

**BOARD OF EDUCATION
UNIFIED SCHOOL DISTRICT NO. 360
Caldwell, Kansas**

**Financial Statements
June 30, 2013**

**with
Independent Auditors' Report**

UNIFIED SCHOOL DISTRICT NO. 360
 Financial Statement
 Year Ended June 30, 2013
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INDEPENDENT AUDITORS' REPORT

Board of Education
Unified School District No. 360
Caldwell, Kansas

We have audited the accompanying fund summary statement of regulatory basis cash receipts, expenditures, and unencumbered cash balances of Unified School District No. 360, Caldwell Kansas, as of and for the year ended June 30, 2013 and the related notes to the financial statement.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the Kansas Municipal Audit and Accounting Guide as described in Note 1 to meet the financial reporting requirements of the State of Kansas. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the *Kansas Municipal Audit and Accounting 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditors' judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by the Unified School District No. 360 to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” 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. 360 as of June 30, 2013, or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the Unified School District No. 360 as of June 30, 2013, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note 1.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis cash receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis cash receipts and expenditures-actual and budget, schedule of regulatory basis cash receipts and disbursements-agency funds (Schedules 1, 2 and 3 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the Kansas Municipal Audit and Accounting Guide. 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 basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic 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 basic financial statement as a whole, on the basis of accounting described in Note 1.

November 5, 2013

Peterson Peterson & Soss, LC

UNIFIED SCHOOL DISTRICT NO. 360
Summary of Cash Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
Year Ended June 30, 2013

Funds	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances	Ending Cash Balance
General	\$ -	\$ 2,184,973	\$ 2,184,973	\$ -	\$ -	\$ -
Supplemental General	22,475	731,138	733,740	19,873		19,873
Special Purpose:						
Capital Outlay	638,067	222,490	377,019	483,538		483,538
Contingency Reserve	213,531	-	-	213,531		213,531
Driver Training	4,270	837	2,798	2,309		2,309
Food Service	34,633	137,317	138,226	33,724		33,724
KPERs Special Retirement Contribution	-	134,568	134,568	-		-
At Risk Fund (4 Year Old)	-	20,500	20,500	-		-
At Risk Fund (K - 12)	-	245,623	245,623	-		-
Special Education	189,425	493,601	458,736	224,290		224,290
Textbook Rental	6,201	15,962	6,201	15,962		15,962
Professional Development	-	8,500	8,500	-		-
Vocational Education	-	92,730	92,730	-		-
Parent Education	-	6,385	6,385	-		-
Recreation Commission	25,202	23,243	17,173	31,272		31,272
Gate Receipts	6,624	28,152	25,516	9,260		9,260
School Projects	17,251	33,375	32,736	17,890		17,890
Revolving Funds	23,128	45,551	45,435	23,244		23,244
Miscellaneous Grants	15,541	40,025	27,883	27,683		27,683
Federal Projects:						
Title I	-	50,708	50,708	-		-
Title IIA Teacher Quality	6	23,347	23,347	6		6
Bond and Interest	340,991	389,680	376,954	353,717		353,717
Trust:						
Scholarship Funds	69,492	863	1,096	69,259		69,259
Total Reporting Entity	\$ 1,606,837	\$ 4,929,568	\$ 5,010,847	\$ 1,525,558	\$ -	\$ 1,525,558

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

UNIFIED SCHOOL DISTRICT NO. 360
 Summary of Cash Receipts, Expenditures and Unencumbered Cash (continued)
 Regulatory Basis
 Year Ended June 30, 2013

Composition of Cash:	
Checking Account - Stock Exchange Bank	\$ 457,349
Checking Accounts - Impact Bank (excess of outstanding checks over bank balance)	105,619
Money Market Account - Impact Bank	902,114
Certificate of Deposit - F.A. Petrik Scholarship	10,076
Certificate of Deposit - Charles E. Baker Scholarship	45,767
Certificate of Deposit - H.E. Dodson Memorial Scholarship	13,416
Revolving Funds	<u>21,619</u>
Total cash	1,555,960
Agency Funds per Statement 4	<u>(30,402)</u>
Total Reporting Entity	<u><u>\$ 1,525,558</u></u>

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

UNIFIED SCHOOL DISTRICT NO. 360
 Summary of Expenditures - Actual and Budget
 Regulatory Basis
 Year Ended June 30, 2013

Funds	Certified Budget	Adjustment to Comply With Legal Max	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
General	\$ 2,199,942	\$ (14,969)	\$ 2,184,973	\$ 2,184,973	\$ -
Supplemental General	733,740	-	733,740	733,740	-
Special Purpose:					
Capital Outlay	480,000		480,000	377,019	(102,981)
Driver Training	5,255		5,255	2,798	(2,457)
Food Service	152,050		152,050	138,226	(13,824)
KPERs Special Retirement Contribution	154,897		154,897	134,568	(20,329)
At Risk Fund (4 Year Old)	20,500		20,500	20,500	-
At Risk Fund (K - 12)	250,000		250,000	245,623	(4,377)
Special Education	461,909		461,909	458,736	(3,173)
Professional Development	8,500		8,500	8,500	-
Vocational Education	100,000		100,000	92,730	(7,270)
Parent Education	7,500		7,500	6,385	(1,115)
Recreation Commission	28,000		28,000	17,173	(10,827)
Bond and Interest	377,454		377,454	376,954	(500)

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

UNIFIED SCHOOL DISTRICT NO. 360
 General Fund
 Schedule of Cash Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 Year Ended June 30, 2013

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Cash receipts:			
Taxes and shared revenue:			
Ad valorem property	\$ 243,451	\$ 238,621	\$ 4,830
Delinquent tax	4,623	1,581	3,042
Mineral production tax	1,431	-	1,431
State aid:			-
Equalization aid	1,605,433	1,578,662	26,771
Special education aid	330,035	345,000	(14,965)
Total cash receipts	<u>2,184,973</u>	<u>2,163,864</u>	<u>21,109</u>
Expenditures:			
Instruction	751,810	734,694	17,116
Student support service	32,222	22,627	9,595
Instructional support service	13,957	15,000	(1,043)
General administration	204,802	242,766	(37,964)
School administration	154,903	148,308	6,595
Operation and maintenance	126,611	133,502	(6,891)
Student transportation service	6,784	8,995	(2,211)
Vehicle operating service	65,078	90,000	(24,922)
Student activities	28,390	-	28,390
Transfers to:			
Capital Outlay Fund	125,000	81,360	43,640
Special Education Fund	330,035	345,000	(14,965)
Professional Development Fund	8,500	8,500	-
Vocational Education Fund	70,758	100,000	(29,242)
At Risk Fund (4 year old)	20,500	19,190	1,310
At Risk Fund (K-12)	245,623	250,000	(4,377)
Adjustment to comply with legal max	-	(14,969)	14,969
Legal General Fund Budget	<u>2,184,973</u>	<u>\$ 2,184,973</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>		

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

UNIFIED SCHOOL DISTRICT NO. 360
 Supplemental General Fund
 Schedule of Cash Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 Year Ended June 30, 2013

	Actual	Budget	Variance Over (Under)
Cash receipts:			
Taxes and shared revenue:			
Ad valorem property	\$ 401,424	\$ 385,803	\$ 15,621
Delinquent tax	9,721	2,841	6,880
Motor vehicle tax	38,803	37,871	932
State aid:			
Supplemental state aid	281,190	284,750	(3,560)
Total cash receipts	731,138	711,265	19,873
Expenditures:			
Instruction	396,359	463,281	(66,922)
Student support service	6,688	5,000	1,688
Instructional support service	-	2,000	(2,000)
Operation and maintenance	126,717	130,959	(4,242)
Student activities	553	-	553
Transfers to:			
Special Education Fund	163,566	125,000	38,566
Parent Education Fund	6,385	7,500	(1,115)
Vocational Education Fund	21,972	-	21,972
Textbook Rental Fund	11,500	-	11,500
Total expenditures	733,740	\$ 733,740	\$ -
Receipts Over (Under) Expenditures	(2,602)		
Unencumbered Cash, Beginning	22,475		
Unencumbered Cash, Ending	\$ 19,873		

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

UNIFIED SCHOOL DISTRICT NO. 360
 Capital Outlay Fund
 Schedule of Cash Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 Year Ended June 30, 2013

	Actual	Budget	Variance Over (Under)
Cash receipts:			
Taxes and shared revenue:			
Ad valorem property	\$ 68,172	\$ 77,411	\$ (9,239)
Delinquent tax	1,735	440	1,295
Motor vehicle tax	5,998	6,178	(180)
Interest earnings	3,877	-	3,877
Other	1,470	-	1,470
Special Ed Transp Reimbursement	16,238	-	16,238
Transfer from General Fund	125,000	81,360	43,640
Total cash receipts	222,490	165,389	57,101
Expenditures:			
Facility acquisition and construction services	377,019	\$ 480,000	\$ (102,981)
Receipts Over (Under) Expenditures	(154,529)		
Unencumbered Cash, Beginning	638,067		
Unencumbered Cash, Ending	\$ 483,538		

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

UNIFIED SCHOOL DISTRICT NO. 360
Contingency Reserve Fund
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis
Year Ended June 30, 2013

	<u>Actual</u>
Unencumbered Cash, Beginning	<u>\$ 213,531</u>
Unencumbered Cash, Ending	<u><u>\$ 213,531</u></u>

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

UNIFIED SCHOOL DISTRICT NO. 360
 Driver Training Fund
 Schedule of Cash Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 Year Ended June 30, 2013

	Actual	Budget	Variance Over (Under)
Cash receipts:			
State aid	\$ 837	\$ 1,800	\$ (963)
Fees	-	3,000	(3,000)
Total cash receipts	837	4,800	(3,963)
Expenditures:			
Instruction	2,798	\$ 5,255	\$ (2,457)
Receipts Over (Under) Expenditures	(1,961)		
Unencumbered Cash, Beginning	4,270		
Unencumbered Cash, Ending	\$ 2,309		

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

UNIFIED SCHOOL DISTRICT NO. 360
 Food Service Fund
 Schedule of Cash Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 Year Ended June 30, 2013

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Cash receipts:			
State aid	\$ 1,459	\$ 1,640	\$ (181)
Federal aid	88,459	85,843	2,616
Grant	3,563	-	3,563
Charges for services	43,836	80,700	(36,864)
Total cash receipts	<u>137,317</u>	<u>168,183</u>	<u>(30,866)</u>
Expenditures:			
Food service operation	43,993	47,500	(3,507)
Employee benefits	3,380	4,050	(670)
Supplies	83,452	95,000	(11,548)
Equipment and furniture	2,994	2,500	494
Miscellaneous	4,407	3,000	1,407
Total expenditures	<u>138,226</u>	<u>\$ 152,050</u>	<u>\$ (13,824)</u>
Receipts Over (Under) Expenditures	(909)		
Unencumbered Cash, Beginning	<u>34,633</u>		
Unencumbered Cash, Ending	<u>\$ 33,724</u>		

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

UNIFIED SCHOOL DISTRICT NO. 360
 KPERS Special Retirement Contribution Fund
 Schedule of Cash Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 Year Ended June 30, 2013

	Actual	Budget	Variance Over (Under)
Cash receipts:			
State aid	\$ 134,568	\$ 154,897	\$ (20,329)
Expenditures:			
Instruction	80,741	93,550	(12,809)
Student support service	8,074	9,350	(1,276)
Instructional support service	6,729	7,800	(1,071)
General administration	8,074	9,350	(1,276)
School administration	8,074	9,350	(1,276)
Operations and maintenance	10,765	12,250	(1,485)
Student transportation service	6,728	7,800	(1,072)
Food service	5,383	5,447	(64)
Total expenditures	134,568	\$ 154,897	\$ (20,329)
Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	-		
Unencumbered Cash, Ending	\$ -		

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

UNIFIED SCHOOL DISTRICT NO. 360
 At Risk Fund (4 Year Old)
 Schedule of Cash Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 Year Ended June 30, 2013

	Actual	Budget	Variance Over (Under)
Cash receipts:			
Transfer from General Fund	\$ 20,500	\$ 20,500	\$ -
Expenditures:			
Instruction	20,500	\$ 20,500	\$ -
Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	-		
Unencumbered Cash, Ending	\$ -		

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

UNIFIED SCHOOL DISTRICT NO. 360
 At Risk Fund (K-12)
 Schedule of Cash Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 Year Ended June 30, 2013

	Actual	Budget	Variance Over (Under)
Cash receipts:			
Transfer from General Fund	\$ 245,623	\$ 250,000	\$ (4,377)
Expenditures:			
Instruction	245,623	\$ 250,000	\$ (4,377)
Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	-		
Unencumbered Cash, Ending	\$ -		

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

UNIFIED SCHOOL DISTRICT NO. 360
Special Education Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
Year Ended June 30, 2013

	Actual	Budget	Variance Over (Under)
Cash receipts:			
Transfers from:			
General Fund	\$ 330,035	\$ 345,000	\$ (14,965)
Supplemental General Fund	163,566	125,000	38,566
Total cash receipts	493,601	470,000	23,601
Expenditures:			
Payments to Co-op	446,501	461,909	(15,408)
Other	12,235	25,000	(12,765)
Total expenditures	458,736	\$ 486,909	\$ (28,173)
Receipts Over (Under) Expenditures	34,865		
Unencumbered Cash, Beginning	189,425		
Unencumbered Cash, Ending	\$ 224,290		

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

UNIFIED SCHOOL DISTRICT NO. 360
 Textbook Rental Fund
 Schedule of Cash Receipts and Expenditures - Actual
 Regulatory Basis
 Year Ended June 30, 2013

Cash receipts:	
Rental fees and books	\$ 4,462
Transfer from Supplemental General Fund	11,500
Total cash receipts	15,962
Expenditures:	
Textbooks	6,201
Receipts Over (Under) Expenditures	9,761
Unencumbered Cash, Beginning	6,201
Unencumbered Cash, Ending	\$ 15,962

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

UNIFIED SCHOOL DISTRICT NO. 360
Professional Development Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
Year Ended June 30, 2013

	Actual	Budget	Variance Over (Under)
Cash receipts:			
Transfers from General Fund	\$ 8,500	\$ 8,500	\$ -
Expenditures:			
Instructional support services	8,500	\$ 8,500	\$ -
Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	-		
Unencumbered Cash, Ending	\$ -		

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

UNIFIED SCHOOL DISTRICT NO. 360
 Vocational Education Fund
 Schedule of Cash Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 Year Ended June 30, 2013

	Actual	Budget	Variance Over (Under)
Cash receipts:			
Transfers from:			
General Fund	\$ 70,758	\$ 100,000	\$ (29,242)
Supplemental General Fund	21,972	-	21,972
Total cash receipts	92,730	100,000	(7,270)
Expenditures:			
Instruction	92,730	\$ 100,000	\$ (7,270)
Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	-		
Unencumbered Cash, Ending	\$ -		

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

UNIFIED SCHOOL DISTRICT NO. 360
 Parent Education Fund
 Schedule of Cash Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 Year Ended June 30, 2013

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Cash receipts:			
Transfers from Supplemental General Fund	\$ 6,385	\$ 7,500	\$ (1,115)
Expenditures:			
Program expenditures	<u>6,385</u>	<u>\$ 7,500</u>	<u>\$ (1,115)</u>
Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>		

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

UNIFIED SCHOOL DISTRICT NO. 360
 Recreation Commission Fund
 Schedule of Cash Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 Year Ended June 30, 2013

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Cash receipts:			
Taxes and shared revenue:			
Ad valorem property	\$ 20,640	\$ 20,376	\$ 264
Delinquent tax	438	135	303
Motor vehicle tax	1,898	1,864	34
Other	267	-	267
Total cash receipts	<u>23,243</u>	<u>22,375</u>	<u>868</u>
 Expenditures:			
Community service operations	<u>17,173</u>	<u>\$ 28,000</u>	<u>\$ (10,827)</u>
 Receipts Over (Under) Expenditures	6,070		
 Unencumbered Cash, Beginning	<u>25,202</u>		
 Unencumbered Cash, Ending	<u>\$ 31,272</u>		

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

UNIFIED SCHOOL DISTRICT NO. 360
 Miscellaneous Grants Fund
 Schedule of Cash Receipts and Expenditures - Actual
 Regulatory Basis
 Year Ended June 30, 2013

	Actual
Cash receipts:	
Miscellaneous grants	\$ 40,025
Expenditures:	
Grant expenses	27,883
Receipts Over (Under) Expenditures	12,142
Unencumbered Cash, Beginning	15,541
Unencumbered Cash, Ending	\$ 27,683

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

UNIFIED SCHOOL DISTRICT NO. 360
 Bond and Interest Fund
 Statement of Cash Receipts and Expenditures - Actual and Budget
 Year Ended June 30, 2013

	Actual	Budget	Variance Over (Under)
Cash receipts:			
Taxes and shared revenue:			
Ad valorem property	\$ 251,583	\$ 249,815	\$ 1,768
Delinquent tax	6,365	1,635	4,730
Motor vehicle tax	22,415	21,877	538
State aid	109,317	109,317	-
Total cash receipts	389,680	382,644	7,036
Expenditures:			
Principal	275,000	275,000	-
Interest	101,954	101,954	-
Postage	-	500	(500)
Total expenditures	376,954	\$ 377,454	\$ (500)
Receipts Over (Under) Expenditures	12,726		
Unencumbered Cash, Beginning	340,991		
Unencumbered Cash, Ending	\$ 353,717		

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

UNIFIED SCHOOL DISTRICT NO. 360
Trust Fund - Scholarship Funds
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis
Year Ended June 30, 2013

	Actual
Cash receipts:	
Contributions and interest	\$ 863
Expenditures:	
Scholarships awarded	1,096
Receipts Over (Under) Expenditures	(233)
Unencumbered Cash, Beginning	69,492
Unencumbered Cash, Ending	\$ 69,259

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

UNIFIED SCHOOL DISTRICT NO. 360
 Federal Projects Fund
 Schedule of Cash Receipts and Expenditures - Actual
 Regulatory Basis
 Year Ended June 30, 2013

	<u>Title I</u>	<u>Title IIA Teacher Quality</u>
Cash receipts:		
Federal aid:		
General Aid	\$ 50,708	\$ 23,347
Expenditures:		
Instruction and supplies	<u>50,708</u>	<u>23,347</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>6</u>
Unencumbered Cash, Ending	<u><u>\$ -</u></u>	<u><u>\$ 6</u></u>

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

UNIFIED SCHOOL DISTRICT NO. 360
 School Activity Funds
 Schedule of Cash Receipts and Cash Disbursements - Actual
 Year Ended June 30, 2013

Funds	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Student Organization Funds:				
Annual	\$ 230	\$ 6,832	\$ 6,590	\$ 472
Bluejay Web Club	132	-	-	132
Student Agendas	140	-	8	132
Class of 2012	1	-	-	1
Class of 2013	1,491	3,070	3,981	580
Class of 2014	3,127	4,594	4,380	3,341
Class of 2015	714	3,801	2,333	2,182
Class of 2016	100	1,340	993	447
Class of 2017	25	25	-	50
Class of 2018	25	25	-	50
Class of 2019	-	25	-	25
Concessions	7,553	30,002	25,436	12,119
F.C.A.	423	190	87	526
Kayettes	330	4,381	4,076	635
National Honor Society	836	310	245	901
CHS Cheerleaders	199	5,153	4,899	453
JH Jay Squad	29	-	29	-
HS Jay Squad	95	-	95	-
Student Council	1,189	1,997	1,794	1,392
Robot Club	192	-	-	192
Engraving Fund	46	-	-	46
Math	725	-	-	725
Forensics	32	180	-	212
Bluejay Academy	1,511	235	1,010	736
JHS Cheerleaders	305	903	1,005	203
CES Summer Academy	198	-	-	198
TSA	77	-	-	77
Weightlifting	-	275	-	275
Padlock	120	30	-	150
Flour Power	689	894	1,204	379
Miscellaneous fees	3,095	920	244	3,771
Total Student Organization Funds	<u>\$ 23,629</u>	<u>\$ 65,182</u>	<u>\$ 58,409</u>	<u>\$ 30,402</u>

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

UNIFIED SCHOOL DISTRICT NO. 360
 District Activity Funds
 Schedule of Cash Receipts, Expenditures and Unencumbered Cash
 Year Ended June 30, 2013

Funds	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances	Ending Cash Balance
Gate Receipts:						
Athletics	\$ 5,452	\$ 27,261	\$ 24,876	\$ 7,837	\$ -	\$ 7,837
School play	1,172	891	640	1,423	-	1,423
Total gate receipts	<u>6,624</u>	<u>28,152</u>	<u>25,516</u>	<u>9,260</u>	<u>-</u>	<u>9,260</u>
School Projects:						
Special project	5,050	19,218	19,493	4,775	-	4,775
Band	378	6,592	4,939	2,031	-	2,031
Vocal music	1,136	666	316	1,486	-	1,486
IRC project	52	-	-	52	-	52
FACS project	600	1,564	1,099	1,065	-	1,065
Elementary school activities	10,035	5,335	6,889	8,481	-	8,481
Total school projects	<u>17,251</u>	<u>33,375</u>	<u>32,736</u>	<u>17,890</u>	<u>-</u>	<u>17,890</u>
Revolving Funds:						
Art	2,760	1,535	913	3,382	-	3,382
Hot lunch	421	10,688	9,224	1,885	-	1,885
Music	65	232	217	80	-	80
Textbook	426	5,695	5,048	1,073	-	1,073
Towel	1,257	526	451	1,332	-	1,332
Superintendent	500	-	-	500	-	500
CHS Principal	250	-	-	250	-	250
CES Principal	250	-	-	250	-	250
Industrial arts fee	2,009	2,969	3,789	1,189	-	1,189
Technology fee	3,038	4,835	5,278	2,595	-	2,595
Instrument rental	1,375	250	-	1,625	-	1,625
Photo Fee	40	-	-	40	-	40
Driver education	49	1,350	22	1,377	-	1,377
Metal production	499	-	-	499	-	499
Tees and things	1,938	4,861	6,144	655	-	655
Videography	2,744	48	712	2,080	-	2,080
District expenses	3,133	6,749	8,427	1,455	-	1,455
Catch it Kansas	637	-	-	637	-	637
Computer graphic	1,249	5,813	5,210	1,852	-	1,852
Surplus sales	488	-	-	488	-	488
Total revolving funds	<u>23,128</u>	<u>45,551</u>	<u>45,435</u>	<u>23,244</u>	<u>-</u>	<u>23,244</u>
Total	<u>\$ 47,003</u>	<u>\$ 107,078</u>	<u>\$ 103,687</u>	<u>\$ 50,394</u>	<u>\$ -</u>	<u>\$ 50,394</u>

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

UNIFIED SCHOOL DISTRICT NO. 360
Notes to Financial Statements
June 30, 2013

1. Summary of Significant Accounting Policies

This summary of significant accounting policies of Unified School District No. 360 (the District) is presented to assist in understanding the District's financial statements. The financial statements and notes are representations of the District's management, who is responsible for their integrity and objectivity. These accounting policies conform to a comprehensive basis of accounting other than generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Reporting Entity

Unified School District No. 360 is a municipal corporation located in Caldwell, Kansas, governed by an elected seven-member board. The Caldwell Board of Education ("Board") is the basic level of government, which has financial accountability, and control over all activities related to the public school education in the City of Caldwell, Kansas. The Board receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. However, the Board is not included in any other governmental "reporting entity" as defined by GASB pronouncement, since Board members are elected by the public and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. In addition, there are no component units as defined in Government Accounting Standards Board Statement 14, which are included in the District's reporting entity.

Basis of Presentation

Fund 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 fiscal year of 2013:

Governmental Funds

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

Special Purpose Funds – 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.

UNIFIED SCHOOL DISTRICT NO. 360
Notes to Financial Statements
June 30, 2013

1. Summary of Significant Accounting Policies (continued)

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

Trust Fund – funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.)

Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The 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 District has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the District to use the regulatory basis of accounting.

2. 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), bond 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.

UNIFIED SCHOOL DISTRICT NO. 360
Notes to Financial Statements
June 30, 2013

2. Budgetary Information (continued)

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.

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

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

A legal operating budget is not required for capital projects funds, trust funds and the following special revenue funds:

- Contingency Reserve
- Textbook Rental
- Gate Receipts
- School Projects
- Revolving Funds
- Miscellaneous Grants
- Federal Projects
- School Activity Funds

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

UNIFIED SCHOOL DISTRICT NO. 360
Notes to Financial Statements
June 30, 2013

3. Interfund Transfers

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General Fund	Capital Outlay Fund	K.S.A. 72-6428	\$125,000
General Fund	Special Education Fund	K.S.A. 72-6428	330,035
General Fund	Professional Development Fund	K.S.A. 72-6428	8,500
General Fund	Vocational Education Fund	K.S.A. 72-6428	70,758
General Fund	At Risk Fund (4 Year Old)	K.S.A. 72-6428	20,500
General Fund	At Risk Fund (K-12)	K.S.A. 72-6428	245,623
Supplemental General Fund	Special Education Fund	K.S.A. 72-6428	163,566
Supplemental General Fund	Parent Education Fund	K.S.A. 72-6428	6,385
Supplemental General Fund	Vocational Education Fund	K.S.A. 72-6428	21,972
Supplemental General Fund	Textbook Rental Fund	K.S.A. 72-6428	11,500

4. 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, etc. 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 establish 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.

The difference between the Plan's actuarial value of Plan assets and the actuarial accrued liability (the unfunded accrued actuarial liability) reported in the Plan's audited financial statements as of June 30, 2012 and 2011 was approximately \$9.2 billion and \$8.2 billion, which represents a funded status of approximately 59% and 62%, respectively. In the event of a plan termination or employer withdrawal, an employer may be liable for a portion of the plan's unfunded vested benefits. The District represents less than 5% of the total contributions into this multi-employer plan.

UNIFIED SCHOOL DISTRICT NO. 360
Notes to Financial Statements
June 30, 2013

5. Compensated Absences

Vacation

After one year of continuous service, the full-time classified staff shall receive ten working days of vacation with pay. All earned vacation time is to be taken from July 1 to June 30 of each fiscal year and cannot be accumulated. Hence, there is no liability for accrued vacation pay at June 30, 2013.

General Leave

Both certified and classified employees begin each year with ten days general leave. Part time employees receive general leave days based upon their proportionate number of days worked. Unused general leave will be allowed to accumulate to seventy-five days. Unused general leave is not additional compensation, and payment will not be made for unused general leave.

Upon retirement or termination, if a certified employee has total unused accumulated personal days prior to June 30, 1996 and ten years of service with the District, the employee shall receive pay at the daily rate equivalent to the substitute teacher's daily rate. The District will not pay for personal days accumulated after June 30, 1996.

6. Deposits and Investments

Deposits

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.

At June 30, 2013, the carrying amount of the District's deposits, including certificates of deposit was \$1,555,960. The bank balance was \$1,180,543 for Impact Bank and \$478,907 for the Stock Exchange Bank. The difference between the carrying amount and the bank balances is outstanding checks and deposits in transit. Of the bank balances \$500,000 was covered by FDIC insurance and the remaining \$1,159,450 was collateralized by pledged securities held under joint custody receipts issued by third-party banks in the District's name. The third-party banks holding the pledged securities are independent of the pledging bank. The pledged securities are held under a tri-party custodial agreement signed by all three parties: the District, the pledging bank and the independent third-party bank holding the pledged securities.

UNIFIED SCHOOL DISTRICT NO. 360
Notes to Financial Statements
June 30, 2013

6. Deposits and Investments (continued)

Investments

Kansas statutes authorize the District to invest in U.S. Treasury bills and notes, repurchase agreements, and the State Municipal Investment Pool. All investments must be insured, registered, or held by the District or its agent in the District's name. The District's investments are categorized to give indications of the level of risk assumed by the entity at year-end. Category 1 includes investments that are insured or registered, or for which the securities are held by the District or its agent in the District's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the dealer bank's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the dealer bank. Of the three risk categories, the investments classified in Risk Category 1 have the least risk to the District.

At year ended June 30, 2013, all of the District investments fall under the Category 1 designation.

7. Lease Commitments

At June 30, 2013, the District was leasing copy machines and a postage machine under non-cancelable operating leases. Future minimum lease payments under the operating leases are as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2014	19,021
2015	19,021
2016	19,021
2017	<u>891</u>
Total	<u>\$57,954</u>

8. Early Retirement

The District discontinued all early retirement plans in 2008-2009. There were seven employees grandfathered into 3 different earlier plans. As of the 2012-2013 school year, the district is now only responsible for one person that had retired under those plans. Future estimated early retirement benefits for the next three years are as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2014	\$ 7,200
2015	7,200
2016	7,200

UNIFIED SCHOOL DISTRICT NO. 360
Notes to Financial Statements
June 30, 2013

9. Risk Management

The District continues to carry commercial insurance for all other risks of loss, including property, liability, crime, inland marine, automobile, and workers compensation. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

10. Subsequent Events

Subsequent events have been evaluated through November 5, 2013, which is the date the financial statements were available to be issued. There were no such events identified to be disclosed.

11. Compliance with Kansas Statutes

Management is aware of no statutory violations for the year ended June 30, 2013.

UNIFIED SCHOOL DISTRICT NO. 360
Notes to Financial Statements
Year Ended June 30, 2013

12. Long-term debt

Changes to long-term liabilities for the District for the year ended June 30, 2013 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: Series 2009	2.0% - 3.8%	9/1/2009	3,625,000	9/1/2021	\$ 3,325,000	\$ -	\$ 275,000	\$ -	\$ 3,050,000	\$ 101,954
Total Long-Term Debt					<u>\$ 3,325,000</u>	<u>\$ -</u>	<u>\$ 275,000</u>	<u>\$ -</u>	<u>\$ 3,050,000</u>	<u>\$ 101,954</u>

Annual Debt Service Requirements

	2014	2015	2016	2017	2018	2019-2023	Total
Principal							
General obligation bonds	\$ 290,000	\$ 295,000	\$ 310,000	\$ 325,000	\$ 335,000	\$ 1,495,000	\$ 3,050,000
Interest							
General obligation bonds	95,597	88,279	79,573	70,048	59,729	182,038	575,264
Total Principal and Interest	<u>\$ 385,597</u>	<u>\$ 383,279</u>	<u>\$ 389,573</u>	<u>\$ 395,048</u>	<u>\$ 394,729</u>	<u>\$ 1,677,038</u>	<u>\$ 3,625,264</u>