

UNIFIED SCHOOL DISTRICT NO. 449, EASTON, KANSAS

FINANCIAL STATEMENT
(with Independent Auditors' Report thereon)

For the Year Ended June 30, 2012

UNIFIED SCHOOL DISTRICT NO. 449, EASTON, KANSAS
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Kramer & Associates CPAs, LLC

Making the right move for your business

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INDEPENDENT AUDITORS' REPORT

To the Board of Education
Unified School District No. 449,
Easton, Kansas

We have audited the summary statement of cash receipts, expenditures, and unencumbered cash balances of Unified School District No. 449, Easton, Kansas, as of and for the year ended June 30, 2012. This financial statement is the responsibility of the District's management. Our responsibility is to express an opinion on the financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit Guide*. Those standards and guidance require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, Unified School District No. 449, Easton, Kansas, has prepared this financial statement in conformity with the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between these statutory 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 statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Unified School District No. 449, Easton, Kansas, as of June 30, 2012, or the changes in its financial position for the year then ended.

Also, in our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of Unified School District No. 449, Easton, Kansas, as of June 30, 2012, and the aggregate cash receipts and expenditures for the year then ended, on the basis of accounting described in Note 1.

Our audit was conducted for the purpose of forming an opinion on the 2012 financial statement. The summary of expenditures - actual and budget, individual fund schedules of cash receipts and expenditures - actual and budget, schedule of cash receipts and disbursements - agency funds, the schedule of cash receipts, expenditures, and unencumbered cash - district activity funds (Schedules 1, 2, 3, and 4 as listed in the Table of Contents), and the schedule of expenditures of federal awards are presented for the purpose of additional analysis and are not a required part of the statutory financial statement. Such information is the responsibility of management and the 2012 supplementary information was derived from and relates directly to the underlying accounting and other records used to prepare the 2012 financial statement. The 2012 information has been subjected to the auditing procedures applied in the audit of the 2012 financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2012 financial statement or to the 2012 financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 2012 financial statement taken as a whole.

The 2011 Actual columns presented in the individual fund schedules of cash receipts and expenditures - actual and budget (Schedule 2 as listed in the Table of Contents) are also presented for comparative analysis and are not a required part of the 2011 financial statement upon which we rendered an unqualified opinion dated September 14, 2011. The 2011 financial statement and our accompanying report are not presented herein, but are available in electronic form from the website of the Kansas Department of Administration, Office of Management Analysis and Standards at the following link <http://da.ks.gov/ar/muniserv/>. Such 2011 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2011 financial statement. The 2011 comparative information has been subjected to the auditing procedures applied in the audit of the 2011 financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2011 financial statement or to the 2011 financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2011 comparative information is fairly stated in all material respects in relation to the 2011 financial statement taken as a whole.

This report is intended solely for the information of the Board of Education and committees thereto, management, others within the entity, federal awarding agencies, the Kansas Division of Accounts and Reports, and the Kansas State Department of Education and is not intended to be and should not be used by anyone other than these specified parties.

KRAMER & ASSOCIATES CPAs, LLC

Kramer & Associates CPAs, LLC
Leavenworth, Kansas
September 12, 2012

UNIFIED SCHOOL DISTRICT NO. 449, EASTON, KANSAS
SUMMARY OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
For the year ended June 30, 2012

Funds	Beginning unencumbered cash balance	Prior year canceled encumbrances	Cash receipts	Expenditures	Ending unencumbered cash balance	Outstanding encumbrances and accounts payable	Ending cash balance
Governmental type funds:							
General funds:							
General	\$ -	\$ -	\$ 5,013,913	\$ 5,013,913	\$ -	\$ 4,196	\$ 4,196
Supplemental general	82,523	-	1,715,203	1,695,359	102,367	143,451	245,818
Special revenue funds:							
At risk	117,718	-	208,413	237,389	88,742	887	89,629
Capital outlay	911,296	-	384,027	687,169	608,154	306,178	914,332
Drivers education	8,357	-	10,844	7,907	11,294	-	11,294
Food service	98,671	-	346,303	362,164	82,810	264	83,074
Professional development	11,076	-	2,500	4,917	8,659	1,400	10,059
Special education	278,403	-	1,010,695	1,018,915	270,183	149	270,332
Vocational education	145,750	-	352,874	339,993	158,631	8,483	167,114
KPERS contribution	-	-	449,718	449,718	-	-	-
Textbook rental	133,292	-	31,346	16,279	148,359	14,242	162,601
Contingency reserve	292,563	-	-	-	292,563	-	292,563
Memorial	34,535	-	922	5,425	30,032	-	30,032
Federal	5,663	-	83,961	84,349	5,275	10,933	16,208
Grant	4,750	-	2,100	6,642	208	3,600	3,808
Gate receipts	17,076	-	36,254	32,355	20,975	-	20,975
School projects	21,899	-	68,390	65,794	24,495	-	24,495
Capital projects fund:							
Bond construction	-	-	3,983,106	10,375	3,972,731	-	3,972,731
Debt service fund:							
Bond and interest	-	-	-	-	679,713	-	679,713
Total reporting entity (excluding agency fund)	<u>\$2,870,945</u>	<u>\$ -</u>	<u>\$14,363,827</u>	<u>\$10,729,581</u>	<u>\$6,505,191</u>	<u>\$ 493,783</u>	<u>\$6,998,974</u>
			Composition of cash:		Checking		\$ 41,940
					Checking - activity accounts		140,035
					Bond construction		3,983,107
					Petty cash		1,600
					Investments		2,910,359
					Certificates of deposit		16,498
					Total cash		7,093,539
					Less agency funds		(94,565)
					Total reporting entity (excluding agency funds)		<u>\$6,998,974</u>

The accompanying notes are an integral part of the financial statement.

UNIFIED SCHOOL DISTRICT NO. 449, EASTON, KANSAS
NOTES TO THE FINANCIAL STATEMENT
For the year ended June 30, 2012

1. Summary of significant accounting policies

a. Reporting entity

Unified School District No. 449, Easton, Kansas ("the District"), is a municipal corporation governed by an elected seven-member board. This financial statement presents Unified School District No. 449, Easton (the primary government). There are no component units.

b. Reimbursed expenses

Certain expenditures are classified as reimbursed expenses. The purpose of these expenditures is payment for goods and services in which fees are collected and such expenditures are exempt from the budget law under K.S.A. 79-2934. The following expenditures are classified as reimbursed expenses for the year ended June 30, 2012.

General fund	\$ 90,768
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Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statement schedules 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.

c. Basis of accounting

1. Statutory basis of accounting

The statutory basis of accounting, as used in the preparation of this statutory basis financial statement, 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 is charged in the fund from which the transfer is made.

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

1. Summary of significant accounting policies (continued)

2. 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. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expenses, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented.

Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles.

Capital assets that account for the land, buildings, and equipment owned by the District are not presented in the financial statement. Also, long-term debt such as general obligation bonds, revenue bonds, capital leases, temporary notes, and compensated absences are not presented in the financial statement.

d. Cash and investments

Cash consists of checking accounts and certificates of deposit. These certificates of deposit are carried at cost, which approximates market value. See Note 3 for additional cash information.

Investments consist of deposits in the State Municipal Investment Pool (MIP). These investments are carried at cost. See Note 3 for additional investment information.

Cash balances in all funds are considered in determining the amount to be invested and further, unless specifically designated, all investment income is credited to the capital outlay fund.

e. Inventories and prepaid expenses

Inventories and prepaid expenses which benefit future periods are recorded as an expenditure during the year of purchase, as required by state statutes.

f. Fund descriptions

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

1. Summary of significant accounting policies (continued)

f. Fund descriptions (continued)

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

1. Governmental funds

- a. General fund - to account for all unrestricted resources except those required to be accounted for in another fund.
- b. 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 expenditure for specified purposes.
- c. Debt service funds - to account for the accumulation of resources for and the payments of, interest and principal and related costs, on general long-term debt.

2. Fiduciary funds

- a. Trust and agency funds - to account for assets held by the District in a trustee capacity or as an agent for individuals, other governmental units, private organizations, and/or other funds. Agency funds are custodial in nature and do not involve measurement of operations.

2. Stewardship, compliance, and accountability

a. Budgetary information

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

- 1. Preparation of the budget for the succeeding 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 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.

2. Stewardship, compliance, and accountability (continued)

a. Budgetary information (continued)

The statutes allow for the District 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. There were no such budget amendments for this year.

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

All legal annual operating budgets are prepared using the statutory basis of accounting, in which, revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the District for future payments and are supported by documents 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 projects funds, fiduciary funds, and the following special revenue funds:

Textbook rental fund	Memorial fund
Contingency reserve fund	Grant fund

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

b. Compliance with Kansas Statutes

Management is not aware of any statutory violations for the period covered by the audit.

3. Deposits and investments

As of June 30, 2012, the District had the following investments with maturities less than one year:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Rating</u>
Kansas Municipal Investment Pool	\$ 2,910,359	S&P AAaf/S1+
Total	<u>\$ 2,910,359</u>	

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

3. Deposits and investments (continued)

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

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

Investments	Percentage of Investments
Kansas Municipal Investment Pool	<u>100%</u>

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

At June 30, 2012, the District's carrying amount of deposits was \$4,183,180 and the bank balance was \$4,538,782. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$365,611 was covered by federal depository insurance, and the remaining \$4,173,171 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

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

At June 30, 2012, the District had invested \$2,910,359 in the State's 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.

4. Long-term debt

On October 1, 1998, the District issued \$1,475,000 in general obligation bonds for the purpose of refunding an equal amount of Series 1992 bonds outstanding. The bonds refunded represented all Series 1992 bonds maturing in the years 2004 and thereafter. The proceeds of the bonds were placed in an irrevocable trust escrow account until September 1, 2003, the first date on which the District could refund the Series 1992 bonds maturing in the years 2004 and thereafter.

On March 25, 2004, the District issued \$1,480,000 in general obligation bonds for the purpose of refunding these Series 1998 bonds outstanding.

The remaining portion of the Series 1998 bond issue consists of capital appreciation bonds. These bonds were sold at a discount and will be redeemed at maturity at their face value of \$5,000 each. For financial statement purposes, the discount is being accreted over the life of the bonds using the effective interest method. These bonds payable are reflected in the notes to the financial statements net of remaining unaccreted discount. At June 30, 2012, the cumulative discount accreted is \$85,700 and the remaining unaccreted discount is \$9,300.

On April 1, 2002, the District issued \$5,900,000 in general obligation bonds for the purpose of constructing a new elementary school and additions to the existing high school.

On November 10, 2010, the District issued \$4,645,000 in general obligation bonds for the purpose of refunding \$4,450,000 of Series 2002 bonds outstanding. The bonds refunded represent all Series 2002 bonds maturing in the years 2012 and thereafter. The proceeds of the bonds were placed in an irrevocable trust escrow account until September 1, 2011, the first date on which the District could refund the Series 2002 bonds maturing in year 2012 and thereafter.

On June 5, 2012, the District issued \$4,015,000 in general obligation bonds to acquire property, construct, equip, furnish, repair, and remodel additions and renovations to the Pleasant Ridge Elementary School. A portion of these proceeds were placed into an escrow account to refund \$10,000 of the Series 2004 Bonds maturing in September 2012.

The District executed a lease agreement on June 9, 2010 to purchase eleven buses. This lease is classified as a capital lease in the accompanying schedule.

The District executed a lease agreement in November 2010 to purchase a 1,500 gallon double wall, two compartment refined fuel tank valued at \$7,541. The District will pay five cents per gallon plus the cost of fuel for each gallon delivered to the District until the lease has been paid off. This lease is classified as a capital lease in the accompanying schedule.

4. Long-term debt (continued)

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

Issue	Interest rate	Date of issue	Amount of issue	Date of final maturity	Balance beginning of year	Additions	Reductions/ payments	Balance end of year	Interest Paid
<u>General obligation bonds:</u>									
Series 1998	3.85-5.625%	10/01/1998	\$1,475,000	09/01/2013	\$ 110,179	\$ 5,521	\$ -	\$ 115,700	\$ -
Series 2002	4.40-5.50%	04/01/2002	\$5,900,000	09/01/2022	4,700,000	-	(4,700,000)	-	6,063
Series 2004	1.00-3.20%	03/25/2004	\$1,480,000	09/01/2012	315,000	-	(185,000)	130,000	6,935
Series 2010	2.00-3.20%	11/10/2010	\$4,645,000	09/01/2022	4,645,000	-	(115,000)	4,530,000	127,920
Series 2012	2.00-3.40%	06/05/2012	\$4,015,000	09/01/2029	-	4,015,000	-	4,015,000	-
<u>Capital leases:</u>									
Buses	3.00%	06/09/2010	\$ 728,500	07/01/2015	509,667	-	(122,009)	387,658	13,838
Fuel tank	0.00%	11/01/2010	\$ 7,541		6,807	-	(958)	5,849	-
Total long-term debt					<u>\$10,286,653</u>	<u>\$4,020,521</u>	<u>\$(5,122,967)</u>	<u>9,184,207</u>	<u>\$ 154,756</u>
					Less: Amount held in escrow				
								<u>(10,000)</u>	
					Total long-term debt payable by District				
								<u>\$ 9,174,207</u>	

4. Long-term debt (continued)

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

	Year ended June 30,									
	2013	2014	2015	2016	2017	2018-2022	2023-2027	2028-2032	Total	
Principal:										
G.O. Bonds:										
Series 1998	\$ -	\$115,700	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$	\$ 115,700
Series 2002	-	-	-	-	-	-	-	-	-	-
Series 2004	130,000	-	-	-	-	-	-	-	-	130,000
Series 2010	355,000	375,000	335,000	360,000	370,000	2,220,000	515,000	-	-	4,530,000
Series 2012	-	15,000	-	-	-	-	2,155,000	1,845,000	-	4,015,000
Capital leases:										
Buses	125,595	129,405	132,658	-	-	-	-	-	-	387,658
Fuel tank	900	900	900	900	900	1,349	-	-	-	5,849
Total principal	611,495	636,005	468,558	360,900	370,900	2,221,349	2,670,000	1,845,000	-	9,184,207
Interest:										
G.O. Bonds:										
Series 1998	-	-	-	-	-	-	-	-	-	-
Series 2002	-	-	-	-	-	-	-	-	-	-
Series 2004	2,080	-	-	-	-	-	-	-	-	2,080
Series 2010	123,220	115,920	108,820	100,070	89,120	258,155	8,240	-	-	803,545
Series 2012	86,143	116,435	116,285	116,285	116,285	581,425	477,263	94,282	-	1,704,403
Capital leases:										
Buses	10,253	6,442	3,190	-	-	-	-	-	-	19,885
Fuel tank	-	-	-	-	-	-	-	-	-	-
Total interest	221,696	238,797	228,295	216,355	205,405	839,580	485,503	94,282	-	2,529,913
Total payments	\$ 833,191	\$ 874,802	\$ 696,853	\$ 577,255	\$ 576,305	\$ 3,060,929	\$ 3,155,503	\$ 1,939,282	\$ -	\$ 11,714,120

5. Interfund transfers

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General Fund	Capital Outlay	K.S.A. 72-6428	\$ 275,070
General Fund	Special Education	K.S.A. 72-6428	736,955
General Fund	At Risk	K.S.A. 72-6428	80,000
Total general fund transfers			<u>1,092,025</u>
Supplemental			
General Fund	At Risk	K.S.A. 72-6433	126,017
Supplemental			
General Fund	Food Service	K.S.A. 72-6433	13,014
Supplemental			
General Fund	Professional Development	K.S.A. 72-6433	2,500
Supplemental			
General Fund	Special Education	K.S.A. 72-6433	273,740
Supplemental			
General Fund	Vocational Education	K.S.A. 72-6433	350,005
Total supplemental general fund transfers			<u>765,276</u>
Total interfund transfers			<u>\$ 1,857,301</u>

6. Commitments and contingencies

- a. During the year ended June 30, 2010 the District entered into a five year, noncancelable operating lease for copiers and related equipment. The agreement requires total monthly payments of \$1,017. Future minimum rental payments required under the noncancelable operating lease as of June 30, 2012, are as follows:

2013	\$ 12,204
2014	12,204
2015	9,153
Total	<u>\$ 33,561</u>

- b. During the year ended June 30, 2012, the District entered into a two year operating lease agreement for fencing at Pleasant Ridge Elementary School. Future minimum rental payments required under the operating lease as of June 30, 2012, are as follows:

2013	\$ 2,709
Total	<u>\$ 2,709</u>

7. Defined benefit plan

a. Plan description

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

b. Funding policy

K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary. K.S.A. 74-49,210 establishes the KPERS member-employee contribution rate at 6% for employees hired 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 9.17% of covered payroll for fiscal year 2011, and 9.77% of covered payroll for fiscal year 2012.

These contribution requirements are established by KPERS and are periodically revised. Kansas' contributions to KPERS for all Kansas public school employees for the years ending June 30, 2012, 2011, and 2010 were \$298,635,383, \$253,834,044, and \$248,468,186, respectively, equal to the required contributions for each year as set forth by the legislature. The amounts attributable to the District for the years ending June 30, 2012, 2011, and 2010 were \$449,718, \$262,745, and \$294,743, respectively.

8. Other post employment benefits

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.

9. Compensated absences

Employees employed for a twelve month period are allowed 14 days of chargeable leave a year, accumulative to 75 days. Employees who accumulate over 75 days of leave at the end of each school year will be paid for one half of the accumulated leave times their hourly rate of pay for each day over 75 days.

Employees employed for a nine month period are allowed 12 days of chargeable leave a year, accumulative to 90 days. Employees who accumulate over 90 days of leave at the end of each school year will be paid at a rate of two thirds of the one day's pay of the current base salary for each day accumulated over 75 days.

SUPPLEMENTARY INFORMATION

UNIFIED SCHOOL DISTRICT NO. 449, EASTON, KANSAS
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
For the year ended June 30, 2012

Funds	Certified budget	Adjustment to comply with legal max	Adjustment for qualifying budget credits	Total budget for comparison	Expenditures chargeable to current year	Variance - over (under)
Governmental type funds:						
General funds:						
General	\$ 5,028,912	\$ (105,840)	\$ 90,841	\$ 5,013,913	\$ 5,013,913	\$ -
Supplemental general	\$ 1,734,857	\$ (39,498)	\$ -	\$ 1,695,359	\$ 1,695,359	\$ -
Special revenue funds:						
At risk	\$ 364,512	\$ -	\$ -	\$ 364,512	\$ 237,389	\$ 127,123
Capital outlay	\$ 734,500	\$ -	\$ -	\$ 734,500	\$ 687,169	\$ 47,331
Drivers education	\$ 10,997	\$ -	\$ -	\$ 10,997	\$ 7,907	\$ 3,090
Food service	\$ 480,289	\$ -	\$ -	\$ 480,289	\$ 362,164	\$ 118,125
Professional development	\$ 15,964	\$ -	\$ -	\$ 15,964	\$ 4,917	\$ 11,047
Special education	\$ 1,215,324	\$ -	\$ -	\$ 1,215,324	\$ 1,018,915	\$ 196,409
Vocational education	\$ 448,487	\$ -	\$ -	\$ 448,487	\$ 339,993	\$ 108,494
KPERS contribution	\$ 478,194	\$ -	\$ -	\$ 478,194	\$ 449,718	\$ 28,476
Federal	\$ 88,387	\$ -	\$ -	\$ 88,387	\$ 84,349	\$ 4,038
Debt service fund:						
Bond and interest	\$ 690,922	\$ -	\$ -	\$ 690,922	\$ 690,918	\$ 4

See Independent Auditors' Report

UNIFIED SCHOOL DISTRICT NO. 449, EASTON, KANSAS
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
GENERAL FUND

For the year ended June 30, 2012

(with comparative actual totals for the prior year ended June 30, 2011)

	Prior year actual	Current year		Variance - over (under)
		Actual	Budget	
Cash receipts:				
Taxes and shared revenue:				
Ad valorem property - taxes in process	\$ 20,516	\$ 21,212	\$ 18,601	\$ 2,611
Ad valorem property - current taxes	531,220	542,224	516,343	25,881
Delinquent	8,456	8,077	8,506	(429)
State aid:				
Equalization aid	3,582,799	3,611,735	3,754,050	(142,315)
Special education services	618,736	736,955	730,499	6,456
Mineral production tax	575	581	500	81
Federal aid:				
PL-382 impact aid	570	-	413	(413)
Excess PL-382 impact aid	-	73	-	73
ARRA Stabilization	89,992	-	-	-
Education Jobs Fund	157,576	2,288	-	2,288
Reimbursed expenses	18,385	90,768	-	90,768
Total cash receipts	<u>5,028,825</u>	<u>5,013,913</u>	<u>\$ 5,028,912</u>	<u>\$ (14,999)</u>
Expenditures and transfers subject to budget:				
Instruction	2,501,217	2,460,704	\$ 2,641,522	\$ 180,818
Student support services	135,080	133,713	139,576	5,863
Instructional support staff	129,287	125,493	139,170	13,677
General administration	176,887	181,480	172,875	(8,605)
School administration	484,901	565,611	496,880	(68,731)
Central services	81,065	157,670	43,100	(114,570)
Operations and maintenance	290,989	295,808	317,290	21,482
Student transportation services	252,790	1,409	-	(1,409)
Transfers out	978,270	1,092,025	1,078,499	(13,526)
Adjustment to comply with legal max	-	-	(105,840)	(105,840)
Legal general fund budget	5,030,486	5,013,913	4,923,072	(90,841)
Adjustment for qualifying budget credits:				
PL 874 funds received in excess of budget	-	-	73	73
Reimbursements	-	-	90,768	90,768
Total expenditures and transfers subject to budget	<u>5,030,486</u>	<u>5,013,913</u>	<u>\$ 5,013,913</u>	<u>\$ -</u>
Receipts over (under) expenditures	(1,661)	-		
Unencumbered cash, beginning of year	<u>1,661</u>	<u>-</u>		
Unencumbered cash, end of year	<u>\$ -</u>	<u>\$ -</u>		

See Independent Auditors' Report

UNIFIED SCHOOL DISTRICT NO. 449, EASTON, KANSAS
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
SUPPLEMENTAL GENERAL FUND

For the year ended June 30, 2012

(with comparative actual totals for the prior year ended June 30, 2011)

	Prior year actual	Current year		Variance - over (under)
		Actual	Budget	
Cash receipts:				
Taxes and shared revenue:				
Ad valorem property - taxes in process	\$ 29,263	\$ 28,029	\$ 24,490	\$ 3,539
Ad valorem property - current taxes	686,122	725,816	668,049	57,767
Delinquent	12,159	10,947	10,995	(48)
Motor vehicle	118,432	133,475	143,345	(9,870)
Recreational vehicle	2,118	2,713	2,794	(81)
State aid:				
Equalization aid	881,170	814,223	803,194	11,029
Federal aid:				
ARRA Stabilization	-	-	-	-
Total cash receipts	<u>1,729,264</u>	<u>1,715,203</u>	<u>\$ 1,652,867</u>	<u>\$ 62,336</u>
Expenditures and transfers subject to budget:				
Instruction	190,554	187,095	\$ 345,250	\$ 158,155
Student support services	-	235	8,400	8,165
Instructional support staff	2,975	15,442	24,752	9,310
General administration	37,895	16,052	17,400	1,348
School administration	1,450	208	14,400	14,192
Central services	69,566	-	2,600	2,600
Operations and maintenance	401,714	410,892	457,925	47,033
Student transportation services	15,810	300,159	249,130	(51,029)
Transfers out	986,833	765,276	615,000	(150,276)
Adjustment to comply with legal max	-	-	(39,498)	(39,498)
Legal supplemental general fund budget	<u>1,706,797</u>	<u>1,695,359</u>	<u>1,695,359</u>	<u>-</u>
Adjustment for qualifying budget credits	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers subject to budget	<u>1,706,797</u>	<u>1,695,359</u>	<u>\$ 1,695,359</u>	<u>\$ -</u>
Receipts over (under) expenditures	22,467	19,844		
Prior year canceled encumbrances	500	-		
Unencumbered cash, beginning of year	<u>59,556</u>	<u>82,523</u>		
Unencumbered cash, end of year	<u>\$ 82,523</u>	<u>\$ 102,367</u>		

See Independent Auditors' Report

UNIFIED SCHOOL DISTRICT NO. 449, EASTON, KANSAS
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 AT RISK FUND

For the year ended June 30, 2012

(with comparative actual totals for the prior year ended June 30, 2011)

	Prior year actual	Current year		
		Actual	Budget	Variance - over (under)
Cash receipts:				
Revenue from other local source	\$ 600	\$ 2,396	\$ —	\$ 2,396
Transfers in:				
General fund	—	80,000	190,000	(110,000)
Supplemental general fund	235,000	126,017	55,000	71,017
Total cash receipts	235,600	208,413	\$ 245,000	\$ (36,587)
Expenditures subject to budget:				
Instruction	242,465	237,389	\$ 341,512	\$ 104,123
Operations and maintenance	—	—	23,000	23,000
Adjustment for qualifying budget credits	—	—	—	—
Total expenditures subject to budget	242,465	237,389	\$ 364,512	\$ 127,123
Receipts over (under) expenditures	(6,865)	(28,976)		
Unencumbered cash, beginning of year	124,583	117,718		
Unencumbered cash, end of year	\$ 117,718	\$ 88,742		

See Independent Auditors' Report

UNIFIED SCHOOL DISTRICT NO. 449, EASTON, KANSAS
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 CAPITAL OUTLAY FUND

For the year ended June 30, 2012

(with comparative actual totals for the prior year ended June 30, 2011)

	Prior year actual	Current year		
		Actual	Budget	Variance - over (under)
Cash receipts:				
Taxes and shared revenue:				
Ad valorem property - taxes in process	\$ -	\$ 3,591	\$ 3,149	\$ 442
Ad valorem property - current taxes	87,938	65,983	62,870	3,113
Delinquent	756	1,140	1,409	(269)
Motor vehicle	12,933	3,792	5,719	(1,927)
Recreational vehicle	254	82	112	(30)
Investment income	1,895	745	-	745
Other revenue from local sources	23,026	33,624	-	33,624
Federal aid:				
PL-382 impact aid	244	-	-	-
Transfers in:				
General fund	359,534	275,070	150,000	125,070
Total cash receipts	<u>486,580</u>	<u>384,027</u>	<u>\$ 223,259</u>	<u>\$ 160,768</u>
Expenditures and transfers subject to budget:				
Instruction	30,228	11,294	\$ 200,000	\$ 188,706
Student support services	-	-	50,000	50,000
Instructional support staff	-	-	50,000	50,000
Operations and maintenance	17,595	24,646	120,000	95,354
Student transportation services	156,348	183,322	310,000	126,678
Facilities acquisition and construction	425	467,907	4,500	(463,407)
Adjustment for qualifying budget credits	-	-	-	-
Total expenditures and transfers subject to budget	<u>204,596</u>	<u>687,169</u>	<u>\$ 734,500</u>	<u>\$ 47,331</u>
Receipts over (under) expenditures	281,984	(303,142)		
Unencumbered cash, beginning of year	<u>629,312</u>	<u>911,296</u>		
Unencumbered cash, end of year	<u>\$ 911,296</u>	<u>\$ 608,154</u>		

See Independent Auditors' Report

UNIFIED SCHOOL DISTRICT NO. 449, EASTON, KANSAS
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 DRIVERS EDUCATION FUND

For the year ended June 30, 2012

(with comparative actual totals for the prior year ended June 30, 2011)

	Prior year actual	Current year		
		Actual	Budget	Variance - over (under)
Cash receipts:				
State aid:				
Driver training	\$ 1,406	\$ 2,444	\$ 2,590	\$ (146)
Other revenue from local sources	4,620	8,400	-	8,400
Transfers in:				
Supplemental general fund	3,000	-	-	-
Total cash receipts	<u>9,026</u>	<u>10,844</u>	<u>\$ 2,590</u>	<u>\$ 8,254</u>
Expenditures subject to budget:				
Instruction	5,572	7,907	\$ 10,997	\$ 3,090
Adjustment for qualifying budget credits	-	-	-	-
Total expenditures subject to budget	<u>5,572</u>	<u>7,907</u>	<u>\$ 10,997</u>	<u>\$ 3,090</u>
Receipts over (under) expenditures	3,454	2,937		
Unencumbered cash, beginning of year	<u>4,903</u>	<u>8,357</u>		
Unencumbered cash, end of year	<u>\$ 8,357</u>	<u>\$ 11,294</u>		

See Independent Auditors' Report

UNIFIED SCHOOL DISTRICT NO. 449, EASTON, KANSAS
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 FOOD SERVICE FUND

For the year ended June 30, 2012

(with comparative actual totals for the prior year ended June 30, 2011)

	Prior year actual	Current year		
		Actual	Budget	Variance - over (under)
Cash receipts:				
Federal aid:				
National school lunch/breakfast program	\$ 145,770	\$ 157,174	\$ 149,633	\$ 7,541
State aid:				
School food assistance	3,894	4,014	3,246	768
Charge for services	162,472	171,915	159,610	12,305
Miscellaneous	-	186	-	186
Transfers in:				
General fund	-	-	-	-
Supplemental general fund	53,000	13,014	60,000	(46,986)
 Total cash receipts	 365,136	 346,303	 \$ 372,489	 \$ (26,186)
Expenditures subject to budget:				
Food service operations	363,086	362,164	\$ 452,300	\$ 90,136
Operations and maintenance	-	-	27,989	27,989
Adjustment for qualifying budget credits	-	-	-	-
 Total expenditures subject to budget	 363,086	 362,164	 \$ 480,289	 \$ 118,125
 Receipts over (under) expenditures	 2,050	 (15,861)		
 Unencumbered cash, beginning of year	 96,621	 98,671		
 Unencumbered cash, end of year	 \$ 98,671	 \$ 82,810		

See Independent Auditors' Report

UNIFIED SCHOOL DISTRICT NO. 449, EASTON, KANSAS
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 PROFESSIONAL DEVELOPMENT FUND

For the year ended June 30, 2012

(with comparative actual totals for the prior year ended June 30, 2011)

	Prior year actual	Current year		
		Actual	Budget	Variance - over (under)
Cash receipts:				
Transfers in:				
Supplemental general fund	\$ 6,000	\$ 2,500	\$ 8,000	\$ (5,500)
Total cash receipts	<u>6,000</u>	<u>2,500</u>	<u>\$ 8,000</u>	<u>\$ (5,500)</u>
Expenditures subject to budget:				
Instruction	4,758	4,727	\$ -	\$ (4,727)
Instructional support staff	86	190	15,964	15,774
Adjustment for qualifying budget credits	-	-	-	-
Total expenditures subject to budget	<u>4,844</u>	<u>4,917</u>	<u>\$ 15,964</u>	<u>\$ 11,047</u>
Receipts over (under) expenditures	1,156	(2,417)		
Unencumbered cash, beginning of year	<u>9,920</u>	<u>11,076</u>		
Unencumbered cash, end of year	<u>\$ 11,076</u>	<u>\$ 8,659</u>		

See Independent Auditors' Report

UNIFIED SCHOOL DISTRICT NO. 449, EASTON, KANSAS
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 SPECIAL EDUCATION FUND
 For the year ended June 30, 2012
 (with comparative actual totals for the prior year ended June 30, 2011)

	Prior year actual	Current year		
		Actual	Budget	Variance - over (under)
Cash receipts:				
Transfers in:				
General fund	\$ 618,736	\$ 736,955	\$ 730,499	\$ 6,456
Supplemental general fund	379,833	273,740	200,000	73,740
Total cash receipts	998,569	1,010,695	\$ 930,499	\$ 80,196
Expenditures subject to budget:				
Instruction	914,847	955,864	\$ 1,100,401	\$ 144,537
General administration	-	6	-	(6)
Operations and maintenance	-	-	15,000	15,000
Vehicle operating services	48,619	63,045	99,923	36,878
Adjustment for qualifying budget credits	-	-	-	-
Total expenditures subject to budget	963,466	1,018,915	\$ 1,215,324	\$ 196,409
Receipts over (under) expenditures	35,103	(8,220)		
Unencumbered cash, beginning of year	243,300	278,403		
Unencumbered cash, end of year	\$ 278,403	\$ 270,183		

See Independent Auditors' Report

UNIFIED SCHOOL DISTRICT NO. 449, EASTON, KANSAS
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 VOCATIONAL EDUCATION FUND

For the year ended June 30, 2012

(with comparative actual totals for the prior year ended June 30, 2011)

	Prior year actual	Current year		
		Actual	Budget	Variance - over (under)
Cash receipts:				
Other revenue from local source	\$ 1,871	\$ 2,869	\$ -	\$ 2,869
Transfers in:				
Supplemental general fund	310,000	350,005	300,000	50,005
Total cash receipts	311,871	352,874	\$ 300,000	\$ 52,874
Expenditures subject to budget:				
Instruction	321,023	338,692	\$ 448,487	\$ 109,795
School administration	1,077	1,078	-	(1,078)
Student transportation services	-	223	-	(223)
Adjustment for qualifying budget credits	-	-	-	-
Total expenditures subject to budget	322,100	339,993	\$ 448,487	\$ 108,494
Receipts over (under) expenditures	(10,229)	12,881		
Unencumbered cash, beginning of year	155,979	145,750		
Unencumbered cash, end of year	\$ 145,750	\$ 158,631		

See Independent Auditors' Report

UNIFIED SCHOOL DISTRICT NO. 449, EASTON, KANSAS
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 KPERS CONTRIBUTION FUND

For the year ended June 30, 2012

(with comparative actual totals for the prior year ended June 30, 2011)

	Prior year actual	Current year		
		Actual	Budget	Variance - over (under)
Cash receipts:				
State aid:				
KPERS contributions	\$ 262,745	\$ 449,718	\$ 478,194	\$ (28,476)
Total cash receipts	262,745	449,718	\$ 478,194	\$ (28,476)
Expenditures subject to budget:				
Instruction	212,823	386,328	\$ 416,510	\$ 30,182
Student support services	2,628	4,497	5,738	1,241
Instructional support staff	5,255	5,318	6,329	1,011
General administration	5,255	5,318	4,782	(536)
School administration	13,137	15,134	14,211	(923)
Central services	5,255	5,319	6,210	891
Operations and maintenance	5,255	8,994	7,360	(1,634)
Student transportation services	7,882	9,816	9,945	129
Food service operations	5,255	8,994	7,109	(1,885)
Adjustment for qualifying budget credits	-	-	-	-
Total expenditures subject to budget	262,745	449,718	\$ 478,194	\$ 28,476
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning of year	-	-		
Unencumbered cash, end of year	\$ -	\$ -		

See Independent Auditors' Report

UNIFIED SCHOOL DISTRICT NO. 449, EASTON, KANSAS
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
 TEXTBOOK RENTAL FUND*

For the year ended June 30, 2012

(with comparative actual totals for the prior year ended June 30, 2011)

	Prior year actual	Current year actual
Cash receipts:		
Charge for services	\$ 32,488	\$ 31,346
Total cash receipts	32,488	31,346
Expenditures:		
Instruction	2,148	16,279
Total expenditures	2,148	16,279
Receipts over (under) expenditures	30,340	15,067
Unencumbered cash, beginning of year	102,952	133,292
Unencumbered cash, end of year	\$ 133,292	\$ 148,359

* This fund is not required to be budgeted.

See Independent Auditors' Report

UNIFIED SCHOOL DISTRICT NO. 449, EASTON, KANSAS
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
 CONTINGENCY RESERVE FUND*

For the year ended June 30, 2012

(with comparative actual totals for the prior year ended June 30, 2011)

	Prior year actual	Current year actual
Cash receipts:		
Transfers in:		
General fund	\$ —	\$ —
Total cash receipts	—	—
Expenditures:		
Community service operations	184,889	—
Total expenditures	184,889	—
Receipts over (under) expenditures	(184,889)	—
Unencumbered cash, beginning of year	477,452	292,563
Unencumbered cash, end of year	<u>\$ 292,563</u>	<u>\$ 292,563</u>

* This fund is not required to be budgeted.

See Independent Auditors' Report

UNIFIED SCHOOL DISTRICT NO. 449, EASTON, KANSAS
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
 MEMORIAL FUND*

For the year ended June 30, 2012
 (with comparative actual totals for the prior year ended June 30, 2011)

	Prior year actual	Current year actual
Cash receipts:		
Investment income	\$ 202	\$ 172
Other revenue from local sources	3,138	750
Total cash receipts	<u>3,340</u>	<u>922</u>
Expenditures:		
Instruction	2,276	5,425
Total expenditures	<u>2,276</u>	<u>5,425</u>
Receipts over (under) expenditures	1,064	(4,503)
Unencumbered cash, beginning of year	<u>33,471</u>	<u>34,535</u>
Unencumbered cash, end of year	<u>\$ 34,535</u>	<u>\$ 30,032</u>

* This fund is not required to be budgeted.

See Independent Auditors' Report

UNIFIED SCHOOL DISTRICT NO. 449, EASTON, KANSAS
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

FEDERAL FUNDS

For the year ended June 30, 2012

(with comparative actual totals for the prior year ended June 30, 2011)

	Prior year actual	Current year		
		Actual	Budget	Variance - over (under)
Cash receipts:				
Federal aid:				
Title I	\$ 74,550	\$ 62,119	\$ 62,131	\$ (12)
Title II	25,378	21,842	21,836	6
Advance placement	475	-	-	-
Total cash receipts	100,403	83,961	\$ 83,967	\$ (6)
Expenditures subject to budget:				
Instruction	94,670	84,349	\$ 88,387	\$ 4,038
Central services	9	-	-	-
Adjustment for qualifying budget credits:				
Federal funds received in excess of budget	-	-	-	-
Total expenditures subject to budget	94,679	84,349	\$ 88,387	\$ 4,038
Receipts over (under) expenditures	5,724	(388)		
Unencumbered cash, beginning of year	(61)	5,663		
Unencumbered cash, end of year	\$ 5,663	\$ 5,275		

See Independent Auditors' Report

UNIFIED SCHOOL DISTRICT NO. 449, EASTON, KANSAS
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
 GRANT FUNDS *

For the year ended June 30, 2012

(with comparative actual totals for the prior year ended June 30, 2011)

	Prior year actual	Current year actual
Cash receipts:		
Revenue from other local sources	\$ 2,005	\$ 2,100
Total cash receipts	<u>2,005</u>	<u>2,100</u>
Expenditures:		
Instruction	255	6,642
Total expenditures	<u>255</u>	<u>6,642</u>
Receipts over (under) expenditures	1,750	(4,542)
Unencumbered cash, beginning of year	<u>3,000</u>	<u>4,750</u>
Unencumbered cash, end of year	<u>\$ 4,750</u>	<u>\$ 208</u>

* This fund is not required to be budgeted.

See Independent Auditors' Report

UNIFIED SCHOOL DISTRICT NO. 449, EASTON, KANSAS
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
 BOND CONSTRUCTION FUND*

For the year ended June 30, 2012

(with comparative actual totals for the prior year ended June 30, 2011)

	Prior year actual	Current year Actual
Cash receipts:		
Bond proceeds	\$ —	\$ 3,983,106
Total cash receipts	—	3,983,106
Expenditures:		
General administration	—	10,375
Facility acquisition and construction	—	—
Total expenditures	—	10,375
Receipts over (under) expenditures	—	3,972,731
Unencumbered cash, beginning of year	—	—
Unencumbered cash, end of year	\$ —	\$ 3,972,731

* This fund not required to be budgeted.

See Independent Auditors' Report

UNIFIED SCHOOL DISTRICT NO. 449, EASTON, KANSAS
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 BOND & INTEREST FUND

For the year ended June 30, 2012

(with comparative actual totals for the prior year ended June 30, 2011)

	Prior year actual	Current year		
		Actual	Budget	Variance - over (under)
Cash receipts:				
Taxes and shared revenue:				
Ad valorem property - taxes in process	\$ 13,333	\$ 12,846	\$ 11,266	\$ 1,580
Ad valorem property - current taxes	314,475	315,642	300,700	14,942
Delinquent	6,191	5,358	5,039	319
Motor vehicle	66,025	60,936	65,432	(4,496)
Recreational vehicle	1,202	1,238	1,276	(38)
Miscellaneous	5,931	4,688	-	4,688
State aid:				
School district capital improvement	254,960	262,550	233,580	28,970
Total cash receipts	<u>662,117</u>	<u>663,258</u>	<u>\$ 617,293</u>	<u>\$ 45,965</u>
Expenditures subject to budget:				
Principal	410,000	550,000	\$ 550,000	\$ -
Interest	169,456	140,918	140,918	-
Fiscal charges	4	-	4	4
Adjustment for qualifying budget credits	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures subject to budget	<u>579,460</u>	<u>690,918</u>	<u>\$ 690,922</u>	<u>\$ 4</u>
Receipts over (under) expenditures	82,657	(27,660)		
Unencumbered cash, beginning of year	<u>624,716</u>	<u>707,373</u>		
Unencumbered cash, end of year	<u>\$ 707,373</u>	<u>\$ 679,713</u>		

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UNIFIED SCHOOL DISTRICT NO. 449, EASTON, KANSAS
 SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - ACTUAL
 AGENCY FUNDS
 For the year ended June 30, 2012

	Beginning cash balance	Cash receipts	Cash disbursements	Ending cash balance
Pleasant Ridge High student activities:				
Art club	\$ 33	\$ —	\$ 21	\$ 12
Baseball	823	6,161	4,552	2,432
Basketball club - Lady Rams	1,491	8,633	6,423	3,701
Spirit squad	48	4,362	4,004	406
Ram basketball club	200	7,881	5,484	2,597
Dance club	573	3,721	2,121	2,173
Boys/Girls state	941	1,314	1,221	1,034
Play productions	1,564	3,942	4,525	981
Track club	874	5,027	4,223	1,678
Football club - Rambackers	5,305	8,109	10,110	3,304
FBLA	1,864	244	370	1,738
Scholars' club	176	300	412	64
RSVP	239	175	—	414
SADD	139	1,471	1,608	2
School improvement club	601	—	420	181
Student council	5,325	8,243	6,525	7,043
Student assistant fund	257	—	—	257
Technology student association	10	—	—	10
Wrestling club	3,410	9,063	11,614	859
Student recognition	192	1,128	864	456
Lady Rams volleyball club	2,516	3,909	4,129	2,296
Cross country	125	4,412	3,988	549
The Ram club	—	840	—	840
Softball	171	839	1,000	10
Graduated classes	1,403	—	591	812
Freshman class	—	2,649	169	2,480
Sophomore class	456	565	678	343
Junior class	2,220	9,998	8,658	3,560
Senior class	1,216	940	1,324	832
Technology club	1,222	—	37	1,185
Vo-Ag club	7,400	16,240	14,095	9,545
Total PRHS student activity funds	40,794	110,166	99,166	51,794

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UNIFIED SCHOOL DISTRICT NO. 449, EASTON, KANSAS
 SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - ACTUAL
 AGENCY FUNDS
 For the year ended June 30, 2012

	Beginning cash balance	Cash receipts	Cash disbursements	Ending cash balance
Pleasant Ridge Middle student activities:				
Cheerleaders	2,016	7,888	8,799	1,105
Girls basketball	-	1,155	1,149	6
STUCO	5,434	13,217	10,613	8,038
Volleyball	92	423	414	101
6th grade class	3,889	8,569	8,484	3,974
7th grade class	6,757	6,368	8,843	4,282
8th grade class	5,043	9,886	9,167	5,762
Total PRMS student activity funds	23,231	47,506	47,469	23,268
Salt Creek Valley student activities:				
STUCO	2	-	-	2
Total SCV student activity funds	2	-	-	2
Other agency funds:				
Flex spending	16,021	56,987	53,507	19,501
Sales tax	-	3,121	3,121	-
Subtotal other agency funds	16,021	60,108	56,628	19,501
Total agency funds	\$ 80,048	\$ 217,780	\$ 203,263	\$ 94,565

See Independent Auditors' Report

UNIFIED SCHOOL DISTRICT NO. 449, EASTON, KANSAS
SCHEDULE OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH - ACTUAL
DISTRICT ACTIVITY FUNDS

For the year ended June 30, 2012

	Beginning unencumbered cash balance	Cash receipts	Expenditures	Ending unencumbered cash balance	Outstanding encumbrances and accounts payable	Ending cash balance
Gate receipts:						
Middle school athletics	\$ 12,041	\$ 8,222	\$ 6,381	\$ 13,882	\$ -	\$ 13,882
High school athletics	5,035	28,032	25,974	7,093	-	7,093
Subtotal gate receipts	17,076	36,254	32,355	20,975	-	20,975
School projects:						
Pleasant Ridge Elementary:						
Book fair/library	3,281	3,987	4,052	3,216	-	3,216
Kindergarten	35	340	369	6	-	6
First grade	-	1,497	1,435	62	-	62
Second grade	46	-	36	10	-	10
Yearbook	487	1,728	1,622	593	-	593
Teachers	220	907	954	173	-	173
Social skills	65	-	-	65	-	65
Resource	525	120	100	545	-	545
Teacher funds	7	50	50	7	-	7
Salt Creek Valley Elementary:						
Book fair	242	2,615	2,829	28	-	28
Fourth grade	389	3,288	3,046	631	-	631
Fifth grade	198	870	896	172	-	172
Resource	64	-	-	64	-	64

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UNIFIED SCHOOL DISTRICT NO. 449, EASTON, KANSAS
SCHEDULE OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH - ACTUAL
DISTRICT ACTIVITY FUNDS

For the year ended June 30, 2012

	Beginning unencumbered cash balance	Cash receipts	Expenditures	Ending unencumbered cash balance	Outstanding encumbrances and accounts payable	Ending cash balance
Salt Creek Valley Elementary (continued):						
Coin machine	1,100	716	452	1,364	-	1,364
Recycling	536	397	734	199	-	199
Teacher funds	1,230	2,082	1,290	2,022	-	2,022
Pleasant Ridge Middle:						
Book fair	782	1,063	1,049	796	-	796
Quiz bowl	35	-	-	35	-	35
Class gift	410	2,386	2,386	410	-	410
Yearbook	664	1,728	1,962	430	-	430
Science	56	-	-	56	-	56
Technology	1,765	-	-	1,765	-	1,765
Concrete	2,155	612	-	2,767	-	2,767
Faculty, staff	390	471	730	131	-	131
KC Reading	114	-	-	114	-	114
Pleasant Ridge High:						
Music	1,538	29,293	29,751	1,080	-	1,080
Yearbook	4,024	9,510	8,122	5,412	-	5,412
Teacher's for Technology	-	2,975	2,342	633	-	633
Faculty, staff	1,541	1,755	1,587	1,709	-	1,709
Subtotal school projects	21,899	68,390	65,794	24,495	-	24,495
Total district activities	\$ 38,975	\$ 104,644	\$ 98,149	\$ 45,470	\$ -	\$ 45,470

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UNIFIED SCHOOL DISTRICT NO. 449, EASTON, KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2012

Federal Grantor/ pass-through grantor/program title	Federal CFDA number	Program or award amount	Beginning unencumbered cash balance	Cash receipts	Expenditures	Ending unencumbered cash balance	Outstanding encumbrances	Ending cash balance
<u>U.S. Department of Education</u>								
Passed through Kansas Department of Education:								
Title I Grants to LEAs	84.010	62,119	-	62,119	57,782	4,337	-	4,337
Title V	84.298	-	(61)	-	-	(61)	-	(61)
Improving teacher quality	84.367	21,842	5,724	21,842	26,567	999	10,933	11,932
Education jobs fund	84.410	2,288	-	2,288	2,288	-	-	-
Total U.S. Department of Education		86,249	5,663	86,249	86,637	5,275	10,933	16,208
<u>U.S. Department of Agriculture</u>								
Passed through Kansas Department of Education:								
Child Nutrition Cluster:								
School breakfast program	10.553	31,631	-	31,631	31,631	-	-	-
National school lunch program	10.555	125,543	-	125,543	125,543	-	-	-
Total U.S. Department of Agriculture		157,174	-	157,174	157,174	-	-	-
Total federal assistance		\$ 243,423	\$ 5,663	\$ 243,423	\$ 243,811	\$ 5,275	\$ 10,933	\$ 16,208

*Note 1 on page 37 is an integral part of this Schedule of Expenditures of Federal Awards.

UNIFIED SCHOOL DISTRICT NO. 449, EASTON, KANSAS
NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended June 30, 2012

1. Basis of accounting

a. Statutory basis of accounting

The statutory basis of accounting, as used in the preparation of this schedule of expenditures of federal awards, 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 is charged in the fund from which the transfer is made.

The District has adopted a resolution in accordance with K.S.A. 75-1120a(c) to waive reporting in accordance with accounting principles generally accepted in the United States of America, which allows the District to utilize the statutory basis of accounting.

b. 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, and cash and unencumbered cash balances.

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 accounting principles generally accepted in the United States of America.