

**UNIFIED SCHOOL DISTRICT NO. 475**

**Junction City, Kansas**

**Financial Statements**

**For the Year Ended June 30, 2012**

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UNIFIED SCHOOL DISTRICT NO. 475  
Junction City, Kansas  
Financial Statements  
For the Year Ended June 30, 2012

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Junction City, Kansas  
Financial Statements  
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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

Board of Education  
Unified School District No. 475  
Junction City, Kansas

We have audited the summary statement of cash receipts, expenditures, and unencumbered cash balances of the Unified School District No. 475, Junction City, 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. In our report dated January 11, 2012 on these financial statements we expressed an adverse opinion as to presentation on the basis of generally accepted accounting principles and a qualified 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 we plan and perform the audit to obtain reasonable assurance about whether the financial statement is 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 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 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. 475, Junction City, 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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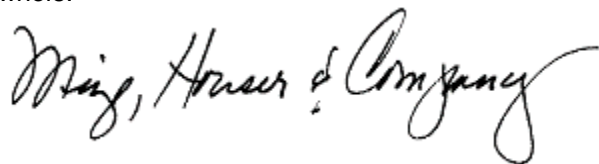
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Also, in our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the District as of June 30, 2012, and the aggregate cash receipts and expenditures for the 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 December 27, 2012, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with "Government Auditing Standards" and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming 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.

A handwritten signature in black ink, reading "Ming, Hauer & Company". The signature is written in a cursive, flowing style.

December 27, 2012

UNIFIED SCHOOL DISTRICT NO. 475  
Summary of Cash Receipts, Expenditures and Unencumbered Cash  
Regulatory Basis  
For the Year Ended June 30, 2012  
(With Comparative Actual for the Year Ended June 30, 2011)

	Beginning Unencumbered Cash <u>Balance</u>	Prior Year Cancelled <u>Encumbrances</u>	<u>Receipts</u>	<u>Expenditures</u>	Ending Unencumbered Cash <u>Balance</u>	Add Outstanding Encumbrances and Accounts <u>Payable</u>	Ending Cash Balance June 30, <u>2012</u> <u>2011</u>	
<b>Funds</b>								
Governmental Fund Types:								
General Funds:								
General Fund	\$ -	\$ -	\$ 50,900,556	\$ 50,900,556	\$ -	\$ 817,576	\$ 817,576	\$ 766,900
Supplemental General	277,573	-	12,267,499	12,127,152	417,920	586,438	1,004,358	1,252,038
Special Purpose Funds:								
At Risk (4 Year Old)	32,023	-	125,320	90,720	66,623	450	67,073	33,357
At Risk (K-12)	2,606,343	-	9,608,831	6,740,622	5,474,552	55,081	5,529,633	2,665,462
Adult Basic Education	19,939	-	-	-	19,939	-	19,939	19,939
Bilingual Education	2,818,859	-	1,928,742	1,827,883	2,919,718	39,551	2,959,269	2,862,595
Capital Outlay	7,958,322	212,598	4,274,785	9,023,307	3,422,398	4,718,800	8,141,198	10,909,364
Driver Training	37,161	-	26,447	22,658	40,950	-	40,950	37,161
Contingency Reserve	2,100,000	-	-	-	2,100,000	-	2,100,000	2,100,000
Food Service	1,178,221	-	3,817,272	3,434,747	1,560,746	5,453	1,566,199	1,186,542
Professional Development	774,322	-	2,811	106,680	670,453	34	670,487	775,001
Parent Education	181,022	-	233,620	222,691	191,951	5,920	197,871	199,470
Summer School	525	-	-	-	525	-	525	525
Special Education	2,834,105	-	13,664,914	12,148,191	4,350,828	236,334	4,587,162	3,095,846
Vocational Education	300,000	-	538,808	536,730	302,078	24,413	326,491	324,034
KPERS Retirement Contribution	-	-	4,863,785	4,863,785	-	-	-	-
Textbook Rental	790,896	-	678,119	937,122	531,893	-	531,893	795,696
Grants	1,104,644	-	6,909,033	8,884,300	[870,623]	205,452	[665,171]	1,622,913
District Activity	116,609	-	492,019	476,698	131,930	-	131,930	116,609
Debt Service Fund:								
Bond and Interest	1,210,237	-	2,668,759	2,474,165	1,404,831	-	1,404,831	1,210,237
Capital Projects Fund:								
Construction	440	-	71	-	511	-	511	440
Fiduciary Fund:								
Trust	<u>5,907</u>	<u>-</u>	<u>-</u>	<u>664</u>	<u>5,243</u>	<u>-</u>	<u>5,243</u>	<u>5,907</u>
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 24,347,148</u>	<u>\$ 212,598</u>	<u>\$ 113,001,391</u>	<u>\$ 114,818,671</u>	<u>\$ 22,742,466</u>	<u>\$ 6,695,502</u>	<u>\$ 29,437,968</u>	<u>\$ 29,980,036</u>

Composition of Cash:

Central National Bank	Checking	\$ 29,031,194	\$ 29,573,659
	Certificates of Deposit	25,000	25,000
	Total Central National Bank	<u>29,056,194</u>	<u>29,598,659</u>
Intrust Bank	Checking	11,530	7,960
	Certificates of Deposit	225,000	225,000
	Total Intrust Bank	<u>236,530</u>	<u>232,960</u>
First National Bank Checking	Checking	113,564	123,976
	Total First National Bank	<u>113,564</u>	<u>123,976</u>
Armed Forces Bank Checking	Checking	95,947	100,646
	Total Armed Forces Bank	<u>95,947</u>	<u>100,646</u>
Sunflower Bank Checking	Checking	124,807	122,131
	Total Sunflower Bank	<u>124,807</u>	<u>122,131</u>
Total Cash		29,627,042	30,178,372
Less Agency Funds per Schedule 3		<u>[189,074]</u>	<u>[198,336]</u>
Total Reporting Entity (Excluding Agency Funds)		<u>\$ 29,437,968</u>	<u>\$ 29,980,036</u>

UNIFIED SCHOOL DISTRICT NO. 475  
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. 475 (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 had no related municipal entities.

Reimbursed Expenses

Expenditures in the amount of \$409,213 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 *Kansas Municipal Audit and Accounting Guide* (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, 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 KMAAG 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 of accounting.

Departure from Generally Accepted Accounting Principles

The basis of accounting described above results in a financial statement presentation which shows cash receipts (except as noted), cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented.

Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with accounting principles generally accepted in the United States of America. Capital assets that account for the land, buildings and equipment owned by the District are not presented in the financial statements. Also, long-term debt such as general obligation bonds, temporary notes and compensated absences are not presented in the financial statements. Inventories and prepaid expenses which benefit future periods are recorded as an expenditure during the year of purchase, as required by state statutes.



UNIFIED SCHOOL DISTRICT NO. 475  
Notes to the Financial Statements  
For the Year Ended June 30, 2012

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Regulatory Basis Fund Types

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

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

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 revenue sources (other than Capital Project 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 - used to report assets held in a trustee or agency capacity for others and which therefore cannot be sued to support the government's own programs (i.e. payroll clearing fund, student organization fund, permanent trust funds, etc.).

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The budget for the year ended June 30, 2012 was amended for the General Fund, At Risk (K-12) Fund, Bilingual Education Fund and Special Education Fund.

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. 475  
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 when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital project funds, fiduciary funds, and the following special purpose funds: Contingency Reserve, Textbook Rental 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 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 and Investments

*Deposits.* K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located, 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.

*Investments.* 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. As of June 30, 2012, the District held certificates of deposit of \$250,000.

*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.

*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%. The District has no designated "peak periods". All deposits were legally secured at June 30, 2012.

UNIFIED SCHOOL DISTRICT NO. 475  
Notes to the Financial Statements  
For the Year Ended June 30, 2012

NOTE 2 - Deposits and Investments (Continued)

*Custodial credit risk – deposits (continued).* At June 30, 2012, the District's carrying amount of deposits was \$29,627,042 and the bank balance was \$28,821,008. The bank balance was held by five banks resulting in a concentration of credit risk. Of the bank balance, \$1,130,074 was covered by federal depository insurance and the balance of \$27,690,934 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.

*Substance receipt in transit.* The District received \$5,498,485 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.

NOTE 3 - Long-term Debt

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

<u>Debt Issue</u>	<u>Date Issued</u>	<u>Date of Final Maturity</u>	<u>Interest Rates</u>	<u>Original Amount</u>	<u>Balance June 30, 2012</u>
General Obligation Bonds					
2005 Construction	12/1/2005	9/1/2026	3.00 - 5.25%	\$33,000,000	\$ 20,375,000
2007 Refunding	5/1/2007	9/1/2022	3.75 - 4.00%	10,000,000	<u>9,670,000</u>
Total					<u>\$ 30,045,000</u>

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

<u>Type of 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</u>
General Obligation Bonds:					
2005 Construction	\$21,475,000	\$ -	\$ 1,100,000	\$20,375,000	\$ 926,875
2007 Refunding	<u>9,730,000</u>	<u>-</u>	<u>60,000</u>	<u>9,670,000</u>	<u>387,290</u>
Total	<u>\$31,205,000</u>	<u>\$ -</u>	<u>\$ 1,160,000</u>	<u>\$30,045,000</u>	<u>\$ 1,314,165</u>

Current maturities of general obligation bonds and interest for the next five years and in five year increments through maturity are as follows:

<u>Year ended June 30,</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Due</u>
2013	\$ 1,265,000	\$ 1,254,321	\$ 2,519,321
2014	1,365,000	1,189,384	2,554,384
2015	1,450,000	1,118,109	2,568,109
2016	1,550,000	1,040,371	2,590,371
2017	1,655,000	957,286	2,612,286
2018-2022	9,855,000	3,485,041	13,340,041
2023-2027	<u>12,905,000</u>	<u>1,176,600</u>	<u>14,081,600</u>
Total	<u>\$ 30,045,000</u>	<u>\$ 10,221,113</u>	<u>\$ 40,266,113</u>

UNIFIED SCHOOL DISTRICT NO. 475  
Notes to the Financial Statements  
For the Year Ended June 30, 2012

NOTE 3 - Long-term Debt (Continued)

In prior years, the District had defeased certain other outstanding debt obligations by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust accounts and the defeased bonds are not included in the District's financial statements. At June 30, 2012, a total of \$8,975,000 of outstanding bonds are considered defeased.

NOTE 4 - Interfund Transactions

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
General	At-Risk (K-12)	K.S.A. 72-6428	\$ 9,575,146
General	Bilingual Education	K.S.A. 72-6428	1,928,742
General	Special Education	K.S.A. 72-6428	7,535,372
General	Driver Training	K.S.A. 72-6428	10,000
General	Vocational Education	K.S.A. 72-6428	538,808
General	At-Risk (4 Year Old)	K.S.A. 72-6428	53,219
General	Parent Education	K.S.A. 72-6428	100,000
Supplemental General	At-Risk (4 Year Old)	K.S.A. 72-6433	72,101
Supplemental General	Special Education	K.S.A. 72-6433	3,100,000
			<u>\$ 22,913,388</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, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

*Funding Policy.* K.S.A. 74-4919 and K.S.A. 74-4921 establishes the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding 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, 2011, and 2010, were \$4,863,785, \$2,784,229, and \$3,157,140, respectively, equal to the required contributions for each year.

NOTE 6 - Termination Benefits

The District has a plan which covers administrators and teachers who voluntarily take early retirement. A teacher is eligible for early retirement if such employee is a full time employee, retiring under the provisions of KPERS with 85 points and not more than 64 years of age, has fifteen years or more of continuous service with the District, and has accumulated at least 60 days of leave. An administrator is eligible if such employee has fifteen years or more of service with the District.

UNIFIED SCHOOL DISTRICT NO. 475  
Notes to the Financial Statements  
For the Year Ended June 30, 2012

NOTE 6 - Termination Benefits (Continued)

Benefits are payable monthly for a maximum term of 5 years or until the recipient reaches 65 years of age. The cost of this plan for the year ended June 30, 2012 was \$212,693.

The employees eligible for the retirement plan are also eligible to remain in the District health insurance plan. The retired employees will participate on the same basis as current employees.

The retirement benefit and health insurance contribution is not funded but is to be paid from each year's operating budget. The benefits due under the plan for the next five years are as follows:

<u>Year</u>	<u>Benefits Due</u>	<u>Health Insurance Contribution</u>	<u>Total Due</u>
2012-13	\$ 96,421	\$ 111,918	\$ 208,339
2013-14	80,780	89,366	170,146
2014-15	57,978	69,839	127,817
2015-16	34,967	50,877	85,844
2016-17	15,343	24,896	40,239
Total	<u>\$ 285,489</u>	<u>\$ 346,896</u>	<u>\$ 632,385</u>

NOTE 7 - Compensated Absences

It is the District's policy to pay full time classified employees unused vacation pay upon termination of employment. Vacation is earned one day per month and must be used within eighteen months of being earned. The amount of unused vacation for these employees as of June 30, 2012 was \$93,803.

NOTE 8 - 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; injuries to employees; and natural disasters. In 1991 the District joined other Kansas school districts to participate in Risk Management Services, Inc. (RMS), a workers' compensation insurance public entity risk pool. The pool operates as a common risk management and insurance program for certain Kansas school districts. The District pays an annual premium for its workers compensation insurance coverage. The District's contractual agreement with RMS provides that RMS will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$300,000 (for each insured event). The District continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in the past three fiscal years.

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 negative effect on the financial statements of the District at June 30, 2012.

UNIFIED SCHOOL DISTRICT NO. 475  
Notes to the Financial Statements  
For the Year Ended June 30, 2012

NOTE 10 – Other Post Employment Benefits

As provided by K.S.A. 12-5040, the local government allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the local government is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in 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.

NOTE 11 – Ware and Seitz Elementary Schools Project

On August 19, 2011, the District entered into an agreement with Riley Schools, LLC, through which the District agreed to acquire, own, operate, maintain and manage two schools, currently known as Ware Elementary School and the Seitz Elementary School (together, the "Project"), primarily for use by the children of military families assigned to Fort Riley. The Army leased the real property underlying the Project to the District and made a capital contribution of \$30.9 million to Riley Schools, LLC for the purpose of enabling Riley Schools, LLC to construct the Project, which consisted of the construction of Seitz Elementary School and additions and renovations of Ware Elementary School. The District was responsible for the cost of furnishing Seitz Elementary School, which amounted to approximately \$759,000.

NOTE 12 - Related Party Transactions

The District paid \$110,011 during the year ended June 30, 2012 for travel agency services to a company owned by a member of the District's Board of Education.

The District paid \$2,939 during the year ended June 30, 2012 for catering services to a company owned by the spouse of an employee of the District.

NOTE 13 - Statutory Violations

Negative cash balances at June 30, 2012 in the following Agency Funds violate KSA 10-1113: Franklin Elementary School Student Council Fund, Junction City Middle School Scholar's Bowl Fund, Fort Riley Middle School Miscellaneous and Pencil and Paper Machine Funds and the Larry Dixon Center for Innovative Studies Student Activities Fund Junction City High School Athletics Gate Receipts Fund.

NOTE 14 - Subsequent Event

In March, 2012, the United States Department of Defense invited the District to submit a formal application for federal funding in an amount not to exceed \$39,171,000 to construct, repair, or expand Fort Riley Middle School. The District submitted their application on November 19, 2012 for a federal grant in the amount of \$35,247,240 and was notified on December 12, 2012 that the grant request had been approved for the amount requested. Under the agreement between the District and the Department of Defense, the District will undertake activities as described in the application at the estimated cost of \$41,961,000, which consists of the \$35,247,240 grant and \$6,713,760 from non-grant sources. The grant period is from May 1, 2011 through February 28, 2015, at which time project construction is projected to be completed.

UNIFIED SCHOOL DISTRICT NO. 475  
Summary of Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2012

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustment to Comply with Legal Maximum Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Positive [Negative]</u>
Governmental Type Funds:						
General Funds:						
General Fund	\$ 49,717,584	\$ [3,510]	\$ 1,186,482	\$ 50,900,556	\$ 50,900,556	\$ -
Supplemental General	12,101,000	-	26,152	12,127,152	12,127,152	-
Special Purpose Funds:						
At Risk (4 Year Old)	90,720	-	-	90,720	90,720	-
At Risk (K-12)	7,500,000	-	-	7,500,000	6,740,622	759,378
Bilingual Education	2,250,000	-	-	2,250,000	1,827,883	422,117
Capital Outlay	55,330,000	-	-	55,330,000	9,023,307	46,306,693
Driver Training	35,000	-	-	35,000	22,658	12,342
Food Service	3,983,913	-	-	3,983,913	3,434,747	549,166
Professional Development	231,200	-	-	231,200	106,680	124,520
Parent Education	222,691	-	-	222,691	222,691	-
Special Education	15,500,020	-	-	15,500,020	12,148,191	3,351,829
Vocational Education	795,000	-	-	795,000	536,730	258,270
KPERS Retirement Contribution	5,178,666	-	-	5,178,666	4,863,785	314,881
Grants	8,443,154	-	-	8,443,154	8,884,300	[441,146]
Debt Service Fund:						
Bond and Interest	2,534,165	-	-	2,534,165	2,474,165	60,000

UNIFIED SCHOOL DISTRICT NO. 475  
Schedule of Receipts and Expenditures - Actual and Budget  
General Fund  
Regulatory Basis  
For the Year Ended June 30, 2012  
(With Comparative Actual 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				
Taxes and Shared Revenues:				
Ad valorem taxes	\$3,312,964	\$ 3,425,119	\$ 3,307,853	\$ 117,266
Delinquent tax	186,670	7,136	92,361	[85,225]
State Aid:				
Equalization aid	25,833,280	30,328,667	38,781,998	[8,453,331]
State excess	666,899	684,281	-	684,281
Special Education	6,664,950	7,535,372	7,535,372	-
Federal aid	11,119,365	8,417,780	-	8,417,780
Kansas juvenile center allocation	157,222	92,988	-	92,988
Reimbursements	742,165	409,213	-	409,213
Total Cash Receipts	<u>48,683,515</u>	<u>50,900,556</u>	<u>\$ 49,717,584</u>	<u>\$ 1,182,972</u>
Expenditures				
Instruction	15,649,581	15,464,027	\$ 16,747,708	\$ 1,283,681
Student support services	2,322,444	2,451,441	2,444,843	[6,598]
Instructional support services	1,899,685	1,918,171	2,017,804	99,633
General administration	464,630	439,746	492,553	52,807
School administration	3,878,841	3,875,154	4,087,659	212,505
Other support services - business and administration	1,685,733	1,622,746	1,866,602	243,856
Operations and maintenance	4,735,317	3,756,734	4,648,107	891,373
Student transportation services	1,627,031	1,631,250	1,899,513	268,263
Transfers out	16,420,253	19,741,287	15,512,795	[4,228,492]
Adjustment to Comply with Legal Maximum Budget	-	-	[3,510]	[3,510]
Adjustment for Qualifying Budget Credits				
Kansas juvenile center allocation	-	-	92,988	92,988
Reimbursements	-	-	409,213	409,213
State excess, P.L. 81-874	-	-	684,281	684,281
Total Expenditures	<u>48,683,515</u>	<u>50,900,556</u>	<u>\$ 50,900,556</u>	<u>\$ -</u>
Cash Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.



UNIFIED SCHOOL DISTRICT NO. 475  
Schedule of Receipts and Expenditures - Actual and Budget  
Supplemental General Fund  
Regulatory Basis  
For the Year Ended June 30, 2012  
(With Comparative Actual 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				
Taxes and Shared Revenues:				
Ad valorem taxes	\$ 3,815,015	\$ 3,807,057	\$ 3,583,960	\$ 223,097
Delinquent tax	-	13,036	102,308	[89,272]
Motor vehicle tax	350,419	442,721	435,314	7,407
Recreational vehicle tax	-	-	4,834	[4,834]
State aid	8,577,639	7,978,533	7,699,600	278,933
Reimbursements	8,663	26,152	-	26,152
Total Cash Receipts	<u>12,751,736</u>	<u>12,267,499</u>	<u>\$ 11,826,016</u>	<u>\$ 441,483</u>
Expenditures				
Instruction	5,453,835	4,441,349	\$ 6,053,678	\$ 1,612,329
Student support services	1,020	852	2,000	1,148
Instructional support services	540,658	623,298	546,251	[77,047]
General administration	117,609	121,675	141,322	19,647
School administration	2,740	9,502	10,000	498
Other support services	1,073,668	1,083,529	1,000,000	[83,529]
Operations and maintenance	2,104,559	2,674,846	3,062,003	387,157
Transfers out	1,715,271	3,172,101	1,285,746	[1,886,355]
Architectural and engineering services	1,464,803	-	-	-
Adjustment for Qualifying Budget Credits				
Reimbursements	-	-	26,152	26,152
Total Expenditures	<u>12,474,163</u>	<u>12,127,152</u>	<u>\$ 12,127,152</u>	<u>\$ -</u>
Cash Receipts Over [Under] Expenditures	277,573	140,347		
Unencumbered Cash, Beginning	-	277,573		
Unencumbered Cash, Ending	<u>\$ 277,573</u>	<u>\$ 417,920</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 475  
Schedule of Receipts and Expenditures - Actual and Budget  
At Risk (4 Year Old) Fund  
Regulatory Basis  
For the Year Ended June 30, 2012  
(With Comparative Actual 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	\$ 174	\$ -	\$ -	\$ -
Transfers in	<u>66,392</u>	<u>125,320</u>	<u>60,746</u>	<u>64,574</u>
Total Cash Receipts	<u>66,566</u>	<u>125,320</u>	<u>\$ 60,746</u>	<u>\$ 64,574</u>
Expenditures				
Instruction	<u>76,111</u>	<u>90,720</u>	<u>\$ 90,720</u>	<u>\$ -</u>
Total Expenditures	<u>76,111</u>	<u>90,720</u>	<u>\$ 90,720</u>	<u>\$ -</u>
Cash Receipts Over [Under] Expenditures	[9,545]	34,600		
Unencumbered Cash, Beginning	<u>41,568</u>	<u>32,023</u>		
Unencumbered Cash, Ending	<u>\$ 32,023</u>	<u>\$ 66,623</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 475  
Schedule of Receipts and Expenditures - Actual and Budget  
At Risk (K-12) Fund  
Regulatory Basis  
For the Year Ended June 30, 2012  
(With Comparative Actual 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				
Reimbursements	\$ 533	\$ 20,415	\$ -	\$ 20,415
Transfers in	6,713,690	9,575,146	5,285,548	4,289,598
Miscellaneous	13,483	13,270	-	13,270
Total Cash Receipts	<u>6,727,706</u>	<u>9,608,831</u>	<u>\$5,285,548</u>	<u>\$ 4,323,283</u>
Expenditures				
Instruction	4,815,715	6,489,150	\$7,131,000	\$ 641,850
Student support services	349,246	214,948	337,000	122,052
Instructional support services	1,113	36,524	2,000	[34,524]
Student transportation services	289	-	30,000	30,000
Total Expenditures	<u>5,166,363</u>	<u>6,740,622</u>	<u>\$7,500,000</u>	<u>\$ 759,378</u>
Cash Receipts Over [Under] Expenditures	1,561,343	2,868,209		
Unencumbered Cash, Beginning	<u>1,045,000</u>	<u>2,606,343</u>		
Unencumbered Cash, Ending	<u>\$2,606,343</u>	<u>\$5,474,552</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 475  
Schedule of Receipts and Expenditures - Actual and Budget  
Adult Basic Education Fund  
Regulatory Basis  
For the Year Ended June 30, 2012  
(With Comparative Actual 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	\$ -	\$ -	\$ -	\$ -
Total Cash Receipts	-	-	-	-
Expenditures				
Instruction	-	-	\$ -	\$ -
Total Expenditures	-	-	\$ -	\$ -
Cash Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	19,939	19,939		
Unencumbered Cash, Ending	\$ 19,939	\$ 19,939		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 475  
Schedule of Receipts and Expenditures - Actual and Budget  
Bilingual Education Fund  
Regulatory Basis  
For the Year Ended June 30, 2012  
(With Comparative Actual 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				
Transfers in	\$ 1,819,932	\$ 1,928,742	\$ 541,224	\$ 1,387,518
Total Cash Receipts	<u>1,819,932</u>	<u>1,928,742</u>	<u>\$ 541,224</u>	<u>\$ 1,387,518</u>
Expenditures				
Instruction	1,561,475	1,778,719	\$ 2,200,000	\$ 421,281
Instructional support services	441	6,833	-	[6,833]
Student transportation services	48,819	42,331	50,000	7,669
Total Expenditures	<u>1,610,735</u>	<u>1,827,883</u>	<u>\$ 2,250,000</u>	<u>\$ 422,117</u>
Cash Receipts Over [Under] Expenditures	209,197	100,859		
Unencumbered Cash, Beginning	<u>2,609,662</u>	<u>2,818,859</u>		
Unencumbered Cash, Ending	<u>\$ 2,818,859</u>	<u>\$ 2,919,718</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 475  
Schedule of Receipts and Expenditures - Actual and Budget  
Capital Outlay Fund  
Regulatory Basis  
For the Year Ended June 30, 2012  
(With Comparative Actual for the Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Positive [Negative]
		Actual	Budget	
Cash Receipts				
Taxes and shared revenues:				
Delinquent tax	\$ 57,854	\$ 10,277	\$ -	\$ 10,277
Motor vehicle tax	66,246	75	-	75
Investment income	36,502	17,018	50,000	[32,982]
User charges	5,246	5,443	-	5,443
Federal aid	4,296,531	4,078,821	47,500,000	[43,421,179]
Flood control	506	18,183	-	18,183
Miscellaneous	65,569	144,968	-	144,968
Total Cash Receipts	<u>4,528,454</u>	<u>4,274,785</u>	<u>\$ 47,550,000</u>	<u>\$ [43,275,215]</u>
Expenditures				
Instruction	169,763	552,947	\$ 500,000	\$ [52,947]
Instructional support services	-	50,758	-	[50,758]
General administration	-	42,788	-	[42,788]
School administration	5,936	43,050	-	[43,050]
Other support services - business and administration	5,321	37,355	-	[37,355]
Operations and maintenance	83,624	131,244	500,000	368,756
Architectual and engineering services	331,939	356,605	3,000,000	2,643,395
Capital outlay	<u>2,896,441</u>	<u>7,808,560</u>	<u>51,330,000</u>	<u>43,521,440</u>
Total Expenditures	<u>3,493,024</u>	<u>9,023,307</u>	<u>\$ 55,330,000</u>	<u>\$ 46,306,693</u>
Cash Receipts Over [Under] Expenditures	1,035,430	[4,748,522]		
Unencumbered Cash, Beginning	6,853,126	7,958,322		
Prior Year Cancelled Encumbrances	<u>69,766</u>	<u>212,598</u>		
Unencumbered Cash, Ending	<u>\$ 7,958,322</u>	<u>\$ 3,422,398</u>		

UNIFIED SCHOOL DISTRICT NO. 475  
Schedule of Receipts and Expenditures - Actual and Budget  
Driver Training Fund  
Regulatory Basis  
For the Year Ended June 30, 2012  
(With Comparative Actual 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	\$ 6,928	\$ 7,802	\$ 9,620	\$ [1,818]
Charges for services	8,865	8,645	-	8,645
Transfers in	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total Cash Receipts	<u>25,793</u>	<u>26,447</u>	<u>\$ 9,620</u>	<u>\$ 16,827</u>
Expenditures				
Instruction	<u>26,667</u>	<u>22,658</u>	<u>\$ 35,000</u>	<u>\$ 12,342</u>
Total Expenditures	<u>26,667</u>	<u>22,658</u>	<u>\$ 35,000</u>	<u>\$ 12,342</u>
Cash Receipts Over [Under] Expenditures	[874]	3,789		
Unencumbered Cash, Beginning	<u>38,035</u>	<u>37,161</u>		
Unencumbered Cash, Ending	<u>\$ 37,161</u>	<u>\$ 40,950</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 475  
Schedule of Receipts and Expenditures - Actual  
Contingency Reserve Fund \*  
Regulatory Basis  
For the Year Ended June 30, 2012  
(With Comparative Actual for the Year Ended June 30, 2011)

	For the Year Ended June 30,	
	<u>2012</u>	<u>2011</u>
Cash Receipts		
Transfers in	\$ -	\$ -
Total Cash Receipts	-	-
Expenditures		
Capital outlay	-	-
Total Expenditures	-	-
Cash Receipts Over [Under] Expenditures	-	-
Unencumbered Cash, Beginning	<u>2,100,000</u>	<u>2,100,000</u>
Unencumbered Cash, Ending	<u>\$ 2,100,000</u>	<u>\$ 2,100,000</u>

\* This fund is not required to be budgeted.



UNIFIED SCHOOL DISTRICT NO. 475  
Schedule of Receipts and Expenditures - Actual and Budget  
Food Service Fund  
Regulatory Basis  
For the Year Ended June 30, 2012  
(With Comparative Actual 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	\$ 2,444,484	\$ 2,778,645	\$ 2,244,388	\$ 534,257
State aid	38,500	40,195	30,643	9,552
Charges for services	<u>1,032,234</u>	<u>998,432</u>	<u>825,832</u>	<u>172,600</u>
Total Cash Receipts	<u>3,515,218</u>	<u>3,817,272</u>	<u>\$ 3,100,863</u>	<u>\$ 716,409</u>
Expenditures				
Food service operation	2,906,017	3,190,003	\$ 3,469,913	\$ 279,910
Operations and maintenance	<u>207,149</u>	<u>244,744</u>	<u>514,000</u>	<u>269,256</u>
Total Expenditures	<u>3,113,166</u>	<u>3,434,747</u>	<u>\$ 3,983,913</u>	<u>\$ 549,166</u>
Cash Receipts Over [Under] Expenditures	402,052	382,525		
Unencumbered Cash, Beginning	<u>776,169</u>	<u>1,178,221</u>		
Unencumbered Cash, Ending	<u>\$ 1,178,221</u>	<u>\$ 1,560,746</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 475  
Schedule of Receipts and Expenditures - Actual and Budget  
Professional Development Fund  
Regulatory Basis  
For the Year Ended June 30, 2012  
(With Comparative Actual 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				
Reimbursements	\$ 3,084	\$ 2,811	\$ -	\$ 2,811
Transfers in	300,000	-	-	-
Total Cash Receipts	<u>303,084</u>	<u>2,811</u>	<u>\$ -</u>	<u>\$ 2,811</u>
Expenditures				
Instructional support services	<u>143,942</u>	<u>106,680</u>	<u>\$ 231,200</u>	<u>\$ 124,520</u>
Total Expenditures	<u>143,942</u>	<u>106,680</u>	<u>\$ 231,200</u>	<u>\$ 124,520</u>
Cash Receipts Over [Under] Expenditures	159,142	[103,869]		
Unencumbered Cash, Beginning	<u>615,180</u>	<u>774,322</u>		
Unencumbered Cash, Ending	<u>\$ 774,322</u>	<u>\$ 670,453</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 475  
Schedule of Receipts and Expenditures - Actual and Budget  
Parent Education Fund  
Regulatory Basis  
For the Year Ended June 30, 2012  
(With Comparative Actual 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	\$ 134,516	\$ 133,620	\$ 133,620	\$ -
Miscellaneous	170	-	-	-
Transfers in	147,668	100,000	-	100,000
Total Cash Receipts	<u>282,354</u>	<u>233,620</u>	<u>\$ 133,620</u>	<u>\$ 100,000</u>
Expenditures				
Student support services	227,602	220,108	\$ 220,691	\$ 583
Instructional support services	700	2,583	2,000	[583]
Total Expenditures	<u>228,302</u>	<u>222,691</u>	<u>\$ 222,691</u>	<u>\$ -</u>
Cash Receipts Over [Under] Expenditures	54,052	10,929		
Unencumbered Cash, Beginning	<u>126,970</u>	<u>181,022</u>		
Unencumbered Cash, Ending	<u>\$ 181,022</u>	<u>\$ 191,951</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 475  
Schedule of Receipts and Expenditures - Actual and Budget  
Summer School Fund  
Regulatory Basis  
For the Year Ended June 30, 2012  
(With Comparative Actual 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	\$ -	\$ -	\$ -	\$ -
Total Cash Receipts	-	-	-	-
Expenditures				
Instruction	-	-	\$ -	\$ -
Total Expenditures	-	-	-	-
Cash Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	525	525		
Unencumbered Cash, Ending	\$ 525	\$ 525		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 475  
Schedule of Receipts and Expenditures - Actual and Budget  
Special Education Fund  
Regulatory Basis  
For the Year Ended June 30, 2012  
(With Comparative Actual 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				
Transfers in	\$ 8,301,353	\$ 10,635,372	\$ 10,411,023	\$ 224,349
Federal aid	2,516,128	2,714,031	3,290,000	[575,969]
Reimbursements	299,649	288,534	-	288,534
Miscellaneous	31,880	26,977	-	26,977
Total Cash Receipts	<u>11,149,010</u>	<u>13,664,914</u>	<u>\$ 13,701,023</u>	<u>\$ [36,109]</u>
Expenditures				
Instruction	8,355,997	9,039,709	\$ 11,529,951	\$ 2,490,242
Student support services	2,085,105	2,010,018	2,239,000	228,982
Instructional support services	87,160	85,543	116,500	30,957
General administration	315,580	318,129	346,000	27,871
School administration	53,450	44,494	28,300	[16,194]
Operations and maintenance	-	-	4,000	4,000
Vehicle operating services	611,963	647,235	1,236,269	589,034
Other services	3,323	3,063	-	[3,063]
Total Expenditures	<u>11,512,578</u>	<u>12,148,191</u>	<u>\$ 15,500,020</u>	<u>\$ 3,351,829</u>
Cash Receipts Over [Under] Expenditures	[363,568]	1,516,723		
Unencumbered Cash, Beginning	<u>3,197,673</u>	<u>2,834,105</u>		
Unencumbered Cash, Ending	<u>\$ 2,834,105</u>	<u>\$ 4,350,828</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 475  
Schedule of Receipts and Expenditures - Actual and Budget  
Vocational Education Fund  
Regulatory Basis  
For the Year Ended June 30, 2012  
(With Comparative Actual 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	\$ -	\$ -	\$ 80,000	\$ [80,000]
Transfers in	<u>776,489</u>	<u>538,808</u>	<u>500,000</u>	<u>38,808</u>
Total Cash Receipts	<u>776,489</u>	<u>538,808</u>	<u>\$ 580,000</u>	<u>\$ [41,192]</u>
Expenditures				
Instruction	571,489	536,730	\$ 752,000	\$ 215,270
Instructional support services	<u>-</u>	<u>-</u>	<u>43,000</u>	<u>43,000</u>
Total Expenditures	<u>571,489</u>	<u>536,730</u>	<u>\$ 795,000</u>	<u>\$ 258,270</u>
Cash Receipts Over [Under] Expenditures	205,000	2,078		
Unencumbered Cash, Beginning	<u>95,000</u>	<u>300,000</u>		
Unencumbered Cash, Ending	<u>\$ 300,000</u>	<u>\$ 302,078</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 475  
Schedule of Receipts and Expenditures - Actual and Budget  
KPERS Retirement Contribution Fund  
Regulatory Basis  
For the Year Ended June 30, 2012  
(With Comparative Actual for the Year Ended June 30, 2011)

	Prior Year	Current Year		Variance
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Positive [Negative]
Cash Receipts				
State aid	\$ 2,784,229	\$ 4,863,785	\$ 5,178,666	\$ [314,881]
Total Cash Receipts	<u>2,784,229</u>	<u>4,863,785</u>	<u>\$ 5,178,666</u>	<u>\$ [314,881]</u>
Expenditures				
Instruction	1,692,908	3,301,427	\$ 3,300,000	\$ [1,427]
Student support services	228,939	437,741	500,000	62,259
Instructional support services	159,472	243,189	250,000	6,811
General administration	96,206	97,276	173,666	76,390
School administration	221,570	436,482	400,000	[36,482]
Other support services	281,347	222,299	400,000	177,701
Operations and maintenance	6,154	9,816	25,000	15,184
Student transportation services	21,688	18,279	30,000	11,721
Food service	75,945	97,276	100,000	2,724
Total Expenditures	<u>2,784,229</u>	<u>4,863,785</u>	<u>\$ 5,178,666</u>	<u>\$ 314,881</u>
Cash Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

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UNIFIED SCHOOL DISTRICT NO. 475  
Schedule of Receipts and Expenditures - Actual  
Textbook Rental Fund \*  
Regulatory Basis  
For the Year Ended June 30, 2012 and 2011

	For the Year Ended June 30,	
	<u>2012</u>	<u>2011</u>
Cash Receipts		
Charges for services	\$ 678,119	\$ 714,899
Total Cash Receipts	<u>678,119</u>	<u>714,899</u>
Expenditures		
Instruction	<u>937,122</u>	<u>488,627</u>
Total Expenditures	<u>937,122</u>	<u>488,627</u>
Cash Receipts Over [Under] Expenditures	[259,003]	226,272
Unencumbered Cash, Beginning	<u>790,896</u>	<u>564,624</u>
Unencumbered Cash, Ending	<u>\$ 531,893</u>	<u>\$ 790,896</u>

\* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 475  
Schedule of Receipts and Expenditures - Actual  
Grants Fund  
Regulatory Basis  
For the Year Ended June 30, 2012

	Cash Receipts		
	Federal <u>Aid</u>	Reimbursements and <u>Other Grants</u>	Total Cash <u>Receipts</u>
Title I	\$ 1,512,597	\$ 820	\$ 1,513,417
Title I Migrant	14,320	-	14,320
Headstart	1,123,000	345,583	1,468,583
Section 373	1,019,192	-	1,019,192
Carl Perkins Grant	58,729	-	58,729
Homeless Grant	-	-	-
After School Grant	-	22,821	22,821
Title II - A Teacher Quality	-	27	27
WIA Year-Round Youth	-	-	-
Emergency Immigrant Education	47,994	-	47,994
Early Reading First	83,462	-	83,462
Boys/Girls Club	-	135,655	135,655
Smart Start Grant	-	570,545	570,545
KSU - Equity/Access - Teacher Quality	163,844	-	163,844
Home Instruction	-	40	40
Pre-K Grant	-	432,067	432,067
Community Solutions	-	-	-
National Center for Parents as Teachers	-	-	-
ASPYN	-	270,217	270,217
Army Daycare Grant	-	-	-
AYPYN	-	146,000	146,000
Honor Challenge Grant	335,121	-	335,121
I9 SFA Grant	-	116,867	116,867
Leading Reading Grant	510,132	-	510,132
Totals	<u>\$ 4,868,391</u>	<u>\$ 2,040,642</u>	<u>\$ 6,909,033</u>

Total Budgeted Expenditures

Expenditures						Cash Receipts	Unencumbered	Unencumbered
Instruction	General Administration	Support Services	Operations and Maintenance	Transportation	Total Expenditures	Over [Under] Expenditures	Cash, Beginning	Cash, Ending
\$ 1,537,004	\$ -	\$ 349,546	\$ -	\$ 954	\$ 1,887,504	\$ [374,087]	\$ 99,300	\$ [274,787]
-	-	14,320	-	-	14,320	-	-	-
584,833	-	925,956	-	206,124	1,716,913	[248,330]	-	[248,330]
1,163,160	-	5,119	22,800	-	1,191,079	[171,887]	171,887	-
7,915	-	50,814	-	-	58,729	-	-	-
-	-	9,621	-	8,378	17,999	[17,999]	9,801	[8,198]
22,821	-	-	-	-	22,821	-	-	-
187,370	21,602	157,455	-	-	366,427	[366,400]	170,496	[195,904]
-	-	-	-	-	-	-	[311]	[311]
47,994	-	-	-	-	47,994	-	-	-
43,152	-	20,523	-	-	63,675	19,787	[19,793]	[6]
96,258	-	45,211	-	-	141,469	[5,814]	8,206	2,392
264,714	-	371,899	-	-	636,613	[66,068]	[45,239]	[111,307]
173,296	-	-	-	-	173,296	[9,452]	9,452	-
-	-	-	-	-	-	40	-	40
415,128	-	5,675	-	10,218	431,021	1,046	32,010	33,056
-	-	20,374	-	-	20,374	[20,374]	20,123	[251]
-	-	-	-	-	-	-	123	123
403,506	-	175,632	-	-	579,138	[308,921]	238,214	[70,707]
-	-	-	-	-	-	-	699,067	699,067
73,186	-	24,940	-	-	98,126	47,874	1	47,875
437,112	-	233,522	-	-	670,634	[335,513]	[98,778]	[434,291]
133,854	-	-	-	-	133,854	[16,987]	2,104	[14,883]
131,143	-	481,171	-	-	612,314	[102,182]	[192,019]	[294,201]
<u>\$ 5,722,446</u>	<u>\$ 21,602</u>	<u>\$ 2,891,778</u>	<u>\$ 22,800</u>	<u>\$ 225,674</u>	<u>\$ 8,884,300</u>	<u>\$ [1,975,267]</u>	<u>\$ 1,104,644</u>	<u>\$ [870,623]</u>
						<u>\$ 8,443,154</u>		

UNIFIED SCHOOL DISTRICT NO. 475  
Schedule of Receipts and Expenditures - Actual and Budget  
Bond and Interest Fund  
Regulatory Basis  
For the Year Ended June 30, 2012  
(With Comparative Actual 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				
Ad valorem taxes	\$ 1,044,386	\$ 1,050,262	\$ 1,026,389	\$ 23,873
Delinquent tax	-	4,291	27,899	[23,608]
Motor vehicle tax	107,691	121,064	119,015	2,049
Recreational vehicle tax	-	-	1,321	[1,321]
State aid	<u>1,439,536</u>	<u>1,493,142</u>	<u>1,484,499</u>	<u>8,643</u>
Total Cash Receipts	<u>2,591,613</u>	<u>2,668,759</u>	<u>\$ 2,659,123</u>	<u>\$ 9,636</u>
Expenditures				
Interest	1,369,540	1,314,165	\$ 1,374,165	\$ 60,000
Principal	<u>1,085,000</u>	<u>1,160,000</u>	<u>1,160,000</u>	<u>-</u>
Total Expenditures	<u>2,454,540</u>	<u>2,474,165</u>	<u>\$ 2,534,165</u>	<u>\$ 60,000</u>
Cash Receipts Over [Under] Expenditures	137,073	194,594		
Unencumbered Cash, Beginning	<u>1,073,164</u>	<u>1,210,237</u>		
Unencumbered Cash, Ending	<u>\$ 1,210,237</u>	<u>\$ 1,404,831</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 475  
Schedule of Receipts and Expenditures - Actual  
Construction Fund \*  
Regulatory Basis  
For the Year Ended June 30, 2012  
(With Comparative Actual for the Year Ended June 30, 2011)

	For the Year Ended June 30,	
	<u>2012</u>	<u>2011</u>
Cash Receipts		
Investment income	\$ 71	\$ 174
Total Cash Receipts	<u>71</u>	<u>174</u>
Expenditures		
Capital outlay	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>
Cash Receipts Over [Under] Expenditures	71	174
Unencumbered Cash, Beginning	<u>440</u>	<u>266</u>
Unencumbered Cash, Ending	<u>\$ 511</u>	<u>\$ 440</u>

\* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 475  
Agency Funds  
Schedule of Cash Receipts and Expenditures  
Regulatory Basis  
For the Year Ended June 30, 2012

<u>FUND</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Expenditures</u>	<u>Ending Cash Balance</u>
<b>ELEMENTARY SCHOOLS</b>				
Custer Hill Elementary				
Playground	\$ 6,257	\$ 8,289	\$ 6,653	\$ 7,893
Student council	673	694	1,118	249
Total Custer Hill Elementary	<u>6,930</u>	<u>8,983</u>	<u>7,771</u>	<u>8,142</u>
Eisenhower Elementary				
Student council	571	265	346	490
Pictures	5,494	1,043	1,603	4,934
Total Eisenhower Elementary	<u>6,065</u>	<u>1,308</u>	<u>1,949</u>	<u>5,424</u>
Franklin Elementary				
Fifth grade class	2,007	4,896	4,297	2,606
Pictures	1,291	153	33	1,411
Student council	171	531	805	[103]
Total Franklin Elementary	<u>3,469</u>	<u>5,580</u>	<u>5,135</u>	<u>3,914</u>
Fort Riley Elementary				
Pencils	520	1,373	1,330	563
Pictures	447	274	47	674
Student council	1,679	2,954	2,644	1,989
Total Fort Riley Elementary	<u>2,646</u>	<u>4,601</u>	<u>4,021</u>	<u>3,226</u>
Grandview Elementary				
Field trips	655	511	250	916
Pencils	112	-	-	112
Pictures	552	626	548	630
Student council	2,622	2,397	2,374	2,645
Dew it for school	524	301	347	478
Character education	353	-	-	353
SFA reading	44	-	-	44
Fundraisers	5,414	2,154	1,357	6,211
Total Grandview Elementary	<u>10,276</u>	<u>5,989</u>	<u>4,876</u>	<u>11,389</u>
Jefferson Elementary				
Stuco	322	578	727	173
O.W.L.S.	438	793	851	380
Technology	300	1,000	-	1,300
Pencils	165	20	4	181
Total Jefferson Elementary	<u>1,225</u>	<u>2,391</u>	<u>1,582</u>	<u>2,034</u>
Lincoln Elementary				
Pencils	800	1,098	892	1,006
Pictures	358	650	311	697
Technology	1,230	-	983	247
Lion's care club	337	-	208	129
Bramlage	2,245	2,500	2,363	2,382
Student representatives	1,211	-	497	714
Total Lincoln Elementary	<u>6,181</u>	<u>4,248</u>	<u>5,254</u>	<u>5,175</u>

UNIFIED SCHOOL DISTRICT NO. 475  
Agency Funds  
Schedule of Cash Receipts and Expenditures  
Regulatory Basis  
For the Year Ended June 30, 2012

<u>FUND</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Expenditures</u>	<u>Ending Cash Balance</u>
<b>ELEMENTARY SCHOOLS</b>				
Milford Elementary				
Student council	\$ 110	\$ -	\$ 47	\$ 63
Pictures	111	-	-	111
Walmart donation	29	-	-	29
Pencil	20	-	-	20
Total Milford Elementary	270	-	47	223
Morris Hill Elementary				
Field trip	425	-	-	425
KSU fund	4,815	278	1,419	3,674
Pencils	311	619	742	188
Pictures	246	411	74	583
Playground	144	442	584	2
PDS - Maxwell interns	100	-	92	8
P-Pac	401	50	121	330
Spirit/Aluminum cans	1,252	1,519	373	2,398
Teachers	517	-	158	359
Total Morris Hill Elementary	8,211	3,319	3,563	7,967
Sheridan Elementary				
Fifth grade	1,523	3,713	3,138	2,098
Fundraiser	844	1,277	563	1,558
Pencils	114	-	86	28
Pictures	30	194	42	182
Snack cart	323	1,334	1,573	84
Student council	111	111	161	61
Third grade	20	1,912	1,675	257
Fourth grade	54	534	588	-
Sears essay contest	1,500	-	-	1,500
Dew it for school	492	451	408	535
Total Sheridan Elementary	5,011	9,526	8,234	6,303
Spring Valley Elementary				
Pencils	209	-	-	209
Pictures	1,256	-	750	506
Student council	3,126	8,577	8,861	2,842
Total Spring Valley Elementary	4,591	8,577	9,611	3,557
Ware Elementary				
Dew it	931	1,353	249	2,035
Pencils	307	90	154	243
Pictures	3,085	-	-	3,085
Student council	4,633	4,377	5,750	3,260
NAP Foundation donation	7,357	-	-	7,357
Technology	4,515	1,080	413	5,182
Total Ware Elementary	20,828	6,900	6,566	21,162
Washington Elementary				
Pictures	279	68	-	347
Pencils	367	-	207	160
Box tops	46	-	-	46
Parent support	40	-	-	40
Candy	176	-	144	32
Total Washington Elementary	908	68	351	625

UNIFIED SCHOOL DISTRICT NO. 475  
Agency Funds  
Schedule of Cash Receipts and Expenditures  
Regulatory Basis  
For the Year Ended June 30, 2012

<u>FUND</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Expenditures</u>	<u>Ending Cash Balance</u>
<b>ELEMENTARY SCHOOLS</b>				
Westwood Elementary				
Pencils	\$ 377	\$ 595	\$ 654	\$ 318
Pictures	176	112	-	288
Snacks	48	-	-	48
Westwood winner	1,314	1,477	2,026	765
Total Westwood Elementary	<u>1,915</u>	<u>2,184</u>	<u>2,680</u>	<u>1,419</u>
<b>TOTAL ELEMENTARY SCHOOL ACTIVITY FUNDS</b>	<u>78,526</u>	<u>63,674</u>	<u>61,640</u>	<u>80,560</u>
<b>MIDDLE SCHOOL FUNDS</b>				
Junction City Middle School				
8th grade farewell	71	-	-	71
Team 1	1	100	99	2
Team 2	5	100	83	22
Team 3	125	130	209	46
Team 5	134	100	119	115
Team 6	185	100	82	203
Team 7	262	100	66	296
Team 8	714	1,288	1,573	429
Team 9	210	274	278	206
Team 10	1,890	100	82	1,908
Avid	-	200	-	200
Counseling center	30	-	-	30
Electives	53	-	-	53
Exploratory courses	68	-	-	68
Foreign languages	18	-	-	18
F-2000 advances	159	931	846	244
H.O.P.E.N.	714	111	175	650
Home economics projects	59	195	187	67
Incentives	33,552	47,733	47,740	33,545
Kayettes	1,449	660	453	1,656
National Jr. Honor Society	238	38	85	191
McKenna Memorial	312	-	150	162
S.A.D.D.	803	572	652	723
Scholar's Bowl	-	105	1,383	[1,278]
School Store	-	1,091	908	183
Senate	431	758	663	526
Special education	180	-	-	180
Stacking cups	5	-	5	-
Student activity	743	3,324	1,702	2,365
Summer school	360	190	550	-
U.T.S. partnership	385	-	385	-
Yearbook	1,675	7,045	6,302	2,418
Motivators	564	-	564	-
Total Junction City Middle School	<u>45,395</u>	<u>65,245</u>	<u>65,341</u>	<u>45,299</u>



UNIFIED SCHOOL DISTRICT NO. 475  
Agency Funds  
Schedule of Cash Receipts and Expenditures  
Regulatory Basis  
For the Year Ended June 30, 2012

<u>FUND</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Expenditures</u>	<u>Ending Cash Balance</u>
MIDDLE SCHOOL FUNDS				
Fort Riley Middle School				
Activity	\$ 439	\$ -	\$ -	\$ 439
Book club	549	763	1,312	-
Boxtops Education	341	-	-	341
Kays	379	2,229	1,003	1,605
Memory book	1,177	4,504	3,902	1,779
Miscellaneous	[1,105]	4,783	3,961	[283]
National Jr. Honor Society	1,275	821	1,196	900
Pencil and paper machine	[69]	130	250	[189]
S.A.D.D.	400	4,287	3,712	975
Student senate	1,141	1,347	633	1,855
True love waits	<u>1,088</u>	<u>-</u>	<u>1,088</u>	<u>-</u>
Total Fort Riley Middle School	<u>5,615</u>	<u>18,864</u>	<u>17,057</u>	<u>7,422</u>
TOTAL MIDDLE SCHOOL ACTIVITY FUNDS	<u>51,010</u>	<u>84,109</u>	<u>82,398</u>	<u>52,721</u>

UNIFIED SCHOOL DISTRICT NO. 475  
Agency Funds  
Schedule of Cash Receipts and Expenditures  
Regulatory Basis  
For the Year Ended June 30, 2012

<u>FUND</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Expenditures</u>	<u>Ending Cash Balance</u>
<b>HIGH SCHOOL FUNDS</b>				
Junction City High School				
A.F.S.	\$ 1,442	\$ -	\$ -	\$ 1,442
Blue Jay pride	2,043	7,821	8,591	1,273
Books/agendas	-	4,550	4,550	-
Cheerleading activities	2,831	22,461	18,227	7,065
Class of '11	1,361	6,393	3,377	4,377
Class of '12	2,134	18,645	19,388	1,391
Class of '13	2,655	400	2,627	428
Class of '14	1,230	1,854	3,084	-
Club 121	750	1,308	1,174	884
Dance Team	2,510	25,708	24,337	3,881
FBLA	263	789	818	234
Freshman success academy	358	2,031	1,994	395
German club	2,557	1,923	2,857	1,623
Kays	7	1,603	1,403	207
Key club	2,057	1,193	1,849	1,401
Komomantyns	1,419	94	873	640
Newspaper	1,636	1,500	566	2,570
National Honor Society	2,035	360	1,073	1,322
J.R.O.T.C.	8,221	12,804	19,071	1,954
S.A.D.D.	588	21	43	566
Scholars' bowl	9,677	2,280	10,116	1,841
Sound production	24	-	-	24
Spanish club	3,125	338	872	2,591
Student council	5,063	6,517	4,639	6,941
Summer school	-	20,740	20,740	-
TSA	70	-	-	70
Ultimate blue	3,691	-	543	3,148
VICA	1,034	3,382	3,305	1,111
Visual aids	58	-	-	58
Year book	7,480	22,370	23,532	6,318
Total Junction City High School	<u>66,319</u>	<u>167,085</u>	<u>179,649</u>	<u>53,755</u>
Larry Dixon Center for Innovative Studies				
Dew it	74	-	-	74
Student activities	-	329	772	[443]
Miscellaneous	2,407	-	-	2,407
Total Larry Dixon Center for Innovative Studies	<u>2,481</u>	<u>329</u>	<u>772</u>	<u>2,038</u>
<b>TOTAL HIGH SCHOOL ACTIVITY FUNDS</b>	<u>68,800</u>	<u>167,414</u>	<u>180,421</u>	<u>55,793</u>
<b>TOTAL AGENCY FUNDS</b>	<u>\$ 198,336</u>	<u>\$ 315,197</u>	<u>\$ 324,459</u>	<u>\$ 189,074</u>

UNIFIED SCHOOL DISTRICT NO. 475  
District Activity Funds  
Schedule of Cash Receipts, Expenditures and Unencumbered Cash  
Regulatory Basis  
For the Year Ended June 30, 2012

<u>Fund</u>	Beginning Unencumbered <u>Cash Balance</u>	Prior Year Cancelled <u>Encumbrances</u>	Cash <u>Receipts</u>	<u>Expenditures</u>	Ending Unencumbered <u>Cash Balance</u>	Add Encumbrances and Accounts <u>Payable</u>	Ending Cash <u>Balance</u>
Junction City High School							
Athletics Gate Receipts	\$ [295]	\$ -	\$ 226,854	\$ 191,281	\$ 35,278	\$ -	\$ 35,278
Athletic Booster Club	25,862	-	38,185	47,806	16,241	-	16,241
Band	8,434	-	39,554	40,039	7,949	-	7,949
Debate	173	-	6,681	6,646	208	-	208
Forensic	718	-	22,205	21,745	1,178	-	1,178
Drama	772	-	2,844	2,747	869	-	869
Orchestra	7,259	-	2,087	6,214	3,132	-	3,132
Vocal Music	2,692	-	21,625	23,541	776	-	776
Gift Account	613	-	-	-	613	-	613
Pepsi Contribution	5,183	-	4,123	5,765	3,541	-	3,541
Scholarships	4	-	106	-	110	-	110
Junction City Middle School							
Athletics Gate Receipts	13,292	-	63,206	67,615	8,883	-	8,883
Band	559	-	1,402	1,304	657	-	657
Orchestra	24	-	-	-	24	-	24
Vocal Music	112	-	200	149	163	-	163
Fort Riley Middle School							
Athletics	51,207	-	62,947	61,846	52,308	-	52,308
Total District Activity Funds	\$ 116,609	\$ -	\$ 492,019	\$ 476,698	\$ 131,930	\$ -	\$ 131,930

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 475  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2012

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Restated Beginning Unencumbered Cash	Receipts	Expenditures	Ending Unencumbered Cash
<b><u>U.S. Department of Education</u></b>					
Direct U.S. Department of Education					
Impact Aid (P.L. 81-874)	84.041	\$ 1,474	\$ 12,932,436	\$ 12,933,910	\$ -
Total Direct U.S. Department of Education		1,474	12,932,436	12,933,910	-
Passed Through State Department of Education:					
Title I	84.010	99,300	1,512,597	1,886,685	[274,788]
Title I Migrant	84.011	-	14,320	14,320	-
Title VI - Special Education	84.027	-	2,087,781	2,087,781	-
Special Education - Preschool Grants	84.173	-	115,382	115,382	-
Carl Perkins	84.048	-	58,729	58,729	-
Homeless Children and Youth	84.196	9,802	-	18,000	[8,198]
Early Reading First	84.359	[19,794]	83,462	63,674	[6]
Title III English Language Acquisition	84.365	-	47,994	47,994	-
Title II-A Teacher Quality	84.367	170,496	108	366,508	[195,904]
Title VI - State Assessments	84.369	-	275	275	-
Striving Readers	84.371	-	48	48	-
State Personnel Development Grant	84.323	-	1,177	1,177	-
Education Jobs Fund	84.410	-	21,065	21,065	-
Total Passed Through State Department of Education		259,804	3,942,938	4,681,638	[478,896]
Passed Through State Department of Health and Environment:					
Infant Toddler	84.181	-	29,741	29,741	-
Infant Toddler (ARRA)	84.393	[7,229]	24,227	16,998	-
Total Passed Through State Department of Health and Environment:		[7,229]	53,968	46,739	-
Passed through KSU					
Equity and Access: Enhancing Teacher Quality thru Partnership	84.336	9,452	163,844	173,296	-
Total Department of Education		263,501	17,093,186	17,835,583	[478,896]
<b><u>U.S. Department of Defense</u></b>					
Direct Programs:					
Section 386	12.unk	171,887	1,019,192	1,191,079	-
Honor Challenge	12.404	[98,779]	335,121	670,633	[434,291]
Parents as Teachers National Center - Heroes at Home	12.unk	124	-	124	-
Army Daycare	12.unk	699,067	-	-	699,067
Promoting K-12 Student Achievement at Military-Connected Schools	12.556	[192,019]	510,132	612,315	[294,202]
Total Department of Defense		580,280	1,864,445	2,474,151	[29,426]
<b><u>U.S. Department of Agriculture</u></b>					
Passed Through State Department of Education:					
Breakfast	10.553	-	562,427	562,427	-
National School Lunch Program	10.555	-	2,111,429	2,111,429	-
Meal Costs	10.558	-	19,848	19,848	-
Summer Food	10.559	-	61,834	61,834	-
Other	10.560	-	100	100	-
Team Nutrition	10.574	-	5,455	5,455	-
Fresh Fruits and Vegetables	10.582	-	17,552	17,552	-
Total Department of Agriculture		-	2,778,645	2,778,645	-
<b><u>U.S. Department of Labor</u></b>					
Passed Through State Department of Commerce:					
Workforce Investment Act Youth	17.259	[311]	-	-	[311]
Total Department of Labor		[311]	-	-	[311]
<b><u>U.S. Department of Health and Human Services</u></b>					
Passed Through State Department of Education:					
Youth risk Behavior Survey		-	400	400	-
Direct U.S. Department of Health and Human Services					
Head Start - Administration for Children and Families	93.600	-	1,123,000	1,371,330	[248,330]
Total Department of Health and Human Services		-	1,123,400	1,371,730	[248,330]
Total		\$ 843,470	\$ 22,859,676	\$ 24,460,109	\$ [756,963]

The accompanying notes are an integral part of this schedule.

UNIFIED SCHOOL DISTRICT NO. 475  
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. 475. All expenditures of federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies are included on the schedule.

2. Basis of Accounting

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

UNIFIED SCHOOL DISTRICT NO. 475  
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: Unqualified (Regulatory Basis)  
Adverse (GAAP)

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  

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:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.041	Impact Aid
12.unk	Section 386
93.600	Head Start

Dollar threshold used to distinguish between  
type A and type B programs: \$733,803

Auditee qualified as low-risk auditee?        Yes   X   No

UNIFIED SCHOOL DISTRICT NO. 475  
Schedule of Findings and Questioned Costs  
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



**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. 475  
Junction City, Kansas

We have audited the financial statements of the Unified School District No. 475, (the District), Junction City, Kansas, as of and for the year ended June 30, 2012, and have issued our report thereon dated December 27, 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**

Management of the District is responsible for establishing and maintaining effective 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 controls 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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.

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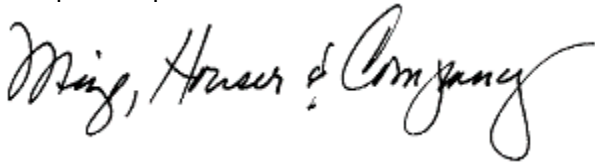


#### Compliance and Other Matters

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*.

However, we noted certain other matters that we reported to management of the District in a separate letter dated December 27, 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.

A handwritten signature in cursive script that reads "Ming, Horner & Company". The signature is written in dark ink and is positioned above the date.

December 27, 2012



**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. 475  
Junction City, Kansas

**Compliance**

We have audited the compliance of the Unified School District No. 475 (the District), Junction City, Kansas, with the types of compliance requirements described in the *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 financial 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 could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

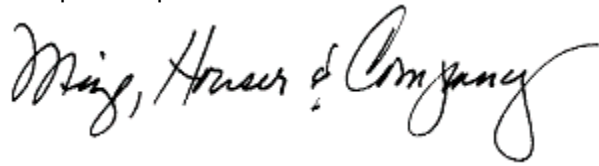
**Internal Control Over Compliance**

The management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on 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.

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

A handwritten signature in cursive script that reads "Ming, Horner & Company". The signature is written in black ink and is positioned to the left of a vertical yellow line.

December 27, 2012