

UNIFIED SCHOOL DISTRICT NO. 481
RURAL VISTA
White City, Kansas

STATUTORY BASIS FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

Year Ended June 30, 2012

ALDRICH & COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS
COUNCIL GROVE, KS 66846

Unified School District No. 481
Rural Vista
White City, Kansas

STATUTORY BASIS FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2012

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ALDRICH & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

315 WEST MAIN
COUNCIL GROVE, KS 66846

620-767-6653
1-800-361-6545
FAX 620-767-8149

Independent Auditor's Report

Board of Education
Unified School District No. 481
White City, KS

We have audited the accompanying statutory basis financial statements of Unified School District No. 481, Rural Vista as of and for the year ended June 30, 2012, as listed in the table of contents. These financial statements are the responsibility of Unified School District No. 481 management. Our responsibility is to express an opinion on these statutory basis financial statements based on our audit. The prior year partial comparative information has been derived from the District's June 30, 2011 financial statements and, in our report dated November 2, 2011, we expressed an unqualified opinion on the respective financial statements, taken as a whole, on the statutory basis of accounting.

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

As described more fully in Note 2, USD 481 prepared these financial statements in conformity with the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonable determinable is presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Rural Vista USD No. 481, as of June 30, 2012, the changes in its financial position, or, where applicable, its cash flows for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of Rural Vista USD No. 481, as of June 30, 2012, and its cash receipts and expenditures, and budget to actual comparisons for the year then ended, taken as a whole, on the basis of accounting described in Note 2.

Aldrich & Company, LLC

ALDRICH AND COMPANY LLC
CERTIFIED PUBLIC ACCOUNTANTS

October 30, 2012

UNIFIED SCHOOL DISTRICT NO. 481
RURAL VISTA
WHITE CITY, KANSAS

STATEMENT 1

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

	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
General Fund	\$ (198,701)		\$ 2,886,185	\$ 2,983,752	\$ (296,268)	\$ 3,697	\$ (292,571)
Supplemental General	(2,448)		938,767	935,000	1,319	7,782	9,101
Special Revenue Funds							
Capital Outlay	381,366		68,903	178,905	271,364	15,604	286,968
Drivers Education	37,813		3,555	8,365	33,003		33,003
Food Service	58,333		275,149	259,074	74,408		74,408
Professional Development	10,000		0	0	10,000		10,000
Special Education	457,083		423,356	479,904	400,535		400,535
Vocational Education	0		228,287	228,287	0	8,415	8,415
Contingency Reserve	150,000		158,870	11,678	297,192		297,192
Title I	0		72,865	72,865	0		0
Title II A Teacher Quality	0		18,945	18,945	0	195	195
REAP Grant	0		22,736	22,736	0		0
Miscellaneous Grants & Clearing	7,994		8,530	8,912	7,612		7,612
KPERs Retirement Contributions	0		236,750	236,750	0		0
At-Risk (4 year old)	18,415		26,279	19,122	25,572		25,572
At-Risk (K-12)	0		208,434	208,434	0		0
Textbook & Student Materials	0		65,449	41,560	23,889	53	23,942
District Activity Funds	23,126		78,261	77,462	23,925		23,925
Debt Service Funds							
Bond and Interest	582,758		276,258	294,100	564,916		564,916
Fiduciary Funds							
Private Purpose Trust Funds	35,531	0	975	1,050	35,456	0	35,456
Total Reporting Entity (excluding agency funds)	\$ 1,561,270	\$ 0	\$ 5,998,554	\$ 6,086,901	\$ 1,472,923	\$ 35,746	\$ 1,508,669

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

UNIFIED SCHOOL DISTRICT NO. 481
RURAL VISTA
WHITE CITY, KANSAS

STATEMENT 1 (Con't.)

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

Composition of Cash:

First National Bank, Hope, Kansas	
District Checking Accounts	\$ 489,591
District Certificates of Deposit	81,153
Hope School Activity Fund	28,938
Central National Bank, White City, Kansas	
District Certificates of Deposit	625,000
White City School Activity Fund	31,502
Farmers State Bank, Dwight, Kansas	
District Certificates of Deposit	1,000
Citizens State Bank, Woodbine, Kansas	
District Certificates of Deposit	<u>288,000</u>
Total Cash	1,545,184
Agency Funds per Statement 4	<u>(36,515)</u>
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 1,508,669</u>

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

UNIFIED SCHOOL DISTRICT NO. 481
RURAL VISTA
WHITE CITY, KANSAS

Statement 2

Summary of Expenditures – Actual and Budget
For the Fiscal Year Ended June 30, 2012

<u>Governmental Type Funds</u>	<u>Certified Budget</u>	<u>Adjustments to Comply with Legal Max</u>	<u>Adjustments for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Favorable (Unfavorable)</u>
General Fund	\$ 2,994,894	\$ (22,972)	\$ 11,830	\$ 2,983,752	\$ 2,983,752	\$ 0
Supplemental General	935,000			935,000	935,000	0
Special Revenue Funds						
Capital Outlay	382,000			382,000	178,905	203,095
Drivers Education	30,393			30,393	8,365	22,028
Food Service	269,857			269,857	259,074	10,783
Professional Development	6,000			6,000	0	6,000
Special Education	539,613			539,613	479,904	59,709
Vocational Education	260,228			260,228	228,287	31,941
KPERS Retirement Contributions	254,704			254,704	236,750	17,954
At-Risk (4 year old)	25,353			25,353	19,122	6,231
At-Risk (K-12)	208,434			208,434	208,434	0
Debt Service Funds						
Bond and Interest	294,100			294,100	294,100	0

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

UNIFIED SCHOOL DISTRICT NO. 481
RURAL VISTA
WHITE CITY, KANSAS

Statement 3-1 (con't)

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

GENERAL FUND

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Local Sources				
Ad Valorem Property Taxes	\$ 428,002	\$ 447,540	\$ 452,815	\$ (5,275)
Delinquent Tax	11,333	7,788	6,643	1,145
Miscellaneous Reimbursements	0	11,019	0	11,019
Intergovernmental Receipts				
State Equalization Aid	2,252,478	2,075,841	2,173,040	(97,199)
State Aid - Special Education	350,058	340,437	362,396	(21,959)
ARRA Stabilization Funds	60,612	0	0	0
Education Jobs Funds	106,132	1,453	0	1,453
Federal Aid	5,408	2,107	0	2,107
Total Cash Receipts	<u>3,214,023</u>	<u>2,886,185</u>	<u>2,994,894</u>	<u>(108,709)</u>
Expenditures				
Instruction				
Certified Salaries	1,072,253	1,227,134	1,162,000	(65,134)
ARRA Salaries	60,612	0	0	0
Education Jobs Salaries	106,132	0	0	0
Employee Benefits	247,858	235,069	279,000	43,931
Teaching Supplies	36,482	43,266	14,105	(29,161)
Property & Equipment	3,166	0	0	0
Total Instruction	<u>1,526,503</u>	<u>1,505,469</u>	<u>1,455,105</u>	<u>(50,364)</u>
Student Support				
Certified Salaries	28,238	0	0	0
Employee Benefits	2,054	0	0	0
Purchased Professional & Technical Services	7,502	15,356	3,000	(12,356)
Other Purchased Services	537	510	500	(10)
Other	4,589	0	0	0
Supplies	10,014	174	399	225
Total Student Support	<u>52,934</u>	<u>16,040</u>	<u>3,899</u>	<u>(12,141)</u>
Instructional Support				
Salaries	68,491	81,453	77,000	(4,453)
Employee Benefits	5,741	6,549	6,025	(524)
Other Purchased Services	12,782	12,253	10,000	(2,253)
Supplies	2,440	2,405	2,500	95
Total Instructional Support	<u>89,454</u>	<u>102,660</u>	<u>95,525</u>	<u>(7,135)</u>
Expenditures Subtotal	<u>\$ 1,668,891</u>	<u>\$ 1,624,169</u>	<u>\$ 1,554,529</u>	<u>\$ (69,640)</u>

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

UNIFIED SCHOOL DISTRICT NO. 481
RURAL VISTA
WHITE CITY, KANSAS

Statement 3-1 (con't)

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

GENERAL FUND

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Expenditures Carried Forward	\$ 1,668,891	\$ 1,624,169	\$ 1,554,529	\$ (69,640)
General Administration				
Certified Salaries	85,050	41,000	40,000	(1,000)
Non-Certified Salaries	9,057	7,212	9,500	2,288
Employee Benefits	6,792	9,170	9,108	(62)
Purchased Professional & Technical Services	5,335	4,810	4,000	(810)
Other Purchased Services	4,038	2,495	1,700	(795)
Supplies	3,004	2,406	3,500	1,094
Purchased Property Services	781	4,111	2,500	(1,611)
Other	19,389	24,371	10,000	(14,371)
Total General Administration	133,446	95,575	80,308	(15,267)
School Administration				
Certified Salaries	71,130	126,000	123,000	(3,000)
Non-Certified Salaries	46,922	51,355	49,000	(2,355)
Employee Benefits	8,263	20,530	20,413	(117)
Other Purchased Services	8,829	2,096	2,000	(96)
Supplies	1,278	986	3,000	2,014
Property & Equipment	3,861	2,216	2,500	284
Total School Administration	140,283	203,183	199,913	(3,270)
Other Supplemental Services				
Non-Certified Salaries	50,764	52,411	51,831	(580)
Employee Benefits	3,376	2,852	4,026	1,174
Purchased Professional & Technical Services	11,083	6,725	7,000	275
Other Purchased Services	587	2,570	1,200	(1,370)
Total Other Supplemental Services	65,810	64,558	64,057	(501)
Operations and Maintenance				
Non-Certified Salaries	129,133	137,557	133,000	(4,557)
Employee Benefits	16,547	17,817	17,355	(462)
Purchased Property Services	11,137	211	0	(211)
Other Purchased Services	893	0	0	0
Supplies	47,954	42,911	26,000	(16,911)
Property & Equipment	8,624	1,308	0	(1,308)
Total Operations and Maintenance	214,288	199,804	176,355	(23,449)
Expenditures Subtotal	\$ 2,222,718	\$ 2,187,289	\$ 2,075,162	\$ (112,127)

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

UNIFIED SCHOOL DISTRICT NO. 481
RURAL VISTA
WHITE CITY, KANSAS

Statement 3-1 (con't)

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

GENERAL FUND

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Expenditures Carried Forward	<u>\$ 2,222,718</u>	<u>\$ 2,187,289</u>	<u>\$ 2,075,162</u>	<u>\$ (112,127)</u>
Student Transportation Services				
Supervision				
Non-Certified Salaries	26,570	21,905	29,961	8,056
Employee Benefits	1,926	3,360	2,334	(1,026)
Vehicle Operating				
Non-Certified Salaries	99,039	93,697	102,000	8,303
Employee Benefits	7,472	7,625	8,003	378
Other Purchased Services	0	10,297	11,000	703
Fuel	7,012	0	0	0
Vehicle Service and Maintenance				
Purchased Professional & Technical Services	16,784	14,709	10,000	(4,709)
Supplies	12,324	13,018	9,000	(4,018)
Property & Equipment	202	304	0	(304)
Total Student Transportation Services	<u>171,329</u>	<u>164,915</u>	<u>172,298</u>	<u>7,383</u>
Fund Transfers				
Capital Outlay	173,761	0	75,000	75,000
Special Education	392,217	295,856	414,000	118,144
Textbook & Student Materials	0	811	50,000	49,189
Food Service	4,677	1,102	0	(1,102)
Contingency Reserve	0	158,870	0	(158,870)
At Risk (4 yr old)	19,685	0	0	0
At Risk (K-12)	157,782	174,909	208,434	33,525
Total Fund Transfers	<u>748,122</u>	<u>631,548</u>	<u>747,434</u>	<u>115,886</u>
Adjustment to Comply with Legal Max Budget	<u>0</u>	<u>0</u>	<u>(22,972)</u>	<u>(22,972)</u>
Legal General Fund Budget	3,142,169	2,983,752	2,971,922	(11,830)
Adjustments for Qualifying Budget Credits	<u>0</u>	<u>0</u>	<u>11,830</u>	<u>11,830</u>
Total Expenditures	<u>3,142,169</u>	<u>2,983,752</u>	<u>\$ 2,983,752</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	71,854	(97,567)		
Unencumbered Cash, July 1	<u>(270,555)</u>	<u>(198,701)</u>		
Unencumbered Cash, June 30	<u>\$ (198,701)</u>	<u>\$ (296,268)</u>		

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

UNIFIED SCHOOL DISTRICT NO. 481
RURAL VISTA
WHITE CITY, KANSAS

Statement 3-2

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

SUPPLEMENTAL GENERAL LOCAL OPTION BUDGET

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Ad Valorem Property Tax	\$ 521,840	\$ 576,371	\$ 567,883	\$ 8,488
Delinquent Tax	7,131	10,393	8,078	2,315
Motor Vehicle Tax	42,331	52,256	54,573	(2,317)
Recreational Vehicle Tax	2,015	430	950	(520)
State Aid	451,149	299,317	282,327	16,990
Total Cash Receipts	<u>1,024,466</u>	<u>938,767</u>	<u>913,811</u>	<u>24,956</u>
Expenditures				
Instruction				
Supplies	94,401	52,807	40,000	(12,807)
General Administration				
Other Purchased Services	0	34,655	27,047	(7,608)
School Administration				
Other Purchased Services	0	0	9,225	9,225
Operations and Maintenance				
Purchased Professional & Technical Services	113,689	113,696	110,000	(3,696)
Purchased Property Services	62,056	80,702	122,500	41,798
Heat and Electricity	92,005	85,412	104,000	18,588
Supplies	0	17,820	0	(17,820)
Student Transportation Services				
Motor Fuel	39,278	49,423	42,000	(7,423)
Fund Transfers				
Textbook & Student Materials	0	22,500	0	(22,500)
Special Education	250,949	97,199	135,000	37,801
Professional Development	2,514	0	6,000	6,000
Vocational Education	250,628	228,287	260,228	31,941
At-Risk (4 Yr Old)	15,000	22,680	24,000	1,320
At-Risk (K-12)	2,989	31,000	0	(31,000)
Food Service	51,491	98,819	55,000	(43,819)
Total Expenditures	<u>975,000</u>	<u>935,000</u>	<u>\$ 935,000</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	49,466	3,767		
Unencumbered Cash, July 1	<u>(51,914)</u>	<u>(2,448)</u>		
Unencumbered Cash, June 30	<u>\$ (2,448)</u>	<u>\$ 1,319</u>		

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

UNIFIED SCHOOL DISTRICT NO. 481
RURAL VISTA
WHITE CITY, KANSAS

Statement 3-3

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

CAPITAL OUTLAY FUND

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
General Property Taxes				
Ad Valorem Property Tax	\$ 3	\$ 0	\$ 0	\$ 0
Delinquent Tax	798	385	0	385
Motor Vehicle	5,043	28	0	28
Recreational Vehicle Tax	46	0	0	0
Investment Income	5,768	3,496	0	3,496
Miscellaneous Revenue & Reimbursements	67,446	64,438	0	64,438
Federal Aid	0	556	0	556
Transfer from General Fund	173,761	0	75,000	(75,000)
Total Cash Receipts	<u>252,865</u>	<u>68,903</u>	<u>75,000</u>	<u>(6,097)</u>
Expenditures				
Property and Equipment	228,643	46,407	216,000	169,593
Land Improvements	0	1,000	1,000	0
Architect and Engineering	0	761	10,000	9,239
Facility Acquisition and Construction Services	4,287	2,812	5,000	2,188
Building Improvements	169,003	127,925	150,000	22,075
Other	0	0	0	0
Total Expenditures	<u>401,933</u>	<u>178,905</u>	<u>\$ 382,000</u>	<u>\$ 203,095</u>
Receipts Over (Under) Expenditures	(149,068)	(110,002)		
Unencumbered Cash, July 1	<u>530,434</u>	<u>381,366</u>		
Unencumbered Cash, June 30	<u>\$ 381,366</u>	<u>\$ 271,364</u>		

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

UNIFIED SCHOOL DISTRICT NO. 481
RURAL VISTA
WHITE CITY, KANSAS

Statement 3-4

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

DRIVERS EDUCATION FUND

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
State Aid	\$ 2,294	\$ 1,974	\$ 2,072	\$ (98)
Fees	1,250	1,581	0	1,581
Transfers In	0	0	0	0
Total Cash Receipts	<u>3,544</u>	<u>3,555</u>	<u>2,072</u>	<u>1,483</u>
Expenditures				
Instruction				
Salaries	5,000	7,500	5,000	(2,500)
Employee Benefits	391	592	393	(199)
Supplies	0	0	2,000	2,000
Vehicle Operation				
Purchased Services	20	0	4,000	4,000
Property	0	0	15,000	15,000
Supplies	320	273	4,000	3,727
Total Expenditures	<u>5,731</u>	<u>8,365</u>	<u>\$ 30,393</u>	<u>\$ 22,028</u>
Receipts Over (Under) Expenditures	(2,187)	(4,810)		
Unencumbered Cash, July 1	40,000	37,813		
Unencumbered Cash, June 30	<u>\$ 37,813</u>	<u>\$ 33,003</u>		

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

UNIFIED SCHOOL DISTRICT NO. 481
RURAL VISTA
WHITE CITY, KANSAS

Statement 3-5

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

FOOD SERVICE FUND

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Intergovernmental Receipts				
Federal Aid	\$ 85,920	\$ 98,332	\$ 98,561	\$ (229)
State Aid	1,896	1,978	1,791	187
Lunch Sales	72,369	73,748	80,816	(7,068)
Miscellaneous Revenue	0	1,170	0	1,170
Transfer from General	4,677	1,102	0	1,102
Transfer from Supplemental General	51,491	98,819	55,000	43,819
Total Cash Receipts	<u>216,353</u>	<u>275,149</u>	<u>236,168</u>	<u>38,981</u>
Expenditures				
Operations and Maintenance				
Purchased Property Services	6,908	5,746	200	(5,546)
Other	17,762	20,473	22,000	1,527
Food Operation				
Salaries	108,297	108,499	121,000	12,501
Employee Benefits	12,342	12,926	13,457	531
Other Purchased Services	115	334	200	(134)
Food	82,537	101,851	97,000	(4,851)
Non-Food	5,842	5,442	6,000	558
Equipment	4,208	3,803	10,000	6,197
Total Expenditures	<u>238,011</u>	<u>259,074</u>	<u>\$ 269,857</u>	<u>\$ 10,783</u>
Receipts Over (Under) Expenditures	(21,658)	16,075		
Unencumbered Cash, July 1	<u>79,991</u>	<u>58,333</u>		
Unencumbered Cash, June 30	<u>\$ 58,333</u>	<u>\$ 74,408</u>		

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

UNIFIED SCHOOL DISTRICT NO. 481
RURAL VISTA
WHITE CITY, KANSAS

Statement 3-6

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

PROFESSIONAL DEVELOPMENT FUND

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Intergovernmental Receipts				
State Aid	\$ 0	\$ 0	\$ 0	\$ 0
Transfers In	2,514	0	6,000	(6,000)
Total Cash Receipts	<u>2,514</u>	<u>0</u>	<u>6,000</u>	<u>(6,000)</u>
Expenditures				
Salaries	0	0	1,000	1,000
Purchased Professional Services	1,538	0	3,000	3,000
Supplies	<u>1,685</u>	<u>0</u>	<u>2,000</u>	<u>2,000</u>
Total Expenditures	<u>3,223</u>	<u>0</u>	<u>\$ 6,000</u>	<u>\$ 6,000</u>
Receipts Over (Under) Expenditures	(709)	0		
Unencumbered Cash, July 1	<u>10,709</u>	<u>10,000</u>		
Unencumbered Cash, June 30	<u>\$ 10,000</u>	<u>\$ 10,000</u>		

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

UNIFIED SCHOOL DISTRICT NO. 481
RURAL VISTA
WHITE CITY, KANSAS

Statement 3-7

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

SPECIAL EDUCATION FUND

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Federal Aid	\$ 2,713	\$ 367	\$ 0	\$ 367
Reimbursements	11,748	29,934	0	29,934
Transfer from General	392,217	295,856	414,000	(118,144)
Transfer from Supplemental General	250,948	97,199	135,000	(37,801)
Total Cash Receipts	<u>657,626</u>	<u>423,356</u>	<u>549,000</u>	<u>(125,644)</u>
Expenditures				
Instruction				
Certified Salaries	65,521	15,862	0	(15,862)
Employee Benefits	712	1,289	0	(1,289)
Special Education Coop	476,095	438,981	503,650	64,669
Transportation				
Salaries	17,424	13,373	25,000	11,627
Employee Benefits	1,342	1,641	1,963	322
Purchased Services	1,174	1,219	2,500	1,281
Supplies	3,752	2,583	5,000	2,417
Equipment	132	0	0	0
Vehicle Services and Maintenance				
Purchased Professional and Technical Services	514	4,956	1,500	(3,456)
Adjustments for Qualifying Budget Credits	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>566,666</u>	<u>479,904</u>	<u>\$ 539,613</u>	<u>\$ 59,709</u>
Receipts Over (Under) Expenditures	90,960	(56,548)		
Unencumbered Cash, July 1	<u>366,123</u>	<u>457,083</u>		
Unencumbered Cash, June 30	<u>\$ 457,083</u>	<u>\$ 400,535</u>		

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

UNIFIED SCHOOL DISTRICT NO. 481
RURAL VISTA
WHITE CITY, KANSAS

Statement 3-8

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

VOCATIONAL EDUCATION FUND

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Transfer from General	\$ 0	\$ 0	\$ 0	\$ 0
Transfer from Supplemental General	250,628	228,287	260,228	(31,941)
Total Cash Receipts	<u>250,628</u>	<u>228,287</u>	<u>260,228</u>	<u>(31,941)</u>
Expenditures				
Instruction				
Certified Salaries	218,703	194,429	215,000	20,571
Noncertified Salaries	0	0	8,100	8,100
Employee Benefits	14,845	15,227	16,848	1,621
Other Purchased Services	36	125	0	(125)
Supplies	17,044	18,314	19,076	762
Property & Equipment	0	192	1,204	1,012
Total Expenditures	<u>250,628</u>	<u>228,287</u>	<u>\$ 260,228</u>	<u>\$ 31,941</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, July 1	<u>0</u>	<u>0</u>		
Unencumbered Cash, June 30	<u>\$ 0</u>	<u>\$ 0</u>		

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

UNIFIED SCHOOL DISTRICT NO. 481
RURAL VISTA
WHITE CITY, KANSAS

Statement 3-9

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

CONTINGENCY RESERVE

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfer from General	\$ 0	\$ 158,870
Expenditures		
Salaries	0	10,769
Employee Benefits	0	909
Expenditures	0	11,678
Receipts Over (Under) Expenditures	0	147,192
Unencumbered Cash, July 1	150,000	150,000
Unencumbered Cash, June 30	<u>\$ 150,000</u>	<u>\$ 297,192</u>

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

UNIFIED SCHOOL DISTRICT NO. 481
RURAL VISTA
WHITE CITY, KANSAS

Statement 3-10

Statement of Cash Receipts and Expenditures – Actual
For the Fiscal Year Ended June 30, 2012

FEDERAL GRANTS

	Title I	Title II-A Teacher Quality	REAP Grant
Cash Receipts			
Federal Aid	\$ 72,865	\$ 18,945	\$ 22,736
Reaped from other programs	0	0	0
Total Cash Receipts	<u>72,865</u>	<u>18,945</u>	<u>22,736</u>
Expenditures			
Salaries	61,063	0	0
Employee Benefits	10,693	0	0
Materials & Supplies	1,109	1,181	0
Purchased Prof. & Tech. Services	0	5,930	0
Other Purchased Services	0	11,834	22,736
Equipment	0	0	0
Other	0	0	0
Reaped to other programs	0	0	0
Total Expenditures	<u>72,865</u>	<u>18,945</u>	<u>22,736</u>
Receipts Over(Under) Expenditures	0	0	0
Unencumbered Cash, July 1	0	0	0
Unencumbered Cash, June 30	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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

UNIFIED SCHOOL DISTRICT NO. 481
RURAL VISTA
WHITE CITY, KANSAS

Statement 3-11

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

MISCELLANEOUS GRANTS

	Prior Year Actual	Current Year Actual
Cash Receipts		
Reimbursements & Miscellaneous	\$ 1,721	\$ 335
Health Grants	4,520	2,000
Monsanto Grant	2,500	0
C.G. Area Foundation Grant	0	2,795
Tri County Telephone Grant	0	3,400
Total Receipts	<u>8,741</u>	<u>8,530</u>
Expenditures		
Miscellaneous	1,184	335
Health Grant Expense	2,572	3,972
Monsanto Grant Expense	2,500	0
Greenhouse Grant Expense	1,070	0
CG Area Foundation Grant Expense	0	1,205
TCT Grant Expense	0	3,400
Total Expenditures	<u>7,326</u>	<u>8,912</u>
Receipts Over (Under) Expenditures	1,415	(382)
Unencumbered Cash, July 1	4,584	7,994
Prior Year Cancelled Encumbrances	<u>1,995</u>	<u>0</u>
Unencumbered Cash, June 30	<u>\$ 7,994</u>	<u>\$ 7,612</u>

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

UNIFIED SCHOOL DISTRICT NO. 481
RURAL VISTA
WHITE CITY, KANSAS

Statement 3-12

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

KPERS RETIREMENT FUND

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Intergovernmental Receipts				
State of Kansas	\$ 227,498	\$ 236,750	\$ 254,704	\$ (17,954)
Expenditures				
Employee Benefits - Instruction	88,875	165,260	163,566	(1,694)
Employee Benefits - Student Support	1,815	859	14,672	13,813
Employee Benefits - Instructional Support	6,515	9,107	7,511	(1,596)
Employee Benefits - General Administration	14,006	13,390	19,000	5,610
Employee Benefits - School Administration	8,380	18,122	25,000	6,878
Employee Benefits - Operations and Maintenance	10,275	15,590	11,034	(4,556)
Employee Benefits - Student Transportation	3,258	4,714	6,231	1,517
Employee Benefits - Food Service	6,063	9,708	7,690	(2,018)
Total Expenditures	139,187	236,750	\$ 254,704	\$ 17,954
Receipts Over (Under) Expenditures	88,311	0		
Unencumbered Cash, July 1	(88,311)	0		
Unencumbered Cash, June 30	\$ 0	\$ 0		

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

UNIFIED SCHOOL DISTRICT NO. 481
RURAL VISTA
WHITE CITY, KANSAS

Statement 3-14

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

AT-RISK (4 YEAR OLD)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Miscellaneous	\$ 7,378	\$ 3,599	\$ 0	\$ 3,599
Transfer from General Fund	19,685	0	0	0
Transfer from Supplemental General Fund	15,000	22,680	24,000	(1,320)
Total Cash Receipts	<u>42,063</u>	<u>26,279</u>	<u>24,000</u>	<u>2,279</u>
Expenditures				
Instruction				
Certified Salaries	22,825	10,144	15,700	5,556
Employee Benefits	0	0	1,273	1,273
Supplies	980	2,229	200	(2,029)
Operations and Maintenance				
Purchased Property Services	675	667	780	113
Supplies	6,695	6,082	7,400	1,318
Total Expenditures	<u>31,175</u>	<u>19,122</u>	<u>\$ 25,353</u>	<u>\$ 6,231</u>
Receipts Over (Under) Expenditures	10,888	7,157		
Unencumbered Cash, July 1	<u>7,527</u>	<u>18,415</u>		
Unencumbered Cash, June 30	<u>\$ 18,415</u>	<u>\$ 25,572</u>		

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

UNIFIED SCHOOL DISTRICT NO. 481
RURAL VISTA
WHITE CITY, KANSAS

Statement 3-15

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

AT-RISK (K-12)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Miscellaneous	\$ 4,509	\$ 2,525	\$ 0	\$ 2,525
Transfer from General Fund	157,782	174,909	208,434	(33,525)
Transfer from Supplemental General	2,989	31,000	0	31,000
Total Cash Receipts	<u>165,280</u>	<u>208,434</u>	<u>208,434</u>	<u>0</u>
Expenditures				
Instruction				
Certified Salaries	115,539	160,590	126,242	(34,348)
Non-Certified Salaries	20,549	17,359	0	(17,359)
Employee Benefits	11,158	12,697	9,958	(2,739)
Supplies	12,405	12,101	23,500	11,399
Equipment	5,629	5,687	40,434	34,747
Other	0	0	8,300	8,300
Total Expenditures	<u>165,280</u>	<u>208,434</u>	<u>\$ 208,434</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, July 1	0	0		
Unencumbered Cash, June 30	<u>\$ 0</u>	<u>\$ 0</u>		

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

UNIFIED SCHOOL DISTRICT NO. 481
RURAL VISTA
WHITE CITY, KANSAS

Statement 3-15

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

TEXTBOOK & STUDENT MATERIALS

	Prior Year Actual	Current Year Actual
Cash Receipts		
Textbook Rental Fees	\$ 0	\$ 18,175
Student Materials	0	23,963
Transfer from General Fund	0	811
Transfer from Supplemental General Fund	0	22,500
Total Cash Receipts	0	65,449
Expenditures		
Supplies	0	41,560
Receipts Over (Under) Expenditures	0	23,889
Unencumbered Cash, July 1	0	0
Unencumbered Cash, June 30	<u>\$ 0</u>	<u>\$ 23,889</u>

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

UNIFIED SCHOOL DISTRICT NO. 481
RURAL VISTA
WHITE CITY, KANSAS

Statement 3-16

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

BOND AND INTEREST FUND

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
General Property Taxes				
Ad Valorem Property Tax	\$ 193,062	\$ 197,361	\$ 200,474	\$ (3,113)
Delinquent Tax	4,187	4,667	2,984	1,683
Motor Vehicle	22,274	21,277	21,884	(607)
Recreational Vehicle	370	303	382	(79)
Intergovernmental Receipts				
State Aid	82,880	52,650	52,938	(288)
Total Cash Receipts	<u>302,773</u>	<u>276,258</u>	<u>278,662</u>	<u>(2,404)</u>
Expenditures				
Bond Principal	205,000	215,000	215,000	0
Bond Interest	87,500	79,100	79,100	0
Commission and Fees	0	0	0	0
Total Expenditures	<u>292,500</u>	<u>294,100</u>	<u>\$ 294,100</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	10,273	(17,842)		
Unencumbered Cash, July 1	<u>572,485</u>	<u>582,758</u>		
Unencumbered Cash, June 30	<u>\$ 582,758</u>	<u>\$ 564,916</u>		

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

UNIFIED SCHOOL DISTRICT NO. 481
RURAL VISTA
WHITE CITY, KANSAS

Statement 3-17

Statement of Cash Receipts and Expenditures – Actual
For the Fiscal Year Ended June 30, 2012

FIDUCIARY TYPE FUNDS

	Oscar F. Stauffer Trust	Lola Heath Memorial	Martha Jane Hylton Foundation	Total
Cash Receipts	\$ 972	\$ 3	\$ 0	\$ 975
Expenditures	<u>1,050</u>	<u>0</u>	<u>0</u>	<u>1,050</u>
Receipts Over (Under) Expenditures	(78)	3	0	(75)
Unencumbered Cash, July 1	<u>33,292</u>	<u>1,239</u>	<u>1,000</u>	<u>35,531</u>
Unencumbered Cash, June 30	<u>\$ 33,214</u>	<u>\$ 1,242</u>	<u>\$ 1,000</u>	<u>\$ 35,456</u>

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

UNIFIED SCHOOL DISTRICT NO. 481
RURAL VISTA
WHITE CITY, KANSAS

Statement 4

Statement of Cash Receipts, Cash Disbursements
and Cash Balances – Actual
For the Fiscal Year Ended June 30, 2012

AGENCY FUNDS

FUNDS	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Hope School				
Class of 2012	\$ 681	\$ 7,373	\$ 8,054	\$ 0
Class of 2013	2,741	2,189	3,641	1,289
Class of 2014	1,127	950		2,077
Class of 2015	62	2,207	1,114	1,155
Alumni	133	0	30	103
FCCLA	178	718	660	236
National Honor Society	18	0	13	5
Pep Club	133	1,069	563	639
H.S. Stuco	1,630	6,803	7,039	1,394
FFA	5,584	15,279	14,011	6,852
FBLA	566	1,400	1,527	439
H.S. Scholar Bowl	347	0	10	337
FCA	228	68	58	238
Faculty Staff	75	40	50	65
Interest	0	75	75	0
Subtotal - Hope Activity	<u>13,503</u>	<u>38,171</u>	<u>36,845</u>	<u>14,829</u>
White City Activity				
Class of 2012	9,814	4,363	14,177	0
Class of 2013	6,390	5,058	3,594	7,854
Class of 2014	3,059	1,803	0	4,862
Class of 2015	845	995	18	1,822
Class of 2016	428	0	115	313
Weight Club	581	296	665	212
J.H. Cheerleaders	461	1,453	1,379	535
H.S. Cheerleaders	1,876	2,076	3,951	1
FCCLA	59	819	877	1
National Honor Society	69	432	216	285
Stucco	3,739	6,338	6,182	3,895
Scholars Bowl	847	318	324	841
F.O.R.	183	1,120	846	457
Dance Team	235	26	170	91
Art Club	313	0	0	313
G.U.S.	228	208	232	204
Subtotal - White City Activity	<u>29,127</u>	<u>25,305</u>	<u>32,746</u>	<u>21,686</u>
Total Agency Funds	<u>\$ 42,630</u>	<u>\$ 63,476</u>	<u>\$ 69,591</u>	<u>\$ 36,515</u>

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

UNIFIED SCHOOL DISTRICT NO. 481
RURAL VISTA
WHITE CITY, KANSAS

Statement 5

Statement of Cash Receipts and Expenditures - Actual
For the Fiscal Year Ended June 30, 2012

DISTRICT ACTIVITY FUNDS

	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Gate Receipts						
Hope School	\$ 8,370	\$ 18,828	\$ 20,469	\$ 6,729	\$ 0	\$ 6,729
White City School	1,808	18,079	18,399	1,488	0	1,488
Subtotal Gate Receipts	<u>10,178</u>	<u>36,907</u>	<u>38,868</u>	<u>8,217</u>	<u>0</u>	<u>8,217</u>
School Projects						
Hope School						
Concessions	311	204	205	310	0	310
Vo Ag Resale	0	1,025	1,025	0	0	0
Woodworking Resale	0	9,458	9,458	0	0	0
Annual	0	167	167	0	0	0
HS Vocal	79	0	79	0	0	0
In House Training	245	30	103	172	0	172
JH Science	154	0	0	154	0	154
Art Department	1	0	0	1	0	1
Book Fair	1,319	1,985	2,259	1,045	0	1,045
Elementary	2,230	2,001	1,209	3,022	0	3,022
Daily Grind	1,985	4,515	4,470	2,030	0	2,030
Clearing Fund	0	500	500	0	0	0
H.S. Volleyball	0	903	269	634	0	634
Sales Tax	28	1,300	1,315	13	0	13
Subtotal Hope School	<u>6,352</u>	<u>22,088</u>	<u>21,059</u>	<u>7,381</u>	<u>0</u>	<u>7,381</u>
White City Schhol						
Concessions	1,033	4,419	4,706	746	0	746
Choir	1,056	1,046	337	1,765	0	1,765
Student Supplies/Resale	95	4,853	4,948	0	0	0
Annual	103	1,221	1,324	0	0	0
Forensics/Play	107	214	156	165	0	165
Band	582	172	319	435	0	435
Book Fair	2,139	2,988	2,739	2,388	0	2,388
Tree Huggers	485	0	195	290	0	290
Yearbook	623	394	75	942	0	942
Clearing	201	2,490	1,267	1,424	0	1,424
Interest	78	24	0	102	0	102
Sales Tax	94	1,445	1,469	70	0	70
Subtotal White City School	<u>6,596</u>	<u>19,266</u>	<u>17,535</u>	<u>8,327</u>	<u>0</u>	<u>8,327</u>
Subtotal School Projects	<u>12,948</u>	<u>41,354</u>	<u>38,594</u>	<u>15,708</u>	<u>0</u>	<u>15,708</u>
Total District Activity Funds	<u>\$ 23,126</u>	<u>\$ 78,261</u>	<u>\$ 77,462</u>	<u>\$ 23,925</u>	<u>\$ 0</u>	<u>\$ 23,925</u>

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

Unified School District No. 481
Rural Vista
White City, Kansas

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

NOTE 1 - 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 expenditures and residual cash balances, and changes within, 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 fiscal year ended June 30, 2012.

Governmental Funds

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

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

Debt Service Fund--to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Fiduciary Funds

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Unified School District No. 481 is a municipal corporation governed by a seven member board of education. The district is a primary government and has no component units.

Statutory Basis of Accounting

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

NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT)

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

Departure from Accounting Principles Generally Accepted in the United States of America

The basis of accounting described above results in a financial statement presentation which shows cash receipts, expenditures, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with U.S. generally accepted accounting principles. 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, revenue bonds, capital leases, temporary notes, and compensated absences are not presented in the financial statements.

NOTE 3 - BUDGETARY INFORMATION

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds, and enterprise funds. 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 eighteen month period on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
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. There were no such budget amendments for this year.

After the above procedures have been followed; the Kansas State Board of Education computes what the maximum legal general fund and supplemental general fund budgets of operating expenses can be. For the fiscal year ended June 30, 2012, the State calculation of the legal maximum general fund budget was \$2,971,922 and the legal maximum supplemental general fund was \$935,000. In accordance with Kansas statutes, a district will be penalized state aid equal to the amount expended in excess of the computed statutory limitation plus any qualifying budget credits. The District was within its maximum legal general fund and supplemental general fund budget authority for the fiscal year ended June 30, 2012.

Unified School District No. 481
Rural Vista
White City, Kansas

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2012

NOTE 3 - BUDGETARY INFORMATION (CONT)

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

All legal annual operating budgets are prepared using the statutory basis of accounting, in which, revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end. Any unused portion of a prior year encumbrance cannot be used as expenditure authority for any purpose other than the original purchase order or contract. Therefore, any unused portion of a prior year encumbrance is canceled and added back as an adjustment to beginning unencumbered cash in Statements 1 and 3.

A legal operating budget is not required for capital projects funds, fiduciary funds, permanent funds, and the following special revenue funds: Fiduciary Type Funds, Gate Receipts, Concession Fund, Nonexpendable Trust Funds, Contingency Reserve Fund, Misc Grants Fund, Textbooks & Student Materials Fund, Trust Funds and Federal Funds.

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

Statements 2 and 3 present budgetary comparison of the actual data on the budgetary basis, which includes encumbrances and transfers with the legally adopted budget. Because of tax levying dates, it is necessary that budget expenditures and revenues be estimated for an additional six month period on its budget which has not been included on Statements 2 and 3.

Property taxes are levied by the Kansas Counties in which the School District resides on November 1 and are payable in two installments on December 20 and May 10 of the subsequent year. The Counties collect and distribute in the succeeding year all property taxes collected for the District. Therefore, taxes levied for the District on November 1, 2011 will be distributed to the District by the County during 2012.

NOTE 4 - DEPOSITS AND INVESTMENTS

The District maintains a cash and investment pool that is available for use by all funds, except the Capital Project Fund and the Nonexpendable Trust Funds. The District held no investments during the year, only deposits with allowable financial institutions. All interest earned during the year on idle funds of the governmental fund types was credited to the capital outlay fund as allowed by Kansas statutes.

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

Unified School District No. 481
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NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

NOTE 4 - DEPOSITS AND INVESTMENTS (CONT)

Government is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The Government has no other policies that would further limit interest rate risk.

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

Concentration of credit risk. State statutes place no limit on the amount the 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 Government's deposits may not be returned to it. State statutes require the Government's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The Government has no designated "peak period". All deposits were legally secured at June 30, 2012.

At June 30, 2012, the carrying amount of the district's deposits, including certificates of deposits, was \$1,545,184 and the bank balance was \$1,803,017. The difference between the carrying amount and the bank balance is outstanding checks and deposits in transit. The bank balance was held by four banks resulting in a concentration of credit risk. Of the bank balance, \$811,486 was covered by F.D.I.C., \$991,531 was collateralized with securities held by the pledging financial institution's agents in the District's name.

NOTE 5 – RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destructions of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Insurance claims have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance coverage from coverage in prior years.

NOTE 6 - DEFINED BENEFIT PENSION PLAN

Plan Description - USD 481, Rural Vista, White City, Kansas 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,

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NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

NOTE 6 - DEFINED BENEFIT PENSION PLAN (CONT)

and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Funding Policy - K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% or 6% of covered salary, depending on employee eligibility dates. Member-employee's contributions are withheld by their employer and paid to KPERS according to the provisions of section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. Kansas contributed 9.77% of covered payroll for the period 7/1/11 to 6/30/12 and currently contributes 10.37% of covered payroll for the period 7/1/12 to 6/30/13. These contribution requirements are established by KPERS and are periodically revised. Kansas' contributions to KPERS for all Kansas public school employees for the years ending June 30, 2012, 2011 and 2010 were \$298,635,383, \$253,834,044, and \$248,468,186 respectively, equal to the required contributions for each year.

NOTE 7 - COMPENSATED ABSENCES AND FRINGE BENEFITS FOR FULL TIME EMPLOYEES

Vacation and Temporary Leave

U.S.D. 481 provides vacation leave for the classified full-time employees. Each entitled employee receives one week of leave after one year of employment; two weeks per year after two years and up to ten years of employment; and three weeks per year after ten years of employment. Unused vacation leave may be cumulative up to a maximum of twenty-five days at the end of each school year.

Temporary leave is defined as absence from duties for illness, bereavement, or personal business. Temporary leave is provided for most District employees. Certified employees receive twelve days of temporary leave annually and can carryover up to sixty days to the next year. Classified employees receive one day per month employed of temporary leave. Full-time employees can accumulate up to a maximum of fifty days at the end of the year and part-time employees can accumulate up to thirty-eight days.

No estimate has been made of the total amounts of accumulated leave nor has any amount been reported or disclosed in these financial statements.

Section 125 Cafeteria Plan

U.S.D. 481 maintains an Internal Revenue Code Section 125 plan "cafeteria plan". The amount of salary to be reduced shall not exceed the sum authorized by the Internal Revenue Code. U.S.D. 481 contributes \$3,490 annually for full-time certified personnel to be used for health coverage. For all other employees, the benefit is prorated. If an employee chooses to not be covered under the health coverage, they lose this benefit. Options available for salary reduction include, but are not limited to: health insurance, cancer/intensive care insurance, salary protection insurance, childcare/medical reimbursement, and group term life insurance.

Unified School District No. 481
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NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

NOTE 8 - OTHER POST EMPLOYMENT BENEFITS

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

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District 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 District under this program.

NOTE 9 - INTERFUND TRANSFERS

Transfers between budgetary funds are for the purpose of shifting resources from the fund legally required to receive the revenue to the fund authorized to expend the revenues. Operating transfers during the fiscal year ended June 30, 2012 consisted of the following:

Transfer From	Transfer To	Statutory Authority	Amount
General	Contingency Reserve	72-6428	\$158,870
General	Special Education	72-6428	295,856
General	At Risk (K-12)	72-6428	174,909
General	Textbook & Student Materials	72-6428	811
General	Food Service	72-6428	1,102
Supplemental General	Food Service	72-6433	98,819
Supplemental General	Vocational Education	72-6433	228,287
Supplemental General	Special Education	72-6433	97,199
Supplemental General	Textbook & Student Materials	72-6433	22,500
Supplemental General	At Risk (4 yr old)	72-6433	22,680
Supplemental General	At Risk (K-12)	72-6433	31,000

NOTE 10 – OPERATING LEASE

The District entered into an operating lease on May 3, 2010 with Ricoh (formerly Ikon) for the use of its copiers for a term of 60 months. The agreement calls for monthly payments of \$1,590 for the use of the copiers plus an additional amount for maintenance. The current year rental payments under this agreement were \$19,080.

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NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

NOTE 11 – 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 are 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 the financial statements of the District at June 30, 2012.

NOTE 12 - LONG-TERM DEBT

General Obligation Bonds

On March 1, 2006, the District issued \$2,690,000 in General Obligation Bonds used to advance refund prior general obligation bonds issued to pay the cost of construction, renovating, furnishing and equipping facilities of the district and to pay a portion of the interest cost on the bonds during construction. The District began making interest payments on September 1, 2006 and made its first principal payment on September 1, 2007. The District levies taxes for principal & interest payments which are made from the Bond & Interest Fund.

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

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
General Obligation Bonds:										
Refunding Bonds	3.50-4.0%	3/1/2006	\$ 2,690,000	9/1/18	\$ 2,085,000	\$ 0	\$ 215,000	\$ 0	\$ 1,870,000	\$ 79,100
Total long-term debt					\$ 2,085,000	\$ 0	\$ 215,000	\$ 0	\$ 1,870,000	\$ 79,100

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018-2019</u>	<u>Total</u>
PRINCIPAL							
General Obligation Bonds	\$ 230,000	\$ 240,000	\$ 255,000	\$ 265,000	\$ 280,000	\$ 600,000	\$ 1,870,000
INTEREST							
General Obligation Bonds	70,200	60,800	50,900	40,500	29,600	24,200	276,200
Total Principal and Interest	\$ 300,200	\$ 300,800	\$ 305,900	\$ 305,500	\$ 309,600	\$ 624,200	\$ 2,146,200

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NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

NOTE 13 – COMPLIANCE WITH KANSAS STATUTES

References made herein to the statutes are not intended as interpretations of law, but are offered for consideration of the Director of Accounts and Reports, Department of Education, and interpretation by the County Attorney and legal representatives of the municipality.

The General Fund showed a negative unencumbered cash balance of (\$296,268) for the year ended June 30, 2012. K.S.A. 10-1116A (or 10-1116) provides that under certain situations, funds can end the year with a negative unencumbered cash balance and are therefore, exempt from the cash basis law of the State of Kansas. This fund is not deemed to be in violation of the Kansas cash basis law.

Deposits with financial institutions were not adequately secured at times in accordance with K.S.A. 9-1402.

The District did not make mandatory purchases of products and services offered by Kansas industries for the blind and severely disabled in accordance with K.S.A. 75-3317 through 75-3322.

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

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NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

NOTE 13 – COMPLIANCE WITH KANSAS STATUTES (Cont)

K.S.A. 72-6417(d) and K.S.A. 72-6434(d) require the school district to record any payment of state aid that is due to be paid during the month of June and is paid the school district after June 30, as a receipt for the school year ending on June 30. The following shows the revenue as required by these education statutes for the General and Supplemental General Funds for the year ended June 30, 2012.

Unified School District No. 481
Statutory Revenues and Expenditures - Statutory and Budget
For the Year Ended June 30, 2012

GENERAL FUND			
	Statutory Transactions	Budget	Variance Favorable (Unfavorable)
Statutory Revenues			
General Property Taxes	\$ 455,328	\$ 459,458	\$ (4,130)
Miscellaneous Reimbursements	11,019	0	11,019
State Equalization Aid	2,173,408	2,173,040	368
State Special Education Aid	340,437	362,396	(21,959)
ARRA Stabilization Funds	0	0	0
Education Jobs Funds	1,453	0	1,453
Federal Aid	2,107	0	2,107
Total Statutory Revenues	<u>2,983,752</u>	<u>2,994,894</u>	<u>(11,142)</u>
Expenditures			
Instruction	1,505,469	1,455,105	(50,364)
Student Support	16,040	3,899	(12,141)
Instructional Support	102,660	95,525	(7,135)
General Administration	95,575	80,308	(15,267)
School Administration	203,183	199,913	(3,270)
Other Supplemental Services	64,558	64,057	(501)
Operation and Maintenance	199,804	176,355	(23,449)
Student Transportation	164,915	172,298	7,383
Fund Transfers	631,548	747,434	115,886
Adjustment to Comply with Legal Max	0	(22,972)	(22,972)
Legal General Fund Budget	2,983,752	2,971,922	(11,830)
Adjustments for Qualifying Budget Credits	0	11,830	11,830
Total Expenditures	<u>2,983,752</u>	<u>\$ 2,983,752</u>	<u>\$ 0</u>
Revenue Over (Under) Expenditures	0		
Modified Unencumbered Cash, July 1, 2011	0		
Modified Unencumbered Cash, June 30, 2012	<u>\$ 0</u>		

Unified School District No. 481
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NOTES TO THE FINANCIAL STATEMENTS
June 30, 2012

NOTE 13 – COMPLIANCE WITH KANSAS STATUTES (Cont)

Compliance with K.S.A. 72-6417(d) and K.S.A. 72-6434(d) (Cont)

Unified School District No. 481
Statutory Revenues and Expenditures - Statutory and Budget
For the Year Ended June 30, 2012

SUPPLEMENTAL GENERAL FUND

	Statutory Transactions	Budget	Variance Favorable (Unfavorable)
Statutory Revenues			
General Property Taxes	\$ 639,450	\$ 631,484	\$ 7,966
State Equalization Aid	292,872	282,327	10,545
Total Statutory Revenues	<u>932,322</u>	<u>913,811</u>	<u>18,511</u>
Expenditures			
Instruction	52,807	40,000	(12,807)
General Administration	34,655	27,047	(7,608)
School Administration	0	9,225	9,225
Operations & Maintenance	297,630	336,500	38,870
Student Transportation	49,423	42,000	(7,423)
Fund Transfers	500,485	480,228	(20,257)
Total Expenditures	<u>935,000</u>	<u>\$ 935,000</u>	<u>\$ 0</u>
Revenue Over (Under) Expenditures	(2,678)		
Modified Unencumbered Cash, July 1, 2011	21,185		
Modified Unencumbered Cash, June 30, 2012	<u>\$ 18,507</u>		