

UNIFIED SCHOOL DISTRICT NO. 473

Chapman, Kansas

Financial Statements

For the Year Ended June 30, 2012

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UNIFIED SCHOOL DISTRICT NO. 473
Financial Statements
For the Year Ended June 30, 2012

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Financial Statements
For the Year Ended June 30, 2012

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MIZE HOUSER
COMPANY^{PA}

**INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS AND
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Board of Education
Unified School District No. 473
Chapman, Kansas

We have audited the summary statement of cash receipts, expenditures, and unencumbered cash balances of Unified School District No. 473, Chapman, Kansas, (the District), 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. The prior year partial comparative information has been derived from the District's financial statements for the year ended June 30, 2011. The financial statements as of and for the year ended June 30, 2011, were audited by other auditors whose report dated July 20, 2011, expressed an adverse opinion as to presentation on the basis of generally accepted accounting principles and an unqualified opinion as to presentation on the Kansas prescribed basis of accounting.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in "Government Auditing Standards," issued by the Comptroller General of the United States, and the "Kansas Municipal Audit Guide." 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. 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 the significant estimates made by management, as well as evaluating the overall financial presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the District has prepared this financial statement using 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. 473, Chapman, Kansas, as of June 30, 2012, or the respective changes in financial position and changes in cash flows, where applicable, for the year then ended.

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Also, in our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the District 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.

The financial statements include partial prior-year comparative information. Such information does not include all of the information required for a presentation in conformity with the Kansas prescribed basis of accounting. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2011, from which such partial information was derived.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2012, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the 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 expenditures-agency funds, and 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) are presented for analysis and are not a required part of the statutory financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the 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 financial statement as a whole.

Mjg Houser: Company PA

September 21, 2012

UNIFIED SCHOOL DISTRICT NO. 473
Summary of Cash Receipts, Expenditures and Unencumbered Cash
For the Year Ended June 30, 2012

<u>Funds</u>	<u>Beginning Unencumbered Cash Balance</u>	<u>Prior Year Cancelled Encumbrances</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Outstanding Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
Governmental Fund Types:							
General Funds:							
General	\$ -	\$ -	\$ 7,861,126	\$ 7,861,126	\$ -	\$ 250,214	\$ 250,214
Supplemental General	154,597	-	2,465,105	2,460,653	159,049	727,102	886,151
Special Purpose Funds:							
At Risk (K-12)	160,001	-	371,483	324,729	206,755	631	207,386
Bilingual Education	26,280	-	15,000	11,732	29,548	-	29,548
Capital Outlay	4,600,852	-	1,971,991	2,950,817	3,622,026	855,668	4,477,694
Driver Training	53,358	-	13,373	12,501	54,230	4,057	58,287
Food Service	147,953	-	563,048	565,677	145,324	-	145,324
Professional Development	18,163	-	14,000	13,206	18,957	1,200	20,157
Parent Education	190	-	40,060	40,176	74	3,105	3,179
Special Education	355,495	-	1,441,213	1,247,322	549,386	-	549,386
Vocational Education	221,074	-	448,734	361,820	307,988	949	308,937
KPERS Special Retirement							
Contribution	-	-	634,203	634,203	-	-	-
Gifts and Grants	2,941	-	7,173	5,889	4,225	390	4,615
Federal Funds	-	-	180,074	180,074	-	-	-
Student Materials Revolving	34,043	-	115,782	130,977	18,848	60,237	79,085
Contingency Reserve	765,399	-	314,976	303,170	777,205	-	777,205
District Activity	8,081	-	63,689	63,444	8,326	-	8,326
Debt Service Fund:							
Bond and Interest	489,916	-	583,395	352,530	720,781	-	720,781
Capital Projects Fund:							
Capital Improvement	77,888	-	782	-	78,670	-	78,670
Total	\$ 7,116,231	\$ -	\$ 17,105,207	\$ 17,520,046	\$ 6,701,392	\$ 1,903,553	\$ 8,604,945

Composition of Cash:

Astra Bank		
Checking Account	\$ 5,304,541	
Savings Accounts	20,861	
Certificate of Deposit	10,000	5,335,402
First National Bank		
Savings Accounts	\$ 2,269,417	
Certificate of Deposit	1,000,000	3,269,417
Dickinson County Bank		
Money Market	\$ 96,357	96,357
Cash Balance		8,701,176
Less: Agency Funds per Schedule 3		[96,231]
Total Reporting Entity (Excluding Agency Funds)		\$ 8,604,945

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

UNIFIED SCHOOL DISTRICT NO. 473
Notes to the Financial Statements
For the Year Ended June 30, 2012

NOTE 1 - Summary of Significant Accounting Policies

Reporting Entity

Unified School District No. 473 (the District) is a municipal corporation governed by an elected seven-member board. These financial statements include all the accounts for which the District is considered to be financially accountable. The District has no related municipal entities.

Reimbursed Expenses

Expenditures in the amount of \$89,068 are classified as reimbursed expenses in the General Fund. The purpose of these expenditures is payments for goods and services in which fees are collected and such expenditures are exempt from the budget law under K.S.A. 79-2934.

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statements meet the following criteria:

1. the related disbursement was made in the current year on behalf of the payee,
2. the item paid for was directly identifiable as having been used by or provided to the payee, and
3. the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The KMAC regulatory basis of accounting involves the recognition of cash, cash equivalents, and marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAC regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

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 regulatory basis for accounting.

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.

UNIFIED SCHOOL DISTRICT NO. 473
Notes to the Financial Statements
For the Year Ended June 30, 2012

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Fund Descriptions (Continued)

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

Governmental Funds

General Fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Fund – used to account for the proceeds of specific tax levies and other specific revenues sources (other than Capital Projects and tax levies for long-term debt) that are intended for specified purposes.

Debt Service Fund – used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Capital Projects Fund – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Fiduciary Fund – funds used to report assets held in a trustee or agency capacity for others and which therefore cannot be used to support the government's own programs.

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), principal and interest funds, and business 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 calendar year on or before August 1st.
2. Publication in the 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 the publication the hearing may be held and the governing body may amend the budget at that time. The budget for the year ended June 30, 2012 was amended for the General and At Risk (K-12) funds.

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.

UNIFIED SCHOOL DISTRICT NO. 473
Notes to the Financial Statements
For the Year Ended June 30, 2012

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Budgetary Information (Continued)

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which revenues are recognized which 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 projects funds, trust funds and the following special revenue funds: Student Materials Revolving, Contingency Reserve, and District Activity.

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.

Ad Valorem Tax Revenues

The determination of assessed valuations and the collection of property taxes for all political subdivisions in the State of Kansas are the responsibility of the various counties. The County Appraiser annually determines assessed valuations on January 1 and the County Clerk spreads the annual assessment on the tax rolls. Property taxes are levied as of November 1 and become a lien on the property as of that date. Payments are due November 1, becoming delinquent, with penalty, December 21. Payments of 50% are accepted through December 20, with the second 50% then being due on or before May 10 of the following year.

The County Treasurer is the tax collection agent for all taxing entities within the County. The initial distribution to the subdivisions, including the District, is on or before January 20 of the ensuing year. Additional amounts are distributed on four (4) subsequent dates throughout the calendar year.

NOTE 2 - Deposits

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

The District received \$916,837 in General State Aid and \$44,314 in Supplemental General State Aid subsequent to June 30, 2012 and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2012.

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

At June 30, 2012, the District's carrying amount of deposits were \$8,701,176 and the bank balance was \$8,307,926. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$596,357 was covered by federal depository insurance, \$7,711,569 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

UNIFIED SCHOOL DISTRICT NO. 473
Notes to the Financial Statements
For the Year Ended June 30, 2012

NOTE 3 - Long-Term Debt

Following is a detailed listing of the District's long-term debt outstanding at June 30, 2012:

<u>Debt Issue</u>	<u>Date Issued</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Amount</u>	<u>Outstanding Amount</u>
General Obligation Bonds:					
Series 2009-A	05/15/09	3.00 - 5.00%	09/01/29	\$ 2,000,000	\$ 1,965,000
Series 2009-B	06/16/09	3.00 - 4.50%	09/01/29	6,235,000	<u>6,235,000</u>
Total General Obligation Bonds					<u>\$ 8,200,000</u>

The District is subject to statutes of the State of Kansas which limit the bonded debt outstanding to 14% of the assessed valuation. The District requested and received approval under applicable Kansas law which allows the issuance of bonded debt in excess of the general bonded debt limitation. The ratio of outstanding bonded debt to the assessed valuation as of June 30, 2012 was 12.68%.

Following is a summary of changes in long-term debt for the year ended June 30, 2012:

<u>Debt Issue</u>	<u>Beginning Principal Outstanding</u>	<u>Additions to Principal</u>	<u>Reductions of Principal</u>	<u>Ending Principal Outstanding</u>	<u>Interest Paid Year Ended 6/30/2012</u>
General Obligation Bonds:					
Series 2009-A	\$ 1,965,000	\$ -	\$ -	\$ 1,965,000	\$ 85,244
Series 2009-B	<u>6,235,000</u>	<u>-</u>	<u>-</u>	<u>6,235,000</u>	<u>267,286</u>
Total General Obligation Bonds	<u>\$ 8,200,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,200,000</u>	<u>\$ 352,530</u>

Annual debt service requirements to maturity for general obligation bonds to be paid with tax levies:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 180,000	\$ 349,830	\$ 529,830
2014	225,000	343,755	568,755
2015	245,000	336,705	581,705
2016	270,000	327,914	597,914
2017	295,000	316,696	611,696
2018 - 2022	1,905,000	1,365,166	3,270,166
2023 - 2027	2,825,000	842,231	3,667,231
2028 - 2030	<u>2,255,000</u>	<u>156,133</u>	<u>2,411,133</u>
Total	<u>\$ 8,200,000</u>	<u>\$ 4,038,430</u>	<u>\$ 12,238,430</u>

UNIFIED SCHOOL DISTRICT NO. 473
Notes to the Financial Statements
For the Year Ended June 30, 2012

NOTE 4 - Interfund Transfers

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
General Fund	Parent Education Fund	K.S.A. 72-6428	\$ 15,827
General Fund	Special Education Fund	K.S.A. 72-6428	811,614
General Fund	Capital Outlay Fund	K.S.A. 72-6428	19,779
General Fund	Contingency Reserve Fund	K.S.A. 72-6428	314,976
General Fund	At Risk (K-12) Fund	K.S.A. 72-6428	53,000
Supplemental General Fund	Bilingual Education Fund	K.S.A. 72-6433	15,000
Supplemental General Fund	Food Service Fund	K.S.A. 72-6433	85,000
Supplemental General Fund	Professional Development Fund	K.S.A. 72-6433	14,000
Supplemental General Fund	Special Education Fund	K.S.A. 72-6433	322,000
Supplemental General Fund	Vocational Education Fund	K.S.A. 72-6433	419,636
Supplemental General Fund	At Risk (K-12) Fund	K.S.A. 72-6433	318,400
Contingency Reserve Fund	Special Education Fund	K.S.A. 72-6426	<u>303,170</u>
Total			<u>\$ 2,692,402</u>

NOTE 5 - Defined Benefit Pension Plan

Plan Description. The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.* KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 South Kansas Avenue, Topeka, KS 66603-3803) or by calling 1-888-275-5737.

Funding Policy. K.S.A. 74-4919 and K.S.A. 74-4921 establishes the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate of 4% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. Member employees' contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the statutory required employers share. Estimated Kansas contributions to KPERS for the District employees for the years ending June 30, 2012 and 2011 were \$634,203 and \$361,111, respectively, equal to the required contributions for each year.

NOTE 6 - Compensated Absences

Sick Leave

Certified Employees – Ten days of sick leave shall be granted to all full-time teachers after they have worked one day of their annual contract. Such sick leave entitlement shall cumulate up to a maximum of 70 days of unused sick leave. Teachers who are employed less than full-time shall be entitled to sick leave benefits based upon the following formula: The number of days or amount of time employed over a full employment year times the foregoing benefits received by full-time teachers. Termination of employment automatically cancels all sick leave benefits.

UNIFIED SCHOOL DISTRICT NO. 473
Notes to the Financial Statements
For the Year Ended June 30, 2012

NOTE 6 - Compensated Absences (Continued)

Sick Leave (Continued)

Teachers shall be compensated for their unused sick leave upon their retirement. Teacher disability or death while employed shall also be grounds for compensation. KPERS guidelines will be used to determine retirement and disability eligibility. Compensation will be determined as follows: a) 10 through 14 years service with the District; \$5.00 per day, up to a maximum of 70 days, b) 15 years service and over with the District, \$10.00 per day, up to a maximum of 70 days. Because so many events have to be met for unused sick leave to be paid, no accrual is made for unused sick leave.

Noncertified Employees – The Board shall allow one day of sick leave after three days service is performed and one additional day of sick leave for each full month of service completed, but accumulated unused sick leave shall not exceed seven times one year's maximum sick leave accumulation.

There shall be no payment for unused sick leave when an employee ceases employment with the District. Upon death or retirement only, employees shall be compensated for their unused sick leave whether upon KPERS or because of disability as follows: for 10-14 years service with the District, the compensation shall be \$5.00 per day, up to the maximum allowable sick leave accumulation, except that those employees who work less than an eight hour day will be paid in proportion to the number of hours worked.

For 15 or more years service with the District, the compensation shall be \$10.00 per day, up to the maximum allowable sick leave accumulation, except that those employees who work less than an eight hour day will be paid in proportion to the number of hours worked.

Vacation Leave

All full-time employees who are employed on a twelve-month basis may be granted a paid vacation each year. Vacation time for employees is two weeks per year for employees with 1-14 years service. Employees with 15 years or more service receive 15 days (3 weeks) paid vacation. The Superintendent and the Administrative Assistant receive three weeks of vacation. If vacation leave is not taken by end of current year earned, it will be lost. No accrual for vacation leave value occurs.

Personal Leave

Each full time teacher shall be allowed two days of personal leave for any reason which the teacher believes to be more important than being in the classroom.

Personal leave shall be allowed in the same manner for teachers who are employed less than full time but in proportion to the time employed. Personal leave may accumulate for a limit of two years not to exceed four days in any contract year. No accrual for unused personal leave is made and would not be material to the financial statements.

NOTE 7 – 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 this financial statement.

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.

UNIFIED SCHOOL DISTRICT NO. 473
Notes to the Financial Statements
For the Year Ended June 30, 2012

NOTE 8 - Termination Benefits

The District provides an early retirement program for certain eligible employees. Those eligible under this program may receive benefits up to five years. Payments for retired employees under this plan were \$96,850 for the year ended June 30, 2012.

NOTE 9 - Commitments and Contingencies

The District, receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on these financial statements of the District.

The District's general obligation bond issues are subject to the arbitrage provisions of Section 148 of the Internal Revenue Code. These provisions include the potential for rebates to the Federal Government of the earnings on the bond proceeds in excess of the yield on the bonds. The amounts of any future rebates due on other bonds or temporary notes have not been determined.

NOTE 10 - Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters and other events for which the District carries commercial insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 11 – Statutory Violation

Actual exceeded budgeted expenditures in the Food Service and Professional Development Funds, which is a violation of K.S.A. 79-2935.

UNIFIED SCHOOL DISTRICT NO. 473
 Summary of Expenditures - Actual and Budget
 (Budgeted Funds Only)
 For the Year Ended June 30, 2012

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustment to Comply with Legal Max</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year Budget</u>	<u>Variance Positive [Negative]</u>
Governmental Fund Types:						
General Funds:						
General	\$ 7,986,384	\$ [214,326]	\$ 89,068	\$ 7,861,126	\$ 7,861,126	\$ -
Supplemental General	2,460,653	-	-	2,460,653	2,460,653	-
Special Purpose Funds:						
At Risk (K-12)	381,200	-	-	381,200	324,729	56,471
Bilingual Education	25,000	-	-	25,000	11,732	13,268
Capital Outlay	10,000,000	-	-	10,000,000	2,950,817	7,049,183
Driver Training	19,250	-	-	19,250	12,501	6,749
Food Service	554,000	-	-	554,000	565,677	[11,677]
Professional Development	12,000	-	-	12,000	13,206	[1,206]
Parent Education	42,700	-	-	42,700	40,176	2,524
Special Education	1,300,000	-	-	1,300,000	1,247,322	52,678
Vocational Education	369,500	-	-	369,500	361,820	7,680
KPERs Special Retirement Contribution	657,222	-	-	657,222	634,203	23,019
Gifts and Grants	12,000	-	-	12,000	5,889	6,111
Federal Funds	182,129	-	-	182,129	180,074	2,055
Debt Service Fund:						
Bond and Interest	353,050	-	-	353,050	352,530	520

UNIFIED SCHOOL DISTRICT NO. 473
Schedule of Cash Receipts and Expenditures - Actual and Budget
General Fund
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	\$ 1,135,873	\$ 1,141,481	\$ 1,092,127	\$ 49,354
Delinquent taxes	15,890	10,764	23,281	[12,517]
State Aid:				
Equalization aid	4,197,067	5,645,124	5,857,476	[212,352]
Special education aid	807,657	885,553	961,000	[75,447]
Federal aid	489,186	89,136	52,500	36,636
Reimbursed expenses	68,442	89,068	-	89,068
Total Cash Receipts	<u>6,714,115</u>	<u>7,861,126</u>	<u>\$ 7,986,384</u>	<u>\$ [125,258]</u>
Expenditures and Transfers				
Instruction	3,399,782	3,464,845	\$ 3,715,200	\$ 250,355
Student support services	161,750	165,034	175,600	10,566
Instructional support services	240,410	233,896	255,400	21,504
General administration	296,380	223,853	472,568	248,715
School administration	400,402	618,544	600,500	[18,044]
Operations and maintenance	398,504	766,983	698,500	[68,483]
Other support services	254,735	164,666	216,000	51,334
Transportation	730,859	826,342	791,616	[34,726]
Student activities	-	117,585	-	[117,585]
Capital outlay	-	64,182	-	[64,182]
Transfers out	831,294	1,215,196	1,061,000	[154,196]
Adjustments to comply with legal max	-	-	[214,326]	[214,326]
Adjustment for qualifying budget credit	-	-	89,068	89,068
Total Expenditures and Transfers	<u>6,714,116</u>	<u>7,861,126</u>	<u>\$ 7,861,126</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	[1]	-		
Unencumbered Cash, Beginning	<u>1</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 473
Schedule of Cash Receipts and Expenditures - Actual and Budget
Supplemental General Fund
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	\$ 1,323,245	\$ 1,525,151	\$ 1,517,431	\$ 7,720
Delinquent taxes	20,749	16,128	27,101	[10,973]
Motor vehicle tax	179,649	163,708	164,617	[909]
Recreational vehicle tax	4,067	5,041	3,728	1,313
State aid	767,098	755,077	727,891	27,186
Total Cash Receipts	<u>2,294,808</u>	<u>2,465,105</u>	<u>\$ 2,440,768</u>	<u>\$ 24,337</u>
Expenditures and Transfers				
Instruction	230,792	152,892	\$ 650,950	\$ 498,058
General administration	-	8,812	-	[8,812]
School administration	189,432	-	25,000	25,000
Operations and maintenance	870,938	891,382	1,066,000	174,618
Transportation	130,345	226,591	-	[226,591]
Other support services	9,706	6,940	25,000	18,060
Transfers out	795,378	1,174,036	693,703	[480,333]
Total Expenditures and Transfers	<u>2,226,591</u>	<u>2,460,653</u>	<u>\$ 2,460,653</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	68,217	4,452		
Unencumbered Cash, Beginning	<u>86,380</u>	<u>154,597</u>		
Unencumbered Cash, Ending	<u>\$ 154,597</u>	<u>\$ 159,049</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 473
Schedule of Cash Receipts and Expenditures - Actual and Budget
At Risk (K-12) Fund
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Miscellaneous	\$ -	\$ 83	\$ -	\$ 83
Transfers in	<u>226,673</u>	<u>371,400</u>	<u>225,000</u>	<u>146,400</u>
Total Cash Receipts	<u>226,673</u>	<u>371,483</u>	<u>\$ 225,000</u>	<u>\$ 146,483</u>
Expenditures and Transfers				
Instruction	<u>206,677</u>	<u>324,729</u>	<u>\$ 381,200</u>	<u>\$ 56,471</u>
Total Expenditures and Transfers	<u>206,677</u>	<u>324,729</u>	<u>\$ 381,200</u>	<u>\$ 56,471</u>
Receipts Over [Under] Expenditures	19,996	46,754		
Unencumbered Cash, Beginning	<u>140,005</u>	<u>160,001</u>		
Unencumbered Cash, Ending	<u>\$ 160,001</u>	<u>\$ 206,755</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 473
Schedule of Cash Receipts and Expenditures - Actual and Budget
Bilingual Education Fund
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Transfers in	\$ 20,000	\$ 15,000	\$ 10,000	\$ 5,000
Total Cash Receipts	<u>20,000</u>	<u>15,000</u>	<u>\$ 10,000</u>	<u>\$ 5,000</u>
Expenditures and Transfers				
Instruction	20,100	11,732	\$ 25,000	\$ 13,268
Total Expenditures and Transfers	<u>20,100</u>	<u>11,732</u>	<u>\$ 25,000</u>	<u>\$ 13,268</u>
Receipts Over [Under] Expenditures	[100]	3,268		
Unencumbered Cash, Beginning	<u>26,380</u>	<u>26,280</u>		
Unencumbered Cash, Ending	<u>\$ 26,280</u>	<u>\$ 29,548</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 473
Schedule of Cash Receipts and Expenditures - Actual and Budget
Capital Outlay Fund
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	\$ 247,602	\$ 67,728	\$ 62,734	\$ 4,994
Delinquent taxes	3,737	2,849	5,081	[2,232]
Motor vehicle tax	29,928	36,017	29,567	6,450
Recreational vehicle tax	677	602	670	[68]
Investment income	33,151	16,565	-	16,565
Miscellaneous	498,004	12,335	-	12,335
Federal aid	23,004,605	1,383,207	-	1,383,207
State aid	3,188,842	-	-	-
Sale of property	-	432,909	-	432,909
Other local sources	-	-	6,000,000	[6,000,000]
Transfer in	-	19,779	-	19,779
Total Cash Receipts	<u>27,006,546</u>	<u>1,971,991</u>	<u>\$ 6,098,052</u>	<u>\$ [4,126,061]</u>
Expenditures and Transfers				
Property and equipment - instruction	280,653	3,119	\$ 500,000	\$ 496,881
Property and equipment - transportation	100	-	80,000	80,000
Operations and maintenance	2,028,499	143,324	60,000	[83,324]
Site improvement services	-	17,750	500,000	482,250
Architectural and engineering services	-	90,500	2,000,000	1,909,500
Building repair and remodeling	<u>1,663,977</u>	<u>2,696,124</u>	<u>6,860,000</u>	<u>4,163,876</u>
Total Expenditures and Transfers	<u>3,973,229</u>	<u>2,950,817</u>	<u>\$ 10,000,000</u>	<u>\$ 7,049,183</u>
Receipts Over [Under] Expenditures	23,033,317	[978,826]		
Unencumbered Cash, Beginning	[18,473,393]	4,600,852		
Prior year cancelled encumbrances	<u>40,928</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 4,600,852</u>	<u>\$ 3,622,026</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 473
Schedule of Cash Receipts and Expenditures - Actual and Budget
Driver Training Fund
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Charges for services	\$ 9,569	\$ 9,519	\$ -	\$ 9,519
State aid	<u>3,182</u>	<u>3,854</u>	<u>3,256</u>	<u>598</u>
Total Cash Receipts	<u>12,751</u>	<u>13,373</u>	<u>3,256</u>	<u>10,117</u>
Expenditures and Transfers				
Instruction	<u>8,699</u>	<u>12,501</u>	<u>\$ 19,250</u>	<u>\$ 6,749</u>
Total Expenditures and Transfers	<u>8,699</u>	<u>12,501</u>	<u>\$ 19,250</u>	<u>\$ 6,749</u>
Receipts Over [Under] Expenditures	4,052	872		
Unencumbered Cash, Beginning	<u>49,306</u>	<u>53,358</u>		
Unencumbered Cash, Ending	<u>\$ 53,358</u>	<u>\$ 54,230</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 473
Schedule of Cash Receipts and Expenditures - Actual and Budget
Food Service Fund
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Federal aid	\$ 233,069	\$ 281,467	\$ 226,846	\$ 54,621
State aid	5,335	5,755	4,303	1,452
Charges for services	174,977	190,826	172,650	18,176
Transfers in	<u>80,000</u>	<u>85,000</u>	<u>80,000</u>	<u>5,000</u>
Total Cash Receipts	<u>493,381</u>	<u>563,048</u>	<u>\$ 483,799</u>	<u>\$ 79,249</u>
Expenditures and Transfers				
Food service operation	492,580	557,794	\$ 548,000	\$ [9,794]
Operations and maintenance	<u>7,506</u>	<u>7,883</u>	<u>6,000</u>	<u>[1,883]</u>
Total Expenditures and Transfers	<u>500,086</u>	<u>565,677</u>	<u>\$ 554,000</u>	<u>\$ [11,677]</u>
Receipts Over [Under] Expenditures	[6,705]	[2,629]		
Unencumbered Cash, Beginning	<u>154,658</u>	<u>147,953</u>		
Unencumbered Cash, Ending	<u>\$ 147,953</u>	<u>\$ 145,324</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 473
Schedule of Cash Receipts and Expenditures - Actual and Budget
Professional Development Fund
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Transfers in	\$ -	\$ 14,000	\$ 20,000	\$ [6,000]
Total Cash Receipts	-	14,000	20,000	[6,000]
Expenditures and Transfers				
Instructional support services	3,855	13,206	\$ 12,000	\$ [1,206]
Total Expenditures and Transfers	3,855	13,206	\$ 12,000	\$ [1,206]
Receipts Over [Under] Expenditures	[3,855]	794		
Unencumbered Cash, Beginning	22,018	18,163		
Unencumbered Cash, Ending	\$ 18,163	\$ 18,957		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 473
Schedule of Cash Receipts and Expenditures - Actual and Budget
Parent Education Fund
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year	Current Year		Variance Positive [Negative]
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
State aid	\$ 36,365	\$ 24,233	\$ 25,273	\$ [1,040]
Transfers in	<u>23,637</u>	<u>15,827</u>	<u>25,000</u>	<u>[9,173]</u>
Total Cash Receipts	<u>60,002</u>	<u>40,060</u>	<u>\$ 50,273</u>	<u>\$ [10,213]</u>
Expenditures and Transfers				
Student support services	<u>59,812</u>	<u>40,176</u>	<u>\$ 42,700</u>	<u>\$ 2,524</u>
Total Expenditures and Transfers	<u>59,812</u>	<u>40,176</u>	<u>\$ 42,700</u>	<u>\$ 2,524</u>
Receipts Over [Under] Expenditures	190	[116]		
Unencumbered Cash, Beginning	<u>-</u>	<u>190</u>		
Unencumbered Cash, Ending	<u>\$ 190</u>	<u>\$ 74</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 473
Schedule of Cash Receipts and Expenditures - Actual and Budget
Special Education Fund
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Miscellaneous	\$ 5,709	\$ 4,429	\$ -	\$ 4,429
Transfers in	<u>966,697</u>	<u>1,436,784</u>	<u>1,194,703</u>	<u>242,081</u>
Total Cash Receipts	<u>972,406</u>	<u>1,441,213</u>	<u>\$ 1,194,703</u>	<u>\$ 246,510</u>
Expenditures and Transfers				
Instruction	1,098,711	1,120,559	\$ 1,200,000	\$ 79,441
Transportation	<u>64,368</u>	<u>126,763</u>	<u>100,000</u>	<u>[26,763]</u>
Total Expenditures and Transfers	<u>1,163,079</u>	<u>1,247,322</u>	<u>\$ 1,300,000</u>	<u>\$ 52,678</u>
Receipts Over [Under] Expenditures	[190,673]	193,891		
Unencumbered Cash, Beginning	545,956	355,495		
Prior year cancelled encumbrances	<u>212</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 355,495</u>	<u>\$ 549,386</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 473
Schedule of Cash Receipts and Expenditures - Actual and Budget
Vocational Education Fund
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Reimbursed expenses	\$ 23,573	\$ 29,098	\$ -	\$ 29,098
Transfers in	316,893	419,636	200,000	219,636
Total Cash Receipts	<u>340,466</u>	<u>448,734</u>	<u>\$ 200,000</u>	<u>\$ 248,734</u>
Expenditures and Transfers				
Instruction	325,937	353,641	\$ 365,000	\$ 11,359
Instructional support services	2,644	6,726	2,000	[4,726]
School administration	357	71	500	429
Operations and maintenance	1,793	1,382	2,000	618
Total Expenditures and Transfers	<u>330,731</u>	<u>361,820</u>	<u>\$ 369,500</u>	<u>\$ 7,680</u>
Receipts Over [Under] Expenditures	9,735	86,914		
Unencumbered Cash, Beginning	211,272	221,074		
Prior year cancelled encumbrances	<u>67</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 221,074</u>	<u>\$ 307,988</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 473
Schedule of Cash Receipts and Expenditures - Actual and Budget
KPERS Special Retirement Contribution Fund
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
State aid	\$ 575,044	\$ 634,203	\$ 657,222	\$ [23,019]
Total Cash Receipts	<u>575,044</u>	<u>634,203</u>	<u>\$ 657,222</u>	<u>\$ [23,019]</u>
Expenditures and Transfers				
Instruction	239,044	411,256	\$ 416,022	\$ 4,766
Student support services	13,469	22,153	19,717	[2,436]
Instructional support services	10,892	20,974	21,031	57
General administration	12,590	15,470	19,717	4,247
School administration	31,974	54,529	59,807	5,278
Other supplemental services	7,848	8,733	9,858	1,125
Operations and maintenance	19,627	35,523	35,490	[33]
Student transportation services	19,114	42,427	56,521	14,094
Food service	<u>6,553</u>	<u>23,138</u>	<u>19,059</u>	<u>[4,079]</u>
Total Expenditures and Transfers	<u>361,111</u>	<u>634,203</u>	<u>\$ 657,222</u>	<u>\$ 23,019</u>
Receipts Over [Under] Expenditures	213,933	-		
Unencumbered Cash, Beginning	<u>[213,933]</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 473
Schedule of Cash Receipts and Expenditures - Actual and Budget
Gifts and Grants Fund
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Contributions and donations	\$ -	\$ 7,173	\$ 15,000	\$ [7,827]
Total Cash Receipts	-	7,173	15,000	[7,827]
Expenditures and Transfers				
Instruction	1,067	1,910	\$ 10,000	\$ 8,090
Student support services	-	107	500	393
General administration	-	972	500	[472]
Food service operation	-	-	1,000	1,000
Operations and maintenance	-	2,900	-	[2,900]
Total Expenditures and Transfers	1,067	5,889	\$ 12,000	\$ 6,111
Receipts Over [Under] Expenditures	[1,067]	1,284		
Unencumbered Cash, Beginning	3,908	2,941		
Prior year cancelled encumbrances	100	-		
Unencumbered Cash, Ending	\$ 2,941	\$ 4,225		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 473
Schedule of Cash Receipts and Expenditures - Actual and Budget
Federal Funds
For the Year Ended June 30, 2012

	<u>Title I</u>	<u>Title II A</u>	<u>Title I Carryover</u>	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Cash Receipts						
Federal aid	\$ 121,878	\$ 41,145	\$ 17,051	\$ 180,074	\$ 182,129	\$ [2,055]
Total Cash Receipts	<u>121,878</u>	<u>41,145</u>	<u>17,051</u>	<u>180,074</u>	<u>\$ 182,129</u>	<u>\$ [2,055]</u>
Expenditures and Transfers						
Instruction	121,435	41,145	17,051	179,631	\$ 175,054	\$ [4,577]
Student support services	310	-	-	310	3,375	3,065
Instructional support services	-	-	-	-	2,000	2,000
General administration	133	-	-	133	200	67
Other support services	-	-	-	-	1,500	1,500
Total Expenditures and Transfers	<u>121,878</u>	<u>41,145</u>	<u>17,051</u>	<u>180,074</u>	<u>\$ 182,129</u>	<u>\$ 2,055</u>
Receipts Over [Under] Expenditures	-	-	-	-		
Unencumbered Cash, Beginning	-	-	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 473
Schedule of Cash Receipts and Expenditures - Actual
Student Materials Revolving Fund *
For the Year Ended June 30, 2012 and 2011

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Charges for services	\$ 105,350	\$ 115,782
Total Cash Receipts	<u>105,350</u>	<u>115,782</u>
Expenditures and Transfers		
Instruction	<u>128,799</u>	<u>130,977</u>
Total Expenditures and Transfers	<u>128,799</u>	<u>130,977</u>
Receipts Over [Under] Expenditures	[23,449]	[15,195]
Unencumbered Cash, Beginning	56,568	34,043
Prior year cancelled encumbrances	<u>924</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ 34,043</u>	<u>\$ 18,848</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 473
Schedule of Cash Receipts and Expenditures - Actual
Contingency Reserve Fund *
For the Year Ended June 30, 2012 and 2011

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Transfers in	\$ -	\$ 314,976
Total Cash Receipts	<u>-</u>	<u>314,976</u>
Expenditures and Transfers		
Instruction	-	303,170
Total Expenditures and Transfers	<u>-</u>	<u>303,170</u>
Receipts Over [Under] Expenditures	-	11,806
Unencumbered Cash, Beginning	<u>765,399</u>	<u>765,399</u>
Unencumbered Cash, Ending	<u>\$ 765,399</u>	<u>\$ 777,205</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 473
Schedule of Cash Receipts and Expenditures - Actual and Budget
Bond and Interest Fund
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year	Current Year		Variance Positive [Negative]
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>[Negative]</u>
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	\$ 455,090	\$ 471,046	\$ 451,672	\$ 19,374
Delinquent taxes	1,627	3,487	9,367	[5,880]
Motor vehicle tax	11,357	47,940	50,515	[2,575]
Recreational vehicle tax	256	992	1,144	[152]
State aid	74,031	59,930	59,930	-
Total Cash Receipts	<u>542,361</u>	<u>583,395</u>	<u>\$ 572,628</u>	<u>\$ 10,767</u>
Expenditures and Transfers				
Interest	<u>352,530</u>	<u>352,530</u>	<u>\$ 353,050</u>	<u>\$ 520</u>
Total Expenditures and Transfers	<u>352,530</u>	<u>352,530</u>	<u>\$ 353,050</u>	<u>\$ 520</u>
Receipts Over [Under] Expenditures	189,831	230,865		
Unencumbered Cash, Beginning	<u>300,085</u>	<u>489,916</u>		
Unencumbered Cash, Ending	<u>\$ 489,916</u>	<u>\$ 720,781</u>		

UNIFIED SCHOOL DISTRICT NO. 473
Schedule of Cash Receipts and Expenditures - Actual
Capital Improvement Fund *
For the Year Ended June 30, 2012 and 2011

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Investment income	\$ 847	\$ 782
Total Cash Receipts	<u>847</u>	<u>782</u>
Expenditures and Transfers		
Capital outlay	<u>5,942</u>	<u>-</u>
Total Expenditures and Transfers	<u>5,942</u>	<u>-</u>
Receipts Over [Under] Expenditures	[5,095]	782
Unencumbered Cash, Beginning	32,096	77,888
Prior year cancelled encumbrances	<u>50,887</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ 77,888</u>	<u>\$ 78,670</u>

* This fund is not required to be budgeted.

SCHEDULE 3

UNIFIED SCHOOL DISTRICT NO. 473
Schedule of Cash Receipts, Cash Disbursements and Cash
Student Organization Funds
For the Year Ended June 30, 2012

<u>FUND</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Blue Ridge Elementary				
Student activity	\$ 480	\$ 192	\$ -	\$ 672
Total Blue Ridge Elementary Activity Funds	<u>480</u>	<u>192</u>	<u>-</u>	<u>672</u>
Enterprise Elementary				
Student activity	739	537	290	986
Total Enterprise Elementary Activity Funds	<u>739</u>	<u>537</u>	<u>290</u>	<u>986</u>
Rural Center Elementary				
Student activity	410	1,553	1,178	785
Total Rural Center Elementary Activity Funds	<u>410</u>	<u>1,553</u>	<u>1,178</u>	<u>785</u>
Chapman Middle School				
Student activity	1,322	6,132	6,796	658
GBB scholarship	4,044	-	150	3,894
Sports	600	-	600	-
Student council	2,708	49,155	47,646	4,217
Total Chapman Middle Activity Funds	<u>8,674</u>	<u>55,287</u>	<u>55,192</u>	<u>8,769</u>
High School Funds				
AFG	1,807	958	644	2,121
AFS	377	698	775	300
Drama	1,370	5,676	6,405	641
FFA	3,496	63,556	63,472	3,580
FCCLA	238	4,313	4,459	92
Hi-Y	519	-	-	519
National Honor Society	2,140	2,104	2,549	1,695
Students Against Drunk Driving	4,424	14,015	13,240	5,199
Cheerleaders	2,339	9,785	11,851	273
Student Council	7,915	7,843	7,649	8,109
Scholars Bowl	450	1,129	1,390	189
Dance	1,758	4,689	6,277	170
Tri-M	1,874	5,461	6,206	1,129
FBLA	2,885	16,392	13,848	5,429
FIRE	287	4,486	4,108	665
Band	14,536	8,260	2,157	20,639
Letterman's Club	6,678	-	742	5,936
Kid's Rec	197	3,794	2,193	1,798
Art Club	800	880	277	1,403
Total High School Activity Funds	<u>54,090</u>	<u>154,039</u>	<u>148,242</u>	<u>59,887</u>
Payroll Clearing	<u>28,042</u>	<u>7</u>	<u>2,917</u>	<u>25,132</u>
TOTAL STUDENT ORGANIZATION FUNDS	<u>\$ 92,435</u>	<u>\$ 211,615</u>	<u>\$ 207,819</u>	<u>\$ 96,231</u>

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 473
Schedule of Cash Receipts, Expenditures and Unencumbered Cash
District Activity Funds
For the Year Ended June 30, 2012

<u>FUND</u>	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
<u>Gate Receipts:</u>							
High School	\$ -	\$ -	\$ 45,282	\$ 45,282	\$ -	\$ -	\$ -
Total Gate Receipts	-	-	45,282	45,282	-	-	-
<u>School Projects:</u>							
Chapman Elementary							
Pop Machines	35	-	-	-	35	-	35
Activity	1,114	-	6,420	5,455	2,079	-	2,079
Total Hiawatha Elementary	1,149	-	6,420	5,455	2,114	-	2,114
Chapman Middle School							
Pop Machines	307	-	1,665	1,161	811	-	811
Total Hiawatha Middle School	307	-	1,665	1,161	811	-	811
Chapman High School							
Petty Cash	-	-	237	137	100	-	100
Locks	1,270	-	-	474	796	-	796
Sales Tax	5,355	-	10,085	10,935	4,505	-	4,505
Total High School	6,625	-	10,322	11,546	5,401	-	5,401
Total School Projects	8,081	-	18,407	18,162	8,326	-	8,326
Total District Activity Funds	\$ 8,081	\$ -	\$ 63,689	\$ 63,444	\$ 8,326	\$ -	\$ 8,326

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 473
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Beginning Unencumbered Cash	Receipts	Expenditures	Ending Unencumbered Cash
U.S. Department of Education					
School Assistance in Federally Affected Area	84.041	\$ -	\$ 148,475	\$ 148,475	\$ -
Passed through Kansas					
Department of Education (KSDE):					
Title I	84.010	-	138,929	138,929	-
Title II-A Teacher Quality	84.367	-	41,645	41,645	-
Education Jobs Funding	84.410	-	3,038	3,038	-
Total Passed Through KSDE		-	183,612	183,612	-
Total U.S. Department of Education		-	332,087	332,087	-
U.S. Department of Homeland Security					
Passed through Kansas State					
Adjutant General's Department:					
Public Assistance Disaster Grant	97.036	-	1,200,437	2,278,826	[1,078,389]
Total Department of Homeland Security		-	1,200,437	2,278,826	[1,078,389]
U.S. Department of Agriculture					
Passed through Kansas					
Department of Education (KSDE):					
School Breakfast	10.553	-	59,500	59,500	-
National School Lunch Program	10.555	-	221,967	221,967	-
Total Department of Agriculture		-	281,467	281,467	-
Passed Through KSDE		-	281,467	281,467	-
Total		\$ -	\$ 1,813,991	\$ 2,892,380	\$ [1,078,389]

The accompanying notes are an integral part of this schedule.

UNIFIED SCHOOL DISTRICT NO. 473
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012

1. General

The accompanying Schedule of Expenditures of Federal Awards presents the expenditures of all federal financial assistance programs of Unified School District No. 473. All expenditures of federal financial assistance received directly from federal agencies, if any as well as federal financial assistance passed through other government agencies is included on the schedule.

2. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented on the Kansas statutory basis of accounting which includes cash disbursements, accounts payable and encumbrances.

UNIFIED SCHOOL DISTRICT NO. 473
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2012

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Adverse - GAAP
Unqualified - Prescribed Basis

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes X No

Significant deficiency (ies) identified that are not considered to be material weaknesses? _____ Yes X None reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____ Yes X No

Significant deficiency (ies) identified that are not considered to be material weaknesses? _____ Yes X None reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? _____ Yes X No

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

97.036

Public Assistance Disaster Grant

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? _____ Yes X No

UNIFIED SCHOOL DISTRICT NO. 473
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2012

Section II - Financial Statement Findings

None Noted

Section III - Federal Award Findings and Questioned Costs

Current Year Findings

None Noted

Prior Year Findings

None Noted



MIZE HOUSER
COMPANY^{PA.}

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

Board of Education
Unified School District No. 473
Chapman, Kansas

We have audited the financial statements of the Unified School District No. 473 (the District), Chapman, Kansas, as of and for the year ended June 30, 2012, and have issued our report thereon dated September 21, 2012, which is a special report on the financial statements prepared in accordance with a basis of accounting prescribed by the State of Kansas. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in "Government Auditing Standards," issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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

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

Compliance and Other Matters

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

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However, we noted certain other matters that we reported to management of Unified School District No. 473, Chapman, Kansas, in a separate letter dated September 21, 2012.

This communication is intended solely for the information and use of the Board of Education, administration, federal awarding agencies and pass through entities and is not intended to be and should not be used by anyone other than those specified parties.

Mix Houser: Company PA

September 21, 2012



MIZE HOUSER
COMPANY^{PA.}

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

Board of Education
Unified School District No. 473
Chapman, Kansas

We have audited the compliance of the Unified School District No. 473 (the District), Chapman, Kansas, with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2012. Major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in "Government Auditing Standards," issued by the Comptroller General of the United States; and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of law, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

This report is intended solely for the information and use of the Board of Education, administration and federal awarding agencies and pass through entities and is not intended to be and should not be used by anyone other than those specified parties.

Mike Houser: Company PA

September 21, 2012