

UNIFIED SCHOOL DISTRICT NO. 212

Almena, Kansas

Independent Audit Report

July 1, 2008 to June 30, 2009

MAPES & MILLER

Certified Public Accountants

Norton, Kansas

UNIFIED SCHOOL DISTRICT NO. 212

Almena, Kansas

Financial Statements

For the Fiscal Year Ended June 30, 2009

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MAPES & MILLER

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

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We have audited the accompanying financial statements of Unified School District No. 212, Almena, Kansas, as of and for the year ended June 30, 2009, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 1, the Unified School District No. 212, Almena, Kansas has 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 the regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial 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 the Unified School District No. 212, Almena, Kansas, as of June 30, 2009, or changes in financial position 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 the Unified School District No. 212, Almena, Kansas as of June 30, 2009, 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 1.

To the Board of Education
Unified School District No. 212
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This report is intended solely for the information and use of the governing body and management of the Unified School District No. 212, Alma, Kansas, and for filing with the Kansas Department of Administration, Division of Accounts and Reports and other federal and state agencies to whose jurisdiction the District is subject, and should not be used for any other purpose. This restriction is not intended to limit distribution of this report, which, upon acceptance by the Board of Education, is a matter of public record.

Mapes & Miller

Certified Public Accountants

Norton, Kansas
April 12, 2010

UNIFIED SCHOOL DISTRICT NO. 212

Almena, Kansas

STATEMENT 1

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Summary of Cash Receipts, Expenditures, and Unencumbered Cash

For the Fiscal Year Ended June 30, 2009

Funds	Beginning	Prior Year	Cash	Cash	Ending	Add	Ending
	Unencumbered	Cancelled				Unencumbered	
	Cash Balance	Encumbrances	Receipts	Expenditures	Cash Balance	Payable	Cash Balance
Governmental Type Funds:							
General Funds:							
General	\$ (131,585)	0	2,060,512	2,156,735	(227,808)	7,231	(220,577)
Supplemental General	(516)	80	479,728	515,000	(35,708)	2,502	(33,206)
Special Revenue Funds:							
At Risk 4 Year Old	5,149	0	22,800	22,712	5,237	1,113	6,350
At Risk K-12	5,383	0	135,000	137,912	2,471	0	2,471
Capital Outlay	117,532	0	127,072	107,026	137,578	665	138,243
Driver Training	6,654	0	1,128	3,408	4,374	0	4,374
Food Service	39,864	0	143,196	140,734	42,326	0	42,326
Professional Development	2,671	0	12,572	12,356	2,887	0	2,887
Special Education	15,428	0	346,506	347,303	14,631	0	14,631
Vocational Education	0	0	78,382	74,921	3,461	1,044	4,505
KPERS Special Retirement Contribution	0	0	102,477	102,477	0	0	0
Contingency Reserve	83,822	0	97,307	30,192	150,937	0	150,937
Textbook Rental and Student Material Revolving	10,861	0	5,481	8,306	8,036	0	8,036
Box Tops for Education	913	0	365	0	1,278	0	1,278
Federal Funds	0	0	86,420	86,420	0	0	0
Gifts and Grants	936	0	6,000	6,088	848	0	848
District Activity Funds	2,487	0	14,139	14,623	2,003	0	2,003
Fiduciary Type Funds:							
Private Purpose Trust Funds:							
Maxine Sebelius Memorial Scholarship	14,000	0	0	500	13,500	0	13,500
Total Reporting Entity (Excluding Agency Funds)	\$ 173,599	80	3,719,085	3,766,713	126,051	12,555	138,606

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

UNIFIED SCHOOL DISTRICT NO. 212

Almena, Kansas
Composition of Cash

For the Fiscal Year Ended June 30, 2009

STATEMENT 1

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Almena State Bank, Almena, Kansas	
Checking Account	\$ 875
NOW Accounts	106,289
First National Bank, Long Island, Kansas	
Checking Account	5,462
NOW Account	(50,398)
Certificates of Deposit	<u>100,000</u>
Total Cash	162,228
Agency Funds per Statement 4	<u>(23,622)</u>
Total Reporting Entity (Excluding Agency Funds)	\$ <u>138,606</u>

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

UNIFIED SCHOOL DISTRICT NO. 212

Almena, Kansas

Summary of Expenditures - Actual and Budget

For the Year Ended June 30, 2009

STATEMENT 2

Description	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
Governmental Type Funds:						
General Funds:						
General Fund	\$ 2,181,036	(31,196)	6,895	2,156,735	2,156,735	0
Supplemental General Fund	515,000	0	0	515,000	515,000	0
Special Revenue Funds:						
At Risk 4 Year Old	34,523	0	3,000	37,523	22,712	(14,811)
At Risk K-12	138,187	0	0	138,187	137,912	(275)
Capital Outlay	202,235	0	0	202,235	107,026	(95,209)
Driver Training	8,584	0	0	8,584	3,333	(5,251)
Food Service	161,703	0	0	161,703	140,734	(20,969)
Professional Development	19,610	0	0	19,610	12,356	(7,254)
Special Education	347,304	0	0	347,304	347,303	(1)
Vocational Education	78,845	0	1,090	79,935	74,921	(5,014)
KPERS Special Retirement Contribution	115,148	0	0	115,148	102,477	(12,671)
Federal Funds	84,998	0	0	84,998	86,420	*
Gifts and Grants	17,972	0	0	17,972	6,088	*

* Exempt from Budget Law.

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

UNIFIED SCHOOL DISTRICT NO. 212

STATEMENT 3

Almena, Kansas

Page 1

General Fund

Statement of Cash Receipts and Expenditures

Actual and Budget

For the Year Ended June 30, 2009

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Cash Receipts:			
Tax in Process	\$ 5,432	5,471	(39)
Current Tax	172,114	171,136	978
Delinquent Tax	2,324	683	1,641
Mineral Tax	1,366	0	1,366
State Equalization Aid	1,692,871	1,738,593	(45,722)
Machinery and Equipment State Aid	58	439	(381)
Special Education Aid	179,452	264,714	(85,262)
User Charges	1,380	0	1,380
Reimbursed Expenses	<u>5,515</u>	<u>0</u>	<u>5,515</u>
 Total Cash Receipts	 <u>2,060,512</u>	 <u>2,181,036</u>	 <u>(120,524)</u>
Expenditures:			
Instruction	994,942	1,028,351	(33,409)
Student Support Services	32,423	17,219	15,204
Instructional Support Staff	41,496	29,253	12,243
General Administration	139,732	133,750	5,982
School Administration	164,905	127,476	37,429
Operations and Maintenance	174,664	260,085	(85,421)
Student Transportation Services	107,555	110,188	(2,633)
Transfer to Capital Outlay	0	35,000	(35,000)
Transfer to Food Service	0	10,000	(10,000)
Transfer to Special Education	258,157	264,714	(6,557)
Transfer to Contingency Reserve	97,307	5,000	92,307
Transfer to At Risk 4 Year Old	10,554	25,000	(14,446)
Transfer to At Risk K-12	135,000	135,000	0
Adjustment to Comply with Legal Max	<u>0</u>	<u>(31,196)</u>	<u>31,196</u>
 Legal General Fund Budget	 2,156,735	 2,149,840	 (6,895)

(Continued)

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

UNIFIED SCHOOL DISTRICT NO. 212

STATEMENT 3

Almena, Kansas

Page 2

General Fund

Statement of Cash Receipts and Expenditures

Actual and Budget

For the Year Ended June 30, 2009

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
(Continued)			
Adjustments for Qualifying Budget Credits:			
User Charges	\$ 0	1,380	1,380
Reimbursed Expenses	<u>0</u>	<u>5,515</u>	<u>5,515</u>
 Total Expenditures	 <u>2,156,735</u>	 <u>2,156,735</u>	 <u>0</u>
 Cash Receipts Over (Under) Expenditures	 (96,223)		
Unencumbered Cash, Beginning	<u>(131,585)</u>		
 Unencumbered Cash, Ending	 \$ <u>(227,808)</u> *		

*See Note 13 (Cash Basis Violation)

See Note 14 (Statutory Presentation)

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

UNIFIED SCHOOL DISTRICT NO. 212

STATEMENT 3

Almena, Kansas

Page 3

Supplemental General Fund

Statement of Cash Receipts and Expenditures

Actual and Budget

For the Year Ended June 30, 2009

	Actual	Budget	Variance Over (Under)
Cash Receipts:			
Tax in Process	\$ 6,308	1,146	5,162
Current Tax	250,882	244,494	6,388
Delinquent Tax	3,118	739	2,379
Motor Vehicle Tax	24,097	21,493	2,604
Recreational Vehicle Tax	532	456	76
State Aid	194,726	228,506	(33,780)
Machinery and Equipment State Aid	<u>65</u>	<u>0</u>	<u>65</u>
Total Cash Receipts	<u>479,728</u>	<u>496,834</u>	<u>(17,106)</u>
Expenditures:			
Instruction	10,133	34,500	(24,367)
General Administration	60,332	58,958	1,374
School Administration	0	12,600	(12,600)
Operations and Maintenance	262,236	217,696	44,540
Transfer to Food Service	20,236	18,000	2,236
Transfer to Professional Development	10,000	15,000	(5,000)
Transfer to Special Education	64,896	68,000	(3,104)
Transfer to Vocational Education	74,921	78,000	(3,079)
Transfer to At Risk 4 Year Old	<u>12,246</u>	<u>12,246</u>	<u>0</u>
Total Expenditures	<u>515,000</u>	<u>515,000</u>	<u>0</u>
Cash Receipts Over (Under) Expenditures	(35,272)		
Prior Year Cancelled Encumbrances	80		
Unencumbered Cash, Beginning	<u>(516)</u>		
Unencumbered Cash, Ending	\$ <u>(35,708)</u> *		

*See Note 13 (Cash Basis Exemption)

See Note 14 (Statutory Presentation)

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

UNIFIED SCHOOL DISTRICT NO. 212

STATEMENT 3

Almena, Kansas

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At Risk 4 Year Old Fund

Statement of Cash Receipts and Expenditures

Actual and Budget

For the Year Ended June 30, 2009

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Cash Receipts:			
Transfer from General	\$ 10,554	25,000	(14,446)
Transfer from Supplemental General	<u>12,246</u>	<u>12,246</u>	<u>0</u>
Total Cash Receipts	<u>22,800</u>	<u>37,246</u>	<u>(14,446)</u>
Expenditures:			
Instruction	22,712	34,523	(11,811)
Student Support Services	<u>0</u>	<u>3,000</u>	<u>(3,000)</u>
Total Expenditures	<u>22,712</u>	<u>37,523</u>	<u>(14,811)</u>
Cash Receipts Over (Under) Expenditures	88		
Unencumbered Cash, Beginning	<u>5,149</u>		
Unencumbered Cash, Ending	\$ <u>5,237</u>		

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

UNIFIED SCHOOL DISTRICT NO. 212

STATEMENT 3

Almena, Kansas

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At Risk K-12 Fund

Statement of Cash Receipts and Expenditures

Actual and Budget

For the Year Ended June 30, 2009

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Cash Receipts:			
Transfer from General	\$ <u>135,000</u>	<u>135,000</u>	<u>0</u>
Expenditures:			
Instruction	137,912	125,241	12,671
School Administration	<u>0</u>	<u>12,946</u>	<u>(12,946)</u>
Total Expenditures	<u>137,912</u>	<u>138,187</u>	<u>(275)</u>
Cash Receipts Over (Under) Expenditures	(2,912)		
Unencumbered Cash, Beginning	<u>5,383</u>		
Unencumbered Cash, Ending	\$ <u><u>2,471</u></u>		

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

UNIFIED SCHOOL DISTRICT NO. 212

STATEMENT 3

Almena, Kansas

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Capital Outlay Fund

Statement of Cash Receipts and Expenditures

Actual and Budget

For the Year Ended June 30, 2009

	<u>Actual</u>	<u>Budget</u>	Variance Over <u>(Under)</u>
Cash Receipts:			
Tax in Process	\$ 1,583	155	1,428
Current Tax	46,500	46,676	(176)
Delinquent Tax	769	185	584
Motor Vehicle Tax	6,064	5,487	577
Recreational Vehicle Tax	133	116	17
Machinery and Equipment State Aid	14	0	14
State Aid	13,912	13,926	(14)
Other Revenue - Local Sources	58,097	0	58,097
Transfer from General	<u>0</u>	<u>35,000</u>	<u>(35,000)</u>
 Total Cash Receipts	 <u>127,072</u>	 <u>101,545</u>	 <u>25,527</u>
 Expenditures:			
Instruction	14,551	25,000	(10,449)
Student Support Services	375	0	375
Instructional Support Staff	0	0	0
General Administration	0	0	0
School Administration	0	17,235	(17,235)
Central Services	0	0	0
Operations and Maintenance	4,840	25,000	(20,160)
Transportation	83,085	55,000	28,085
Other Support Services	0	45,000	(45,000)
Facility Acquisition and Construction	<u>4,175</u>	<u>35,000</u>	<u>(30,825)</u>
 Total Expenditures	 <u>107,026</u>	 <u>202,235</u>	 <u>(95,209)</u>
 Cash Receipts Over (Under) Expenditures	 20,046		
Unencumbered Cash, Beginning	<u>117,532</u>		
 Unencumbered Cash, Ending	 \$ <u>137,578</u>		

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

UNIFIED SCHOOL DISTRICT NO. 212

Almena, Kansas

Driver Training Fund

Statement of Cash Receipts and Expenditures

Actual and Budget

For the Year Ended June 30, 2009

STATEMENT 3

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	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Cash Receipts:			
State Aid	\$ 798	1,620	(822)
Other Revenue - Local Sources	330	300	30
Transfer from Supplemental General	<u>0</u>	<u>0</u>	<u>0</u>
Total Cash Receipts	<u>1,128</u>	<u>1,920</u>	<u>(792)</u>
Expenditures:			
Instruction	3,333	8,584	(5,251)
Vehicle Operations & Maintenance	<u>75</u>	<u>0</u>	<u>75</u>
Total Expenditures	<u>3,408</u>	<u>12,424</u>	<u>(6,760)</u>
Cash Receipts Over (Under) Expenditures	(2,280)		
Unencumbered Cash, Beginning	<u>6,654</u>		
Unencumbered Cash, Ending	\$ <u><u>4,374</u></u>		

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

UNIFIED SCHOOL DISTRICT NO. 212

STATEMENT 3

Almena, Kansas

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Food Service Fund

Statement of Cash Receipts and Expenditures

Actual and Budget

For the Year Ended June 30, 2009

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Cash Receipts:			
Federal Aid	\$ 72,569	57,952	14,617
State Aid	1,344	1,285	59
Food Service	43,119	41,344	1,775
Interest on Idle Funds	5,391	10,600	(5,209)
Miscellaneous	537	200	337
Transfer from General	0	10,000	(10,000)
Transfer from Supplemental General	<u>20,236</u>	<u>18,000</u>	<u>2,236</u>
Total Cash Receipts	<u>143,196</u>	<u>139,381</u>	<u>3,815</u>
Expenditures:			
Food Service Operations	<u>140,734</u>	<u>161,703</u>	<u>(20,969)</u>
Cash Receipts Over (Under) Expenditures	2,462		
Unencumbered Cash, Beginning	<u>39,864</u>		
Unencumbered Cash, Ending	\$ <u><u>42,326</u></u>		

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

UNIFIED SCHOOL DISTRICT NO. 212

Almena, Kansas

STATEMENT 3

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Professional Development Fund

Statement of Cash Receipts and Expenditures

Actual and Budget

For the Year Ended June 30, 2009

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Cash Receipts:			
Other Revenue - Local Sources	\$ 1,786	0	1,786
State Aid	786	2,000	(1,214)
Transfer from Supplemental General	<u>10,000</u>	<u>15,000</u>	<u>(5,000)</u>
Total Cash Receipts	<u>12,572</u>	<u>17,000</u>	<u>(4,428)</u>
Expenditures:			
Instructional Support Staff	<u>12,356</u>	<u>19,610</u>	<u>(7,254)</u>
Cash Receipts Over (Under) Expenditures	216		
Unencumbered Cash, Beginning	<u>2,671</u>		
Unencumbered Cash, Ending	\$ <u><u>2,887</u></u>		

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

UNIFIED SCHOOL DISTRICT NO. 212

Almena, Kansas

STATEMENT 3

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Special Education Fund

Statement of Cash Receipts and Expenditures

Actual and Budget

For the Year Ended June 30, 2009

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Cash Receipts:			
Other Revenue - Local Sources	\$ 23,453	15,000	8,453
Transfer from General	258,157	264,714	(6,557)
Transfer from Supplemental General	<u>64,896</u>	<u>68,000</u>	<u>(3,104)</u>
Total Cash Receipts	<u>346,506</u>	<u>347,714</u>	<u>(1,208)</u>
Expenditures:			
Instruction	322,145	328,056	(5,911)
Instruction Support Staff	4,259	0	4,259
Operations and Maintenance	99	0	99
Student Transportation Services	<u>20,800</u>	<u>19,248</u>	<u>1,552</u>
Total Expenditures	<u>347,303</u>	<u>347,304</u>	<u>(1)</u>
Cash Receipts Over (Under) Expenditures	(797)		
Unencumbered Cash, Beginning	<u>15,428</u>		
Unencumbered Cash, Ending	\$ <u>14,631</u>		

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

UNIFIED SCHOOL DISTRICT NO. 212

Almena, Kansas

STATEMENT 3

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Vocational Education Fund

Statement of Cash Receipts and Expenditures

Actual and Budget

For the Year Ended June 30, 2009

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Cash Receipts:			
Student Activities Reimbursement	\$ 1,067	0	1,067
User Charges	23	0	23
Miscellaneous	1,527	0	1,527
Reimbursed Expense	844	0	844
Transfer from Supplemental General	<u>74,921</u>	<u>78,000</u>	<u>(3,079)</u>
Total Cash Receipts	<u>78,382</u>	<u>78,000</u>	<u>382</u>
Expenditures:			
Instruction	65,302	67,001	(1,699)
Operations and Maintenance	9,619	11,000	(1,381)
Adjustments for Qualifying Budget Credits:			
Reimbursed Expense	0	844	(844)
Student Activities Reimbursement	0	1,067	(1,067)
Excess User Charges	<u>0</u>	<u>23</u>	<u>(23)</u>
Total Expenditures	<u>74,921</u>	<u>79,935</u>	<u>(5,014)</u>
Cash Receipts Over (Under) Expenditures	3,461		
Unencumbered Cash, Beginning	<u>0</u>		
Unencumbered Cash, Ending	\$ <u>3,461</u>		

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

UNIFIED SCHOOL DISTRICT NO. 212

Almena, Kansas

STATEMENT 3

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KPERS Special Retirement Contribution Fund

Statement of Cash Receipts and Expenditures

Actual and Budget

For the Year Ended June 30, 2009

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
Cash Receipts:			
State Aid	\$ <u>102,477</u>	<u>115,148</u>	<u>(12,671)</u>
Expenditures:			
Instruction	65,585	73,695	(8,110)
Student Support	3,074	3,455	(381)
Instructional Support	3,074	3,455	(381)
General Administration	6,661	7,485	(824)
School Administration	10,760	12,090	(1,330)
Operations and Maintenance	7,686	8,636	(950)
Student Transportation Services	513	576	(63)
Food Service	<u>5,124</u>	<u>5,756</u>	<u>(632)</u>
Total Expenditures	<u>102,477</u>	<u>115,148</u>	<u>(12,671)</u>
Cash Receipts Over (Under) Expenditures	0		
Unencumbered Cash, Beginning	<u>0</u>		
Unencumbered Cash, Ending	\$ <u><u>0</u></u>		

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

UNIFIED SCHOOL DISTRICT NO. 212

Almena, Kansas

Federal Funds

STATEMENT 3

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Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2009

	Title I 08-212	Title I 09-212	Title II Part A 08-212	Title II Part A 09-212	Small Rural School	Total	Budget*	Variance Over (Under)
Cash Receipts:								
Federal Aid	\$ 35,722	16,640	9,138	1,826	23,094	86,420	84,998	1,422
Expenditures:								
Instruction	32,496	15,340	1,172	0	23,094	72,102	49,998	22,104
Student Support Services	3,226	1,300	0	0	0	4,526	25,000	(20,474)
Instructional Support Staff	0	0	7,966	1,826	0	9,792	10,000	(208)
Total Expenditures	35,722	16,640	9,138	1,826	23,094	86,420	84,998	1,422
Cash Receipts Over (Under) Expenditures	0	0	0	0	0	0		
Unencumbered Cash, Beginning	0	0	0	0	0	0		
Unencumbered Cash, Ending	\$ 0	0	0	0	0	0		

* Exempt from Budget Law per K.S.A. 12-1663.

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

UNIFIED SCHOOL DISTRICT NO. 212

Almena, Kansas

STATEMENT 3

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Gifts and Grants Funds

Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2009

	Memorials and Donations	Kansas Coordinated School Health	Technology Grant	Total	Budget*	Variance Over (Under)
Cash Receipts:						
Donations and Grants	\$ <u>0</u>	<u>3,000</u>	<u>3,000</u>	<u>6,000</u>	<u>0</u>	<u>6,000</u>
Expenditures:						
Instruction	0	3,088	3,000	6,088	17,972	(11,884)
Student Support Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>0</u>	<u>3,088</u>	<u>3,000</u>	<u>6,088</u>	<u>17,972</u>	<u>(11,884)</u>
Cash Receipts Over (Under) Expenditures	0	(88)	0	(88)		
Unencumbered Cash, Beginning	<u>609</u>	<u>327</u>	<u>0</u>	<u>936</u>		
Unencumbered Cash, Ending	\$ <u>609</u>	<u>239</u>	<u>0</u>	<u>848</u>		

* Exempt from Budget Law per K.S.A. 79-2925 and 12-16,111.

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

UNIFIED SCHOOL DISTRICT NO. 212

Almena, Kansas

Any Non-budgeted Fund

Statement of Cash Receipts and Expenditures

Actual

For the Year Ended June 30, 2009

STATEMENT 3

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	<u>Contingency Reserve</u>	<u>Textbook Rental and Student Material Revolving</u>	<u>Box Tops for Education</u>	<u>Maxine Sebelius Memorial Scholarship</u>
Cash Receipts:				
Fees	\$ 0	5,481	0	0
Donations	0	0	365	0
Transfer from General	<u>97,307</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Cash Receipts	<u>97,307</u>	<u>5,481</u>	<u>365</u>	<u>0</u>
Expenditures:				
Instruction	0	8,306	0	0
Operations & Maintenance	30,192	0	0	0
Scholarships	<u>0</u>	<u>0</u>	<u>0</u>	<u>500</u>
Total Expenditures	<u>30,192</u>	<u>8,306</u>	<u>0</u>	<u>500</u>
Cash Receipts Over (Under) Expenditures	67,115	(2,825)	365	(500)
Unencumbered Cash, Beginning	83,822	10,861	913	14,000
Prior Year Cancelled Encumbrances	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	\$ <u><u>150,937</u></u>	<u><u>8,036</u></u>	<u><u>1,278</u></u>	<u><u>13,500</u></u>

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

UNIFIED SCHOOL DISTRICT NO. 212

STATEMENT 4

Almena, Kansas

Agency Funds

Summary of Cash Receipts and Disbursements

For the Year Ended June 30, 2009

Fund	Beginning Cash Balance	Cash Receipts	Cash Disburse- ments	Ending Cash Balance
Student Organization Funds:				
Junior High:				
Service Club	\$ 3,612	10,777	10,199	4,190
Eighth Grade Class	0	70	70	0
Yearbook	<u>0</u>	<u>150</u>	<u>150</u>	<u>0</u>
Total Junior High	<u>3,612</u>	<u>10,997</u>	<u>10,419</u>	<u>4,190</u>
High School:				
Student Council	2,298	4,155	3,259	3,194
Kayettes	901	2,059	2,111	849
Cheerleaders	2,311	5,362	7,460	213
Hi Lighters	1,095	1,257	2,282	70
FFA	280	9,890	8,380	1,790
Class of 2004	99	0	0	99
Class of 2005	28	0	0	28
Class of 2006	0	79	0	79
Class of 2007	129	0	0	129
Class of 2008	141	0	36	105
Class of 2009	3,473	556	3,303	726
Class of 2010	1,099	18,684	19,416	367
Class of 2011	1,804	494	180	2,118
Class of 2012	168	3,820	0	3,988
Class of 2013	0	66	0	66
Yearbook	788	8,422	8,130	1,080
Scholars Bowl	10	0	0	10
Dance Team	1,373	7,313	8,339	347
Drama Club	567	459	253	773
Technology Club	2,287	0	0	2,287
FCCLA	66	0	0	66
Volleyball Club	874	413	613	674
National Motor Club	<u>189</u>	<u>185</u>	<u>0</u>	<u>374</u>
Total High School	<u>19,980</u>	<u>63,214</u>	<u>63,762</u>	<u>19,432</u>
Other Agency Funds:				
Sales Tax	<u>0</u>	<u>2,333</u>	<u>2,333</u>	<u>0</u>
Total Other Agency Funds	<u>0</u>	<u>2,333</u>	<u>2,333</u>	<u>0</u>
Total Agency Funds	\$ <u>23,592</u>	<u>76,544</u>	<u>76,514</u>	<u>23,622</u>

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

UNIFIED SCHOOL DISTRICT NO. 212

Almena, Kansas

STATEMENT 5

District Activity Funds

Statement of Cash Receipts, Expenditures and Unencumbered Cash

For the Fiscal Year Ended June 30, 2009

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Junior High School Athletics	\$ 414	0	3,361	3,253	522	0	522
Senior High School Athletics	2,032	0	10,777	11,370	1,439	0	1,439
Greenhouse	41	0	1	0	42	0	42
Total District Activity Funds	\$ 2,487	0	14,139	14,623	2,003	0	2,003

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

UNIFIED SCHOOL DISTRICT NO. 212

Almena, Kansas

Notes to the Financial Statements

June 30, 2009

1. Summary of Significant Accounting Policies

Reporting Entity

Unified School District No. 212, Almena, Kansas operates as a unified school district in accordance with the laws of the State of Kansas. The District is operated by an elected board of education and provides the following services: education, culture and recreation.

Generally accepted accounting principles require government financial statements to include the primary government and its component units. Component units of a government entity are legally separate entities for which the primary government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the combined financial statements to be misleading or incomplete. The primary government is considered to be financially accountable if it appoints a majority of an organization's governing body and imposes its will on that organization. The primary government may also be financially accountable if an organization is fiscally dependent on the primary government, regardless of the authority of the organization's governing board.

Based on the application of the criteria set forth by the Governmental Accounting Standards Board, management has determined that the District has no component units. Accordingly these financial statements present all of the activities of the District in accordance with generally accepted accounting principles.

Fund Accounting

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

The following types of funds comprise the financial activities of the District for the fiscal year ended June 30, 2009:

Governmental Funds:

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 special assessments or major capital projects) that are restricted by law or administrative action to expenditure for specified purposes.

Fiduciary Funds:

Private Purpose Trust and Agency Funds--To account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds.

Reimbursed Expenditures

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statements meet the following criteria: 1) the related disbursement was made in the current year on behalf of the payee, 2) the item paid for was directly identifiable as having been used by or provided to the payee, and 3) the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

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 is charged in the fund from which the transfer is made.

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

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, cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year-end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with accounting principles generally accepted in the United States of America. Capital assets that account for the land, building, 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.

2. 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. 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 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. The budget was not amended in this manner for the year ended June 30, 2009.

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 related to unperformed (executory) contracts for goods and services and are usually evidenced by a purchases order or written contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for fiduciary funds and the following special revenue funds:

	<u>Statutory Authority for Exemption</u>
Title I 08-212	K.S.A. 12-1663
Title I 09-212	K.S.A. 12-1663
Title II Part A 08-212	K.S.A. 12-1663
Title II Part A 90-212	K.S.A. 12-1663
Small Rural School	K.S.A. 12-1663
Memorials and Donations	K.S.A. 79-2925
Kansas Coordinated School Health	K.S.A. 12-16,111
Technology Grant	K.S.A. 12-16,111
Contingency Reserve	K.S.A. 72-6426
Textbook Rental and Student Material Revolving	K.S.A. 72-8250
Box Tops for Education	K.S.A. 79-2925
Junior High School Athletics	K.S.A. 72-8208a
Senior High School Athletics	K.S.A. 72-8208a
Greenhouse	K.S.A. 72-8208a

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

3. **Property Taxes**

Property taxes are levied November 1st of the calendar year. A lien is placed on the property when the taxes are levied. The taxes are due 1/2 on December 20th and 1/2 the following May 10th. Any taxes unpaid at the due dates are considered delinquent. Collection of current year property tax by the County Treasurer is not completed, apportioned nor distributed to the various subdivisions until the succeeding year: such procedure being in conformity with governing state statutes. Consequently, current year property taxes receivable are not available as a resource that can be used to finance the current year operation of the District and therefore are not susceptible to accrual.

It is not practicable to apportion delinquent taxes held by the County Treasurer at the end of the audit period and, further, the amounts thereof are not material to the financial statements taken as a whole.

4. **Lease Obligations**

There were no operating leases which require disclosure. Capital lease obligations are reported as long-term debt in Note 10.

5. **Inventories and Prepaid Expense**

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

6. **Compensated Absences**

Sick Leave

The employees of Unified School District No. 212, Almena, Kansas are allowed twelve days of sick leave per year. This can be carried over and accumulated to fifty days for all regular and full-time employees. All certified employees who have accumulated over thirty-eight days of sick leave by the end of the contract year will be paid for days over thirty-eight, at the rate of one-half the daily rate for substitute teachers. Unused sick leave is not paid upon termination, therefore, no cost of accumulated sick leave as of June 30, 2009 is included in long-term debt in Note 10.

Vacation Pay

The superintendent is allowed twenty days of vacation per year. Other twelve-month employees are allowed ten days of vacation per year. Vacation time cannot be carried over to the following year and is not required to be used, therefore, no cost of accumulated vacation pay as of June 30, 2009 is included in long-term debt in Note 10.

7. **Defined Benefit Pension Plan**

Plan Description

Unified School District No. 212, Almena, Kansas participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined pension plan as provided by K.S.A. 74-4901, et.seq. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 South Kansas Avenue, 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% of covered salary. Member-employee contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414 (h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. Kansas currently contributes 7.97% of covered payroll. These contribution requirements are established by KPERS and are periodically revised. Kansas' contributions to KPERS for all school municipalities for the years ending June 30, 2009, 2008, and 2007 were \$242,277,363, \$220,815,154, and \$192,425,626, respectively, equal to the required contributions for each year.

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 premium regardless of age. However, the cost of this subsidy has not been quantified for 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.

9. Deposits and Investments

At June 30, 2009, the District had no investments except for certificates of deposit which are considered to be a component of deposits.

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

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

Concentration of Credit Risk

State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District has not designated any "peak periods" with eligible depositories. All deposits were legally secured at June 30, 2009.

At June 30, 2009, the District's carrying amount of deposits was \$162,228 and the bank balance was \$354,168. The bank balance was held by two banks resulting in a concentration of credit risk. The entire bank balance was covered by federal deposit insurance.

10. Long-term Debt

Changes in long-term liabilities for Unified School District No. 212, Alma, Kansas for the year ended June 30, 2009 were as follows:

Issue	Interest Rate	Date of Issue	Amount of Original Issue	Date of Final Issue	Balance Beginning of Year	Additions	Reduction Payments	Balance End of Year	Interest Paid
Capital Leases:									
Copiers	11.32%	09/09/04	\$ 27,884	09/09/09	\$ 7,900	0	6,707	1,193	553
2005 Chevy Mid Bus	5.59%	10/19/08	39,427	10/19/08	\$ 10,347	0	10,347	0	578
Two International Buses	4.00%	07/24/08	90,608	08/15/11	0	90,608	23,841	66,767	218
Total Long-term Debt					<u>\$ 18,247</u>	<u>90,608</u>	<u>40,895</u>	<u>67,960</u>	<u>1,349</u>

Current maturities of long-term debt for Unified School District No. 212, Alma, Kansas for the next five years are as follows:

	2010	2011	2012	2013	2014	Total
PRINCIPAL						
Capital Leases:						
Copiers	\$ 1,193	0	0	0	0	1,193
Two International Buses	<u>21,389</u>	<u>22,244</u>	<u>23,134</u>	<u>0</u>	<u>0</u>	<u>66,767</u>
Total Principal	<u>22,582</u>	<u>22,244</u>	<u>23,134</u>	<u>0</u>	<u>0</u>	<u>67,960</u>
INTEREST						
Capital Leases:						
Copiers	17	0	0	0	0	17
Two International Buses	<u>2,671</u>	<u>1,815</u>	<u>925</u>	<u>0</u>	<u>0</u>	<u>5,411</u>
Total Interest	<u>2,688</u>	<u>1,815</u>	<u>925</u>	<u>0</u>	<u>0</u>	<u>5,428</u>
Total Principal and Interest	<u>\$ 25,270</u>	<u>24,059</u>	<u>24,059</u>	<u>0</u>	<u>0</u>	<u>73,388</u>

11. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; injuries to employees; and natural disasters for which the District purchases commercial insurance.

During the year ended June 30, 2009, the District did not reduce insurance coverage from levels in place during the prior year. No settlements have exceeded coverage levels in place during the past three fiscal years.

12. **Operating Transfers**

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General	Special Education	K.S.A. 72-6428	258,157
General	Contingency Reserve	K.S.A. 72-6428	97,307
General	At Risk 4 Year Old	K.S.A. 72-6428	10,554
General	At Risk K-12	K.S.A. 72-6428	135,000
Supplemental General	Food Service	K.S.A. 72-6433	20,236
Supplemental General	Professional Development	K.S.A. 72-6433	10,000
Supplemental General	Special Education	K.S.A. 72-6433	64,896
Supplemental General	Vocational Education	K.S.A. 72-6433	74,921
Supplemental General	At Risk 4 Year Old	K.S.A. 72-6433	12,246

13. **Compliance with Kansas Statutes****Cash Basis Violation**

K.S.A. 10-1113 requires that no indebtedness be created for a fund in excess of available monies in that fund. The General Fund had a negative unencumbered cash balance of \$227,808 as of June 30, 2009. This is due to the late distribution of general state aid, special education services aid, and a mentor teacher program grant payment. The general state aid payment of \$160,174 was received July 9, 2009. The special education services aid payment of \$67,648 was received July 1, 2009. The mentor teacher program grant payment of \$500 was received July 1, 2009. Expenditures by school districts in excess of current revenues due to late general state aid are exempted by K.S.A. 10-1116(a). However, there is no such statutory exemption for expenditures by school districts in excess of current revenues due to the late distribution of other payments from the state. Thus, the General Fund is in violation of K.S.A. 10-1113.

Cash Basis Exemption

K.S.A. 10-1113 requires that no indebtedness be created for a fund in excess of available monies in that fund. The Supplemental General Fund had a negative unencumbered cash balance of \$35,708 as of June 30, 2009. K.S.A. 10-1116a exempts from the cash basis law expenditures by school districts that are in excess of current revenues if the deficit in revenues is caused by the late distribution of state aid. The June state aid payment for the Supplemental General Fund of \$45,702 was received on July 9, 2009. This fund meets the criteria of K.S.A. 10-1116a, and therefore is not deemed to be in violation of K.S.A. 10-1113.

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

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

In addition, the General Fund Statement also includes special education aid and a mentor teachers program grant for the fiscal year ended June 30, 2009, as confirmed by the Kansas State Department of Education. Inclusion of these amounts is not required by the statutes but has been included in this statement to be in conformity with the budget laws of Kansas.

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

STATUTORY REVENUES AND EXPENDITURES – STATUTORY AND BUDGET
For the Year Ended June 30, 2009

GENERAL FUND

	Statutory Transactions	Budget	Variance Over (Under)
Statutory Revenues:			
Tax in Process	\$ 5,432	5,471	(39)
Current Tax	172,114	171,136	978
Delinquent Tax	2,324	683	1,641
Mineral Tax	1,366	0	1,366
State Equalization Aid	1,721,446	1,738,593	(17,147)
Machinery and Equipment State Aid	58	439	(381)
Special Education State Aid	247,100	264,714	(17,614)
User Charges	1,380	0	1,380
Reimbursed Expenses	5,515	0	5,515
	<u>2,156,735</u>	<u>2,181,036</u>	<u>(24,301)</u>
Total Statutory Revenues			
Expenditures:			
Instruction	994,942	1,028,351	(33,409)
Student Support Services	32,423	17,219	15,204
Instructional Support Staff	41,496	29,253	12,243
General Administration	139,732	133,750	5,982
School Administration	164,905	127,476	37,429
Operations and Maintenance	174,664	260,085	(85,421)
Student Transportation Services	107,555	110,188	(2,633)
Transfer to Capital Outlay	0	35,000	(35,000)
Transfer to Food Service	0	10,000	(10,000)
Transfer to Special Education	258,157	264,714	(6,557)
Transfer to Contingency Reserve	97,307	5,000	92,307
Transfer to At Risk 4 Year Old	10,554	25,000	(14,446)
Transfer to At Risk K-12	135,000	135,000	0
Adjustment to Comply with Legal Max	0	(31,196)	31,196
	<u>2,156,735</u>	<u>2,149,840</u>	<u>6,895</u>
Legal General Fund Budget			
Adjustments for Qualifying Budget Credits:			
User Charges	0	1,380	(1,380)
Reimbursed Expenses	0	5,515	(5,515)
	<u>2,156,735</u>	<u>2,156,735</u>	<u>0</u>
Total Expenditures			
Revenue Over (Under) Expenditures	0		
Modified Unencumbered Cash, Beginning	<u>14</u>		
Modified Unencumbered Cash, Ending	<u>\$ 14</u>		

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

STATUTORY REVENUES AND EXPENDITURES – STATUTORY AND BUDGET
For the Year Ended June 30, 2009

SUPPLEMENTAL GENERAL

	<u>Statutory Transactions</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Statutory Revenues:			
Tax in Process	\$ 6,308	1,146	5,162
Current Tax	250,882	244,494	6,388
Delinquent Tax	3,118	739	2,379
Motor Vehicle	24,097	21,493	2,604
Recreational Vehicle Tax	532	456	76
State Aid	228,506	228,506	0
Machinery and Equipment State Aid	<u>65</u>	<u>0</u>	<u>65</u>
Total Statutory Revenues	<u>513,508</u>	<u>496,834</u>	<u>16,674</u>
Expenditures:			
Instruction	10,133	34,500	(24,367)
General Administration	60,332	58,958	1,374
School Administration	0	12,600	(12,600)
Operations and Maintenance	262,236	217,696	44,540
Transfer to Food Service	20,236	18,000	2,236
Transfer to Professional Development	10,000	15,000	(5,000)
Transfer to Special Education	64,896	68,000	(3,104)
Transfer to Vocational Education	74,921	78,000	(3,079)
Transfer to Textbook & Student Materials Revolving	0	12,246	(12,246)
Transfer to At Risk 4 Year Old	<u>12,246</u>	<u>0</u>	<u>12,246</u>
Total Expenditures	<u>515,000</u>	<u>515,000</u>	<u>0</u>
Revenue Over (Under) Expenditures	(1,492)		
Modified Unencumbered Cash, Beginning	<u>11,406</u>		
Modified Unencumbered Cash, Ending	<u>\$ 9,914</u>		

MAPES & MILLER

CERTIFIED PUBLIC ACCOUNTANTS

A PARTNERSHIP OF PROFESSIONAL CORPORATIONS

Members of American Institute of Certified Public Accountants
and the Kansas Society of Certified Public Accountants

JOHN D. MAPES, CPA
DENIS W. MILLER, CPA

THOMAS CARPENTER, CPA
DON TILTON, CPA

April 12, 2010

418 E. Holme
Norton, KS 67654-1412
(785) 877-5833
FAX - (785) 877-5442
email - mmcpas@ruraltel.net

To the Board of Education
Unified School District No. 212
Almena, Kansas 67622

711 3rd Street
P.O. Box 266
Phillipsburg, KS 67661-0266
(785) 543-6561
FAX - (785) 543-6563
email - mmpburg@ruraltel.net

We have audited the financial statements of the Unified School District No. 212 for the year ended June 30, 2009, and have issued our report thereon dated April 12, 2010.

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Stockton, KS 67669-0508
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In planning and performing our audit of the financial statements of the Unified School District No. 212 as of and for the year ended June 30, 2009, in accordance with auditing standards generally accepted in the United States of America, we considered the Unified School District No. 212's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Unified School District No. 212's internal control. Accordingly, we do not express an opinion on the effectiveness of the Unified School District No. 212's internal control.

230 Main St.
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Quinter, KS 67752-0412
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A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with the basis of accounting prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

117 N. Main St.
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A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

306 N. Pomeroy
Hill City, KS 67642-1720
(785) 421-2163
FAX - (785) 421-2164
email - mapeshc@ruraltel.net

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

Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated September 18, 2008, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, 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. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on January 19, 2010.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Unified School District No. 212 are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2009. We noted no transactions entered into by the Unified School District No. 212 during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them differ significantly from those expected. No estimates were made by management for the year ended June 30, 2009.

The disclosures in the financial statements are neutral, consistent, and clear. Certain financial statement disclosures can be particularly sensitive because of their significance to financial statement users. For the year ended June 30, 2009, there were no sensitive disclosures that were included in the financial statements.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of the audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 12, 2010.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This communication is intended solely for the information and use of the governing body and management of the District, others within the organization, and the Kansas Department of Administration, Division of Accounts and Reports and is not intended to be and should not be used by anyone other than these specified parties.