

**UNIFIED SCHOOL DISTRICT NO. 426**  
**SCANDIA, KANSAS**

**REPORT ON AUDIT**  
**SPECIAL FINANCIAL STATEMENTS**

JUNE 30, 2012

BRUNA AUDITING SERVICES LLC  
DEREK BRUNA  
CERTIFIED PUBLIC ACCOUNTANT  
WASHINGTON, KANSAS

**PIKE VALLEY UNIFIED SCHOOL DISTRICT NO. 426**  
**Scandia, Kansas**

**TABLE OF CONTENTS**

		<b><u>Page</u></b> <b><u>Number</u></b>
	Independent Auditor's Report .....	1
STATEMENT 1	Summary of Cash Receipts, Expenditures and Unencumbered Cash .....	2
STATEMENT 2	Summary of Expenditures – Actual and Budget (Budgeted Funds Only) .....	3
STATEMENT 3 – 1	General Fund .....	4
STATEMENT 3 – 2	Supplemental General Fund .....	5
STATEMENT 3 – 3	Capital Outlay Fund .....	6
STATEMENT 3 – 4	Driver Training .....	7
STATEMENT 3 – 5	At Risk (K-12) Fund .....	8
STATEMENT 3 – 6	Food Service Fund .....	9
STATEMENT 3 – 7	Professional Development Fund .....	10
STATEMENT 3 – 8	Special Education Fund .....	11
STATEMENT 3 – 9	Vocational Education Fund .....	12
STATEMENT 3 – 10	Summer School Fund .....	13
STATEMENT 3 – 11	Textbook Rental Fund .....	14
STATEMENT 3 – 12	Employees Benefit Fund .....	15
STATEMENT 3 – 13	Title II A – Teacher Quality Fund .....	16
STATEMENT 3 – 14	Title I Fund – Current .....	17
STATEMENT 3 – 15	Title II – Ed Tech Fund .....	18
STATEMENT 3 – 16	KPERS Retirement Fund .....	19
STATEMENT 3 – 17	Contingency Reserve Fund .....	20
STATEMENT 3 – 18	Title V Fund .....	21
STATEMENT 3 – 19	Federal Reap Fund .....	22
STATEMENT 3 – 20	Payroll Clearing Fund .....	23
STATEMENT 3 – 21	Character Education FY 11 .....	24
STATEMENT 3 – 22	Non Expendable Trust Fund .....	25

PIKE VALLEY UNIFIED SCHOOL DISTRICT NO. 426  
Scandia, Kansas

TABLE OF CONTENTS

STATEMENT 4	Agency Funds .....	26
STATEMENT 5	District Activity Funds .....	27
	Notes to the Financial Statements. ....	28-34
SUPPLEMENTAL INFORMATION		
	Schedule of Federal Financial Assistance .....	35

**BAS LLC**  
Bruna Auditing Services LLC  
Derek Bruna, CPA

201 C Street  
Washington, KS 66968  
Phone: (785)-325-2061  
Fax: (785)-325-2194

INDEPENDENT AUDITOR'S REPORT

To the Board of Education  
Unified School District No.426  
Scandia, Kansas 66966

I have audited the statutory basis financial statements of Unified School District No. 426 (USD 426), as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America, as well of the Kansas Municipal Audit Guide. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinions.

As described in Note A, the District's policy is to prepare its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.


In my opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balance of each of the various funds of USD 426, as of June 30, 2012, and the cash revenues received and expenditures paid of such funds for the year then ended on the basis of accounting described in Note A.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

My audit was conducted for the purpose of forming opinions on the statutory basis financial statements that collectively comprise USD 426's financial statements as a whole. The Schedule of Federal Financial Assistance is presented for the purposes of additional analysis and is not a required part of the statutory basis financial statements of USD 426. The information has been subjected to the auditing procedures applied in the audit of the statutory basis financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the statutory basis financial statements as a whole.

This report is intended solely for the information and use of the Board of Education and management of USD 426, and for filing with the Kansas Department of Administration, Division of Accounts and Reports, and Kansas State Board of Education, and should not be used for any other purposes.

Bruna Auditing Services LLC

  
Derek Bruna, CPA

Washington, Kansas

October 8, 2012

**SUMMARY OF CASH RECEIPTS, EXPENDITURES,  
AND UNENCUMBERED CASH**  
For The Year Ended June 30, 2012

**STATEMENT 1**

Fund	Statement Number	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditure	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances & A/P	Ending Cash Balance
<b>Governmental Type Funds</b>								
General Fund	3-1	\$ 155	\$ 0	\$ 2,103,575	\$ 2,102,870	\$ 860	\$ 0	\$ 860
Supplemental General Special Revenue	3-2	23,177	0	619,564	608,430	34,311	0	34,311
Capital Outlay Fund	3-3	457,444	0	122,278	39,051	540,671	0	540,671
Driver Training	3-4	12,396	0	7,162	7,921	11,637	0	11,637
At Risk-(K 12) Fund	3-5	142,428	0	155,000	156,126	141,302	0	141,302
Food Service Fund	3-6	58,093	0	152,196	161,821	48,468	0	48,468
Professional Development Fund	3-7	10,015	0	0	2,400	7,615	0	7,615
Special Education Fund	3-8	216,025	0	558,018	512,754	261,289	0	261,289
Vocational Education Fund	3-9	109,915	0	130,000	115,156	124,759	0	124,759
Summer School Fund	3-10	440	0	0	0	440	0	440
Textbook Rental Fund	3-11	33,052	0	27,086	25,853	34,285	0	34,285
Employment Benefit Fund	3-12	7,595	0	28,599	29,097	7,097	0	7,097
Title I A-Teacher Quality Fund	3-13	0	0	8,756	8,756	0	0	0
Title I Fund-Current	3-14	0	0	47,148	47,148	0	0	0
Title II-Ed Tech Current	3-15	0	0	0	0	0	0	0
Kpers Retirement Fund	3-16	0	0	138,345	138,345	0	0	0
Contingency Reserve Fund	3-17	222,218	0	69,655	101,872	190,001	0	190,001
Title V Fund	3-18	0	0	0	0	0	0	0
Federal Reap Fund	3-19	0	0	17,633	17,633	0	0	0
Payroll Clearing Fund	3-20	17,092	0	152,765	155,433	14,424	0	14,424
Character Education	3-21	0	0	1,000	1,000	0	0	0
<b>Total Reporting Entity</b>		<b>\$ 1,310,045</b>	<b>\$ 0</b>	<b>\$ 4,338,780</b>	<b>\$ 4,231,666</b>	<b>\$ 1,417,159</b>	<b>\$ 0</b>	<b>\$ 1,417,159</b>
<b>Fiduciary Type Funds</b>								
Non Expendable Trust Fund	3-22	\$ 147,043	\$ 0	\$ 86	\$ 2,101	\$ 145,028	\$ 0	\$ 145,028
<b>Total Fiduciary Type Funds</b>		<b>\$ 147,043</b>	<b>\$ 0</b>	<b>\$ 86</b>	<b>\$ 2,101</b>	<b>\$ 145,028</b>	<b>\$ 0</b>	<b>\$ 145,028</b>
<b>District Activity/Agency Funds</b>								
Agency Funds	4	\$ 14,132	\$ 0	\$ 75,444	\$ 69,896	\$ 19,680	\$ 0	\$ 19,680
Athletic Gate Fund	5	2,977	0	22,812	24,406	1,383	0	1,383
Clearing Accounts	5	2,073	0	69,322	71,144	251	0	251
<b>Total District Activity/Agency Funds</b>		<b>\$ 19,182</b>	<b>\$ 0</b>	<b>\$ 167,578</b>	<b>\$ 165,446</b>	<b>\$ 21,314</b>	<b>\$ 0</b>	<b>\$ 21,314</b>
<b>Total Reporting Entity</b>								<b>\$ 1,583,501</b>

Composition of Cash  
Checking Account \$ 792,159  
Certificate of Deposit 625,000  
Total Excluding Fiduciary & Agency Funds 1,417,159

PIKE VALLEY UNIFIED SCHOOL DISTRICT NO. 426  
Scandia, Kansas

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET

For The Year Ended June 30, 2011

STATEMENT 2

Fund	Statement Number	Certified Budget	Adjustments		Adjustments For Qualifying Budget Credits	Total Budget For Comparison	Expenditures Chargeable To Current Year	Variance Over (Under)
			To Comply With Legal Max					
Government Type Funds								
General Fund	3-1	\$ 2,113,398	\$ 0	\$ 0	\$ 0	\$ 2,113,398	\$ 2,102,870	\$ (10,528)
Supplemental General	3-2	608,430	0	0	0	608,430	608,430	0
Special Revenue Funds								
Capital Outlay	3-3	406,000	0	0	0	406,000	39,051	(366,949)
Driver Training	3-4	8,000	0	0	0	8,000	7,921	(79)
At Risk (K-12)	3-5	188,950	0	0	0	188,950	156,126	(32,824)
Food Service	3-6	184,600	0	0	0	184,600	161,821	(22,779)
Professional Development	3-7	1,100	0	0	0	1,100	2,400	1,300
Special Education	3-8	535,587	0	0	0	535,587	512,754	(22,833)
Vocational Education	3-9	112,400	0	0	0	112,400	115,156	2,756
Kpers Retirement	3-16	138,347	0	0	0	138,347	138,345	(2)
TOTALS								
		\$ 4,296,812	\$ 0	\$ 0	\$ 0	\$ 4,296,812	\$ 3,844,874	\$ (451,938)

PIKE VALLEY UNIFIED SCHOOL DISTRICT NO. 426  
Scandia, Kansas

**STATUTORY RECEIPTS AND EXPENDITURES**

**STATUTORY AND BUDGET**

For The Year Ended June 30, 2012

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

**STATEMENT 3-1**

	<b><u>GENERAL FUND</u></b>		<b><u>Current Year</u></b>	
	<b><u>Prior Year Statutory Transactions</u></b>	<b><u>Statutory Transactions</u></b>	<b><u>Budget</u></b>	<b><u>Variance Over (Under)</u></b>
<b>Statutory Revenues</b>				
Taxes in Process	\$ 8,952	\$ 8,488	\$ 6,142	\$ 2,346
Ad Valorem Property Tax	215,126	228,139	216,600	11,539
Delinquent Tax	2,508	2,985	2,839	146
General State Aid	1,541,693	1,579,455	1,593,663	(14,208)
Machinery & Equip Aid				0
Special Education Aid	266,865	257,772	294,000	(36,228)
In lieu of payments	65			0
Reimbursements	29,026	25,760		25,760
ARRA Stabalization	107,765			0
Ed. Jobs Fund		976		976
<b>Total Statutory Revenues</b>	<b>\$ 2,172,000</b>	<b>\$ 2,103,575</b>	<b>\$ 2,113,244</b>	<b>\$ (10,645)</b>
<b>Expenditures</b>				
Instruction	\$ 892,918	\$ 882,955	\$ 901,638	\$ (18,683)
Student Support Services	42,463	43,088	49,825	(6,737)
Instructional Support Staff	39,180	28,873	22,680	6,193
General Administration	136,985	120,669	123,820	(3,151)
School Administration	181,850	169,901	185,928	(16,027)
Operations and Maintenance	240,743	246,457	296,990	(50,533)
Transportation	133,508	154,162	163,940	(9,778)
Outgoing Transfers	504,225	456,765	368,577	88,188
Adj. To Comply With Legal Max				0
Legal General Fund Budget	2,171,872	2,102,870	2,113,398	(10,528)
Adj. For Qualifying Budget Credits				
<b>Total Expenditures</b>	<b>\$ 2,171,872</b>	<b>\$ 2,102,870</b>	<b>\$ 2,113,398</b>	<b>\$ (10,528)</b>
<b>Statutory Revenues Over (Under) Expenditures</b>	<b>128</b>	<b>705</b>		
<b>Modified Unencumbered Cash - Beginning</b>	<b>27</b>	<b>155</b>		
<b>Prior Year Cancelled Encumbrances</b>				
<b>Modified Unencumbered Cash - Ending</b>	<b>\$ 155</b>	<b>\$ 860</b>		

PIKE VALLEY UNIFIED SCHOOL DISTRICT NO. 426  
Scandia, Kansas

STATEMENT OF CASH RECEIPTS AND EXPENDITURES

ACTUAL AND BUDGET

For The Year Ended June 30, 2012

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

STATEMENT 3-2

SUPPLEMENTAL GENERAL FUND

	<u>Current Year</u>			
	<u>Prior Year Statutory Transactions</u>	<u>Statutory Transactions</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<b>Statutory Revenues</b>				
Taxes in Process	\$ 11,352	\$ 12,323	\$ 10,330	\$ 1,993
Ad Valorem Property Tax	284,847	300,142	0	300,142
Delinquent Tax	6,276	4,161	3,787	374
Motor Vehicle Tax	28,062	33,370	36,998	(3,628)
Taxes in Lieu of Payments	73	0	0	0
Machinery & Equip	4,138	6,292	0	6,292
ARRA Stabalization	0	0	0	0
State Aid	275,320	263,276	253,862	9,414
<b>Total Statutory Revenues</b>	<b>\$ 610,068</b>	<b>\$ 619,564</b>	<b>\$ 304,977</b>	<b>\$ 314,587</b>
<b>Expenditures</b>				
Instruction	\$ 43,043	\$ 126,275	\$ 132,930	\$ (6,655)
Instructional Support Staff	19,272	14,234		14,234
Operations and Maintenance	12,395	0	80,000	(80,000)
General Administration	0	0	20,000	(20,000)
Transportation	5,340	6,000	52,500	(46,500)
Outgoing Transfers	519,802	461,921	323,000	138,921
Adj. For Qualifying Budget Credits	0	0	0	0
<b>Total Expenditures</b>	<b>\$ 599,852</b>	<b>\$ 608,430</b>	<b>\$ 608,430</b>	<b>\$ 0</b>
<b>Statutory Revenues Over (Under) Expenditures</b>	<b>10,216</b>	<b>11,134</b>		
<b>Modified Unencumbered Cash - Beginning</b>	<b>12,961</b>	<b>23,177</b>		
<b>Prior Year Cancelled Encumbrances</b>				
<b>Modified Unencumbered Cash - Ending</b>	<b>\$ 23,177</b>	<b>\$ 34,311</b>		



PIKE VALLEY UNIFIED SCHOOL DISTRICT NO. 426  
Scandia, Kansas

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES**

**ACTUAL AND BUDGET**

For The Year Ended June 30, 2012

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

**STATEMENT 3-3**

**SPECIAL REVENUE FUNDS**

**CAPITAL OUTLAY FUND**

	<u>Current Year</u>			
	Prior Year Actual	Actual	Budget	Variance Over (Under)
<b>Cash Receipts</b>				
Taxes in Process	\$ 545	\$ 0	\$ 0	\$ 0
Current Tax	43	0	0	0
Delinquent Tax	108	99	0	99
Other Local	26,289	1,161	0	1,161
Motor Vehicle Tax	1,631	137	1,754	(1,617)
Interest on Idle Funds	2,412	1,340	0	1,340
State Aid	14	0	0	0
Machinery and Equipment	187	229	0	229
RC - In Lieu PF Payment	1	0	0	0
Transfer from General	78,085	119,312	4,969	114,343
<b>Total Cash Receipts</b>	<b>\$ 109,315</b>	<b>\$ 122,278</b>	<b>\$ 6,723</b>	<b>\$ 115,555</b>
<b>Expenditures</b>				
Instruction	\$ 39,504	\$ 1,079	\$ 20,000	\$ (18,921)
Student Support Services	0	0	15,000	(15,000)
Instructional Support Staff	0	0	60,000	(60,000)
General Administration	0	0	5,000	(5,000)
School Administration	0	0	1,000	(1,000)
Operations & Maintenance	0	907	90,000	(89,093)
Transportation	103,500	0	100,000	(100,000)
Building Improvement	39,063	37,065	115,000	(77,935)
<b>Total Expenditures</b>	<b>\$ 182,067</b>	<b>\$ 39,051</b>	<b>\$ 406,000</b>	<b>\$ (366,949)</b>
<b>Receipts Over (Under) Expenditures</b>	<b>(72,752)</b>	<b>83,227</b>		
<b>Unencumbered Cash - Beginning</b>	<b>530,196</b>	<b>457,444</b>		
<b>Unencumbered Cash - Ending</b>	<b>\$ 457,444</b>	<b>\$ 540,671</b>		

PIKE VALLEY UNIFIED SCHOOL DISTRICT NO. 426  
Scandia, Kansas

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES**  
**ACTUAL AND BUDGET**

For The Year Ended June 30, 2012

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

**STATEMENT 3-4**

**SPECIAL REVENUE FUNDS**

**DRIVER TRAINING FUND**

		<u>Current Year</u>		
	<u>Prior Year Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Cash Receipts				
State Aid	\$ 1,702	\$ 2,162	\$ 1,628	\$ 534
Operating Transfers	0	5,000	0	5,000
Total Cash Receipts	\$ <u>1,702</u>	\$ <u>7,162</u>	\$ <u>1,628</u>	\$ <u>5,534</u>
Expenditures				
Instruction	\$ 11,082	\$ 7,315	\$ 6,724	\$ 591
Vehicle Operating Maintenance	1,030	606	1,276	(670)
Maintenance Service	0	0	0	0
Total Expenditures	\$ <u>12,112</u>	\$ <u>7,921</u>	\$ <u>8,000</u>	\$ <u>(79)</u>
Receipts Over (Under) Expenditures	(10,410)	(759)		
Unencumbered Cash - Beginning	<u>22,806</u>	<u>12,396</u>		
Unencumbered Cash - Ending	\$ <u>12,396</u>	\$ <u>11,637</u>		

PIKE VALLEY UNIFIED SCHOOL DISTRICT NO. 426  
Scandia, Kansas

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES**  
**ACTUAL AND BUDGET**

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

**STATEMENT 3-5**

**SPECIAL REVENUE FUNDS**

**AT RISK (K-12) FUND**

		<u>Current Year</u>		
	<u>Prior Year Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Cash Receipts				
Other Sources	\$ 0	\$ 0	\$ 0	0
Operating Transfers	<u>220,139</u>	<u>155,000</u>	<u>150,000</u>	<u>5,000</u>
 Total Cash Receipts	 \$ <u>220,139</u>	 \$ <u>155,000</u>	 \$ <u>150,000</u>	 \$ <u>5,000</u>
 Expenditures				
Instruction	\$ 110,218	\$ 156,126	\$ 150,800	\$ 5,326
Support	37,571	0	38,150	(38,150)
Maintenance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
 Total Expenditures	 \$ <u>147,789</u>	 \$ <u>156,126</u>	 \$ <u>188,950</u>	 \$ <u>(32,824)</u>
 Receipts Over (Under) Expenditures	 72,350	 (1,126)		
 Unencumbered Cash - Beginning	 <u>70,078</u>	 <u>142,428</u>		
 Unencumbered Cash - Ending	 \$ <u>142,428</u>	 \$ <u>141,302</u>		

PIKE VALLEY UNIFIED SCHOOL DISTRICT NO. 426  
Scandia, Kansas

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES**  
**ACTUAL AND BUDGET**  
For The Year Ended June 30, 2012  
(With Comparative Actual Totals for Prior Year Ended June 30, 2011)

**STATEMENT 3-6**

**SPECIAL REVENUE FUNDS**

**FOOD SERVICE FUND**

		<u>Current Year</u>		
	<u>Prior Year</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance Over</u>
	<u>Actual</u>			<u>(Under)</u>
Cash Receipts				
Federal Aid	\$ 74,444	\$ 79,891	\$ 71,989	\$ 7,902
State Aid	1,559	1,521	1,257	264
Student & Adult Receipts	53,071	48,791	51,110	(2,319)
Operating Transfers	44,930	21,921	10,000	11,921
Miscellaneous	422	72		72
Total Cash Receipts	\$ <u>174,426</u>	\$ <u>152,196</u>	\$ <u>134,356</u>	\$ <u>17,840</u>
Expenditures				
Operations & Maintenance	\$	\$	\$	\$
Food Service Operations	<u>166,836</u>	<u>161,821</u>	<u>184,600</u>	<u>(22,779)</u>
Total Expenditures	\$ <u>166,836</u>	\$ <u>161,821</u>	\$ <u>184,600</u>	\$ <u>(22,779)</u>
Receipts Over (Under) Expenditures	7,590	(9,625)		
Unencumbered Cash - Beginning	<u>50,503</u>	<u>58,093</u>		
Unencumbered Cash - Ending	\$ <u>58,093</u>	\$ <u>48,468</u>		

PIKE VALLEY UNIFIED SCHOOL DISTRICT NO. 426

Scandia, Kansas

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES**

**ACTUAL AND BUDGET**

For The Year Ended June 30, 2012

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

**STATEMENT 3-7**

**SPECIAL REVENUE FUNDS**

**PROFESSIONAL DEVELOPMENT FUND**

		<u>Current Year</u>		
	<u>Prior Year Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Cash Receipts				
State Aid	\$	\$	\$	\$
Operating Transfers	0	0	0	0
Total Cash Receipts	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures				
Instructional Support Staff	\$	\$ 2,400	\$ 1,100	\$ 1,300
Total Expenditures	\$ 0	\$ 2,400	\$ 1,100	\$ 1,300
Receipts Over (Under) Expenditures	0	(2,400)		
Unencumbered Cash - Beginning	10,015	10,015		
Unencumbered Cash - Ending	\$ 10,015	\$ 7,615		

PIKE VALLEY UNIFIED SCHOOL DISTRICT NO. 426  
Scandia, Kansas

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES**  
**ACTUAL AND BUDGET**  
For The Year Ended June 30, 2012  
(With Comparative Actual Totals for Prior Year Ended June 30, 2011)

**STATEMENT 3-8**

**SPECIAL REVENUE FUNDS**

**SPECIAL EDUCATION FUND**

	<u>Current Year</u>			
	<u>Prior Year Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
<b>Cash Receipts</b>				
State Aid	\$ 0	\$ 5,105	\$ 0	\$ 5,105
Operating Transfer	<u>438,000</u>	<u>552,913</u>	<u>408,248</u>	<u>144,665</u>
 <b>Total Cash Receipts</b>	 <u>\$ 438,000</u>	 <u>\$ 558,018</u>	 <u>\$ 408,248</u>	 <u>\$ 149,770</u>
 <b>Expenditures</b>				
Instructional	\$ 396,849	\$ 505,683	\$ 516,087	\$ (10,404)
Vehicle Operating Service	<u>25,120</u>	<u>7,071</u>	<u>19,500</u>	<u>(12,429)</u>
 <b>Total Expenditures</b>	 <u>\$ 421,969</u>	 <u>\$ 512,754</u>	 <u>\$ 535,587</u>	 <u>\$ (22,833)</u>
 <b>Receipts Over (Under) Expenditures</b>	 16,031	 45,264		
 <b>Unencumbered Cash - Beginning</b>	 <u>199,994</u>	 <u>216,025</u>		
 <b>Unencumbered Cash - Ending</b>	 <u>\$ 216,025</u>	 <u>\$ 261,289</u>		

PIKE VALLEY UNIFIED SCHOOL DISTRICT NO. 426  
Scandia, Kansas

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES**  
**ACTUAL AND BUDGET**  
For The Year Ended June 30, 2012  
(With Comparative Actual Totals for Prior Year Ended June 30, 2011)

**STATEMENT 3-9**

**SPECIAL REVENUE FUNDS**

**VOCATIONAL EDUCATION FUND**

		<u>Current Year</u>		
	<u>Prior Year</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance Over</u>
	<u>Actual</u>			<u>(Under)</u>
<b>Cash Receipts</b>				
Operating Transfers	\$ 227,871	\$ 130,000	\$ 58,000	\$ 72,000
<b>Total Cash Receipts</b>	<u>\$ 227,871</u>	<u>\$ 130,000</u>	<u>\$ 58,000</u>	<u>\$ 72,000</u>
<b>Expenditures</b>				
Instruction	\$ 117,956	\$ 115,156	\$ 112,400	\$ 2,756
<b>Total Expenditures</b>	<u>\$ 117,956</u>	<u>\$ 115,156</u>	<u>\$ 112,400</u>	<u>\$ 2,756</u>
 <b>Receipts Over (Under) Expenditures</b>	 109,915	 14,844		
<b>Unencumbered Cash - Beginning</b>	<u>0</u>	<u>109,915</u>		
<b>Unencumbered Cash - Ending</b>	<u>\$ 109,915</u>	<u>\$ 124,759</u>		

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES**

**ACTUAL AND BUDGET**

For The Year Ended June 30, 2012

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

**STATEMENT 3-10**

**SPECIAL REVENUE FUNDS**

**SUMMER SCHOOL FUND**

	Current Year			
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Operating Transfers	\$ 0	\$ 0	\$ 0	\$ 0
Total Cash Receipts	\$ 0	\$ 0	\$ 0	\$ 0
Expenditures				
Instruction	\$ 0	\$ 0	\$ 0	\$ 0
Total Expenditures	\$ 0	\$ 0	\$ 0	\$ 0
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash - Beginning	440	440		
Unencumbered Cash - Ending	\$ 440	\$ 440		



PIKE VALLEY UNIFIED SCHOOL DISTRICT NO. 426  
Scandia, Kansas

STATEMENT OF CASH RECEIPTS AND EXPENDITURES

ACTUAL

For The Year Ended June 30, 2012

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

STATEMENT 3-11

SPECIAL REVENUE FUNDS

TEXTBOOK RENTAL FUND

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Rental Fees	\$ 8,410	\$ 7,086
Transfers	15,000	20,000
Total Cash Receipts	<u>23,410</u>	<u>27,086</u>
Expenditures		
Instruction Supplies	<u>21,332</u>	<u>25,853</u>
Total Expenditures	<u>21,332</u>	<u>25,853</u>
Receipts Over (Under) Expenditures	2,078	1,233
Unencumbered Cash - Beginning	<u>30,974</u>	<u>33,052</u>
Unencumbered Cash - Ending	\$ <u>33,052</u>	\$ <u>34,285</u>

This is not a budgeted fund

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES**  
**ACTUAL**  
For The Year Ended June 30, 2012  
(With Comparative Actual Totals for Prior Year Ended June 30, 2011)

**STATEMENT 3-12**

**SPECIAL REVENUE FUNDS**

**EMPLOYEES BENEFIT FUND**

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Dependent Child Care	\$ 6,000	\$ 3,200
Medical Reimbursement	<u>21,998</u>	<u>25,399</u>
Total Cash Receipts	<u>27,998</u>	<u>28,599</u>
Expenditures		
DayCare Reimbursement	6,138	25,097
Medical Reimbursement	<u>23,245</u>	<u>4,000</u>
Total Expenditures	<u>29,383</u>	<u>29,097</u>
Receipts Over (Under) Expenditures	(1,385)	(498)
Unencumbered Cash - Beginning	<u>8,980</u>	<u>7,595</u>
Unencumbered Cash - Ending	\$ <u>7,595</u>	\$ <u>7,097</u>

This is not a budgeted fund

See Accountant's Report and Accompanying Notes

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES**  
**ACTUAL**  
**For The Year Ended June 30, 2012**  
**(With Comparative Actual Totals for Prior Year Ended June 30, 2011)**

**STATEMENT 3-13**

**SPECIAL REVENUE FUNDS**

**TITLE II A TEACHER QUALITY FUND**

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Grant	\$ <u>10,468</u>	\$ <u>8,756</u>
Total Cash Receipts	<u>10,468</u>	<u>8,756</u>
Expenditures		
Technical Services	<u>10,468</u>	<u>8,756</u>
Total Expenditures	<u>10,468</u>	<u>8,756</u>
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash - Beginning	<u>0</u>	<u>0</u>
Unencumbered Cash - Ending	\$ <u>0</u>	\$ <u>0</u>

This is not a budgeted fund

See Accountant's Report and Accompanying Notes

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES**  
**ACTUAL**  
For The Year Ended June 30, 2012  
(With Comparative Actual Totals for Prior Year Ended June 30, 2011)

**STATEMENT 3-14**

**SPECIAL REVENUE FUNDS**

**TITLE I FUND - CURRENT**

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Federal Sources	\$ <u>65,649</u>	\$ <u>47,148</u>
Total Cash Receipts	<u>65,649</u>	<u>47,148</u>
Expenditures		
Instruction	<u>65,649</u>	<u>47,148</u>
Total Expenditures	<u>65,649</u>	<u>47,148</u>
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash - Beginning	<u>0</u>	<u>0</u>
Unencumbered Cash - Ending	\$ <u>0</u>	\$ <u>0</u>

This is not a budgeted fund

See Accountant's Report and Accompanying Notes

PIKE VALLEY UNIFIED SCHOOL DISTRICT NO. 426  
Scandia, Kansas

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES**  
**ACTUAL**  
For The Year Ended June 30, 2012  
(With Comparative Actual Totals for Prior Year Ended June 30, 2011)

**STATEMENT 3-15**

**SPECIAL REVENUE FUNDS**

**TITLE II - ED TECH FUND**

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Federal	\$ <u>168</u>	\$ <u>0</u>
Total Cash Receipts	<u>168</u>	<u>0</u>
Expenditures		
Instruction	<u>168</u>	<u>0</u>
Materials and Equipment	<u>0</u>	<u>0</u>
Total Expenditures	<u>168</u>	<u>0</u>
Receipts Over (Under) Expenditures	<u>0</u>	<u>0</u>
Unencumbered Cash - Beginning	<u>0</u>	<u>0</u>
Unencumbered Cash - Ending	\$ <u>0</u>	\$ <u>0</u>

This is not a budgeted fund

See Accountant's Report and Accompanying Notes

PIKE VALLEY UNIFIED SCHOOL DISTRICT NO. 426  
Scandia, Kansas

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES**  
**ACTUAL AND BUDGET**

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

**STATEMENT 3-16**

**SPECIAL REVENUE FUNDS**

**KPERS RETIREMENT FUND**

	<u>Current Year</u>			
	<u>Prior Year Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Cash Receipts				
State Sources	\$ 72,830	\$ 138,345	\$ 138,347	\$ (2)
 Total Cash Receipts	 \$ 72,830	 \$ 138,345	 \$ 138,347	 \$ (2)
 Expenditures				
Instructional	\$ 44,865	\$ 88,541	\$ 88,025	\$ 516
Student Support	4,206	8,301	9,000	(699)
Librarian	1,402	2,767	3,000	(233)
Principals/Sec	4,206	8,301	8,000	301
Administration	8,412	16,601	12,000	4,601
Other	2,729		4,500	(4,500)
Maintenance	3,505	6,917	6,000	917
Transportation	701	1,383	2,822	(1,439)
Food Service	2,804	5,534	5,000	534
 Total Expenditures	 \$ 72,830	 \$ 138,345	 \$ 138,347	 \$ (2)
 Receipts Over (Under) Expenditures	 0	 0		
 Unencumbered Cash - Beginning	 0	 0		
 Unencumbered Cash - Ending	 \$ 0	 \$ 0		

PIKE VALLEY UNIFIED SCHOOL DISTRICT NO. 426  
Scandia, Kansas

STATEMENT OF CASH RECEIPTS AND EXPENDITURES

ACTUAL

For The Year Ended June 30, 2012

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

STATEMENT 3-17

SPECIAL REVENUE FUNDS

CONTINGENCY RESERVE FUND

	Prior Year Actual	Current Year Actual
Cash Receipts		
Operating Transfers	\$ 0	\$ 69,655
Total Cash Receipts	<u>0</u>	<u>69,655</u>
Expenditures		
Transfer	<u>0</u>	<u>101,872</u>
Total Expenditures	<u>0</u>	<u>101,872</u>
Receipts Over (Under) Expenditures	0	(32,217)
Unencumbered Cash - Beginning	<u>222,218</u>	<u>222,218</u>
Unencumbered Cash - Ending	\$ <u>222,218</u>	\$ <u>190,001</u>

This is not a budgeted fund

PIKE VALLEY UNIFIED SCHOOL DISTRICT NO. 426  
Scandia, Kansas

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES**  
**ACTUAL**  
For The Year Ended June 30, 2012  
(With Comparative Actual Totals for Prior Year Ended June 30, 2011)

**STATEMENT 3-18**

**SPECIAL REVENUE FUNDS**

**TITLE V FUND**

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Federal Sources	\$ <u>0</u>	\$ <u>0</u>
Total Cash Receipts	<u>0</u>	<u>0</u>
Expenditures		
Instruction	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash - Beginning	<u>0</u>	<u>0</u>
Unencumbered Cash - Ending	\$ <u>0</u>	\$ <u>0</u>

This is not a budgeted fund

See Accountant's Report and Accompanying Notes



PIKE VALLEY UNIFIED SCHOOL DISTRICT NO. 426  
Scandia, Kansas

STATEMENT OF CASH RECEIPTS AND EXPENDITURES

ACTUAL

For The Year Ended June 30, 2012

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

STATEMENT 3-19

SPECIAL REVENUE FUNDS

FEDERAL REAP FUND

	Prior Year Actual	Current Year Actual
Cash Receipts		
Grant	\$ 25,048	\$ 17,633
Total Cash Receipts	<u>25,048</u>	<u>17,633</u>
Expenditures		
Technical Services	<u>25,048</u>	<u>17,633</u>
Total Expenditures	<u>25,048</u>	<u>17,633</u>
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash - Beginning	<u>0</u>	<u>0</u>
Unencumbered Cash - Ending	\$ <u>0</u>	\$ <u>0</u>

This is not a budgeted fund

See Accountant's Report and Accompanying Notes

PIKE VALLEY UNIFIED SCHOOL DISTRICT NO. 426  
Scandia, Kansas

STATEMENT OF CASH RECEIPTS AND EXPENDITURES

ACTUAL

For The Year Ended June 30, 2012

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

STATEMENT 3-20

SPECIAL REVENUE FUNDS

PAYROLL CLEARING FUND

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Payroll Deductions	\$ <u>116,161</u>	\$ <u>152,765</u>
Total Cash Receipts	<u>116,161</u>	<u>152,765</u>
Expenditures		
Insurance Premiums	<u>113,699</u>	<u>155,433</u>
Total Expenditures	<u>113,699</u>	<u>155,433</u>
Receipts Over (Under) Expenditures	2,462	(2,668)
Unencumbered Cash - Beginning	<u>14,630</u>	<u>17,092</u>
Unencumbered Cash - Ending	\$ <u>17,092</u>	\$ <u>14,424</u>

This is not a budgeted fund

See Accountant's Report and Accompanying Notes

PIKE VALLEY UNIFIED SCHOOL DISTRICT NO. 426  
Scandia, Kansas

STATEMENT OF CASH RECEIPTS AND EXPENDITURES

ACTUAL

For The Year Ended June 30, 2012

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

STATEMENT 3-21

SPECIAL REVENUE FUNDS

CHARACTER EDUCATION GRANT

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Federal Grant	\$ <u>2,000</u>	\$ <u>1,000</u>
Total Cash Receipts	<u>2,000</u>	<u>1,000</u>
Expenditures		
Education	<u>2,000</u>	<u>1,000</u>
Total Expenditures	<u>2,000</u>	<u>1,000</u>
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash - Beginning	<u>0</u>	<u>0</u>
Unencumbered Cash - Ending	\$ <u>0</u>	\$ <u>0</u>

This is not a budgeted fund

See Accountant's Report and Accompanying Notes

PIKE VALLEY UNIFIED SCHOOL DISTRICT NO. 426  
Scandia, Kansas

STATEMENT OF CASH RECEIPTS AND EXPENDITURES

ACTUAL

For The Year Ended June 30, 2012

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

STATEMENT 3-22

NON EXPENDABLE TRUST FUND

HAYWOOD OSTBERG

MEMORIAL SCHOLARSHIP FUND

	<u>2011</u>	<u>2012</u>
Cash Receipts		
Scholarship Funds - Principal		
Interest	\$ <u>1,598</u>	\$ <u>86</u>
Total Cash Receipts	<u>1,598</u>	<u>86</u>
Expenditures		
Administrative Expense		
Scholarships	<u>2,237</u>	<u>2,101</u>
Total Expenditures	<u>2,237</u>	<u>2,101</u>
Receipts Over (Under) Expenditures	(639)	(2,015)
Unencumbered Cash - Beginning	<u>147,682</u>	<u>147,043</u>
Unencumbered Cash - Ending	\$ <u>147,043</u>	\$ <u>145,028</u>
Consisting of:		
Principal	\$ <u>137,126</u>	\$ <u>137,126</u>
Revenue	<u>9,917</u>	<u>7,902</u>
Total	\$ <u>147,043</u>	\$ <u>145,028</u>

This is not a budgeted fund

See Accountant's Report and Accompanying Notes

PIKE VALLEY UNIFIED SCHOOL DISTRICT NO. 426  
Scandia, Kansas

STATEMENT OF CASH RECEIPTS AND EXPENDITURES

ACTUAL

For The Year Ended June 30, 2012

STATEMENT 4

AGENCY FUNDS

SCHOOL ACTIVITY FUNDS

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursement	Ending Cash Balance
<b>High School Activity</b>				
Class of 2012	\$ 800	\$ 126	\$ 996	\$ (70)
Class of 2011	360		360	0
Class of 2013	0	16,417	14,722	1,695
Magazine Sales	0			0
FFA	3,143	13,343	11,724	4,762
School Planner	0			0
Kayettes	766	2,704	2,988	482
SADD	0			0
Student Council	71	96	324	(157)
FCCLA	(182)	3,583	3,625	(224)
Drama Club	1,932	2,495	1,573	2,854
Office Activities	281	101		382
Flag Team	470			470
National Honor Society	591	1,570	1,573	588
Music Club	107			107
Panther Prints	1,204	11,801	12,451	554
Library	96			96
Cheerleaders	(1,418)	9,582	5,735	2,429
FCA Club	130		100	30
FBLA	30	3,390	2,954	466
<b>Subtotal High School</b>	<b>\$ 8,381</b>	<b>\$ 65,208</b>	<b>\$ 59,125</b>	<b>\$ 14,464</b>
<b>Junior High Activity</b>				
Jr. High Pep Club	\$ 2,203	\$ 8,110	\$ 6,958	\$ 3,355
Library	2,825	465	2,251	1,039
Panther Paws	0			0
Stucco	36	104	43	97
Playground Equipment	687	1,557	1,519	725
<b>Subtotal Middle School</b>	<b>\$ 5,751</b>	<b>\$ 10,236</b>	<b>\$ 10,771</b>	<b>\$ 5,216</b>
<b>Total Student Activity Funds</b>	<b>\$ 14,132</b>	<b>\$ 75,444</b>	<b>\$ 69,896</b>	<b>\$ 19,680</b>

PIKE VALLEY UNIFIED SCHOOL DISTRICT NO. 426  
Scandia, Kansas

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES**

**ACTUAL**

For The Year Ended June 30, 2012

**STATEMENT 5**

**DISTRICT ACTIVITY FUNDS**

	Beginning Cash Balance	Cash Receipts	Cash Disbursement	Ending Cash Balance
<b><u>Fund</u></b>				
High School Activity	\$ 1,326	\$ 22,812	\$ 24,406	\$ (268)
Junior High Activity	1,651			1,651
Totals	\$ 2,977	\$ 22,812	\$ 24,406	\$ 1,383

**CLEARING ACCOUNTS**

High School Activity				
Lunch	\$ 193	\$ 18,957	\$ 19,150	\$ 0
Industrial Arts	1,249	3,698	4,697	250
Vo Ag	212	402	614	0
Band	0	330	330	0
Book Rental	0	2,340	2,340	0
FACS	0	0	0	0
Long Distance Calls	0	0		0
District Money	20	4,463	4,483	0
Petty Cash	398	1,000	1,398	0
Subtotal High School	\$ 2,072	\$ 31,190	\$ 33,012	\$ 250
Junior High Activity				
Lunch	\$ 0	\$ 29,678	\$ 29,678	\$ 0
Book Rental	0	4,746	4,746	0
Band	0	132	132	0
Petty Cash	0	3,576	3,576	0
Subtotal Junior High	\$ 0	\$ 38,132	\$ 38,132	\$ 0
Total Clearing	\$ 2,072	\$ 69,322	\$ 71,144	\$ 250

**Page Total** 1,633

These are not budgeted funds.

**PIKE VALLEY UNIFIED SCHOOL DISTRICT NO. 426**  
**Scandia, Kansas**

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**1.) Financial Reporting Entity**

Unified School District No. 426 is a municipal Corporation established under Kansas Statutes with territory in Republic, Cloud and Jewell counties. The District is governed by an elected seven member board. The financial statements present the financial condition and results of operation of the district. The district is a primary government and has no component units.

**2.) Basis of Presentation**

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, restricts, or limitations. The following types of funds compromise the financial activities of the District for the year:

Governmental Funds

General Fund -to account for all unrestricted resources except those required to be accounted for in another fund.

Special Revenue Funds - to account for the proceeds of specific revenue sources (other than major capital projects), that are restricted by law or administrative action to expenditures for specified purposes.

Trust and Agency Funds - to account for assets held in a trustee capacity or as an agent for individual, other governmental units, private organizations, and/or other funds. These include Expendable Trust Funds, Non-expendable Trust Funds, Pension Trust Funds, and Agency Funds.

**3.) Basis of Accounting**

These financial statements are presented on a basis of accounting which demonstrates compliance with the cash basis and budget laws of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. For an inter-fund transaction a receipt is recorded in the fund receiving cash from another fund. Cash disbursements are recognized when the cash balance of a fund is decreased. For an inter-fund transaction, a cash disbursement is recorded in the fund from which the cash is transferred. 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 for written contracts. The District has obtained a GAAP waiver from the State of Kansas, which thereby allows this special type of reporting.

**4.) Departure from GAAP**

The basis of accounting described above results in a financial statement presentation, which shows cash receipts, cash disbursements, cash and unencumbered cash balance, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under 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. General fixed assets that account for the land, buildings, and equipment owned by the municipality are not presented in the financial statement.

**PIKE VALLEY UNIFIED SCHOOL DISTRICT NO. 426**  
**Scandia, Kansas**

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

**5.) Reimbursed Expenses**

The purpose of these expenditures is to repay the district for amounts remitted on behalf of another party and such expenditures are exempt for 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.

**NOTE B - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**1.) Budgetary Data**

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 fund. The statutes provide for the following sequence and time table in the adoption of the annual operating budget:

- Preparation of the budget for the succeeding calendar year on or before August 1st.
- Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
- Public hearing on or before August 15<sup>th</sup>, but at least ten days after publication of notice of hearing.
- 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 increase in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least 10 days after publication the hearing may be held and the governing body may amend the budget at that time.

These taxes become a lien against all property November 1<sup>st</sup>. Taxpayers have the option of paying in full or in two installments. The delinquency dates are December 20 and May 10. Delinquent taxes are assessed interest at 9% per annum. This interest is retained by the County.

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

All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditures authority) lapse at year-end.

A legal operating budget is not required for trust funds, agency funds, and the following special revenue funds: Textbooks and Student Materials, Athletic Gate Receipts and other School Agency/Activity Funds, Fee and User Charges/Clearing Accounts, Contingency Reserve, Employee Benefits, and Federal Funds.

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

Inventories and prepaid expenses which benefit future periods are recorded as an expenditures during the year of purchase. For disclosure purposes, material inventories would be reported as an asset offset by a reserve. The district had no material inventories.



**PIKE VALLEY UNIFIED SCHOOL DISTRICT NO. 426**  
**Scandia, Kansas**

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

**NOTE C- DEPOSITS AND INVESTMENTS**

**1.) Deposits**

At year-end the carrying amount of the district's deposits, including certificates of deposit was \$1,583,501. The bank balance was \$792,159 and activity operating accounts had a balance of \$21,314. The difference between the carrying amount and the bank balance are outstanding checks and deposits in transit. Of the bank balance, \$500,000 was covered by FDIC insurance and the remaining \$292,159 was collateralized by pledged securities held under joint custody receipts issued by a third-party bank in the district's name. The third-party bank holding the pledged securities is independent of the pledging bank. The pledged securities are held under a third-party custodial agreement signed by all three parties: the district, the pledging bank, and the independent third-party banks holding the securities.

**2.) Investments**

Funds of the district were on deposit in interest bearing accounts in banks and Certificates of Deposits issued by banks at June 30, 2011 and 2012.

**3.) Pooling of Cash and Investments**

The cash of each of the funds of the district is pooled together so that better management of cash and investments can be practiced, resulting in greater earnings accruing to the district. Please refer to Statement 1 to review how the various funds are accruing interest.

**NOTE D- FRINGE BENEFIT PLAN**

The District has in place an IRS-IRC Section #125 "Cafeteria" Fringe Benefit Plan. The options under the plan are salary reduction options. In addition, each employee may choose to take the benefit in cash, a taxable option. Employees that are eligible for the plan are all full time employees. The plan year runs from October 1 to September 30 annually. The maximum benefit allowance per employee is \$3,300/yr for the 2010/2011 contract year.

Provisions available are:

- Group Health Insurance
- Group Term Life Insurance (\$50,000 maximum) Salary
- Protection Insurance
- Cancer Insurance
- Medical Reimbursement Accounts
- Dependent Care Reimbursement Accounts

**NOTE E- CONTINGENT LIABILITIES**

The district has computed the unfunded accumulated sick leave costs as of June 30, 2011 and 2012, to be \$130,717 and \$142,764, respectively. This amount is computed in accordance with the district's policy wherein each qualified employee is allowed to accumulate a maximum of 75 days of sick leave at a rate of 12 days per term. Teachers are to be reimbursed at the rate of \$10.00 per day for any unused sick leave accumulated over the maximum of 75 leave days.

**PIKE VALLEY UNIFIED SCHOOL DISTRICT NO. 426**  
**Scandia, Kansas**

**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2012**

The maximum reimbursement is \$100.00/teacher per year. Any unused accumulated sick leave may be used by the employee during his/her employment with the district. If employment is severed, the unused accumulated amount is not reimbursed. Employees cannot convert unused sick leave to vacation. There is no merit pay provision in the schools negotiated agreement nor is there a good health or absentee benefit. Teachers are granted 2 days personal leave per contract year. Personal days unused at year-end are added to the sick leave unless the individual already has accumulated the maximum. Substitutes are not provided for these positions during the employees absence, therefore, a dollar amount for these liabilities has not been accrued (Please Refer to Table 1 in Notes for breakdown.)

**NOTE F- DEFINED BENEFIT PENSION PLAN**

*Plan description.* The (school Municipality) participates in the Kansas Public Employees Retirement Systems (KPERs), a cost-sharing multiple-employer defined pension plan as provided by K.S.A. 74-4901, *et seq.* KPERs provided retirement benefits, life insurance, disability income benefits and death benefits. Kansas law establishes and amends benefit provision. 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 South Kansas Suite 100; Topeka, KS 66604-4024) or by calling 1-800-275-5737.

*Funding Policy.* K.S.A. 74-4919 establishes the KPERs member-employee contribution rate at 4% of covered salary. Member-employees' contributions are withheld by their employer and paid to KPERs according to the provisions of section 414 (h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarial determined contribution rate.

**NOTE G- 2011 FINANCIAL DATA**

The amounts shown for 2011, in the accompanying statutory basis financial statements and these notes to financial statements are included, where practicable, only to provide a basis for comparison with 2012, and are not intended to present all information necessary for a fair presentation in accordance with accounting principles generally accepted in the United States of America.

**NOTE H- RISK FINANCING AND RELATED INSURANCE ISSUES**

The district is exposed to various risks of loss related to torts; theft of, damage to; and destruction of assets; errors and omissions; injuries to employees; and nature disasters. The district continues to carry insurance for all risks of loss including workers compensation. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

**NOTE I- FAIR VALUE OF FINANCIAL INSTRUMENTS**

The fair value amounts for cash and cash equivalents approximate carrying amounts due to the short maturities of these instruments. Financial instruments that subject the district to significant concentration and credit risk consist of cash and cash equivalents. The district places its cash in market interest rate accounts and are insured fully by FDIC coverage and pledged securities with fair market value equal to or greater than its cash and cash equivalents.

**NOTE J- FIDUCIARY TYPE FUNDS**

The District has under its control a non-expendable trust fund for the purpose of awarding scholarships to graduates of Pike Valley High School to assist them in continuing their education. The balances at 06/30/12 and 6/30/11 were \$145,028 and 147,043 respectively. (Please Refer to Statement 3-22 for breakdown and balances.)

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

Note K - REVENUE

1.) Inter-fund Transactions

Recurring annual transfers between budgetary funds for the purpose of shifting resources from the fund legally required to receive the revenue, to the fund authorized to expend the revenue, have been segregated from normal revenues and expenditures for reporting purposes are are:

<u>FROM</u>	<u>TO</u>	<u>2012</u>	<u>2011</u>
General	Food Service	\$ 10,000	\$ 10,000
General	Special Education	257,796	416,000
General	Driver Training	0	0
General	Capital Outlay	119,314	78,087
General	At Risk K-12	0	138
General	Contingency Reserve	69,655	0
	<b>Totals</b>	<b>456,765</b>	<b>504,225</b>
Supplemental General	Food Service	11,921	34,930
Supplemental General	Vocational Education	130,000	227,871
Supplemental General	Special Education	140,000	22,000
Supplemental General	At Risk K-12	155,000	220,001
Supplemental General	Driver Training	5,000	0
Supplemental General	Textbooks	20,000	15,000
	<b>Totals</b>	<b>461,921</b>	<b>519,802</b>
	<b>Totals</b>	<b>918,686</b>	<b>1,024,027</b>

The above transfers are included in the expenditures of the disbursing fund and included in the revenues of the receiving fund as required by the Cash Basis and Budget Laws of Kansas, and for budget comparison purposes.

2.) Taxes

Total property taxes received by the District during years ended June 30, 2011 and 2012 were:

	<u>2012</u>	<u>2011</u>
General Fund	\$ 239,312	\$ 226,586
Capital Outlay	465	884
Supplement General	356,288	334,748
<b>Totals</b>	<b>596,065</b>	<b>562,218</b>

## NOTES TO FINANCIAL STATEMENTS

June 30, 2012

## 3.) Interest

Interest received on Investments for the years ended June 30, 2011 and 2012 was accounted for in the following funds:

	2012	2011
Capital Outlay	\$ 1,340	\$ 2,412
Trust Fund	86	1,598
<b>Totals</b>	<b>1,426</b>	<b>4,010</b>

## 4.) Intergovernmental Assistance-State

Type of Aid	Fund	2012	2011
State Equalization	General	\$ 1,579,455	\$ 1,541,693
State Equalization	Supplemental General	263,276	275,320
State Safety	Drivers Training	2,162	1,702
State Food Service	Food Service	1,521	1,559
State Special Ed	General	257,772	266,865
State Special Ed	Special Education	5,105	0
KPERS Employer Cont.	KPERS	138,345	72,830
<b>Totals</b>		<b>2,247,636</b>	<b>2,159,969</b>

## 5.) Federal Assistance received during the years ended June 30, 2011 and 2012

Type of Aid	2012	2011
Ed. JobsFund	\$ 977	\$ 0
Supplemental ARRA	0	68,592
Title I Current	47,148	88,892
Title II Teacher Quality	8,756	10,468
Food Service	79,892	74,444
Federal REAP	17,633	0
Character Education	2,180	0
<b>Totals</b>	<b>156,586</b>	<b>242,396</b>

PIKE VALLEY UNIFIED SCHOOL DISTRICT NO. 426  
 Scandia, Kansas  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 2012

**TABLE 1**

	Number of Employees		2011 Accumulation		2012 Accumulation	
	2011	2012	Days	Amount	Days	Amount
Certified and other	42	53	1629	\$126,052	1572	\$120,875
Office Staff	2	2	75	\$4,665	79.25	\$7,498
Administration	4	2	120	\$0	39.75	\$14,391
<b>Total</b>	<b>48</b>	<b>57</b>	<b>1824</b>	<b>\$130,717</b>	<b>1691</b>	<b>\$142,764</b>

PIKE VALLEY UNIFIED SCHOOL DISTRICT NO. 426  
Scandia, Kansas  
SUPPLEMENTAL INFORMATION

35

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
June 30, 2012

DESCRIPTION	FEDERAL CFDA NO.	PASS THROUGH GRANTOR'S NO.	AWARD AMOUNT	UNENCUMBERED CASH BALANCE 7/1/2011	RECEIPTS	EXPENDITURES	UNENCUMBERED CASH BALANCE 6/30/12
<b>USDA</b>							
FOOD ASSIST. BREAKFAST	10.553	D0109	\$16,157	\$0	\$16,157	\$16,157	\$0
FOOD ASSIST. LUNCH	10.555	D0109	\$55,916	\$0	\$55,916	\$55,916	\$0
FOOD ASSIST. LUNCH	10.555	D0109	\$7,819	\$0	\$7,819	\$7,819	\$0
<b>TOTAL USDA</b>			<b>\$79,892</b>	<b>\$0</b>	<b>\$79,892</b>	<b>\$79,892</b>	<b>\$0</b>
<b>US DEPT. OF EDUCATION</b>							
Title II Improving Teach. Quality	84.367	D0109	\$8,756	\$0	\$8,756	\$8,756	\$0
Title I Low Income	84.010	D0109	\$47,148	\$0	\$47,148	\$47,148	\$0
Education Jobs Fund Flo-thru	84.410	D0109	\$977	\$0	\$977	\$977	\$0
Character Education Incentive	84.215	D0109	\$2,180	\$0	\$2,180	\$2,180	\$0
DIRECT PROGRAMS							
REAP GRANT	82.358A	N/A	\$17,633	\$0	\$17,633	\$17,633	\$0
<b>TOTAL DEPT. OF EDUCATION</b>			<b>\$76,694</b>	<b>\$0</b>	<b>\$59,061</b>	<b>\$59,061</b>	<b>\$0</b>
<b>TOTAL FEDERAL ASSISTANCE</b>			<b>\$156,586</b>	<b>\$0</b>	<b>\$138,953</b>	<b>\$138,953</b>	<b>\$0</b>