>	\$ <u><u>134,475</u></u>	\$ <u><u>64,725</u></u>

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

USD #409 ATCHISON, 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							
Atchison Middle School	\$ 3,929	\$	\$ 9,346	\$ 7,642	\$ 5,633	\$	\$ 5,633
Atchison High School	8,995		57,783	61,359	5,419		5,419
Total gate receipts	\$ 12,924	\$ -	\$ 67,129	\$ 69,001	\$ 11,052	\$ -	\$ 11,052
District Activity Funds							
Atchison High School							
Art-instructional	2,325		2,265	95	4,495		4,495
A+ program	381		-	182	199		199
Business	1,758		-	199	1,559		1,559
Counseling	51		1,230	1,214	67		67
Debate	16				16		16
Drama	5,316		8,055	6,872	6,499		6,499
Driver education	101		5,904	5,792	213		213
English	3,395		1,140	2,227	2,308		2,308
Faculty lounge	3,663		1,581	1,375	3,869		3,869
Food service miscellaneous	13		-	-	13		13
Forensics	358		970	771	557		557
Flags	168		-	-	168		168
Industrial arts-wood	1,537		4,853	4,804	1,586		1,586
FCA	350		158	260	248		248
Library	461		151	245	367		367
Math	10,804		1,092	4,596	7,300		7,300
Music-instrumental	11		2,411	2,422	-		-
Music-jazz	16		-	-	16		16
Newspaper-Optimist	286		-	-	286		286
Participation	30		6,145	6,115	60		60
Petty Cash	500				500		500
Positive behavior system	16		-	-	16		16
Redman restaurant	149		-	69	80		80
Robotics	200		75	225	50		50
Science	9,572		1,757	5,310	6,019		6,019
Social science	2,175		1,535	2,029	1,681		1,681
Technology	75		2,821	2,846	50		50
Textbook	275		10,517	10,737	55		55
Yearbook	4,767		6,617	9,215	2,169		2,169
Subtotal School Projects	48,769	-	59,277	67,600	40,446	-	40,446

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

USD #409 ATCHISON, 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
Atchison Middle School							
Admissions	\$ 462	\$	\$ 592	\$ 1,035	\$ 19	\$	19
All school fundraiser	-		1,221	1,221	-		-
Art	2,413		1,294	723	2,984		2,984
AMS Memory Book	1,970		2,088	2,242	1,816		1,816
AMS Reward	626		90	716	-		-
Faculty lounge	270		1,878	1,898	250		250
Honor choir	344			344	-		-
Instrumental fundraiser	509		1,939	1,693	755		755
Instrumental reimbursable	115			106	9		9
Library	1,673		195	1,602	266		266
Participation	-		3,450	3,450	-		-
Pay for Sports	14,786		12,241	14,691	12,336		12,336
Petty cash	500		-	-	500		500
Sped life skills	173		246	125	294		294
Staff development	819		-	-	819		819
Technology fee	-		1,264	773	491		491
Geny	136		221	109	248		248
Textbook enrollment	-		5,344	4,127	1,217		1,217
Subtotal Atchison Middle School	24,796	-	32,063	34,835	22,004	-	22,004
Atchison Elementary School							
Accelerated reader	359		600	516	443		443
Atchison Singers	823		4,479	4,477	825		825
Behavior award	892		-	-	892		892
Book fair	8		10,301	10,067	242		242
Community Club for staff	21,172		6,821	13,011	14,982		14,982
Community Club field trip	6,604		6,004	6,780	5,828		5,828
Petty Cash	500		450	450	500		500
General	10,308		15,429	19,484	6,253		6,253
Library	786		174	511	449		449
Participation	200		1,380	1,480	100		100
Pond	568		-	-	568		568
Special	578		5,405	1,345	4,638		4,638
Technology	1,225		1,775	2,625	375		375
Textbook	5,951		5,566	10,587	930		930
Subtotal Atchison Elementary School	49,974	-	58,384	71,333	37,025	-	37,025
Total District Activity Funds	\$ 123,539	\$ -	\$ 149,724	\$ 173,788	\$ 99,475	\$ -	\$ 99,475

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

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies

Financial Reporting Entity

USD No.409 is a municipal corporation governed by an elected seven member board. The district as an entity has been defined to include, on a combined basis, (a) USD No.409 (b) organizations for which USD No. 409 is financially accountable, and (c) other organizations for which the nature and significance of their relationship with USD No.409 are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Discretely presented component unit. The component unit section of these financial statements includes the financial data of the discretely presented component unit. This component unit is reported separately to emphasize that it is legally separate from the District. The governing body of this component unit is appointed by the District.

Recreation Commission USD No. 409 Recreation Commission oversees recreational activities. The Recreation commission operates 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 Recreation Commission cannot purchase real property but can acquire real property by gift. The accounting policies of the USD No. 409 Recreation Commission are the same as those of the District.

Fund Descriptions

In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

The following types of funds comprise the financial activities of the District for the year 2012:

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Governmental Funds

General Fund and Supplemental General Fund – To account for the resources except those required to be accounted for in another fund.

Special Revenue Funds – To account for the proceeds of specific revenue sources (other than major capital projects) that are restricted by law or administrative action to be expended for specified purposes

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

Fiduciary Funds

Trust and Agency Funds – To account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These include expendable trust and agency funds.

Statutory Basis of Accounting

The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure would be charged in the fund from which the transfer is made.

The municipality 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 municipality to use the statutory basis of accounting.

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Departure from Generally Accepted Accounting Principles (GAAP)

The basis of accounting described above results in a financial statement presentation which shows cash receipts, cash disbursement, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expense, liabilities such as deferred revenues and matured principle and interest payable, and reservations of 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 United States generally accepted accounting principles. Capital assets that account for the land, buildings, and equipment owned by the municipality are not presented in the financial statements. Also, general long-term debt such as general obligation bonds, temporary notes, and compensated absences are not presented in the financial statements.

Reimbursed Expenses

Expenditures in the amount of \$ 81,756 are classified as reimbursed expenses in the General Fund. The purpose of these expenditures is payment for goods and services in which fees are collected and such expenditures are exempt from the budget law under K.S.A. 79-2934.

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statements meet the following criteria: 1) the related disbursement was made in the current year on behalf of the payee, 2) the item paid for was directly identifiable as having been used by or provided to the payee, and 3) the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies (Continued)

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. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenues other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no amendments for the year 2012.

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

All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the city for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract.

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Budgetary Information (Continued)

All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

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

Title IID Fund	Title IIA Fund
Title IV Fund	Carl Perkins
Contingency Reserve Fund	District Activity Funds
Title I Fund	Textbook Rental 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.

Inventories and Prepaid Expenses

Inventories and prepaid expenses which benefit future periods are recorded as expenditures.

Use of Estimates

The process of preparing financial statements requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates relate primarily to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

NOTE 2 – Deposits and Investments

Deposits

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 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

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – Deposits and Investments (continued)

Deposits (continued)

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. The district had no investments during 2012.

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 K.S.A. 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%. All deposits were legally secured at June 30, 2012.

At June 30, 2012, the government's carrying amount of deposits was \$ 6,529,850 and the bank balance was \$ 8,332,545. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$ 250,000 was covered by federal depository insurance and the balance was collateralized with securities held by the pledging financial institutions' agents in the district's name.

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 2 – Deposits and Investments (Continued)

Custodial Credit Risk – Investments

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

NOTE 3 – Defined Benefit Pension Plan

Plan Description – USD No. 409 participates in the Kansas Public Employees Retirement System (KPERS), a cost sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends 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; Topeka, KS 66603) or by calling 1-888-275-5737.

Funding Policy – K.S.A. 74-4919 and K.S.A. 74-4921 establishes the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depending on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate of 4% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. 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 statutory required employers share.

NOTE 4 – Risk Management

The District is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the county carries commercial insurance. There have been no significant reductions in coverage from prior years and settlements have not exceeded coverage in the past three years.

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 5 – Compliance with Kansas Statutes

There were no violations noted of Kansas Statutes for the period under examination.

NOTE 6 – Compensated Absences

Full time, twelve month, non-certified employees earn ten days of vacation time per year. After twelve years, fifteen days of vacation time are earned per year. Vacation time does not accumulate. Sick and emergency leave is accrued at the rate of one day per month worked during the year for all employees, with a maximum accumulation of ninety days. Any days accumulated over ninety are paid the following year at 65% of the beginning pay scale rates. Such pay is made in November after the end of the fiscal year. Certified staff members who retire and apply for KPERS receive their unused sick and emergency leave at their daily rate. The district has not computed or recorded the liability at year end.

NOTE 7 – Indebtedness

The District is subject to the statutes of the State of Kansas that limits the net bonded debt. The debt outstanding may not exceed 14% of the assessed value of all tangible taxable property within the District unless additional authority is granted by the Kansas State Board of Education. The amount of bonds outstanding is computed exclusive of certain bonds specifically exempted from this limitation. At June 30, 2012, the statutory limit for the district was \$11,596,916 thus creating excess indebtedness of \$ 5,403,084. The outstanding bond principal represents 20.52% of the District valuation. The District has received approval from the Kansas State Board of Education to exceed the general bond debt limitation on February 11, 2003.

NOTE 8 – Contingency

The District receives federal and state grants for specific purposes that are subject to review and audit by federal and state agencies. Such audits could result in a request for reimbursement by federal and state agencies for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of the District's management, such disallowances, if any, will not be significant to the District's financial statements.

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 9 – Interfund Transactions

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General Fund	Contingency Reserve Fund	K.S.A 72-6428	\$ 93,665
General Fund	Bilingual Education	K.S.A 72-6428	756
General Fund	Capital Outlay Fund	K.S.A 72-6428	216,367
General Fund	Special Education Fund	K.S.A 72-6428	2,031,445
General Fund	At Risk Fund K-12	K.S.A 72-6428	1,550,644
Supplemental General Fund	At Risk Fund K-12	K.S.A 72-6428	1,568,281
Supplemental General Fund	At risk Fund (4 year olds)	K.S.A 72-6433	69,968
Supplemental General Fund	Special Education Fund	K.S.A 72-6433	635,597
Supplemental General Fund	Vocational Education Fund	K.S.A 72-6433	341,670
Supplemental General Fund	Professional Dev. Fund	K.S.A 72-6433	51,291
Supplemental General Fund	Parent Education Fund	K.S.A 72-6433	17,300

NOTE 10 – Other Post Employment Benefits

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

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government makes health care 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 government under this program.

NOTE 11 – Subsequent Events

Subsequent events for management's review have been evaluated through September 20, 2012. The date in the prior sentence is the date the financial statements were available to be issued.

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas

NOTES TO FINANCIAL STATEMENTS

NOTE 12 – Cash Basis Exception

The State of Kansas statutes exempt all funds from a cash basis violation if the violation was as result of delayed payment by the state.

NOTE 13 – Compliance with K.S.A. 72-6417 (d) and K.S.A. 72-6434 (d)

K.S.A. 72-6417 (d) and K.S.A. 72-6434 (d) requires the school district to record any payment of general state aid that is due to be paid during the month of June and is paid to the school district after June 30, as a receipt for the school year ending on June 30. The following shows the revenue as required by the Statutes:

Note 13

USD #409 ATCHISON, KANSAS
GENERAL FUND
STATUTORY REVENUES AND EXPENDITURES - STATUTORY AND BUDGET
For the Year Ended June 30, 2012

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 1,253,124	\$ 1,209,567	\$ 43,557
Delinquent tax	19,985	14,663	5,322
Motor vehicle tax			-
RV tax			-
Mineral production tax			-
Federal grants	4,896		4,896
State aid/grants	9,422,420	9,633,820	(211,400)
Charges for services			-
Interest income			-
Miscellaneous revenues	81,756		81,756
Operating transfers			-
	<u>10,782,181</u>	<u>10,858,050</u>	<u>(75,869)</u>
EXPENDITURES			
Instruction	3,266,467	3,286,953	20,486
Student support services	257,208	264,972	7,764
Instruction support staff	112,663	119,308	6,645
General administration	415,069	441,610	26,541
School administration	854,599	894,655	40,056
Operations and maintenance	1,479,601	1,720,311	240,710
Student transportation services	429,112	460,292	31,180
Central support services			-
Other support services	74,585	74,717	132
Food service operations			-
Student activities			-
Facility acquisition and construction services			-
Debt service			-
Operating transfers	3,892,877	3,595,232	(297,645)
Adjustment to comply with legal max		(157,625)	(157,625)
Adjustment for qualifying budget credits		81,756	81,756
	<u>10,782,181</u>	<u>\$ 10,782,181</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	-		
Prior Year Cancelled Encumbrances	-		
Unencumbered Cash, Ending	<u>\$ -</u>		

Note 13

USD #409 ATCHISON, KANSAS
SUPPLEMENTAL GENERAL FUND
STATUTORY REVENUES AND EXPENDITURES - STATUTORY AND BUDGET
For the Year Ended June 30, 2012

	<u>Actual</u>	<u>Budget</u>	Variance- Favorable (Unfavorable)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	\$ 1,521,230	\$ 1,811,484	\$ (290,254)
Delinquent tax	27,545	15,315	12,230
Motor vehicle tax	182,023	159,979	22,044
RV tax	1,606	1,530	76
Mineral production tax			-
Federal grants			-
State aid/grants	1,588,896	1,531,689	57,207
Charges for services			-
Interest income			-
Miscellaneous revenues	82		82
Operating transfers			-
	<u>3,321,382</u>	<u>3,519,997</u>	<u>(198,615)</u>
EXPENDITURES			
Instruction	206,915	301,000	94,085
Student support services			-
Instruction support staff	196,033	206,331	10,298
General administration			-
School administration	85,279	10,076	(75,203)
Operations and maintenance	99,666	67,500	(32,166)
Student transportation services			-
Central support services			-
Other support services			-
Food service operations			-
Student activities			-
Facility acquisition and construction services			-
Debt service			-
Operating transfers	2,684,107	2,687,093	2,986
Adjustment to comply with legal max			-
Adjustment for qualifying budget credits			-
	<u>3,272,000</u>	<u>\$ 3,272,000</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	49,382		
Unencumbered Cash, Beginning	117,041		
Prior Year Cancelled Encumbrances	<u>-</u>		
Unencumbered Cash, Ending	\$ <u>166,423</u>		

USD #409 ATCHISON, KANSAS
Atchison, Kansas

NOTES TO FINANCIAL STATEMENTS

Note 14 - Long Term Debt

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

Issue	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
General Obligation Bonds										
Series 2001	3.30-4.85%	4/15/01	\$ 8,620,000	9/1/11	\$ 4,270,000	\$ -	\$ 4,270,000	\$ (4,270,000)	\$ 0	\$ -
Series 2003	3.40%	6/1/03	9,850,000	9/1/17	9,330,000	-	6,305,000	(6,305,000)	3,025,000	102,926
Series 2004	4.40%	8/1/04	5,150,000	9/1/22	4,890,000	-	90,000	(90,000)	4,800,000	205,448
Series 2011 and 2011-B	3.00%	9/1/11	9,530,000	9/1/22	0	9,530,000	-	9,530,000	9,530,000	256,363
Leases										
Computer Equipment	0.09%	4/15/12	386,342	4/15/15	-	386,342	97,887	288,455	288,455	-
Total Long Term Debt					\$ 18,490,000	\$ 9,916,342	\$ 10,762,887	\$ (846,545)	\$ 17,643,455	\$ 564,737
Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:										
		2013	2014	2015	2016	2017	2018-2022	2023	Total	
Principal										
General Obligation Bonds	\$ 1,215,000	\$ 1,180,000	\$ 1,260,000	\$ 1,335,000	\$ 1,465,000	\$ 8,820,000	\$ 2,080,000	\$ 17,355,000		
Special Assessment Bonds										
Certificates of Participation										
Capital Leases	95,291	96,149	97,015						288,455	
Revenue Bonds										
KDHE Loans										
Temporary Notes										
Total Principal	1,310,291	1,276,149	1,357,015	1,335,000	1,465,000	8,820,000	2,080,000	17,643,455		
Interest										
General Obligation Bonds	578,060	540,494	501,841	458,557	409,149	1,175,243	37,875	3,701,219		
Special Assessment Bonds										
Certificates of Participation										
Capital Leases	2,596	1,738	873					5,207		
Revenue Bonds										
KDHE Loans										
Temporary Notes										
Total Interest	580,656	542,232	502,714	458,557	409,149	1,175,243	37,875	3,706,426		
Total Principal and Interest	\$ 1,890,947	\$ 1,818,381	\$ 1,859,729	\$ 1,793,557	\$ 1,874,149	\$ 9,995,243	\$ 2,117,875	\$ 21,349,881		

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Board of Education
Unified School District No. 409
Atchison, Kansas

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL COMPLIANCE REPORTING AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

We have audited the financial statements of Unified School District No. 409, Atchison, Kansas as of and for the year ended June 30, 2012, and have issued our report thereon dated September 20, 2012. In our report, our opinion was qualified due to the use of another comprehensive basis of accounting. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Unified School District No. 409's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Unified School District No. 409's internal control over financial reporting. Accordingly we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the organization's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Board of Education
Unified School District No. 409
Atchison, Kansas

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Unified School District No. 409's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the audit committee, management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Long CPA, PA". The signature is stylized, with the first letter of "Long" being a large, cursive "L".

Long CPA, PA
A Professional Association
Certified Public Accountant

September 20, 2012

Long CPA, PA

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Board of Education
Unified School District No. 409
Atchison, Kansas

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Compliance

We have audited the compliance of Unified School District No. 409, Atchison, Kansas with the types of compliance requirements described in the U.S. Office Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2012. Unified School District No. 409's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Unified School District No. 409's management. Our responsibility is to express an opinion on Unified School District No. 409's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Unified School District No. 409's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Unified School District No. 409's compliance with those requirements.

In our opinion, Unified School District No. 409 complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2012.

Board of Education
Unified School District No. 409
Atchison, Kansas

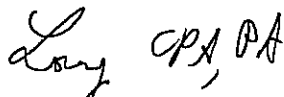
Internal Control Over Compliance

The management of Unified School District No. 409 is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Unified School District No. 409's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Long CPA, PA
A Professional Association
Certified Public Accountant

September 20, 2012

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2012

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass- Through Grantor Number	Federal Expenditures
<hr/> U.S. Department of Education <hr/>			
Passed through State Department of Education:			
Title I	84.010	*	\$ 504,848
EHC Flo-Thru	84.027	*	480,132
Program Improvement	84.048	*	19,603
Early Childhood Aid	84.173	*	21,792
Title II - Teacher Quality	84.367	*	87,426
Title VI	84.369	*	103
Education Jobs Fund	84.410	*	4,896
<hr/> U.S. Department of Agriculture <hr/>			
Passed through State Department of Education:			
School Breakfast Program	10.553	*	136,035
National School Lunch Program	10.555	*	479,267
SFS - Food	10.559	*	32,835
Federal School Food Service	10.560	*	250
Team Nutrition Training	10.574	*	675
Total Federal Assistance			<u>\$ 1,767,862</u>

* Not available

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

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended June 30, 2012

A. Summary of Audit Results

1. The auditors' report expresses a qualified opinion on the general purpose financial statements of Unified School District #409.
2. No reportable conditions relating to the audit of the general purpose financial statements are reported in the Independent Auditors' Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in accordance with Government Auditing Standards.
3. No instances of noncompliance material to the general purpose financial statements of Unified School District #409 were disclosed during the audit.
4. The auditors' report on compliance for the major federal award programs for Unified School District #409 expresses an unqualified opinion on all major federal programs.
5. Audit findings relative to the major federal award programs for Unified School District #409 are reported in this schedule.
6. The programs tested as major programs included:
Department of Education
ECH Flo-Thru - CFDA #84.027, Title I - CFDA # 84.010
7. Unified School District #409 was determined to be a low-risk auditee.
8. The threshold for distinguishing types A and B programs was \$300,000.

B. Findings – Financial Statement Audit

None

C. Findings and Questioned Costs – Major Federal Awards Programs Audit

Department of Education

ECH Flo-Thru - CFDA #84.027, Title I - CFDA # 84.010

No findings of noncompliance or questioned costs were noted.

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

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2012

NOTE 1 – Basis of Accounting

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Unified School District No. 409 Atchison, Kansas and is presented on the statutory basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Statutory Basis of Accounting – The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure would be charged in the fund from which the transfer is made.

Unified School District No. 409 has obtained a waiver from generally accepted accounting principles which allows the district to revert to statutory basis of accounting.

Departure from Generally Accepted Accounting Principles – The basis of accounting described above results in a financial statement presentation which shows cash receipts, cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expenses, liabilities such as deferred revenue and mature principal and interest payable, and reservations of the fund balance are not presented. Under generally accepted accounting principles, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles.

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2012

NOTE 1 – Basis of Accounting (continued)

Departure from Generally Accepted Account Principles (ctd.) - General fixed assets that account for the land, buildings, and equipment owned by the district are not presented in the financial statements. Also, general long-term debt such as general obligation bonds, temporary notes, and compensated absences are not presented in the financial statements.

NOTE 2 – Pass-Through Awards

Unified School District No. 409 receives certain federal awards in the form of pass-through awards from the State of Kansas. Such amounts received as pass-through awards are specifically identified on the Schedule of Expenditures of Federal Awards.

NOTE 3 – Major Programs

In accordance with OMB Circular A-133, major programs are determined using a risk-based approach. The Title I – CFDA # 84.010 and the ECH Flo-Thru - CFDA #84.027 have been determined by the independent auditor to be a major program.

NOTE 4 – Contingencies

The District receives funds under various federal grant programs and such awards are to be expended in accordance with provisions of the various grants. Compliance with the grants is subject to audit by various government agencies which may impose sanctions in the event of non-compliance. Managements believes that they have complied with all aspects of the various grant provisions and the results of adjustments, if any, relating to such audits would not have any material financial impact.