

UNIFIED SCHOOL DISTRICT NO. 444  
Little River, Kansas

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT  
For the Fiscal Year Ended June 30, 2012

CLUBINE AND RETTELE, CHARTERED  
CERTIFIED PUBLIC ACCOUNTANTS  
Salina, Kansas

UNIFIED SCHOOL DISTRICT NO. 444  
Little River, Kansas

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT  
For the Fiscal Year Ended June 30, 2012

TABLE OF CONTENTS

	Page <u>Number</u>
INTRODUCTORY SECTION	
Title Page	
Table of Contents	
FINANCIAL SECTION	
Independent Auditors' Report	1
STATEMENT 1 Summary of Cash Receipts, Expenditures, and Unencumbered Cash - Statutory Basis	2
STATEMENT 2 Summary of Expenditures, Actual and Budget - Statutory Basis	3
STATEMENT 3 Statement of Cash Receipts and Expenditures, Actual and Budget	
General Fund	4
Supplemental General Fund	5
STATEMENT 3 Statement of Cash Receipts and Expenditures, Actual and Budget - Statutory Basis	
At-Risk Fund (4 Year Old)	6
At-Risk Fund (K-12)	7
Bilingual Education	8
Capital Outlay Fund	9
Drivers Training Fund	10
Food Service Fund	11
Professional Development Fund	12
Recreation Fund	13
Special Education Fund	14
Summer School Fund	15
Textbook and Student Materials Fund	16
Vocational Education Fund	17
Contingency Reserve Fund	18

UNIFIED SCHOOL DISTRICT NO. 444  
Little River, Kansas

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT  
For the Fiscal Year Ended June 30, 2012

TABLE OF CONTENTS (Cont.)

	<u>Page Number</u>
FINANCIAL SECTION (Cont.)	
KPERS Special Retirement Contribution Fund	19
Kal-Tech II Academy Fund	20
Small Rural School Grant Fund	20
Title I Fund	21
Title II-A Fund	21
Title II-D Fund	22
Charter School Fund	22
Bond and Interest Fund	23
Gifts and Grants Fund	24
Scholarship Fund	24
STATEMENT 4	
Statement of Cash Receipts and Expenditures - Statutory Basis	
Agency Funds	25
STATEMENT 5	
Summary of Cash Receipts, Expenditures, and Unencumbered Cash - Statutory Basis	
District Activity Funds	26
STATEMENT 6	
Statement of Cash Receipts and Expenditures, Actual and Budget - Statutory Basis	
Component Unit - Little River Recreation Commission	27
NOTES TO FINANCIAL STATEMENTS	28-35

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## INDEPENDENT AUDITORS' REPORT

To the Board of Education  
Unified School District No. 444  
Little River, Kansas

We have audited the accompanying financial statements of Unified School District No. 444, as of and for the fiscal year ended June 30, 2012, which collectively comprise the basic financial statements of Unified School District No. 444 as listed in the table of contents. These financial statements are the responsibility of Unified School District No. 444 management. Our responsibility is to express opinions on these financial statements based on our audit. The partial prior-year comparative information has been derived from Unified School District No. 444 financial statements and, in our report dated January 20, 2012, we expressed an unqualified opinion on the respective financial statements which were prepared using accounting practices prescribed or permitted by the State of Kansas.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit Guide* prescribed by the Division of Accounts and Reports of the State of Kansas. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described more fully in Note 2, Unified School District No. 444 has prepared these financial statements using accounting practices prescribed or permitted by 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 reasonably 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. 444 as of June 30, 2012, the changes in its financial position, or, where applicable, its cash flows for the year then ended. Further, Unified School District No. 444 has not presented a management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of each fund of Unified School District No. 444 as of June 30, 2012, and their respective cash receipts and disbursements, and the respective budgetary comparison for the General Funds and budgeted Special Revenue Funds for the fiscal year then ended, on the basis of accounting described in Note 2.

The financial statements include partial prior-year comparative information. Such information does not include all of the information required to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with Unified School District No. 444 financial statements for the fiscal year ended June 30, 2011, from which such partial information was derived.

Clubine and Rettele, Chartered

Salina, Kansas  
May 10, 2013

UNIFIED SCHOOL DISTRICT NO. 444  
Little River, Kansas  
Summary of Cash Receipts, Expenditures, and Unencumbered Cash - Statutory Basis  
For the Fiscal Year Ended June 30, 2012

Statement 1

Funds	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds:						
General Funds						
* General	\$ (146,535.16)	\$ 2,614,760.25	\$ 2,618,837.38	\$ (150,612.29)	\$ 21,808.33	\$ (128,803.96)
Supplemental General	39,099.72	552,360.95	544,325.00	47,135.67	10,951.92	58,087.59
Special Revenue Funds						
At-Risk (4 Year Old)	-	50,000.00	50,000.00	-	-	-
At-Risk (K-12)	-	130,000.00	130,000.00	-	800.00	800.00
Bilingual Education	-	2,005.32	2,005.32	-	-	-
Capital Outlay	233,592.52	266,817.82	224,941.60	275,468.74	6,194.54	281,663.28
Drivers Training	7,845.54	2,663.00	9,508.12	1,000.42	-	1,000.42
Food Service	30,571.79	208,875.91	239,347.70	100.00	-	100.00
Professional Development	8,745.96	4,675.07	13,421.03	-	528.00	528.00
Recreation	10,909.20	27,771.48	25,000.00	13,680.68	-	13,680.68
Special Education	49,459.16	455,255.86	504,715.02	-	-	-
Summer School	10.40	-	-	10.40	-	10.40
Textbook and Student Materials	-	10,372.52	10,372.52	-	6,963.73	6,963.73
Vocational Education	-	50,000.00	50,000.00	-	-	-
Contingency Reserve	102,614.17	-	30,000.00	72,614.17	-	72,614.17
KPERS Special Retirement Contribution	-	190,474.93	190,474.93	-	-	-
Kal-Tech II Academy	86.48	-	-	86.48	-	86.48
Small Rural School Grant	-	26,892.00	26,892.00	-	8,170.00	8,170.00
Title I	-	40,542.00	40,542.00	-	-	-
Title II-A	-	12,139.00	12,139.00	-	-	-
Title II-D	-	-	-	-	-	-
Charter School	-	-	-	-	-	-
District Activity Funds	19,254.56	126,491.39	124,470.85	21,275.10	-	21,275.10
Debt Service Funds						
Bond and Interest	228,636.65	183,928.79	172,813.00	239,752.44	-	239,752.44
Fiduciary Type Funds:						
Expendable Trust Funds						
Gifts and Grants	-	1,397.76	1,397.76	-	-	-
Scholarship	75.30	-	-	75.30	-	75.30
	584,366.29	4,957,424.05	5,021,203.23	520,587.11	55,416.52	576,003.63
Component Unit:						
Little River Recreation Commission	31,809.37	31,525.03	30,217.10	33,117.30	-	33,117.30
Total Reporting Entity (Excluding Agency Funds)	\$ 616,175.66	\$ 4,988,949.08	\$ 5,051,420.33	\$ 553,704.41	\$ 55,416.52	\$ 609,120.93

Composition of Cash:

\* General Fund presented per  
Kansas Municipal Audit Guide  
For Statutory Basis presentation  
of this fund, see Note #10.

Checking Accounts	\$ (171,282.32)
Municipal Investment Pool	760,213.17
Total Component Unit	33,117.30
Total Cash	622,048.15
Agency Funds per Statement 4	(12,927.22)
Total Reporting Entity (Excluding Agency Funds)	\$ 609,120.93

UNIFIED SCHOOL DISTRICT NO. 444  
 Little River, Kansas  
 Summary of Expenditures, Actual and Budget - Statutory Basis  
 For the Fiscal Year Ended June 30, 2012

Statement 2

Fund	Certified Budget	Adjustment to Comply with Legal Max	Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
Governmental Type Funds:						
General Funds						
General	\$ 2,614,764.00	\$ -	\$ 4,073.38	\$ 2,618,837.38	\$ 2,618,837.38	\$ -
Supplemental General	544,325.00	-	-	544,325.00	544,325.00	-
Special Revenue Funds						
At-Risk (4 Year Old)	50,000.00	-	-	50,000.00	50,000.00	-
At-Risk (K-12)	130,000.00	-	-	130,000.00	130,000.00	-
Capital Outlay	572,593.00	-	-	572,593.00	224,941.60	(347,651.40)
Drivers Training	19,917.00	-	-	19,917.00	9,508.12	(10,408.88)
Food Service	260,588.00	-	-	260,588.00	239,347.70	(21,240.30)
Professional Development	18,946.00	-	-	18,946.00	13,421.03	(5,524.97)
Recreation	30,000.00	-	-	30,000.00	25,000.00	(5,000.00)
Special Education	514,444.00	-	-	514,444.00	504,715.02	(9,728.98)
Vocational Education	50,000.00	-	-	50,000.00	50,000.00	-
KPERs Special Retirement Contribution	196,266.00	-	-	196,266.00	190,474.93	(5,791.07)
Debt Service Funds						
Bond and Interest	172,823.00	-	-	172,823.00	172,813.00	(10.00)
Component Unit						
Little River Recreation Commission	66,570.00	-	-	66,570.00	30,217.10	(36,352.90)

## UNIFIED SCHOOL DISTRICT NO. 444

Statement 3

Little River, Kansas

General Fund

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

For the Fiscal Year Ended June 30, 2012

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenue:				
Ad Valorem Property Tax	\$ 565,328.86	\$ 625,511.41	\$ 573,955.00	\$ 51,556.41
Delinquent	5,648.47	5,741.91	8,594.00	(2,852.09)
Other Taxes	3,906.53	5,868.47	-	5,868.47
Other	80,773.56	4,163.46	-	4,163.46
State Aid				
Equalization	1,570,534.00	1,556,558.00	1,616,458.00	(59,900.00)
Special Education	332,080.00	385,757.00	385,757.00	-
Federal Aid				
ARRA Stabilization Funds	44,666.00	-	-	-
Education Jobs Fund	-	1,160.00	-	1,160.00
Operating Transfers	-	30,000.00	30,000.00	-
Total Cash Receipts	<u>2,602,937.42</u>	<u>2,614,760.25</u>	<u>\$ 2,614,764.00</u>	<u>\$ (3.75)</u>
Expenditures				
Instruction	971,269.56	882,623.58	\$ 944,508.00	\$ (61,884.42)
Student Support Services	42,656.34	45,854.25	41,130.00	4,724.25
Instructional Support Staff	51,734.70	55,649.19	51,666.00	3,983.19
General Administration	204,936.99	233,352.86	216,256.00	17,096.86
School Administration	254,646.80	249,253.33	247,400.00	1,853.33
Operations and Maintenance	283,687.81	253,211.90	271,296.00	(18,084.10)
Vehicle Operating Services	170,859.62	179,410.02	163,574.00	15,836.02
Operating Transfers	<u>581,427.74</u>	<u>719,482.25</u>	<u>678,934.00</u>	<u>40,548.25</u>
Legal General Fund Budget	2,561,219.56	2,618,837.38	2,614,764.00	4,073.38
Adjustment for Qualifying Budget Credits	-	-	4,073.38	(4,073.38)
Total Expenditures	<u>2,561,219.56</u>	<u>2,618,837.38</u>	<u>\$ 2,618,837.38</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	41,717.86	(4,077.13)		
Unencumbered Cash, Beginning	<u>(188,253.02)</u>	<u>(146,535.16)</u>		
Unencumbered Cash, Ending	<u>\$ (146,535.16)</u>	<u>\$ (150,612.29)</u>		

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

## UNIFIED SCHOOL DISTRICT NO. 444

Statement 3

Little River, Kansas

Supplemental General Fund

Statement of Cash Receipts and Expenditures, Actual and Budget

For the Fiscal Year Ended June 30, 2012

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenue:				
Ad Valorem Property Tax	\$ 416,350.43	\$ 459,001.40	\$ 464,540.00	\$ (5,538.60)
Delinquent	5,102.61	5,448.29	6,359.00	(910.71)
16/20M Truck	1,026.52	1,125.83	-	1,125.83
Motor Vehicle	27,342.08	26,507.47	26,362.00	145.47
Recreational Vehicle	634.61	544.96	474.00	70.96
State Aid	47,017.00	59,733.00	59,230.00	503.00
Total Cash Receipts	<u>497,473.25</u>	<u>552,360.95</u>	<u>\$ 556,965.00</u>	<u>\$ (4,604.05)</u>
Expenditures				
Instruction	349,053.31	457,524.07	\$ 372,325.00	\$ 85,199.07
Student Support Services	485.44	-	500.00	(500.00)
Instructional Support Staff	1,148.88	9,553.52	2,300.00	7,253.52
General Administration	452.24	3,978.67	500.00	3,478.67
School Administration	5,533.00	20,932.01	5,000.00	15,932.01
Operations and Maintenance	6,993.36	24,172.41	8,500.00	15,672.41
Operating Transfers	131,321.63	28,164.32	155,200.00	(127,035.68)
Total Expenditures	<u>494,987.86</u>	<u>544,325.00</u>	<u>\$ 544,325.00</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	2,485.39	8,035.95		
Unencumbered Cash, Beginning	<u>36,614.33</u>	<u>39,099.72</u>		
Unencumbered Cash, Ending	<u>\$ 39,099.72</u>	<u>\$ 47,135.67</u>		

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



## UNIFIED SCHOOL DISTRICT NO. 444

Statement 3

Little River, Kansas

At-Risk Fund 4 Year-Old

Statement of Cash Receipts and Expenditures, Actual and Budget - Statutory Basis

For the Fiscal Year Ended June 30, 2012

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Operating Transfers	\$ 49,773.20	\$ 50,000.00	\$ 50,000.00	\$ -
Expenditures				
Instruction	47,242.48	48,040.05	\$ 47,549.00	\$ 491.05
Operations and Maintenance	2,530.72	1,959.95	2,451.00	(491.05)
Total Expenditures	49,773.20	50,000.00	\$ 50,000.00	\$ -
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ -		

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

## UNIFIED SCHOOL DISTRICT NO. 444

Statement 3

Little River, Kansas

At-Risk Fund K-12

## Statement of Cash Receipts and Expenditures, Actual and Budget - Statutory Basis

For the Fiscal Year Ended June 30, 2012

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Operating Transfers	\$ 127,831.81	\$ 130,000.00	\$ 130,000.00	\$ -
Expenditures				
Instruction	105,687.49	106,672.21	\$ 107,014.00	\$ (341.79)
Student Support Services	22,144.32	23,327.79	22,986.00	341.79
Total Expenditures	127,831.81	130,000.00	\$ 130,000.00	\$ -
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ -		

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

## UNIFIED SCHOOL DISTRICT NO. 444

Statement 3

Little River, Kansas

Bilingual Education Fund

Statement of Cash Receipts and Expenditures, Actual and Budget - Statutory Basis

For the Fiscal Year Ended June 30, 2012

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Operating Transfers	\$ -	\$ 2,005.32
Expenditures		
Instruction	-	2,005.32
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

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

## UNIFIED SCHOOL DISTRICT NO. 444

Statement 3

Little River, Kansas

Capital Outlay Fund

## Statement of Cash Receipts and Expenditures, Actual and Budget - Statutory Basis

For the Fiscal Year Ended June 30, 2012

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

	Prior Actual	Current Year		Variance (Under)
		Actual	Budget	
Cash Receipts				
Ad Valorem Property Tax	\$ 218,357.99	\$ 240,875.94	\$ 221,897.00	\$ 18,978.94
Delinquent	2,282.18	2,568.87	3,337.00	(768.13)
16/20M Truck	578.83	573.13	-	573.13
Motor Vehicle	15,139.97	13,569.51	13,526.00	43.51
Recreational Vehicle	353.22	278.75	243.00	35.75
Interest	713.90	257.22	-	257.22
Other Sources	11,037.52	8,694.40	99,999.00	(91,304.60)
Total Cash Receipts	<u>248,463.61</u>	<u>266,817.82</u>	<u>\$ 339,002.00</u>	<u>\$ (72,184.18)</u>
Expenditures				
Instruction	61,529.94	80,737.66	\$ 100,000.00	\$ (19,262.34)
Student Support Services	12,213.56	-	100,000.00	(100,000.00)
Instructional Support Staff	49,942.45	17,584.90	100,000.00	(82,415.10)
General Administration	-	-	50,000.00	(50,000.00)
School Administration	4,000.00	-	25,000.00	(25,000.00)
Operations and Maintenance	1,057.00	4,485.74	22,093.00	(17,607.26)
Transportation	25,775.00	-	40,000.00	(40,000.00)
Facilities Acquisition and Construction				
Site Improvement	4,614.80	4,806.47	10,000.00	(5,193.53)
Repair and Remodeling	105,375.10	116,826.83	125,000.00	(8,173.17)
Other	500.00	500.00	500.00	-
Total Expenditures	<u>265,007.85</u>	<u>224,941.60</u>	<u>\$ 572,593.00</u>	<u>\$ (347,651.40)</u>
Receipts Over (Under) Expenditures	(16,544.24)	41,876.22		
Unencumbered Cash, Beginning	<u>250,136.76</u>	<u>233,592.52</u>		
Unencumbered Cash, Ending	<u>\$ 233,592.52</u>	<u>\$ 275,468.74</u>		

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

## UNIFIED SCHOOL DISTRICT NO. 444

Statement 3

Little River, Kansas

Drivers Training Fund

Statement of Cash Receipts and Expenditures, Actual and Budget - Statutory Basis

For the Fiscal Year Ended June 30, 2012

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
State Aid	\$ 1,776.00	\$ 2,538.00	\$ 2,072.00	\$ 466.00
Other Sources	250.00	125.00	-	125.00
Operating Transfers	7,011.40	-	10,000.00	(10,000.00)
Total Cash Receipts	<u>9,037.40</u>	<u>2,663.00</u>	<u>\$ 12,072.00</u>	<u>\$ (9,409.00)</u>
Expenditures				
Instruction	9,413.22	7,536.86	\$ 15,817.00	\$ (8,280.14)
Vehicle Operations, Maintenance Service	408.70	1,971.26	4,100.00	(2,128.74)
Total Expenditures	<u>9,821.92</u>	<u>9,508.12</u>	<u>\$ 19,917.00</u>	<u>\$ (10,408.88)</u>
Receipts Over (Under) Expenditures	(784.52)	(6,845.12)		
Unencumbered Cash, Beginning	<u>8,630.06</u>	<u>7,845.54</u>		
Unencumbered Cash, Ending	<u>\$ 7,845.54</u>	<u>\$ 1,000.42</u>		

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

## UNIFIED SCHOOL DISTRICT NO. 444

Statement 3

Little River, Kansas

Food Service Fund

## Statement of Cash Receipts and Expenditures, Actual and Budget - Statutory Basis

For the Fiscal Year Ended June 30, 2012

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

	Prior Year Actual	Current Year		Variance Over Under
		Actual	Budget	
Cash Receipts				
State Aid	\$ 1,911.51	\$ 1,963.78	\$ 1,546.00	\$ 417.78
Federal Aid	73,976.73	75,878.00	66,532.00	9,346.00
Local Receipts	70,627.67	75,323.81	71,938.00	3,385.81
Operating Transfers	72,528.27	55,710.32	90,000.00	(34,289.68)
Total Cash Receipts	<u>219,044.18</u>	<u>208,875.91</u>	<u>\$ 230,016.00</u>	<u>\$ (21,140.09)</u>
Expenditures				
Operations and Maintenance	5,342.49	8,738.81	\$ 6,000.00	\$ 2,738.81
Food Service Operation	<u>214,278.16</u>	<u>230,608.89</u>	<u>254,588.00</u>	<u>(23,979.11)</u>
Total Expenditures	<u>219,620.65</u>	<u>239,347.70</u>	<u>\$ 260,588.00</u>	<u>\$ (21,240.30)</u>
Receipts Over (Under) Expenditures	(576.47)	(30,471.79)		
Unencumbered Cash, Beginning	<u>31,148.26</u>	<u>30,571.79</u>		
Unencumbered Cash, Ending	<u>\$ 30,571.79</u>	<u>\$ 100.00</u>		

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

## UNIFIED SCHOOL DISTRICT NO. 444

Statement 3

Little River, Kansas

Professional Development Fund

Statement of Cash Receipts and Expenditures, Actual and Budget - Statutory Basis

For the Fiscal Year Ended June 30, 2012

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Operating Transfers	\$ 8,043.58	\$ 4,675.07	\$ 10,200.00	\$ (5,524.93)
Expenditures				
Instructional Support Staff	9,003.26	13,421.03	\$ 18,946.00	\$ (5,524.97)
Receipts Over (Under) Expenditures	(959.68)	(8,745.96)		
Unencumbered Cash, Beginning	9,705.64	8,745.96		
Unencumbered Cash, Ending	\$ 8,745.96	\$ -		

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

## Little River, Kansas

## Recreation Fund

## Statement of Cash Receipts and Expenditures, Actual and Budget - Statutory Basis

For the Fiscal Year Ended June 30, 2012

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenue:				
Ad Valorem Property Tax	\$ 23,565.36	\$ 25,999.39	\$ 23,949.00	\$ 2,050.39
Delinquent	271.94	294.57	360.00	(65.43)
16/20M Truck	55.81	57.54	-	57.54
Motor Vehicle	1,457.54	1,391.45	1,394.00	(2.55)
Recreational Vehicle	33.92	28.53	25.00	3.53
Total Cash Receipts	<u>25,384.57</u>	<u>27,771.48</u>	<u>\$ 25,728.00</u>	<u>\$ 2,043.48</u>
Expenditures				
Appropriation	<u>25,000.00</u>	<u>25,000.00</u>	<u>\$ 30,000.00</u>	<u>\$ (5,000.00)</u>
Receipts Over (Under) Expenditures	384.57	2,771.48		
Unencumbered Cash, Beginning	<u>10,524.63</u>	<u>10,909.20</u>		
Unencumbered Cash, Ending	<u>\$ 10,909.20</u>	<u>\$ 13,680.68</u>		



## UNIFIED SCHOOL DISTRICT NO. 444

Little River, Kansas

Special Education Fund

Statement 3

Statement of Cash Receipts and Expenditures, Actual and Budget - Statutory Basis

For the Fiscal Year Ended June 30, 2012

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

	Prior Year Actual	Current Year		Variance Over Over (Under)
		Actual	Budget	
Cash Receipts				
Operating Transfers	\$ 398,289.20	\$ 455,255.86	\$ 493,934.00	\$ (38,678.14)
Expenditures				
Payment to Special Coop	437,995.89	497,804.52	\$ 503,944.00	\$ (6,139.48)
Vehicle Operating Services	5,889.18	4,185.02	5,250.00	(1,064.98)
Vehicle Services and Maintenance Services	3,154.38	2,725.48	5,250.00	(2,524.52)
Total Expenditures	447,039.45	504,715.02	\$ 514,444.00	\$ (9,728.98)
Receipts Over (Under) Expenditures	(48,750.25)	(49,459.16)		
Unencumbered Cash, Beginning	98,209.41	49,459.16		
Unencumbered Cash, Ending	\$ 49,459.16	\$ -		

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

## UNIFIED SCHOOL DISTRICT NO. 444

## Statement 3

Little River, Kansas

Summer School Fund

Statement of Cash Receipts and Expenditures, Actual and Budget - Statutory Basis

For the Fiscal Year Ended June 30, 2012

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts	\$ -	\$ -	\$ -	\$ -
Expenditures	-	-	\$ -	\$ -
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	10.40	10.40		
Unencumbered Cash, Ending	\$ 10.40	\$ 10.40		

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

## UNIFIED SCHOOL DISTRICT NO. 444

Statement 3

Little River, Kansas

Textbook and Student Materials Fund

Statement of Cash Receipts and Expenditures - Statutory Basis

For the Fiscal Year Ended June 30, 2012

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Rental Fees and Books	\$ 9,997.36	\$ 10,372.52
Expenditures		
Textbooks	11,540.34	10,372.52
Receipts Over (Under) Expenditures	(1,542.98)	-
Unencumbered Cash, Beginning	1,542.98	-
Unencumbered Cash, Ending	\$ -	\$ -

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

## UNIFIED SCHOOL DISTRICT NO. 444

Statement 3

Little River, Kansas

Vocational Education Fund

Statement of Cash Receipts and Expenditures, Actual and Budget - Statutory Basis

For the Fiscal Year Ended June 30, 2012

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Operating Transfers	\$ 49,271.91	\$ 50,000.00	\$ 50,000.00	\$ -
Expenditures				
Instruction	49,271.91	50,000.00	\$ 50,000.00	\$ -
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ -		

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

UNIFIED SCHOOL DISTRICT NO. 444  
 Little River, Kansas  
 Contingency Reserve Fund  
 Statement of Cash Receipts and Expenditures - Statutory Basis  
 For the Fiscal Year Ended June 30, 2012  
 (With Comparative Actual Totals for the Prior Fiscal Year Ended June 30, 2011)

Statement 3

	Prior Year Actual	Current Year Actual
Cash Receipts		
Operating Transfers	\$ -	\$ -
Expenditures		
Operating Transfers	-	30,000.00
Receipts Over (Under) Expenditures	-	(30,000.00)
Unencumbered Cash, Beginning	102,614.17	102,614.17
Unencumbered Cash, Ending	\$ 102,614.17	\$ 72,614.17

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

UNIFIED SCHOOL DISTRICT NO. 444  
 Little River, Kansas  
 KPERS Special Retirement Contribution Fund  
 Statement of Cash Receipts and Expenditures, Actual and Budget - Statutory Basis  
 For the Fiscal Year Ended June 30, 2012  
 (With Comparative Actual Totals for the Prior Fiscal Year Ended June 30, 2011)

Statement 3

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
State Aid	\$ 107,542.71	\$ 190,474.93	\$ 196,266.00	\$ (5,791.07)
Expenditures				
Instruction	67,991.41	120,423.37	\$ 124,084.00	\$ (3,660.63)
Student Support	3,334.96	5,906.73	6,086.00	(179.27)
Instructional Support	2,737.22	4,848.04	4,995.00	(146.96)
General Administration	6,990.55	12,381.36	12,758.00	(376.64)
School Administration	12,111.62	21,451.59	22,104.00	(652.41)
Operations and Maintenance	5,505.10	9,750.39	10,047.00	(296.61)
Student Transportation Services	5,267.11	9,328.88	9,613.00	(284.12)
Food Service	3,604.74	6,384.57	6,579.00	(194.43)
Total Expenditures	107,542.71	190,474.93	\$ 196,266.00	\$ (5,791.07)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ -		

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

UNIFIED SCHOOL DISTRICT NO. 444  
 Little River, Kansas  
 Kal-Tech II Academy Fund  
 Statement of Cash Receipts and Expenditures - Statutory Basis  
 For the Fiscal Year Ended June 30, 2012  
 (With Comparative Actual Totals for the Prior Fiscal Year Ended June 30, 2011)

Statement 3

	Prior Year Actual	Current Year Actual
Cash Receipts		
Other Sources	\$ -	\$ -
Expenditures	-	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	86.48	86.48
Unencumbered Cash, Ending	\$ 86.48	\$ 86.48

Small Rural School Grant Fund  
 Statement of Cash Receipts and Expenditures - Statutory Basis  
 For the Fiscal Year Ended June 30, 2012  
 (With Comparative Actual Totals for the Prior Fiscal Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Aid	\$ 52,005.00	\$ 26,892.00
Expenditures		
Instruction	52,005.00	26,892.00
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

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

## UNIFIED SCHOOL DISTRICT NO. 444

Statement 3

Little River, Kansas

Title I Fund

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Aid	\$ 44,436.00	\$ 40,542.00
Expenditures		
Instruction	44,436.00	40,542.00
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

## Title II-A Fund

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Aid	\$ 14,454.00	\$ 12,139.00
Expenditures		
Instruction	14,454.00	12,139.00
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

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



## UNIFIED SCHOOL DISTRICT NO. 444

Statement 3

Little River, Kansas

Title II-D Fund

## Statement of Cash Receipts and Expenditures - Statutory Basis

For the Fiscal Year Ended June 30, 2012

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Aid	\$ 150.00	\$ -
Expenditures		
Instruction	150.00	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

## Charter School Fund

## Statement of Cash Receipts and Expenditures - Statutory Basis

For the Fiscal Year Ended June 30, 2012

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Aid	\$ 81,483.56	\$ -
Expenditures		
Instruction	15,445.50	-
Receipts Over (Under) Expenditures	66,038.06	-
Unencumbered Cash, Beginning	(66,038.06)	-
Unencumbered Cash, Ending	\$ -	\$ -

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

## UNIFIED SCHOOL DISTRICT NO. 444

Statement 3

Little River, Kansas

Bond and Interest Fund

Statement of Cash Receipts and Expenditures, Actual and Budget - Statutory Basis

For the Fiscal Year Ended June 30, 2012

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

	Prior Year Actual	Current Year		Variance Over Under
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenue:				
Ad Valorem Property Tax	\$ 155,577.53	\$ 171,632.11	\$ 158,136.00	\$ 13,496.11
Delinquent	2,048.82	2,062.37	2,379.00	(316.63)
16/20M Truck	432.54	406.42	-	406.42
Motor Vehicle	10,994.88	9,630.09	9,606.00	24.09
Recreational Vehicle	256.87	197.80	173.00	24.80
Total Cash Receipts	<u>169,310.64</u>	<u>183,928.79</u>	<u>\$ 170,294.00</u>	<u>\$ 13,634.79</u>
Expenditures				
Principal	135,000.00	145,000.00	\$ 145,000.00	\$ -
Interest	34,925.00	27,813.00	27,813.00	-
Postage and Commission	-	-	10.00	(10.00)
Total Expenditures	<u>169,925.00</u>	<u>172,813.00</u>	<u>\$ 172,823.00</u>	<u>\$ (10.00)</u>
Receipts Over (Under) Expenditures	(614.36)	11,115.79		
Unencumbered Cash, Beginning	<u>229,251.01</u>	<u>228,636.65</u>		
Unencumbered Cash, Ending	<u>\$ 228,636.65</u>	<u>\$ 239,752.44</u>		

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

## UNIFIED SCHOOL DISTRICT NO. 444

Statement 3

Little River, Kansas

Gifts and Grants Fund

Statement of Cash Receipts and Expenditures - Statutory Basis

For the Fiscal Year Ended June 30, 2012

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Rice County Community Fund	\$ 4,154.00	\$ 1,397.76
Expenditures	4,154.00	1,397.76
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

## Scholarship Fund

Statement of Cash Receipts and Expenditures - Statutory Basis

For the Fiscal Year Ended June 30, 2012

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Interest	\$ -	\$ -
Expenditures		
Scholarships	-	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	75.30	75.30
Unencumbered Cash, Ending	\$ 75.30	\$ 75.30

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

## UNIFIED SCHOOL DISTRICT NO. 444

Statement 4

Little River, Kansas

Agency Funds

## Statement of Cash Receipts and Expenditures - Statutory Basis

For the Fiscal Year Ended June 30, 2012

Student Organization Funds	Beginning Cash Balance	Cash Receipts	Expenditures	Ending Cash Balance
Art Club	\$ 1,268.31	\$ 857.75	\$ 1,326.98	\$ 799.08
Cheerleading	1,905.25	5,415.77	5,236.18	2,084.84
Seniors	236.50	1,418.19	1,381.84	272.85
Juniors	5,847.38	28,179.69	27,126.80	6,900.27
Sophomores	67.24	227.47	138.23	156.48
Freshmen	76.93	18.64	76.93	18.64
Business Class	20.00	-	-	20.00
Drama/Musical	1,078.36	343.90	849.77	572.49
Fellowship of Christian Athletes	50.00	-	-	50.00
Forensics Club	28.10	-	-	28.10
Junior High Cheerleaders	131.51	-	-	131.51
Junior High Student Council	311.17	-	34.18	276.99
Sixth Grade Class	19.92	-	-	19.92
Spanish Club	733.09	1,535.42	2,268.51	-
Student Council	1,210.15	9,887.64	9,541.93	1,555.86
Healthy Habits	-	1,000.00	966.12	33.88
Physics	-	108.75	108.75	-
Government	-	304.50	304.50	-
Total Student Organization Funds	<u>12,983.91</u>	<u>49,297.72</u>	<u>49,360.72</u>	<u>12,920.91</u>
<u>Sales Tax Funds</u>				
Sales Tax	<u>15.65</u>	<u>2,765.27</u>	<u>2,774.61</u>	<u>6.31</u>
Total Agency Funds	<u>\$ 12,999.56</u>	<u>\$ 52,062.99</u>	<u>\$ 52,135.33</u>	<u>\$ 12,927.22</u>

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

## UNIFIED SCHOOL DISTRICT NO. 444

Little River, Kansas

District Activity Funds

Statement 5

Summary of Cash Receipts, Expenditures, and Unencumbered Cash - Statutory Basis  
For the Fiscal Year Ended June 30, 2012

Fund	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Current Year Ending Cash Balance
Gate Receipts	\$ 15,357.91	\$ 19,347.02	\$ 19,842.95	\$ 14,861.98	\$ -	\$ 14,861.98
School Projects	3,896.65	17,888.94	15,372.47	6,413.12	-	6,413.12
Revolving Funds	-	89,255.43	89,255.43	-	-	-
					-	
Totals	<u>\$ 19,254.56</u>	<u>\$ 126,491.39</u>	<u>\$ 124,470.85</u>	<u>\$ 21,275.10</u>	<u>\$ -</u>	<u>\$ 21,275.10</u>

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

## UNIFIED SCHOOL DISTRICT NO. 444

Statement 6

Little River, Kansas

Component Unit

Little River Recreation Commission

Statement of Cash Receipts and Expenditures, Actual and Budget - Statutory Basis

For the Fiscal Year Ended June 30, 2012

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Unified School District No. 444	\$ 25,000.00	\$ 25,000.00	\$ 30,000.00	\$ (5,000.00)
Interest	22.54	15.03	-	15.03
Other Sources	3,367.00	6,510.00	7,500.00	(990.00)
Total Cash Receipts	<u>28,389.54</u>	<u>31,525.03</u>	<u>\$ 37,500.00</u>	<u>\$ (5,974.97)</u>
Expenditures				
Activities	<u>26,410.85</u>	<u>30,217.10</u>	<u>\$ 66,570.00</u>	<u>\$ (36,352.90)</u>
Receipts Over (Under) Expenditures	1,978.69	1,307.93		
Unencumbered Cash, Beginning	<u>29,830.68</u>	<u>31,809.37</u>		
Unencumbered Cash, Ending	<u>\$ 31,809.37</u>	<u>\$ 33,117.30</u>		

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

UNIFIED SCHOOL DISTRICT NO. 444  
Little River, Kansas

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

Note 1 Reporting Entity

Unified School District No. 444 is a municipal corporation governed by an elected seven-member board. The financial statements present Unified School District No. 444 (the primary government) and its component unit the Little River Recreation Commission. The component unit is included in the district's financial reporting entity because of the significance of its operational and financial relationship with the district.

Note 2 Basis of Accounting

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

The 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.

*Departure from Accounting Principles Generally Accepted in the United States of America.* The basis of accounting described above results in a financial statement presentation which shows cash receipts, expenditures, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. Capital assets that account for the land, buildings, and equipment owned by the municipality are not presented in the financial statements. Also, long-term debt such as general obligation bonds, revenue bonds, capital leases, temporary notes, and compensated absences are not presented in the financial statements.

The financial statements include partial prior-year comparative information. Such information does not include all of the information required to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with Unified School District No. 444 financial statements for the fiscal year ended June 30, 2011, from which such partial information was derived.

UNIFIED SCHOOL DISTRICT NO. 444  
Little River, Kansas

NOTES TO FINANCIAL STATEMENTS (Cont.)  
JUNE 30, 2012

Note 3 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 on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time.

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

All legal annual operating budgets are prepared using the statutory basis of accounting, in which, revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital project funds, fiduciary funds, permanent funds, and the following special revenue funds:

Bilingual Education Fund  
Textbook and Student Materials Fund  
Contingency Reserve Fund  
Kal-Tech II Academy Fund  
Small Rural School Grant Fund  
Title I Fund

Title II-A Fund  
Title II-D Fund  
Charter School Fund  
Gifts and Grants Fund  
Scholarship Fund  
District Activity Funds

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



UNIFIED SCHOOL DISTRICT NO. 444  
Little River, Kansas

NOTES TO FINANCIAL STATEMENTS (Cont.)  
JUNE 30, 2012

Note 4 Deposits and Investments

As of June 30, 2012, the district had the following investments and maturities:

<u>Investment Type</u>	<u>Investment Maturities in Year</u>		
	<u>Fair Value</u>	<u>Less than 1</u>	<u>Rating</u>
Kansas Municipal Investment Pool	\$ 760,213.17	\$ 760,213.17	S&P AAf/S1+

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

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

*Concentration of credit risk.* State statutes place no limit on the amount the Government may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The Government's allocation of investments as of June 30, 2012, is as follows:

<u>Investments</u>	<u>Percentage of Investments</u>
Kansas Municipal Investment Pool	100.00%

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

*Deposits.* At June 30, 2012, the Government's carrying amount of deposits was \$24,341.98 and the bank balance was \$89,860.84. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$89,860.84 was covered by federal depository insurance.

*Custodial credit risk - investments.* For an investment, this is the risk that, in the event of failure of the issuer or counterparty, the district will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

UNIFIED SCHOOL DISTRICT NO. 444  
Little River, Kansas

NOTES TO FINANCIAL STATEMENTS (Cont.)  
JUNE 30, 2012

Note 4 Deposits and Investments (Cont.)

At June 30, 2012, the district had invested \$760,213.17 in the State of Kansas municipal investment pool. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

Note 5 Interfund Transfers

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General Fund	Professional Development Fund	K.S.A. 72-6428	\$ 4,018.76
General Fund	Special Education Fund	K.S.A. 72-6428	455,200.57
General Fund	Vocational Education Fund	K.S.A. 72-6428	45,611.15
General Fund	At-Risk Fund (4 Year Old)	K.S.A. 72-6428	50,000.00
General Fund	At-Risk Fund (K-12)	K.S.A. 72-6428	130,000.00
General Fund	Bilingual Education Fund	K.S.A. 72-6428	2,005.32
General Fund	Food Service Fund	K.S.A. 72-6428	32,646.45
Supplemental General Fund	Food Service Fund	K.S.A. 72-6433	23,063.87
Supplemental General Fund	Professional Development Fund	K.S.A. 72-6433	656.31
Supplemental General Fund	Special Education Fund	K.S.A. 72-6433	55.29
Supplemental General Fund	Vocational Education Fund	K.S.A. 72-6433	4,388.85
Contingency Reserve Fund	General Fund	K.S.A. 72-6426	30,000.00

Note 6 Defined Benefit Pension Plan

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

*Funding Policy.* K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary, or 6% if hired on or after July 1, 2009. Member-employees' contributions are withheld by their employer and paid to KPERS according to the provisions of section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. Kansas currently contributes 8.77% of covered payroll for the period July 1, 2011 to June 30, 2012. Included in this rate is the contribution for Group Death and Disability Insurance of 1.0%. These contribution requirements are established by KPERS and are periodically revised. For more information please see the KPERS website at [www.kpers.org](http://www.kpers.org).

UNIFIED SCHOOL DISTRICT NO. 444  
Little River, Kansas

NOTES TO FINANCIAL STATEMENTS (Cont.)  
JUNE 30, 2012

Note 6 Defined Benefit Pension Plan (Cont.)

The State of Kansas' contributions to KPERS for all school municipalities for the years ending June 30, 2012, 2011, and 2010 were \$314,466,993, \$253,834,044, and \$248,468,186 respectively, equal to the statutory required contributions each year.

For the employer rates for school-type municipalities that hire a KPERS retiree, please see the main KPERS site at <http://kpers.org/contributionrates.htm>.

Note 7 Compensated Absences

The Government provides compensation for absences. For an in depth understanding, the policy in its entirety should be reviewed.

Note 8 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 financial statements.

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

Note 9 Subsequent Events

The Government's management has evaluated events and transactions occurring after June 30, 2012 through May 10, 2013. The aforementioned date represents the date the financial statements were available to be issued.

Note 10 Compliance With Statutes

K.S.A. 10-1113 requires that each fund comply with the cash-basis laws of the State of Kansas. No commitments or indebtedness should be incurred unless there is available cash in the fund. K.S.A. 10-116A exempts expenditures by school districts that are in excess of current revenues if the deficit in revenues is caused by the late distribution of state aid.

The General Fund expenditures exceeded the fund balance due to the final June state aid payment for the fiscal year ended June 30, 2012, being disbursed by the State of Kansas in July 2012. The June state aid payment received in July 2012 was \$159,024.00 for the General Fund and \$3,483.00 for the Supplemental General Fund.

K.S.A. 72-6417(d) and K.S.A. 72-6434(d) require 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 two pages show the revenue as required by these Statutes.

UNIFIED SCHOOL DISTRICT NO. 444  
Little River, Kansas

NOTES TO FINANCIAL STATEMENTS (Cont.)  
June 30, 2012

Note 10 Compliance With Statutes (Cont.)

Statutory Revenues and Expenditures - Statutory and Budget  
For the Fiscal Year Ended June 30, 2012  
(With Comparative Statutory Totals for the Prior Year Ended June 30, 2011)

	General Fund		Current Year	
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Taxes and Shared Revenue:				
Ad Valorem Property Tax	\$ 565,328.86	\$ 625,511.41	\$ 573,955.00	\$ 51,556.41
Delinquent	5,648.47	5,741.91	8,594.00	(2,852.09)
Other Taxes	3,906.53	5,868.47	-	5,868.47
Other	80,773.56	4,163.46	-	4,163.46
State Aid				
Equalization	1,528,816.00	1,569,037.00	1,616,458.00	(47,421.00)
Special Education	332,080.00	385,757.00	385,757.00	-
Federal Aid				
ARRA Stabilization Funds	44,666.00	-	-	-
Education Jobs Fund	-	1,160.00	-	1,160.00
Operating Transfers	-	30,000.00	30,000.00	-
Total Cash Receipts	<u>2,561,219.42</u>	<u>2,627,239.25</u>	<u>\$ 2,614,764.00</u>	<u>12,475.25</u>
Expenditures				
Instruction	971,269.56	882,623.58	\$ 944,508.00	\$ (61,884.42)
Student Support Services	42,656.34	45,854.25	41,130.00	4,724.25
Instructional Support Staff	51,734.70	55,649.19	51,666.00	3,983.19
General Administration	204,936.99	233,352.86	216,256.00	17,096.86
School Administration	254,646.80	249,253.33	247,400.00	1,853.33
Operations and Maintenance	283,687.81	253,211.90	271,296.00	(18,084.10)
Vehicle Operating Services	170,859.62	179,410.02	163,574.00	15,836.02
Operating Transfers	581,427.74	719,482.25	678,934.00	40,548.25
Legal General Fund Budget	<u>2,561,219.56</u>	<u>2,618,837.38</u>	<u>2,614,764.00</u>	<u>4,073.38</u>
Adjustment for Qualifying Budget Credits	-	-	4,073.38	(4,073.38)
Total Expenditures	<u>2,561,219.56</u>	<u>2,618,837.38</u>	<u>\$ 2,618,837.38</u>	<u>-</u>
Receipts Over (Under) Expenditures	(0.14)	8,401.87		
Unencumbered Cash, Beginning	<u>9.98</u>	<u>9.84</u>		
Unencumbered Cash, Ending	<u>\$ 9.84</u>	<u>\$ 8,411.71</u>		

UNIFIED SCHOOL DISTRICT NO. 444  
Little River, Kansas

NOTES TO FINANCIAL STATEMENTS (Cont.)  
June 30, 2012

Note 10 Compliance With Statutes (Cont.)

Statutory Revenues and Expenditures - Statutory and Budget  
For the Fiscal Year Ended June 30, 2012  
(With Comparative Statutory Totals for the Prior Year Ended June 30, 2011)

Supplemental General Fund				
	Prior Year Actual	Current Year		Variance Over Under
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenue:				
Ad Valorem Property Tax	\$ 416,350.43	\$ 459,001.40	\$ 464,540.00	\$ (5,538.60)
Delinquent	5,102.61	5,448.29	6,359.00	(910.71)
16/20M Truck	1,026.52	1,125.83	-	1,125.83
Motor Vehicle	27,342.08	26,507.47	26,362.00	145.47
Recreational Vehicle	634.61	544.96	474.00	70.96
State Aid	41,369.00	60,962.00	59,230.00	1,732.00
Total Cash Receipts	<u>491,825.25</u>	<u>553,589.95</u>	<u>\$ 556,965.00</u>	<u>\$ (3,375.05)</u>
Expenditures				
Instruction	349,053.31	457,524.07	\$ 372,325.00	\$ 85,199.07
Student Support Services	485.44	-	500.00	(500.00)
Instructional Support Staff	1,148.88	9,553.52	2,300.00	7,253.52
General Administration	452.24	3,978.67	500.00	3,478.67
School Administration	5,533.00	20,932.01	5,000.00	15,932.01
Operations and Maintenance	6,993.36	24,172.41	8,500.00	15,672.41
Operating Transfers	131,321.63	28,164.32	155,200.00	(127,035.68)
Total Expenditures	<u>494,987.86</u>	<u>544,325.00</u>	<u>\$ 544,325.00</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	(3,162.61)	9,264.95		
Unencumbered Cash, Beginning	<u>44,516.33</u>	<u>41,353.72</u>		
Unencumbered Cash, Ending	<u>\$ 41,353.72</u>	<u>\$ 50,618.67</u>		

UNIFIED SCHOOL DISTRICT NO. 444  
Little River, Kansas  
NOTES TO FINANCIAL STATEMENTS (Cont.)  
June 30, 2012

Note 11 Long-Term Debt

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

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
General Obligation Bonds Refunding Series 1997	3.95%/5.08%	9/29/1997	\$ 1,680,000.00	9/1/2014	\$ 620,000.00	\$ -	\$ 145,000.00	\$ -	\$ 475,000.00	\$ 27,813.00
Capital Leases										
• Preschool and Elementary Expansion #1	5.189%	4/8/2008	775,311.83	12/21/2011	600,243.51	-	600,243.51	-	-	7,786.66
• Preschool and Elementary Expansion #2	3.671%	12/21/2011	606,823.92	10/8/2018	-	606,823.92	39,433.25	-	567,390.67	10,837.75
Apple Computer	7.220%	7/24/2009	260,965.28	7/20/2012	130,166.21	-	62,815.44	-	67,350.77	9,398.11
Total Leases			<u>1,643,101.03</u>		<u>730,409.72</u>	<u>606,823.92</u>	<u>702,492.20</u>	<u>-</u>	<u>634,741.44</u>	<u>28,022.52</u>
Total Contractual Indebtedness			\$ 3,323,101.03		1,350,409.72	606,823.92	847,492.20	-	1,109,741.44	55,835.52
Compensated Absences					248,882.11	-	-	33,854.00	282,736.11	-
Total Long-Term Debt					\$ 1,599,291.83	\$ 606,823.92	\$ 847,492.20	\$ 33,854.00	\$ 1,392,477.55	\$ 55,835.52

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

	Year						Total
	2013	2014	2015	2016	2017	2018-2019	
Principal:							
General Obligation Bonds	\$ 150,000.00	\$ 155,000.00	\$ 170,000.00	\$ -	\$ -	\$ -	\$ 475,000.00
Capital Leases	148,418.84	84,094.66	87,234.26	90,491.04	93,869.45	130,633.19	634,741.44
Total Principal	<u>298,418.84</u>	<u>239,094.66</u>	<u>257,234.26</u>	<u>90,491.04</u>	<u>93,869.45</u>	<u>130,633.19</u>	<u>1,109,741.44</u>
Interest:							
General Obligation Bonds	20,320.00	12,573.00	4,318.00	-	-	-	37,211.00
Capital Leases	24,336.71	16,447.34	13,307.74	10,050.96	6,672.55	3,422.81	74,238.11
Total Interest	<u>44,656.71</u>	<u>29,020.34</u>	<u>17,625.74</u>	<u>10,050.96</u>	<u>6,672.55</u>	<u>3,422.81</u>	<u>111,449.11</u>
Total Principal and Interest	\$ <u>343,075.55</u>	\$ <u>268,115.00</u>	\$ <u>274,860.00</u>	\$ <u>100,542.00</u>	\$ <u>100,542.00</u>	\$ <u>134,056.00</u>	\$ <u>1,221,190.55</u>

\* The Preschool and Elementary Expansion lease was refinanced on 12/21/11. One payment during the current year was made on Lease #1 before it was rolled into the new lease (Lease #2).