

UNIFIED SCHOOL DISTRICT NO. 299, SYLVAN GROVE, KANSAS

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
For the Year Ended June 30, 2012**

UNIFIED SCHOOL DISTRICT NO. 299, SYLVAN GROVE, KANSAS

For the Year Ended June 30, 2012

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INDEPENDENT AUDITORS' REPORT

To the Board of Education
Unified School District No. 299
Sylvan Grove, Kansas 67481

We have audited the accompanying financial statements of the Unified School District No. 299, as of and for the year ended June 30, 2012, 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. The prior year partial or summarized comparative information has been derived from the District's June 30, 2011 financial statements and, in our report dated October 31, 2011, we expressed an unqualified opinion on the respective financial statements.

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 A, the District has prepared these financial statements using accounting practices prescribed or permitted by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, is presumed to be material.

Further 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 Unified School District No. 299 as of June 30, 2012, the changes in its financial position.

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. 299 as of June 30, 2012, and the respective cash receipts and disbursements, and budgetary results for the year then ended, on the basis of accounting described in Note A.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's financial statements as a whole. The accompanying financial information listed as supplemental information in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The schedules of state and federal financial assistance have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on them.


Gudenkauf & Malone, Inc
Russell, Kansas
October 29, 2012

UNIFIED SCHOOL DISTRICT NO. 299, SYLVAN GROVE, KANSAS

SUMMARY OF CASH RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
For the year ended June 30, 2012

	Beginning unencumbered cash balance	Prior year cancelled encumbrances	Cash receipts	Cash disbursements	Ending unencumbered cash balance	Add outstanding encumbrances and accounts payable	Statement 1 Ending cash balance
Governmental type Funds:							
General	\$ (131,789)	\$ -	\$ 1,951,540	\$ 2,022,678	\$ (202,927)	\$ 135,645	\$ (67,282)
Local Option	34,512	162	467,143	500,000	1,817	43,664	45,481
Special revenue							
Capital outlay	208,548	-	82,136	14,464	276,220	15,000	291,220
Driver training	543	-	3,992	4,102	433	-	433
Food service	9,607	-	191,059	185,632	15,034	1,619	16,653
Special education	14,889	-	340,908	310,469	45,328	-	45,328
Vocational education	-	-	120,381	120,381	-	20,018	20,018
Virtual education	-	-	35,257	35,257	-	478	478
Textbook & Material	2,841	-	6,630	5,121	4,350	379	4,729
Contingency reserve	128,587	-	9,824	-	138,411	-	138,411
Athletics	(9,826)	-	25,837	27,223	(11,212)	-	(11,212)
After School Program	351	-	145	-	496	-	496
Fiduciary, expendable trust							
Title I, Title II	744	-	57,864	58,608	-	14,314	14,314
At Risk	-	-	159,609	159,609	-	26,913	26,913
At Risk 4 Year Old	-	-	23,825	23,825	-	808	808
Preschool Gift Fund	-	-	1,050	320	730	-	730
EDCAPS Grant	-	-	22,944	22,944	-	-	-
Fiduciary and Trust							
KPERs	-	-	141,060	141,060	-	-	-
Total Reporting Entity (Excluding Agency Funds)	\$ 259,007	\$ 162	\$ 3,641,204	\$ 3,631,693	\$ 268,680	\$ 258,838	\$ 527,518
						Checking	\$ 236,292
						Money Market	122,607
						Petty Cash	490
						Certificate of Deposit	200,000
						Total Cash	559,389
						Agency Funds Per Statement 4	(31,871)
						Total Reporting Entity (Excluding Agency Funds)	\$ 527,518

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

UNIFIED SCHOOL DISTRICT NO. 299, SYLVAN GROVE, KANSAS

**SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
(Budgeted Funds Only)
For the year ended June 30, 2012**

Statement 2

Funds	Certified budget	Adjustment to comply with legal max	Total budget for comparison	Expenditures chargeable to current year	Variance- Under (Over)
General	\$ 2,072,574	\$ (49,896)	\$ 2,022,678	\$ 2,022,678	\$ -
Local option	500,000	-	500,000	500,000	-
Capital outlay	291,965	-	291,965	14,464	277,501
Driver training	5,380	-	5,380	4,102	1,278
Food service	250,237	-	250,237	185,632	64,605
Special education	435,000	-	435,000	310,469	124,531
KPERS	141,194	-	141,194	141,060	134
AT Risk	162,000	-	162,000	159,609	2,391
At Risk 4 year old	30,000	-	30,000	23,825	6,175
Virtual education	40,000	-	40,000	35,257	4,743
Vocational education	70,000	-	70,000	120,381	(50,381)
Total budgeted funds	\$ 3,998,350	\$ (49,896)	\$ 3,948,454	\$ 3,517,477	\$ 430,977

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

UNIFIED SCHOOL DISTRICT NO. 299, SYLVAN GROVE, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the year ended June 30, 2012

(With comparative actual totals for the prior year ended June 30, 2011)

GENERAL FUND

Statement 3
1 of 18

	2011	2012		Variance Under (Over)
		Actual	Budget	
Cash receipts				
General property taxes				
Ad valorem property taxes	\$ 368,205	\$ 367,406	\$ 354,254	\$ 13,152
Delinquent tax	3,711	103	7,441	(7,338)
Mineral tax	38	5,749	-	5,749
Intergovernmental revenues				
Other Revenue	212	-	-	-
State equalization aid	1,404,614	1,418,281	1,450,879	(32,598)
ARRA Stabilization Funds	25,047	-	-	-
ARRA Ed Jobs Stabilization Funds	43,857	959	-	959
Special education aid	144,572	159,042	260,000	(100,958)
Total cash receipts	1,990,256	1,951,540	\$ 2,072,574	\$ (121,034)
Expenditures and transfers subject to legal max budget				
Instruction				
Certified salaries	513,376	544,843	600,000	55,157
Employee insurance	84,489	66,722	170,000	103,278
Social security	41,347	36,571	45,000	8,429
Other employee benefit	561	458	-	(458)
Employer benefit expense	81,668	38,537	-	(38,537)
Purchased professional/technical services	29,024	38,751	500	(38,251)
Certified salaries - ARRA Stabilization funds	25,047	-	-	-
Certified salaries - ARRA Ed Jobs	43,857	959	-	(959)
Textbooks	5,847	5,986	1,180	(4,806)
Supplies	28,866	19,096	8,694	(10,402)
Property	5,318	17,861	6,000	(11,861)
Other	23,009	8,336	4,000	(4,336)
Total instruction	882,409	778,120	835,374	57,254
Student support services				
Certified salaries	7,316	7,118	6,000	(1,118)
Social security	560	544	500	(44)
Other employee benefit	1,069	1,069	500	(569)
Purchased professional/technical services	2,192	-	1,000	1,000
Supplies	217	358	400	42
Other	699	695	700	5
Total student support services	12,053	9,784	9,100	(684)

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

UNIFIED SCHOOL DISTRICT NO. 299, SYLVAN GROVE, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the year ended June 30, 2012

(With comparative actual totals for the prior year ended June 30, 2011)

GENERAL FUND - continued

Statement 3
1 of 18

	2012		Variance Under (Over)	
	2011	Actual		Budget
Expenditures and transfers - continued				
Instruction support staff				
Certified salaries	12,555	21,830	-	(21,830)
Non-Certified salaries	20,999	29,958	20,000	(9,958)
Social security	2,462	3,182	1,000	(2,182)
Other employee benefit	32	41	100	59
Purchased professional/technical services	1,783	2,100	1,500	(600)
Books/periodicals	515	463	1,000	537
Audiovisual/instructional software	21,736	13,453	15,000	1,547
Property	-	15,684	2,000	(13,684)
Other	-	110	-	(110)
Miscellaneous supplies	213	150	500	350
Total instruction support staff	60,295	86,971	41,100	(45,871)
General administration				
Certified salaries	43,500	44,250	40,000	(4,250)
Non-certified salaries	37,800	36,511	-	(36,511)
Employee Insurance	-	-	4,000	4,000
Social security	6,210	6,169	6,000	(169)
Other employee benefit	8,737	8,497	2,000	(6,497)
Purchased professional/technical services	18,562	16,015	15,000	(1,015)
Other	8,836	9,221	8,000	(1,221)
Total general administration	123,645	120,663	75,000	(45,663)
School administration				
Certified salaries	103,500	86,250	100,000	13,750
Non-certified salaries	41,490	39,056	40,000	944
Social security	10,300	9,244	5,000	(4,244)
Other employee benefit	13,905	18,686	10,000	(8,686)
Professional & technical service	13,464	13,489	14,000	511
Communications	7,498	9,323	10,000	677
Supplies	4,099	625	5,000	4,375
Other	1,239	1,053	1,000	(53)
Total school administration	195,495	177,726	185,000	7,274

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

UNIFIED SCHOOL DISTRICT NO. 299, SYLVAN GROVE, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the year ended June 30, 2012

(With comparative actual totals for the prior year ended June 30, 2011)

GENERAL FUND - continued

Statement 3
1 of 18

	2012		Variance Under (Over)	
	2011	Actual		Budget
Expenditures and transfers - continued				
Operations and maintenance				
Non-certified salaries	99,370	116,171	100,000	(16,171)
Employee insurance	20,968	21,089	25,000	3,911
Social security	7,505	9,295	10,000	705
Other employee benefit	94	121	-	(121)
Professional & technical service	25,379	16,955	20,000	3,045
Water/sewer	13,699	12,684	15,000	2,316
Repairs and Maintenance	190	-	-	-
Insurance	57,936	23,156	56,000	32,844
Heat & electricity	79,741	70,925	75,000	4,075
General supplies	25,673	17,389	15,000	(2,389)
Motor fuel-not school bus	2,083	2,020	2,000	(20)
Equipment and furniture	-	4,098	1,000	(3,098)
Other	-	35	-	(35)
Total operations and maintenance	332,638	293,938	319,000	25,062
Vehicle operating services				
Non-certified	69,661	68,661	75,000	6,339
Social security	5,317	5,252	6,000	748
Other employee benefits	67	66	-	(66)
Purchased professional & technical services	27,790	34,759	3,000	(31,759)
Motor fuel	57,084	68,651	60,000	(8,651)
Insurance	-	2,328	-	(2,328)
Supplies	8,584	11,139	9,000	(2,139)
Total vehicle operating services	168,503	190,856	153,000	(37,856)
Transfers				
Contingency Fund	13,979	9,824	-	(9,824)
Driver Training	1,125	1,630	-	(1,630)
At risk (4 year old)	9,693	10,505	30,000	19,495
Food service fund	-	22,465	25,000	2,535
Preschool Fund	1,269	-	-	-
Capital Outlay	2,874	-	-	-
Special education fund	88,538	159,042	260,000	100,958
Vocational education fund	22,262	100,327	50,000	(50,327)
Virtual education fund	33,808	34,057	-	(34,057)
At risk fund	38,418	26,770	90,000	63,230
Total transfers	211,966	364,620	455,000	90,380

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

UNIFIED SCHOOL DISTRICT NO. 299, SYLVAN GROVE, KANSAS
STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
For the year ended June 30, 2012
(With comparative actual totals for the prior year ended June 30, 2011)

GENERAL FUND - continued

Statement 3
1 of 18

		2012		
2011	Actual	Budget	Variance Under (Over)	
Adjustment to comply with legal max	-	-	(49,896)	(49,896)
Total expenditures and transfers subject to legal max budget	1,987,004	2,022,678	\$ 2,022,678	\$ -
Receipts over (under) expenditures	3,252	(71,138)		
Unencumbered cash, beginning	(135,041)	(131,789)		
Unencumbered cash, ending	\$ (131,789)	\$ (202,927) *		

*See Note I (Cash Basis Exception)

*See Note Q (Statutory Presentation)

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

UNIFIED SCHOOL DISTRICT NO. 299, SYLVAN GROVE, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 For the year ended June 30, 2012
 (With comparative actual totals for the prior year ended June 30, 2011)

LOCAL OPTION FUND

Statement 3
 2 of 18

	2011	2012		Variance Under (Over)
		Actual	Budget	
Cash receipts				
Ad valorem tax	\$ 327,387	\$ 366,972	\$ 398,055	\$ (31,083)
Delinquent tax	3,392	6,852	6,577	275
Motor vehicle tax	25,958	27,562	30,550	(2,988)
Other Revenue	2,799	-	-	-
State equalization aid	79,188	65,757	62,790	2,967
Total cash receipts	438,724	467,143	\$ 497,972	\$ (30,829)
Expenditures and transfers				
Instructional				
Certified salaries	72,940	2,753	90,000	87,247
Non Certified salaries	-	-	25,000	25,000
Social security	4,755	211	5,000	4,789
Purchased professional services	-	42,013	30,000	(12,013)
Teaching Supplies	12,717	22,336	-	(22,336)
Property	744	24,485	45,000	20,515
Other	60	471	5,000	4,529
Total instruction	91,216	92,269	200,000	107,731
Student support				
Supplies	-	3,595	-	(3,595)
Property	11,570	30,972	-	(30,972)
Total student support	11,570	34,567	-	(34,567)
Transfers				
At Risk	63,082	132,839	50,000	(82,839)
4-yr old At Risk	14,189	13,320	-	(13,320)
Food Service	41,121	30,379	75,000	44,621
Vocational education fund	30,145	20,054	-	(20,054)
Special Ed	148,677	176,572	175,000	(1,572)
Total transfers	297,214	373,164	300,000	(73,164)
Total expenditures	400,000	500,000	\$ 500,000	\$ -

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

UNIFIED SCHOOL DISTRICT NO. 299, SYLVAN GROVE, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 For the year ended June 30, 2012
 (With comparative actual totals for the prior year ended June 30, 2011)

LOCAL OPTION FUND

Statement 3
 2 of 18

	2011	2012		Variance Under (Over)
		Actual	Budget	
Receipts over expenditures	38,724	(32,857)		
Unencumbered cash, beginning	(4,371)	34,512		
Cancelled Encumbrances	<u>159</u>	<u>162</u>		
Unencumbered cash, ending	<u>\$ 34,512</u>	<u>\$ 1,817</u>	*	

*See Note Q (Statutory Presentation)

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

UNIFIED SCHOOL DISTRICT NO. 299, SYLVAN GROVE, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 For the year ended June 30, 2012
 (With comparative actual totals for the prior year ended June 30, 2011)

CAPITAL OUTLAY FUND

Statement 3
 3 of 18

	2011	2012		Variance Under (Over)
		Actual	Budget	
Cash receipts				
General property tax				
Ad Valorem property taxes	\$ 2,149	\$ 53,697	\$ 61,875	\$ (8,178)
Delinquent tax	15	12	-	12
Motor vehicle tax	205	90	-	90
Interest	4,597	3,133	-	3,133
Other	25,687	25,204	-	25,204
Transfer from general fund	2,874	-	-	-
Total cash receipts	<u>35,527</u>	<u>82,136</u>	<u>\$ 61,875</u>	<u>\$ 20,261</u>
Expenditures and transfers				
Instruction	11,242	-	1,085	1,085
Instructional support equipment & furniture	19,467	5,576	30,000	24,424
School administration	-	-	4,880	4,880
Operations and Maintenance	55,879	-	100,000	100,000
Other Support Services	1,045	-	50,000	50,000
Property equipment & furniture	8,992	707	50,000	49,293
Other	4,853	8,181	25,000	16,819
Transportation	-	-	30,000	30,000
Custodians	19,574	-	1,000	1,000
Social security	1,493	-	-	-
Other employee benefits	19	-	-	-
Total expenditures and transfers	<u>122,564</u>	<u>14,464</u>	<u>\$ 291,965</u>	<u>\$ 277,501</u>
Receipts over (under) expenditures	(87,037)	67,672		
Unencumbered cash, beginning	<u>295,585</u>	<u>208,548</u>		
Unencumbered cash, ending	<u>\$ 208,548</u>	<u>\$ 276,220</u>		

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

UNIFIED SCHOOL DISTRICT NO. 299, SYLVAN GROVE, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the year ended June 30, 2012

(With comparative actual totals for the prior year ended June 30, 2011)

DRIVER TRAINING FUND

Statement 3
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	2011	2012		Variance Under (Over)
		Actual	Budget	
Cash receipts				
State aid	\$ 740	\$ 1,598	\$ 1,480	\$ 118
Tuition	930	764	3,000	(2,236)
Transfer from General	1,125	1,630	-	1,630
Total cash receipts	2,795	3,992	\$ 4,480	\$ (488)
Expenditures				
Instruction				
Salaries	1,793	2,970	1,800	(1,170)
Social security	137	227	2,000	1,773
Other employee benefit	2	3	-	(3)
Other	-	32	380	348
Professional & technical services	272	1	1,200	1,199
Total instruction	2,204	3,233	5,380	2,147
Vehicle operation and maintenance				
Motor fuel	184	869	-	(869)
Total vehicle operation/maintenance	184	869	-	(869)
Total expenditures	2,388	4,102	\$ 5,380	\$ 1,278
Receipts (under) expenditures	407	(110)		
Unencumbered cash, beginning	136	543		
Unencumbered cash, ending	\$ 543	\$ 433		

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

UNIFIED SCHOOL DISTRICT NO. 299, SYLVAN GROVE, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the year ended June 30, 2012

(With comparative actual totals for the prior year ended June 30, 2011)

FOOD SERVICE FUND

Statement 3
5 of 18

	2012		Variance Under (Over)	
	2011	Actual		Budget
Cash receipts				
Intergovernmental revenues				
State aid	\$ 1,448	\$ 1,392	\$ 1,405	\$ (13)
Federal aid	75,400	77,437	57,618	19,819
Other revenues				
Lunch/breakfast - students	43,998	48,958	72,608	(23,650)
Miscellaneous	2,998	1,114	2,000	(886)
Lunch sales - adults	8,300	9,314	7,050	2,264
Transfer from general fund	13,979	22,465	25,000	(2,535)
Transfer from local options fund	41,120	30,379	75,000	(44,621)
Total cash receipts	<u>187,243</u>	<u>191,059</u>	<u>\$ 240,681</u>	<u>\$ (49,622)</u>
Expenditures				
Food service operation				
Salaries	66,533	68,914	70,000	1,086
Social security	4,905	5,088	5,000	(88)
Other employee benefits	125	61	1,001	940
Employee Fringe Benefits	15,494	15,825	20,000	4,175
Food and milk	81,968	90,646	140,000	49,354
Supplies	-	438	-	(438)
Property	11,709	3,623	12,000	8,377
Other	1,219	1,037	2,236	1,199
Total expenditures	<u>181,953</u>	<u>185,632</u>	<u>\$ 250,237</u>	<u>\$ 64,605</u>
Receipts over (under) expenditures	5,290	5,427		
Unencumbered cash, beginning	<u>4,317</u>	<u>9,607</u>		
Unencumbered cash, ending	<u>\$ 9,607</u>	<u>\$ 15,034</u>		

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

UNIFIED SCHOOL DISTRICT NO. 299, SYLVAN GROVE, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the year ended June 30, 2012

(With comparative actual totals for the prior year ended June 30, 2011)

SPECIAL EDUCATION FUND

Statement 3
6 of 18

	2011	2012		Variance Under (Over)
		Actual	Budget	
Cash receipts				
Other Revenue	\$ 700	\$ 2,498	\$ -	\$ 2,498
Medicaid	5,587	2,796	-	2,796
Transfer from general fund	88,538	159,042	260,000	(100,958)
Transfer from local option fund	148,677	176,572	175,000	1,572
Total cash receipts	243,502	340,908	\$ 435,000	\$ (94,092)
Expenditures				
Instruction				
Payment to Special Ed. Co-op	246,207	308,380	400,000	91,620
Purchased Prof and Tech Services	-	-	15,000	15,000
Purchased property services	-	21	-	(21)
Other	-	5	10,000	9,995
Certified Instruction	-	300	-	(300)
Social Security	-	22	-	(22)
Total instruction	246,207	308,728	425,000	116,272
Vehicle operating service				
Non-Certified Salaries	700	1,617	10,000	8,383
Social Security	52	122	-	(122)
Employee Benefits	1	2	-	(2)
Total vehicle operating service	753	1,741	10,000	8,259
Total expenditures	246,960	310,469	\$ 435,000	\$ 124,531
Receipts (under) expenditures	(3,458)	30,439		
Unencumbered cash, beginning	18,347	14,889		
Unencumbered cash, ending	\$ 14,889	\$ 45,328		

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

UNIFIED SCHOOL DISTRICT NO. 299, SYLVAN GROVE, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 For the year ended June 30, 2012
 (With comparative actual totals for the prior year ended June 30, 2011)

VOCATIONAL EDUCATION FUND

Statement 3
 7 of 18

	2012			Variance Under (Over)
	2011	Actual	Budget	
Cash receipts				
Other Revenue	\$ -	\$ -	\$ 10,000	\$ (10,000)
Interest	-	-	10,000	(10,000)
Transfer from General	22,262	100,327	50,000	50,327
Transfer from Supplemental	30,145	20,054	-	20,054
	<u>52,407</u>	<u>120,381</u>	<u>\$ 70,000</u>	<u>\$ 50,381</u>
Total cash receipts				
Expenditures				
Certified salaries	45,464	110,000	50,000	(60,000)
Social security	2,966	8,344	5,000	(3,344)
Employee benefits - insurance	-	-	5,000	5,000
Supplies	-	357	5,000	4,643
Other employee benefits	3,977	1,680	5,000	3,320
	<u>52,407</u>	<u>120,381</u>	<u>\$ 70,000</u>	<u>\$ (50,381)</u>
Total expenditures				
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning	-	-		
Unencumbered cash, ending	<u>\$ -</u>	<u>\$ -</u>		

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

UNIFIED SCHOOL DISTRICT NO. 299, SYLVAN GROVE, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 For the year ended June 30, 2012
 (With comparative actual totals for the prior year ended June 30, 2011)

VIRTUAL EDUCATION

Statement 3
 8 of 18

	2011	2012		Variance Under (Over)
		Actual	Budget	
Cash receipts				
Interest	\$ -	\$ -	\$ 15,000	\$ (15,000)
Tuition	-	1,200	-	1,200
Miscellaneous	-	-	25,000	(25,000)
Transfer from General	33,808	34,057	-	34,057
Total cash receipts	<u>33,808</u>	<u>35,257</u>	<u>\$ 40,000</u>	<u>\$ (4,743)</u>
Expenditures				
Non Certified salary	10,084	12,163	12,000	(163)
Employee Insurance	5,445	5,274	10,000	4,726
Social Security	715	878	1,000	122
Purchased professional & Technical	295	-	17,000	17,000
License Fees	14,000	14,000	-	(14,000)
Advertising	3,038	2,733	-	(2,733)
Supplies	20	-	-	-
Other	98	209	-	(209)
Total expenditures	<u>33,695</u>	<u>35,257</u>	<u>\$ 40,000</u>	<u>\$ 4,743</u>
Receipts over (under) expenditures	113	-		
Unencumbered cash, beginning	(113)	-		
Unencumbered cash, ending	<u>\$ -</u>	<u>\$ -</u>		

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

UNIFIED SCHOOL DISTRICT NO. 299, SYLVAN GROVE, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the year ended June 30, 2012

(With comparative actual totals for the prior year ended June 30, 2011)

KPERS

Statement 3
9 of 18

	2011	2012		Variance Under (Over)
		Actual	Budget	
Cash receipts				
KPERS	\$ 74,313	\$ 141,060	\$ 141,194	\$ (134)
Cash expenditures				
Employee Benefits	74,313	141,060	141,194	134
Total expenditures	74,313	141,060	\$ 141,194	\$ 134
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning	-	-		
Unencumbered cash, ending	\$ -	\$ -		

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

UNIFIED SCHOOL DISTRICT NO. 299, SYLVAN GROVE, KANSAS
STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL
For the Year Ended June 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

PRESCHOOL GIFT FUND

Statement 3
10 of 18

	<u>2011</u> Actual	<u>2012</u> Actual
Cash receipts		
Revenue	\$ 2,319	\$ 1,050
Cash expenditures		
Supplies	1,910	75
Professional & Technical Services	617	199
Textbooks	-	46
Property	70	-
Other	<u>20</u>	<u>-</u>
Total expenditures	<u>2,617</u>	<u>320</u>
Receipts over (under) expenditures	(298)	730
Unencumbered cash, beginning	<u>298</u>	<u>-</u>
Unencumbered cash, ending	<u>\$ -</u>	<u>\$ 730</u>

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

UNIFIED SCHOOL DISTRICT NO. 299, SYLVAN GROVE, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL
For the Year Ended June 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

CONTINGENCY RESERVE FUND

	2011 Actual	Statement 3 11 of 18 2012 Actual
Receipts		
Transfer from General	\$ -	\$ 9,824
Expenditures	-	-
Receipts over (under) expenditures	-	9,824
Unencumbered cash, beginning	128,587	128,587
Unencumbered cash, ending	\$ 128,587	\$ 138,411

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

UNIFIED SCHOOL DISTRICT NO. 299, SYLVAN GROVE, KANSAS
STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL
For the Year Ended June 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

TITLE I, TITLE II-A FUND

Statement 3
12 of 18

	<u>2011</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
Cash receipts		
State Aid	\$ 60,373	\$ 57,864
Expenditures		
Instruction		
Certified salaries	33,939	34,470
Social security	2,466	2,518
Other employee benefits	5,528	5,286
Purchased professional services	9,569	4,224
Property	3	1,120
Other	480	2,839
Textbooks	-	3,071
Supplies	<u>8,115</u>	<u>5,080</u>
Total instruction	<u>60,100</u>	<u>58,608</u>
Receipts over (under) expenditures	273	(744)
Unencumbered cash, beginning	(339)	744
Cancelled Encumbrances	<u>810</u>	<u>-</u>
Unencumbered cash, ending	<u>\$ 744</u>	<u>\$ -</u>

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

UNIFIED SCHOOL DISTRICT NO. 299, SYLVAN GROVE, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 For the year ended June 30, 2012
 (With comparative actual totals for the prior year ended June 30, 2011)

AT RISK

Statement 3
 13 of 18

	2011	2012		Variance Under (Over)
		Actual	Budget	
Cash receipts				
Miscellaneous	\$ -	\$ -	\$ 10,000	\$ (10,000)
Interest	-	-	12,000	(12,000)
Transfer from general	38,418	26,770	90,000	(63,230)
Transfer from supplemental General	63,082	132,839	50,000	82,839
Total cash receipts	<u>101,500</u>	<u>159,609</u>	<u>\$ 162,000</u>	<u>\$ (2,391)</u>
Expenditures				
Certified salary	89,100	143,465	90,000	(53,465)
Non Certified salary	-	-	50,000	50,000
Employee Insurance	-	5,254	5,000	(254)
Social security	5,732	10,756	5,000	(5,756)
Other employee benefits	6,668	134	12,000	11,866
Total expenditures	<u>101,500</u>	<u>159,609</u>	<u>\$ 162,000</u>	<u>\$ 2,391</u>
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning	-	-		
Unencumbered cash, ending	<u>\$ -</u>	<u>\$ -</u>		

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

UNIFIED SCHOOL DISTRICT NO. 299, SYLVAN GROVE, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the year ended June 30, 2012

(With comparative actual totals for the prior year ended June 30, 2011)

AT RISK (4 YEAR OLD)

Statement 3
14 of 18

	2011	2012		Variance Under (Over)
		Actual	Budget	
Cash receipts				
Miscellaneous	\$ 11	\$ -	\$ -	\$ -
Transfer from general	9,693	10,505	30,000	(19,495)
Transfer from supplemental	14,189	13,320	-	13,320
Total cash receipts	<u>23,893</u>	<u>23,825</u>	<u>\$ 30,000</u>	<u>\$ (6,175)</u>
Expenditures				
Non Certified salary	17,550	17,624	20,000	2,376
Employee Insurance	-	-	5,000	5,000
Social security	1,288	1,312	5,000	3,688
Employees Benefits	5,039	4,816	-	(4,816)
Other	16	73	-	(73)
Total expenditures	<u>23,893</u>	<u>23,825</u>	<u>\$ 30,000</u>	<u>\$ 6,175</u>
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning	-	-		
Unencumbered cash, ending	<u>\$ -</u>	<u>\$ -</u>		

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

UNIFIED SCHOOL DISTRICT NO. 299, SYLVAN GROVE, KANSAS
STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL
For the Year Ended June 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

EDCAPS GRANT

Statement 3
15 of 18

	<u>2011 Actual</u>	<u>2012 Actual</u>
Cash receipts		
Grant revenue	\$ 16,334	\$ 22,944
Expenditures		
Other	81	-
Supplies	-	6,762
Property	<u>16,253</u>	<u>16,182</u>
Total expenditures	<u>16,334</u>	<u>22,944</u>
Receipts over expenditures	-	-
Unencumbered cash, beginning	<u>-</u>	<u>-</u>
Unencumbered cash, ending	<u>\$ -</u>	<u>\$ -</u>

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

UNIFIED SCHOOL DISTRICT NO. 299, SYLVAN GROVE, KANSAS
STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL
For the Year Ended June 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

TEXTBOOK & STUDENT MATERIAL

	Statement 3	
	16 of 18	
	<u>2011</u> Actual	<u>2012</u> Actual
Cash Receipts		
Rental Fees & Books	\$ 6,295	\$ 6,630
Total Cash Receipts	<u>6,295</u>	<u>6,630</u>
Expenditures	<u>10,782</u>	<u>5,121</u>
Receipts over expenditures	(4,487)	1,509
Unencumbered cash, beginning	<u>7,328</u>	<u>2,841</u>
Unencumbered cash, ending	<u>\$ 2,841</u>	<u>\$ 4,350</u>

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

UNIFIED SCHOOL DISTRICT NO. 299, SYLVAN GROVE, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL
For the Year Ended June 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

ATHLETICS

	2011 Actual	Statement 3 17 of 18 2012 Actual
Cash receipts		
High school	\$ 29,778	\$ 25,837
Total cash receipts	<u>29,778</u>	<u>25,837</u>
Expenditures		
High school	<u>35,453</u>	<u>27,223</u>
Total expenditures	<u>35,453</u>	<u>27,223</u>
Receipts over expenditures	(5,675)	(1,386)
Unencumbered cash, beginning	<u>(4,151)</u>	<u>(9,826)</u>
Unencumbered cash, ending	<u>\$ (9,826)</u>	<u>\$ (11,212)</u>

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL
For the Year Ended June 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

AFTER SCHOOL PROGRAM

		Statement 3 18 of 18
Cash receipts	\$ 351	\$ 145
Expenditures	<u>17</u>	<u>-</u>
Receipts over expenditures	334	145
Unencumbered cash, beginning	<u>17</u>	<u>351</u>
Unencumbered cash, ending	<u>\$ 351</u>	<u>\$ 496</u>

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

UNIFIED SCHOOL DISTRICT NO. 299, SYLVAN GROVE, KANSAS

STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS - ACTUAL
 For the Year Ended June 30, 2012
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

STUDENT ORGANIZATION FUNDS

Statement 4

	Cash balance July 01, 2011	Cash receipts	Cash Disbursements	Cash balance June 30, 2012
Clubs				
High School Cheerleaders	\$ 2,584	\$ 3,715	\$ 4,026	\$ 2,273
Kay	(122)	4,841	4,503	216
Junior High Pep Club	567	330	452	445
GCTL	2,254	6,228	5,791	2,691
National Honor Society	116	1,194	1,190	120
FCA	845	3,566	2,579	1,832
Scholars' Bowl	-	280	475	(195)
Junior High Scholars' Bowl	-	235	341	(106)
Speech	-	2,122	2,261	(139)
Stang Gang Donors	-	2,490	1,848	642
Shop	(6,701)	5,374	9,288	(10,615)
Graduating Classes				
Graduated Classes	1,642	-	-	1,642
Class of 2009	1,970	-	-	1,970
Class of 2010	1,103	-	-	1,103
Class of 2011	2,142	-	103	2,039
Class of 2012	7,887	190	4,744	3,333
Class of 2013	4,879	16,805	12,113	9,571
Class of 2014	1,460	9,689	7,135	4,014
Class of 2015	-	3,258	2,836	422
Grade School	342	2,698	2,656	384
Music				
Band	84	3,408	3,237	255
Junior High Music Festival	348	-	-	348
Junior High Dance Fund	17	-	-	17
Musical/Play	1,706	2,761	2,022	2,445
Year Book	676	4,497	1,670	3,503
Speech & Drama	1,274	398	280	1,392
Mustang Arena	-	227	160	67
Miscellaneous				
General	469	5,076	5,379	166
RIF	82	3,438	3,500	20
Library	215	65	58	222
Store Donations	1,585	209	-	1,794
Total student organization funds	\$ 27,424	\$ 83,094	\$ 78,647	\$ 31,871

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

UNIFIED SCHOOL DISTRICT NO. 299, SYLVAN GROVE, KANSAS

NOTES TO FINANCIAL STATEMENTS

June, 30, 2012

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FINANCIAL REPORTING ENTITY

Unified School District No. 299 is a municipal corporation governed by an elected seven member board. These financial statements present Unified School District No. 299.

FUND ACCOUNTING

The financial transactions and accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for separately.

Governmental Funds:

1. General Fund

The general fund is the general operating fund of the District. This fund is used to account for all activities of the general government not accounting for in another fund.

2. Special Revenue Funds

Special revenue funds are used to account for the collection and disbursement of moneys designated for a special purpose.

3. Capital Project Funds

Capital project funds account for all financial resources used for the acquisition or construction of major capital assets.

Trust and Agency Funds:

Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individual, private organizations, and other governments. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operation.

UNIFIED SCHOOL DISTRICT NO. 299, SYLVAN GROVE, KANSAS

NOTES TO FINANCIAL STATEMENTS

June, 30, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

The Student Activity fund is an agency fund that accounts for the receipts and disbursements of monies from student activity organizations. These organizations exist with the explicit approval of and are subject to revocation by the District's Board of Education. This accounting reflects the District's agency relationship with the student activity organizations.

Statutory Basis of Accounting

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

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

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

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

UNIFIED SCHOOL DISTRICT NO. 299, SYLVAN GROVE, KANSAS

NOTES TO FINANCIAL STATEMENTS

June, 30, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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.

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds, and enterprise funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. 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 statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

UNIFIED SCHOOL DISTRICT NO. 299, SYLVAN GROVE, KANSAS

NOTES TO FINANCIAL STATEMENTS

June, 30, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

All legal annual operating budgets are prepared using the statutory basis of accounting, in which, revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the 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, fiduciary funds, permanent funds, and the following special revenues fund:

Textbook & Student Material
Contingency Reserve
Athletics
After School Program

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. The following funds do not require a budget:

Preschool Gift Fund
Title I, Title II
EDCAPS Grant

Reimbursements

USD 299 records reimbursable expenditures (or expense) in the fund that makes the disbursement and records reimbursements as revenue to the fund. For purposes of budgetary comparisons, the expenditures (or expenses) are properly offset by reimbursements.

NOTE B – DEPOSITS AND INVESTMENTS

Deposits

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

UNIFIED SCHOOL DISTRICT NO. 299, SYLVAN GROVE, KANSAS

NOTES TO FINANCIAL STATEMENTS

June, 30, 2012

NOTE B – DEPOSITS AND INVESTMENTS – CONTINUED

in the county in which the district is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The district has no pledged securities but does hold a letter of credit to secure its holdings over FDIC coverage.

K.S.A. 12-1675 limits the districts 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 had no designated peak periods. All deposits were legally secured at June 30, 2012.

At June 30, 2012, the District's carrying amount of deposits was \$559,389 and the bank balance was \$612,686. The difference between the carrying amount and the bank balance is outstanding checks. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance \$250,000 was covered by Federal depository insurance and the remaining \$362,686 was collateralized by a letter of credit held under joint custody receipts.

Custodial Credit Risk – Investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the district will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

UNIFIED SCHOOL DISTRICT NO. 299, SYLVAN GROVE, KANSAS

NOTES TO FINANCIAL STATEMENTS

June, 30, 2012

NOTE C – PROPERTY TAXES

The determination of assessed valuations and the collection of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County appraiser annually determines assessed valuations based on real estate transactions recorded by the Register of Deeds and personal property transactions reported by taxpayers. The County Clerk spreads the annual assessment on the tax rolls. The County Treasurer is the tax collection agent for all taxing entities within the county.

In accordance with state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Property taxes are assessed on a calendar year basis and become a lien on property on November 1 of each year. The taxes are due one-half on December 20th and one-half 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 or distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes. Consequently, current year property taxes are not available as a source that can be used to finance the current operation of the school district.

Undistributed taxes from the prior year levy are recognized as income in the current year. 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.

NOTE D – INTERFUND TRANSACTIONS

Operating transfers were as follows:

<u>From</u>	<u>Statutory Authority</u>	<u>To</u>	<u>Amount</u>
General Fund	K.S.A. 72-6420	Special Education	\$159,042
General Fund	K.S.A. 72-5119	Food Service	22,465
General Fund	K.S.A. 72-6423	Driver Training	1,630
General Fund	K.S.A. 72-6414a	At Risk (4 year old)	10,505
General Fund	K.S.A. 72-6428	Virtual Education	34,057

UNIFIED SCHOOL DISTRICT NO. 299, SYLVAN GROVE, KANSAS

NOTES TO FINANCIAL STATEMENTS

June, 30, 2012

NOTE D – INTERFUND TRANSACTIONS – CONTINUED

General	K.S.A. 72-6414a	At Risk	26,770
General	K.S.A. 72-6421	Vocational Education	100,327
Supplemental General	K.S.A. 72-6420	Special Education	176,572
Supplemental General	K.S.A. 72-5119	Food Service	30,379
Supplemental General	K.S.A. 72-6421	Vocational Education	20,054
Supplemental General	K.S.A. 72-6414a	At Risk	132,839
Supplemental General	K.S.A. 72-6414a	At Risk (4 year old)	13,320

NOTE E – DEFINED BENEFIT PENSION PLAN

Plan Description. The Unified School District No. 299, Sylvan Grove, Kansas contributes to the Kansas Public Employees Retirement System (KPERs), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.* KPERs provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefits provisions. KPERs issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERs (611 S Kansas, Suite 100, Topeka, KS 66603-3869) or by calling 1-888-275-5737.

Fund Policy. K.S.A. 74-4919 establishes the KPERs member-employee contribution rate at 4% of covered salary for employees hired before July 1, 2009. The member-employee contribution rate is 6% of covered salary for employees hired after July 1, 2009. 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 remaining amount necessary to achieve the actuarially determined contribution rate. Kansas currently contributes 9.77% of covered payroll. These contribution requirements are established by KPERs and are periodically revised. Kansas' contributions to KPERs for all Kansas public school employees for the year ending June 30, 2012, 2011, 2010, were \$298,635,383, \$188,864,352, and \$248,468,168 respectively, equal to the required contributions for each year.

UNIFIED SCHOOL DISTRICT NO. 299, SYLVAN GROVE, KANSAS

NOTES TO FINANCIAL STATEMENTS

June, 30, 2012

NOTE F – OTHER POST EMPLOYMENT BENEFITS

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

Under the consolidated Omnibus Budget Reconciliation Act (COBRA), the district makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the district under this program.

Termination Benefits

Unified School District No. 299 provides an early retirement program for certain eligible employees. An employee is eligible for early retirement if the following conditions are met:

1. The employee is between the ages of 52 and 60 years of age.
2. The employee has ten years or more of employment service with the District.

Those eligible under the program will receive half of their final salary in three installments:

1. The first year the employee will receive 40%.
2. The second year the employee will receive 35%.
3. The third year the employee will receive 25%.

Early retirement benefits paid for the year ending June 30, 2012, were \$24,655. The following is a schedule by years for future payments under the district's early retirement plan for the years ending June 30:

2013: \$16,909
2014: \$ 7,168

UNIFIED SCHOOL DISTRICT NO. 299, SYLVAN GROVE, KANSAS

NOTES TO FINANCIAL STATEMENTS

June, 30, 2012

NOTE G – COMPENSATED ABSENCES

Certified employees of the district with ten years or more of service who leave voluntarily or retire are eligible to receive unused sick leave days up to 60 days upon leaving the district. For 10-14 years of employment, employees will receive \$20 per day of sick leave, for 15-19 years employees will receive \$30 per day of sick leave and for 20 years or more of service employees will receive \$40 per day of sick leave. The district has eight employees who have met this requirement.

All certified employees of the District receive 10 days of sick leave each year. The certified employees, principals and the superintendent may accumulate sick leave up to 60 days. The custodians, clerk, and secretaries receive 10 days of sick leave each year and may accumulate sick leave up to 60 days. The district does not pay accumulated sick leave for classified employees when leaving or retiring.

The District has 10 employees with an accumulation of 468 days of unused sick leave for an estimated liability of \$17,908.

NOTE H – RELATED PARTIES

In a governmental entity, related parties include members of the governing body, board members, administrative officials, and immediate families of administrative officials, board members, and members of the governing body. Required disclosures on related party transactions do not include compensation arrangements, expense allowances and similar items incurred in the ordinary course of operations. The following is not required to be reported, but is presented for information only.

	<u>2012</u>
Home Oil Marc Lovin, Board Member is an owner of the company.	\$21,352
Postmaster Laura Griffiths, Board Member is the postmaster at post office.	2,705

UNIFIED SCHOOL DISTRICT NO. 299, SYLVAN GROVE, KANSAS

NOTES TO FINANCIAL STATEMENTS

June, 30, 2012

NOTE I – COMPLIANCE WITH KANSAS STATUES

Kansas Cash Basis Law K.S.A. 10-1113. The District expended monies in excess of available cash in the General Fund. This was a result of the State of Kansas not making its final State Aid payment until July 2012. The district was instructed by the State to expend the authorized budget for the year ending June 30, 2012, and the balance of monies due the district from the State of Kansas was received July 2012. The District expended monies in excess of available cash of \$11,212 in the Athletic Fund and the following student organizations \$10,615 in Shop, \$195 in Scholars' Bowl, \$106 in Junior High Scholars' Bowl, and \$139 in speech.

Kansas Cash Basis Law K.S.A 79-2935. The District expended monies in excess of available budget in the Vocational Education fund in the amount of \$50,381.

NOTE J – FEDERAL AND STATE GRANTS

In the normal course of operations, the District receives grant funds from various federal and state agencies. The grant programs are subject to audits by agents of the granting authorities, the purpose of which is to ensure compliance with conditions precedent to the grant of funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

NOTE K – 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 carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverages in the past years.

NOTE L – COMPARATIVE DATA

The amounts presented for 2011 in Statement 3 in the accompanying financial statements are included in order to provide an understanding of changes in the District's cash and unencumbered cash balances. However, complete data (i.e., presentation of prior year totals in Statement 1 and Statement 2) has not been presented since their inclusion would make certain statements unduly complex and difficult to read. Certain amounts for 2011 in Statement 3 may have been restated to conform with the presentation of similar amounts for 2012.

UNIFIED SCHOOL DISTRICT NO. 299, SYLVAN GROVE, KANSAS

NOTES TO FINANCIAL STATEMENTS

June, 30, 2012

NOTE M – OPERATING LEASE

Unified School District 299 entered into a lease agreement in June 2008 with non-cancellation provisions. The lease is with Xerox and is for two copiers. The lease is for five years, with monthly payments of \$215.08 and \$213.72.

On July 1, 2010 Unified School District 299 took over Unified School District 407's lease of one copy machine with Dealers Fist Financial LLC. The remaining time of the lease is four years. The monthly payments are \$185.

NOTE N – USES OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS

The preparation of financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas requires management to make estimates and assumptions that affect certain reports, amounts and disclosures. Accordingly, actual result could differ from those estimates.

NOTE O – SUBSEQUENT EVENTS

On August 13, 2012 the board approved to lease 140 iPads for \$15,500 a year for three years.

Management has evaluated the effects of the financial statements of subsequent events occurring through October 29, 2012, which is the date the financial statements were available to be issued.

NOTE P – FINANCIAL REVISION

Management has revised the June 30, 2012 financial statements to spend down the general fund and local option fund budgets.

UNIFIED SCHOOL DISTRICT NO. 299, SYLVAN GROVE, KANSAS

**NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2012**

NOTE P - LONG-TERM DEBT

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

<u>Issue</u>	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Net Changes</u>	<u>Balance End of Year</u>	<u>Interest Paid</u>
Capital Lease: School Bus Saf-T-Lines	N/A	10/1/2011	\$ 84,591	10/1/2015	\$ -	\$ 84,591	\$ 16,918	\$ 67,673	\$ 67,673	\$ 1,552
Compensated Absences	N/A	N/A	N/A	N/A	<u>16,971</u>	<u>937</u>	<u>-</u>	<u>937</u>	<u>17,908</u>	N/A
Total Long-Term Debt					<u>\$ 16,971</u>	<u>\$ 85,528</u>	<u>\$ 16,918</u>	<u>\$ 68,610</u>	<u>\$ 85,581</u>	<u>\$ 1,552</u>

UNIFIED SCHOOL DISTRICT NO. 299, SYLVAN GROVE, KANSAS

NOTES TO FINANCIAL STATEMENTS

For the Year Ended June 30, 2012

NOTE P - LONG-TERM DEBT - Continued

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

<u>Issue</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>Total</u>
PRINCIPAL					
Capital Lease:					
School Bus Saf-T-Lines	\$ 16,918	\$ 16,918	\$ 16,918	\$ 16,918	\$ 67,672
TOTAL PRINCIPAL	<u>\$ 16,918</u>	<u>\$ 16,918</u>	<u>\$ 16,918</u>	<u>\$ 16,918</u>	<u>\$ 67,672</u>
INTEREST					
Capital Lease:					
School Bus Saf-T-Lines	\$ 1,552	\$ 1,552	\$ 1,552	\$ 1,552	\$ 6,208
TOTAL INTEREST	<u>1,552</u>	<u>1,552</u>	<u>1,552</u>	<u>1,552</u>	<u>6,208</u>
TOTAL PRINCIPAL AND INTEREST	<u>\$ 18,470</u>	<u>\$ 18,470</u>	<u>\$ 18,470</u>	<u>\$ 18,470</u>	<u>\$ 73,880</u>

NOTE Q - 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) require 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 on June 30. The following shows the revenue as required by these Statutes.

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
STATUTORY AND BUDGET
For the Year Ended June 30, 2012**

GENERAL FUND

	2012		Variance Under (Over)
	Statutory Transactions	Budget	
Cash receipts			
General property taxes			
Ad valorem property taxes	\$ 367,406	\$ 354,254	\$ 13,152
Delinquent tax	103	7,441	(7,338)
Mineral tax	5,749	-	5,749
Intergovernmental revenues			
State equalization aid	1,489,419	1,450,879	38,540
ARRA Ed Jobs Stabilization Funds	959	-	959
Special education aid	<u>159,042</u>	<u>260,000</u>	<u>(100,958)</u>
Total cash receipts	<u>2,022,678</u>	<u>\$ 2,072,574</u>	<u>\$ (49,896)</u>
Expenditures and transfers subject to legal max budget			
Instruction			
Certified salaries	544,843	600,000	55,157
Employee insurance	66,722	170,000	103,278
Social security	36,571	45,000	8,429
Other employee benefit	458	-	(458)
Employer benefit expense	38,537	-	(38,537)
Purchased professional/technical services	38,751	500	(38,251)
Certified salaries - ARRA Ed Jobs	959	-	(959)
Textbooks	5,986	1,180	(4,806)
Supplies	19,096	8,694	(10,402)
Property	17,861	6,000	(11,861)
Other	<u>8,336</u>	<u>4,000</u>	<u>(4,336)</u>
Total instruction	778,120	835,374	57,254
Student support services			
Certified salaries	7,118	6,000	(1,118)
Social security	544	500	(44)
Other employee benefit	1,069	500	(569)
Purchased professional/technical services	-	1,000	1,000
Supplies	358	400	42
Other	<u>695</u>	<u>700</u>	<u>5</u>
Total student support services	9,784	9,100	(684)

NOTE Q - COMPLIANCE WITH K.S.A. 72-6417(d) AND K.S.A. 72-6434(d). (CONTINUED)

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
STATUTORY AND BUDGET
For the Year Ended June 30, 2012**

GENERAL FUND

	2012		Variance Under (Over)
	Statutory Transactions	Budget	
Expenditures and transfers - continued			
Instruction support staff			
Certified salaries	21,830	-	(21,830)
Non-Certified salaries	29,958	20,000	(9,958)
Social security	3,182	1,000	(2,182)
Other employee benefit	41	100	59
Purchased professional/technical services	2,100	1,500	(600)
Books/periodicals	463	1,000	537
Audiovisual/instructional software	13,453	15,000	1,547
Property	15,684	2,000	(13,684)
Other	110	-	(110)
Miscellaneous supplies	150	500	350
Total instruction support staff	86,971	41,100	(45,871)
General administration			
Certified salaries	44,250	40,000	(4,250)
Non-certified salaries	36,511	-	(36,511)
Employee Insurance	-	4,000	4,000
Social security	6,169	6,000	(169)
Other employee benefit	8,497	2,000	(6,497)
Purchased professional/technical services	16,015	15,000	(1,015)
Other	9,221	8,000	(1,221)
Total general administration	120,663	75,000	(45,663)
School administration			
Certified salaries	86,250	100,000	13,750
Non-certified salaries	39,056	40,000	944
Social security	9,244	5,000	(4,244)
Other employee benefit	18,686	10,000	(8,686)
Professional & Technical Service	13,489	14,000	511
Communications	9,323	10,000	677
Supplies	625	5,000	4,375
Other	1,053	1,000	(53)
Total school administration	177,726	185,000	7,274

NOTE Q - COMPLIANCE WITH K.S.A. 72-6417(d) AND K.S.A. 72-6434(d). (CONTINUED)

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
STATUTORY AND BUDGET
For the Year Ended June 30, 2012**

GENERAL FUND

	2012		Variance Under (Over)
	Statutory Transactions	Budget	
Expenditures and transfers - continued			
Operations and maintenance			
Non-certified salaries	116,171	100,000	(16,171)
Employee insurance	21,089	25,000	3,911
Social security	9,295	10,000	705
Other employee benefit	121	-	(121)
Professional & technical service	16,955	20,000	3,045
Water/sewer	12,684	15,000	2,316
Insurance	23,156	56,000	32,844
Heat & electricity	70,925	75,000	4,075
General supplies	17,389	15,000	(2,389)
Motor fuel-not school bus	2,020	2,000	(20)
Equipment and furniture	4,098	1,000	(3,098)
Other	35	-	(35)
	<u>293,938</u>	<u>319,000</u>	<u>25,062</u>
Total operations and maintenance			
Vehicle operating services			
Non-certified	68,661	75,000	6,339
Social security	5,252	6,000	748
Other employee benefits	66	-	(66)
Purchased professional & technical services	34,759	3,000	(31,759)
Motor fuel	68,651	60,000	(8,651)
Insurance	2,328	-	(2,328)
Supplies	11,139	9,000	(2,139)
	<u>190,856</u>	<u>153,000</u>	<u>(37,856)</u>
Total vehicle operating services			
Transfers			
Contingency Reserve	9,824	-	(9,824)
Driver Training	1,630	-	(1,630)
At risk (4 year old)	10,505	30,000	19,495
Food service fund	22,465	25,000	2,535
Special education fund	159,042	260,000	100,958
Vocational education fund	100,327	50,000	(50,327)
Virtual Education fund	34,057	-	(34,057)
At risk fund	26,770	90,000	63,230
	<u>364,620</u>	<u>455,000</u>	<u>90,380</u>
Total transfers			

NOTE Q - COMPLIANCE WITH K.S.A. 72-6417(d) AND K.S.A. 72-6434(d). (CONTINUED)

STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
STATUTORY AND BUDGET
For the Year Ended June 30, 2012

GENERAL FUND

	2012		Variance
	Statutory Transactions	Budget	Under (Over)
Adjustment to comply with legal max	-	(49,896)	(49,896)
Total expenditures and transfers subject to legal max budget	<u>2,022,678</u>	<u>\$ 2,022,678</u>	<u>\$ -</u>
Receipts over (under) expenditures	-		
Modified Unencumbered cash, beginning	<u>212</u>		
Modified Unencumbered cash, ending	<u>\$ 212</u>		

NOTE Q - COMPLIANCE WITH K.S.A. 72-6417(d) AND K.S.A. 72-6434(d). (CONTINUED)

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
STATUTORY AND BUDGET
For the Year Ended June 30, 2012**

LOCAL OPTION FUND

	2012		Variance Under (Over)
	Actual	Budget	
Cash receipts			
Ad valorem tax	\$ 366,972	\$ 398,055	\$ (31,083)
Delinquent tax	6,852	6,577	275
Motor vehicle tax	27,562	30,550	(2,988)
State equalization aid	65,135	62,790	2,345
Total cash receipts	<u>466,521</u>	<u>\$ 497,972</u>	<u>\$ (31,451)</u>
Expenditures and transfers			
Instructional			
Certified salaries	2,753	90,000	87,247
Non Certified salaries	-	25,000	25,000
Social security	211	5,000	4,789
Purchased professional services	42,013	30,000	(12,013)
Teaching supplies	22,336	-	(22,336)
Property	24,485	45,000	20,515
Other	471	5,000	4,529
Total instruction	92,269	200,000	107,731
Student support			
Supplies	3,595	-	(3,595)
Property	30,972	-	(30,972)
Total student support	34,567	-	(34,567)
Transfers			
At Risk	132,839	50,000	(82,839)
4-yr old At Risk	13,320	-	(13,320)
Food Service	30,379	75,000	44,621
Vocational Education Fund	20,054	-	(20,054)
Special Education Fund	176,572	175,000	(1,572)
Total transfers	<u>373,164</u>	<u>300,000</u>	<u>(73,164)</u>
Total expenditures	<u>500,000</u>	<u>\$ 500,000</u>	<u>\$ -</u>
Receipts over expenditures	(33,479)		
Unencumbered cash, beginning	43,086		
Cancelled Encumbrances	<u>162</u>		
Unencumbered cash, ending	<u>\$ 9,769</u>		

SUPPLEMENTAL INFORMATION

UNIFIED SCHOOL DISTRICT NO. 299, SYLVAN GROVE, KANSAS

**SCHEDULE OF STATE FINANCIAL ASSISTANCE
For the Year Ended June 30, 2012**

General state aid	\$	1,489,419
Supplemental General State Aid		65,135
School food assistance		1,392
State safety		1,598
KPERS		141,061
Special education services		<u>159,042</u>
Total state financial assistance	\$	<u>1,857,647</u>

**SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
For the Year Ended June 30, 2012**

Title II - Improving teacher quality	\$	9,792
School food program		77,438
Education Jobs Fund - Flo-thru		959
Title I - Low income		<u>48,072</u>
Total federal financial assistance	\$	<u>136,261</u>