

**UNIFIED SCHOOL DISTRICT NO. 204
BONNER SPRINGS, KANSAS**

**REPORT AND
FINANCIAL STATEMENTS**

June 30, 2012

**UNIFIED SCHOOL DISTRICT NO. 204
BONNER SPRINGS, KANSAS**

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**UNIFIED SCHOOL DISTRICT NO. 204
BONNER SPRINGS, KANSAS**

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REPORT OF INDEPENDENT AUDITORS

President and Members of the Board of Education
Unified School District No. 204
Bonner Springs, Kansas 66012

We have audited the statutory basis financial statements of Unified School District Number 204, Bonner Springs, Kansas, (the District) as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These statutory basis financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these statutory basis 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 standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America and the "Kansas Municipal Audit Guide". Those standards 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial 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 prepared these statutory basis financial statements using accounting practices prescribed by the State of Kansas to demonstrate compliance with cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effect on the statutory basis financial statements of those differences is also described in Note A.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the statutory *basis financial statements* referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the individual funds of Unified School District Number 204, Bonner Springs, Kansas as of June 30, 2012, or the results of its operations for the year then ended.

Also in our opinion, the *statutory basis financial statements* referred to in the first paragraph present fairly, in all material respect, the cash and unencumbered cash balances of the individual funds of Unified School District 204, Bonner Spring, Kansas as of June 30, 2012, and its cash receipts and expenditures, for the year then ended on the basis of accounting described in Note A.

B E P O S I + I V E .



In accordance with *Government Auditing Standards*, we have also issued our report, dated October 30, 2012, on our consideration of the District's internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations contract and grant agreements. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Audit Standards* and should be considered in assessing the results of our audit.

The financial statements include certain supplemental information such as budgetary comparison information of the individual fund statements which are not a required part of the basic financial statements and are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiry of management regarding supplementary information. However, we did not audit the information and express no opinion it.

Our audit was performed for the purpose of forming an opinion on the statutory basis financial statements of the District taken as a whole. The information presented as additional information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is also presented for purposes of additional analysis as required by *U.S. Office of Management and Budget Circular A-133 Audits of States, Local Governments and Non-Profit Organizations* and is not a required part of the statutory basis financial statements. The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the statutory basis financial statements and, in our opinion, is fairly stated in all material respects in relation to the statutory financial statements taken as a whole.

October 30, 2012

Norah Bickel pc



UNIFIED SCHOOL DISTRICT NO 204 **STATEMENT A**
COMPARISON OF CASH BALANCES WITH ENCUMBRANCES AND COMPOSITION OF CASH - STATUTORY BASIS
FOR YEAR ENDING JUNE 30, 2012

	Unencumbered Cash June 30, 2011	F.Y.E. June 30, 2012 Revenue and Transfers	F.Y.E. June 30, 2012 Disbursement and Transfers	Unencumbered Cash June 30, 2012	Accounts Payable and Encumbrances June 30, 2012	Cash and Investments June 30, 2012
GENERAL OPERATING	\$ (113)	\$ 14,395,487	\$ 14,395,374	\$ -	\$ 891,218	891,218
SPECIAL REVENUE						
Supplemental General Fund (Local Option Budget)	426,406	4,658,288	4,794,154	290,540	11,864	302,404
Drivers Education	16,199	12,894	9,799	19,294	-	19,294
Food Service	509,195	1,303,356	1,190,202	622,349	8,093	630,442
Professional Development	2,112	26,174	20,786	7,500	-	7,500
Special Education	787,607	3,426,571	3,139,474	1,074,704	62,550	1,137,254
Vocational Education	94,248	465,883	416,055	144,076	45,781	189,857
Summer School Program Fund	13	-	-	13	-	13
KPERS Retirement	-	1,355,501	1,355,501	-	-	-
At Risk Program (K-12)	100,437	2,221,575	1,914,052	407,960	192,040	600,000
At-Risk (4 Year Old)	50,000	90,140	113,023	27,117	7,064	34,181
Bilingual Education	55,664	99,969	86,704	68,929	7,058	75,987
Federal Funds	313	454,321	453,261	1,373	93,397	94,770
Headstart Program	10,101	353,454	375,976	(12,421)	32,597	20,176
Short Term Suspension Program	8,165	-	-	8,165	189	8,354
McDaniel & Youth Friends	-	9,439	3,968	5,471	-	5,471
Aferschool Enhancement	961	18,911	18,705	1,167	5	1,172
Truancy Diversion Program	-	-	-	-	-	-
Contingency Fund	758,025	206,113	-	964,138	-	964,138
Technology Textbook	8,955	123,977	108,160	24,772	228	25,000
Expeditionary Learning Grant	-	100,050	100,050	-	-	-
McDaniels Early Childhood Center	3,094	304,251	265,078	42,267	1,620	43,887
Gifts, Grants and Donations	3,072	453	3,525	(0)	-	(0)
Parents as Teachers	-	16,300	11,300	5,000	-	5,000
Headstart Activity	861	2,512	994	2,379	-	2,379
Gate Receipts	62,984	215,503	213,422	65,065	-	65,065
School Projects	37,276	114,587	98,269	53,594	3,226	56,820
Total	<u>2,935,688</u>	<u>15,580,222</u>	<u>14,692,458</u>	<u>3,823,452</u>	<u>465,712</u>	<u>4,289,164</u>
DEBT SERVICE						
Bond and Interest Fund	2,722,746	4,102,691	3,228,709	3,596,728	-	3,596,728
Total	<u>2,722,746</u>	<u>4,102,691</u>	<u>3,228,709</u>	<u>3,596,728</u>	<u>-</u>	<u>3,596,728</u>
CAPITAL PROJECT FUND						
Capital Outlay	3,830,409	1,369,384	1,579,032	3,620,761	679,763	4,300,524
Total	<u>3,830,409</u>	<u>1,369,384</u>	<u>1,579,032</u>	<u>3,620,761</u>	<u>679,763</u>	<u>4,300,524</u>
TRUST FUNDS						
Mize Scholarship	20,982	724	1,000	20,706	-	20,706
Gish-Ulich Scholarship	3,137	142	-	3,279	-	3,279
Council of Mutual Aid	3,825	-	-	3,825	-	3,825
Gearheart Scholarship	3,126	16	-	3,142	-	3,142
Craven Scholarship	5,468	228	526	5,170	-	5,170
Total	<u>36,538</u>	<u>1,110</u>	<u>1,526</u>	<u>36,121</u>	<u>-</u>	<u>36,121</u>
TOTAL REPORTING ENTITY (Excluding Agency Funds)	<u>9,525,268</u>	<u>35,448,894</u>	<u>33,897,099</u>	<u>11,077,062</u>	<u>2,036,693</u>	<u>13,113,755</u>
AGENCY FUNDS						
Bldg. Level School Activity (Statement H)	143,418	309,462	327,908	124,972	-	124,972
Total	<u>\$ 9,668,686</u>	<u>\$ 35,758,355</u>	<u>\$ 34,225,007</u>	<u>\$ 11,202,034</u>	<u>\$ 2,036,693</u>	<u>\$ 13,238,727</u>
COMPOSITION OF CASH						
Union Bank & Trust-Demand Deposits						\$ 10,639,754
Union Bank & Trust-Const. Fund						-
Kansas Municipal Invest Pool - Capital Improve						-
Kansas Municipal Invest Pool - General Funds						2,315,895
Union Bank & Trust-Council of Mutual Aid						3,825
Midwest Bank - Trust Funds						32,296
Petty Cash						100
Total Entity Level (Excluding agency funds)						<u>12,991,870</u>
Union Bank & Trust-Bldg Level Activity Funds						246,857
Total						<u>\$ 13,238,727</u>

See accountant's report and notes to the financial statements.

B E P O S I  I V E .

UNIFIED SCHOOL DISTRICT NO 204
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
(BUDGETED FUNDS ONLY)
FOR THE YEAR ENDED JUNE 30, 2012

STATEMENT B

Fund	Total Budget	Adjustment to Comply with Legal Maximum Budget	Adjustment For Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Actual Over/ (Under) Budget
General Operating Fund	\$ 14,437,710	\$ -	\$ 206,113	\$ 14,643,823	\$ 14,395,374	\$ (248,449)
Special Revenue Funds:						
Federal Funds	455,072	-	-	455,072	453,361	(1,711)
Supplemental General Fund (Local Option Budget)	4,747,298	-	46,856	4,794,154	4,794,154	-
At-Risk (4 Year Old)	135,000	-	-	135,000	113,023	(21,977)
At-Risk (K-12)	2,062,715	-	-	2,062,715	1,914,052	(148,663)
Bilingual Education	120,198	-	-	120,198	86,704	(33,494)
Capital Outlay	3,500,000	-	-	3,500,000	1,579,032	(1,920,968)
Driver's Education	25,000	-	-	25,000	9,799	(15,201)
Food Service	1,300,000	-	-	1,300,000	1,190,202	(109,798)
Professional Development	54,111	-	-	54,111	20,786	(33,325)
Parents as Teachers	13,000	-	-	13,000	11,300	(1,700)
Special Education	3,822,000	-	-	3,822,000	3,139,474	(682,526)
Vocational Education	450,000	-	-	450,000	416,055	(33,945)
Gifts & Grants	8,072	-	-	8,072	3,525	(4,547)
KPERS Retirement	1,451,361	-	-	1,451,361	1,355,501	(95,860)
Debt Service	3,228,709	-	-	3,228,709	3,228,709	-
Totals	<u>\$ 35,810,246</u>	<u>\$ -</u>	<u>\$ 252,969</u>	<u>\$ 36,063,215</u>	<u>\$ 32,711,051</u>	<u>\$ (3,352,164)</u>

UNIFIED SCHOOL DISTRICT NO. 204

GENERAL OPERATING FUND
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)

	<u>2011 Actual</u>	<u>2012 Actual</u>	<u>2012 Budget</u>	<u>Actual Over/ (Under) Budget</u>
Cash Receipts:				
Ad Valorem Tax	\$ 2,537,403	\$ 2,566,962	\$ 2,364,759	\$ 202,203
Back Taxes	52,721	98,196	108,659	(10,463.35)
Industrial Revenue Bond Distribution	105,226	196,906	100,182	96,723.75
Equalization Payments-State Aid	8,737,888	9,202,800	9,497,447	(294,647.00)
Equalization Payments-State Aid-Spec. Ed.	2,047,699	2,324,208	2,324,327	(119.00)
State Aid-ARRA Funds	243,197	-	-	-
Education Job Funding	425,838	6,302	-	6,302.00
Miscellaneous	12,500	114	-	114.00
Total Revenues	<u>14,162,472</u>	<u>14,395,487</u>	<u>14,395,374</u>	<u>113</u>
Expenditures and Transfers:				
Instruction	5,821,890	6,432,424	6,346,191	86,233
Student Support Services	677,581	470,571	478,335	(7,764)
Instructional Support Services	123,902	329,037	447,607	(118,570)
General Administration	87,734	21,164	27,895	(6,731)
Central Administration	1,024,106	1,179,138	1,156,695	22,443
Operation and Maintenance	150,693	101,955	151,822	(49,867)
Student Transportation	31,038	(77)	31,089	(31,166)
Community Operations	457	287	85,210	(84,923)
Transfers Out	6,245,056	5,860,875	5,670,530	190,345
Adjustment to comply with legal maximum (Note A)	-	-	-	-
Adjustment for Qualifying Budget Credit (Note A)	-	-	250,000	(250,000)
Total Expenditures and Transfers	<u>14,162,457</u>	<u>14,395,374</u>	<u>14,645,374</u>	<u>(250,000)</u>
Excess of Revenue and Other Financing Sources over/(under) Expenditures and Other Uses				
	<u>\$ 15</u>	<u>114</u>	<u>\$ (250,000)</u>	<u>\$ 250,114</u>
UNENCUMBERED CASH, JULY 1		<u>(113)</u>		
UNENCUMBERED CASH, JUNE 30		<u>\$ (0)</u>		

The accompanying notes are an integral part of
the financial statements.

B E P O S I  I V E .

UNIFIED SCHOOL DISTRICT NO. 204

FEDERAL FUNDS

**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)**

	<u>2011 Actual</u>	<u>2012 Actual</u>	<u>2012 Budget</u>	<u>Actual Over/ (Under) Budget</u>
Cash Receipts:				
Federal Grants	\$ 505,547	\$ 454,321	\$ 466,420	\$ (12,099)
Other	-	-	-	-
Total Revenues	<u>505,547</u>	<u>454,321</u>	<u>466,420</u>	<u>(12,099)</u>
Expenditures:				
Salaries	402,811	338,699	349,219	(10,520)
Social Security	55,547	24,975	52,853	(27,878)
Supplies	17,299	28,416	-	28,416
Purchased Services	40,384	56,722	53,000	3,722
Events	-	2,977	-	-
Homeless	1,500	1,473	-	1,473
Miscellaneous	-	-	-	-
Adjustment for Qualifying Budget Credit	-	-	-	-
Total Expenditures	<u>517,541</u>	<u>453,262</u>	<u>455,072</u>	<u>(1,810)</u>
Excess of Revenue and Other Financing Sources over/(under) Expenditures and Other Uses	<u>\$ (11,994)</u>	<u>\$ 1,059</u>	<u>\$ 11,348</u>	<u>\$ (10,289)</u>
UNENCUMBERED CASH, JULY 1		<u>313</u>		
UNENCUMBERED CASH, JUNE 30		<u>\$ 1,372</u>		

The accompanying notes are an integral part of
the financial statements.

B E P O S I  I V E .

UNIFIED SCHOOL DISTRICT NO. 204

SUPPLEMENTAL GENERAL FUND (LOCAL OPTION BUDGET)
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)

	<u>2011</u> Actual	<u>2012</u> Actual	<u>2012</u> Budget	Actual Over/ (Under) Budget
Cash Receipts:				
Ad Valorem Tax	\$ 2,749,982	\$ 2,330,478	\$ 2,155,548	\$ 174,930
Back Taxes	49,741	100,183	120,000	(19,817)
Motor Vehicel Tax	265,280	227,274	234,730	(7,456)
Industrial Revenue Bond Distribution	107,731	170,364	94,452	75,912
Recreation Motor Vehicle Tax	2,402	1,880	1,224	656
Heavy Truck & Machinery/Equipment Tax	3,870	2,816	3,870	(1,054)
General and Special Education - State Aid	1,686,118	1,778,438	1,714,406	64,032
State Aid - Other	-	-	-	-
Reimbursements	68,000	46,856	-	-
Total Revenues	<u>4,933,124</u>	<u>4,658,288</u>	<u>4,324,230</u>	<u>287,202</u>
Expenditures and Transfers:				
Instruction	237,403	331,286	237,824	93,462
Student Support Services	419,388	263,696	250,576	13,120
Instructional Support Services	235,157	402,377	394,309	8,068
General Administration	810,558	713,960	721,064	(7,104)
School Administration	53,221	53,783	56,500	(2,717)
Central Services	26,846	266,284	247,416	18,868
Operation and Maintenance	1,609,744	1,491,859	1,468,378	23,481
Student Transportation	536,536	573,184	564,103	9,081
Other Supplemental Services	-	-	-	-
Community Operations	-	-	-	-
Adjustment for Qualifying Budget Credit (Note A)	-	-	46,856	(46,856)
Transfers Out	832,187	697,725	807,128	(109,403)
Total Expenditures and Transfers	<u>4,761,040</u>	<u>4,794,154</u>	<u>4,794,154</u>	<u>-</u>
Excess of Revenue and Other Financing				
Sources over/(under) Expenditures and Other Uses	<u>\$ 172,085</u>	<u>(135,866)</u>	<u>\$ (469,924)</u>	<u>\$ 287,202</u>
UNENCUMBERED CASH, JULY 1		<u>426,406</u>		
UNENCUMBERED CASH, JUNE 30		<u>\$ 290,540</u>		

The accompanying notes are an integral part of
the financial statements.

B E P O S I  I V E .

UNIFIED SCHOOL DISTRICT NO. 204

AT-RISK (4 YEAR OLD)
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)

	<u>2011 Actual</u>	<u>2012 Actual</u>	<u>2012 Budget</u>	<u>Actual Over/ (Under) Budget</u>
Cash Receipts:				
Tuitions	\$ 7,548	\$ 18,350	\$ 7,548	\$ 10,802
Miscellaneous	-	13	-	13
Transfers In	<u>173,188</u>	<u>71,777</u>	<u>173,188</u>	<u>(101,411)</u>
Total Revenues	<u>180,736</u>	<u>90,140</u>	<u>180,736</u>	<u>(90,596)</u>
Expenditures and Transfers:				
Benefits				
Salaries	101,055	90,794	103,687	(12,893)
Employee Benefits	17,501	18,277	18,353	(76)
Supplies and Materials	147	2,717	200	2,517
Purchased Services	1,370	270	100	170
Professional/Technical Services	36	-	-	-
Support Services Salaries	9,878	899	11,760	(10,861)
Employee Benefits	<u>748</u>	<u>67</u>	<u>900</u>	<u>(833)</u>
Total Expenditures and Transfers	<u>130,736</u>	<u>113,023</u>	<u>135,000</u>	<u>(21,977)</u>
Excess of Revenue and Other Financing Sources over/(under) Expenditures and Other Uses				
	<u>\$ 50,000</u>	<u>(22,883)</u>	<u>\$ 45,736</u>	<u>\$ (68,619)</u>
UNENCUMBERED CASH, JULY 1		<u>50,000</u>		
UNENCUMBERED CASH, JUNE 30		<u>\$ 27,117</u>		

The accompanying notes are an integral part of
the financial statements.

B E P O S I  I V E .

UNIFIED SCHOOL DISTRICT NO. 204

AT-RISK (K-12)
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)

	<u>2011 Actual</u>	<u>2012 Actual</u>	<u>2012 Budget</u>	<u>Actual Over/ (Under) Budget</u>
Cash Receipts:				
Transfers In	\$ 2,092,120	\$ 2,221,520	\$ 2,015,943	\$ 205,577
Miscellaneous	-	55	-	55
Total Revenues	<u>2,092,120</u>	<u>2,221,575</u>	<u>2,015,943</u>	<u>205,632</u>
Expenditures and Transfers:				
Salaries	1,592,199	1,568,104	1,588,424	(20,320)
Employee Benefits	264,610	265,295	271,614	(6,319)
Supplies and Material	53,392	41,462	57,926	(16,464)
Student Services	1,165	-	-	-
Support Services Salaries	-	-	-	-
Employee Benefits	-	-	-	-
Travel	-	-	-	-
Purchased Services	82,380	39,192	93,036	(53,844)
Total Expenditures and Transfers	<u>1,993,746</u>	<u>1,914,052</u>	<u>2,011,000</u>	<u>(96,948)</u>
Excess of Revenue and Other Financing Sources over/(under) Expenditures and Other Uses	<u>\$ 98,374</u>	<u>307,523</u>	<u>\$ 4,943</u>	<u>\$ 302,580</u>
UNENCUMBERED CASH, JULY 1		<u>100,437</u>		
UNENCUMBERED CASH, JUNE 30		<u>\$ 407,960</u>		

The accompanying notes are an integral part of
the financial statements.

B E P O S I  I V E .

UNIFIED SCHOOL DISTRICT NO. 204

BILINGUAL EDUCATION
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)

	<u>2011 Actual</u>	<u>2012 Actual</u>	<u>2012 Budget</u>	<u>Actual Over/ (Under) Budget</u>
Cash Receipts:				
Transfers In	\$ 169,291	\$ 99,969	\$ 93,882	\$ 6,087
Total Revenues	<u>169,291</u>	<u>99,969</u>	<u>93,882</u>	<u>6,087</u>
Expenditures and Transfers:				
Benefits				
Salaries	97,578	59,417	59,149	268
Employee Benefits	17,773	10,034	10,791	(757)
Professional Education Services	17,285	1,190	12,999	(11,809)
Supplies and Materials	13,047	14,377	10,443	3,934
Other	-	1,686	500	1,186
Total Expenditures and Transfers	<u>145,683</u>	<u>86,704</u>	<u>93,882</u>	<u>(7,178)</u>
Excess of Revenue and Other Financing Sources over/(under) Expenditures and Other Uses	<u>\$ 23,608</u>	<u>13,265</u>	<u>\$ -</u>	<u>\$ 13,265</u>
UNENCUMBERED CASH, JULY 1		<u>55,664</u>		
UNENCUMBERED CASH, JUNE 30		<u>\$ 68,929</u>		

The accompanying notes are an integral part of
the financial statements.

B E P O S I  I V E .

UNIFIED SCHOOL DISTRICT NO. 204

CAPITAL OUTLAY FUND
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)

	2011 <u>Actual</u>	2012 <u>Actual</u>	2012 <u>Budget</u>	Actual Over/ <u>(Under) Budget</u>
Cash Receipts:				
Ad Valorem Tax	\$ 1,081,677	\$ 1,100,789	\$ 1,218,366	\$ (117,577)
Back Taxes	19,681	41,135	70,472	(29,337)
Motor Vehicle Tax	105,604	106,139	161,285	(55,146)
Industrial Revenue Bond Distribution	42,090	78,762	64,896	13,866
Recreation Motor Vehicle Tax	949	889	822	67
Heavy Truck & Machinery/Equipment Tax	1,437	1,373	-	1,373
Miscellaneous	10,627	40,297	-	40,297
Total Revenues	<u>1,262,065</u>	<u>1,369,384</u>	<u>1,515,841</u>	<u>(146,457)</u>
Expenditures and Transfers:				
Reconstruction, Repair & Remodeling	136,832	-	-	-
Land and Land Improvements	-	484,268	1,250,000	(765,732)
Instruction	-	65,276	-	65,276
Support Services	-	560,647	-	560,647
Furnishing and Equipment	62,749	-	1,415,000	(1,415,000)
Equipment Transportation	397,291	-	206,000	(206,000)
Building Site/Improvements	105,658	468,841	629,000	(160,159)
Transfers Out	-	-	-	-
Total Expenditures and Transfers	<u>702,530</u>	<u>1,579,032</u>	<u>3,500,000</u>	<u>(1,920,968)</u>
Excess of Revenues over (under)				
Expenditures	<u>559,535</u>	<u>(209,648)</u>	<u>(1,984,159)</u>	<u>1,774,511</u>
UNENCUMBERED CASH, JULY 1		<u>3,830,409</u>		
UNENCUMBERED CASH, JUNE 30		<u>\$ 3,620,761</u>		

The accompanying notes are an integral part of
the financial statements.

B E P O S I  I V E .

UNIFIED SCHOOL DISTRICT NO. 204

DRIVERS EDUCATION FUND
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)

	<u>2011</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>	<u>2012</u> <u>Budget</u>	<u>Actual Over/ (Under) Budget</u>
Cash Receipts:				
State Safety Program	\$ 3,996	\$ -	\$ 4,800	\$ (4,800)
Miscellaneous	13,100	12,894	32,000	(19,106)
Total Revenues	<u>17,096</u>	<u>12,894</u>	<u>36,800</u>	<u>(23,906)</u>
Expenditures:				
Salaries	14,946	4,991	16,000	(11,009)
Social Security	1,143	382	1,224	(842)
Professional/Technical Services	-	4,362	3,700	662
Supplies	106	64	200	(136)
Operational Costs	162	-	400	(400)
Adjustment for Qualifying Budget Credit	-	-	-	-
Total Expenditures	<u>16,357</u>	<u>9,799</u>	<u>21,524</u>	<u>(11,725)</u>
Excess of Revenue and Other Financing Sources over/(under) Expenditures and Other Uses	<u>\$ 739</u>	<u>3,095</u>	<u>\$ 15,276</u>	<u>\$ (12,181)</u>
UNENCUMBERED CASH, JULY 1		<u>16,199</u>		
UNENCUMBERED CASH, JUNE 30		<u>\$ 19,294</u>		

The accompanying notes are an integral part of
the financial statements.

B E P O S I  I V E .

UNIFIED SCHOOL DISTRICT NO. 204

FOOD SERVICE FUND
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)

	2011 <u>Actual</u>	2012 <u>Actual</u>	2012 <u>Budget</u>	Actual Over/ <u>(Under) Budget</u>
Cash Receipts:				
State Aid	\$ 12,962	\$ 13,490	\$ 10,443	\$ 3,047
Federal Aid	662,119	768,082	642,834	125,248
Grant	20,304	46,174	-	46,174
Sales	478,171	463,155	491,500	(28,345)
Interest on Idle Funds	631	639	-	639
Miscellaneous	-	1,028	-	1,028
Transfers In	32,336	10,788	32,000	(21,212)
Total Revenues	<u>1,206,522</u>	<u>1,303,356</u>	<u>1,176,777</u>	<u>126,579</u>
Expenditures and Transfers:				
Food Personnel Salaries	342,062	351,571	415,000	(63,429)
Food	545,310	639,353	677,113	(37,760)
Other	27,077	-	-	-
Teachers Supervision	50,496	-	-	-
Social Security	29,019	26,106	27,358	(1,252)
Employee Benefits	38,703	30,955	28,120	2,835
Supplies	42,384	43,336	50,000	(6,664)
Equipment	16,894	25,897	50,000	(24,103)
Utilities	17,504	18,823	24,300	(5,477)
Food Service Management	163	7,150	28,109	(20,959)
Indirect Costs	68,000	47,011	-	47,011
Total Expenditures and Transfers	<u>1,177,612</u>	<u>1,190,202</u>	<u>1,300,000</u>	<u>(109,798)</u>
Excess of Revenues over (under) Expenditures	<u>28,910</u>	<u>113,154</u>	<u>(123,223)</u>	<u>236,377</u>
UNENCUMBERED CASH, JULY 1		<u>509,195</u>		
UNENCUMBERED CASH, JUNE 30		<u>\$ 622,349</u>		

The accompanying notes are an integral part of
the financial statements.

B E P O S I  I V E .

UNIFIED SCHOOL DISTRICT NO. 204

PROFESSIONAL DEVELOPMENT FUND
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)

	<u>2011 Actual</u>	<u>2012 Actual</u>	<u>2012 Budget</u>	<u>Actual Over/ (Under) Budget</u>
Cash Receipts:				
State Aid	\$ -	\$ 825	\$ -	\$ 825
Transfers In	25,000	25,349	25,000	\$ 349
Total Revenues	<u>25,000</u>	<u>26,174</u>	<u>25,000</u>	<u>1,174</u>
Expenditures and Transfers:				
Professional Development				
High School	-	1,753	3,000	(1,247)
Middle School	-	1,038	2,650	(1,612)
Bonner Springs Elementary	463	-	2,350	(2,350)
Delaware Ridge Elementay	1,387	-	1,250	(1,250)
Edwardsville Elementary	984	295	2,100	(1,805)
District Wide	9,785	17,700	13,650	4,050
Salary	-		-	-
Social Security	179		-	-
Registration Fees and Travel	10,568	-	-	-
Materials	1,465	-	-	-
Total Expenditures and Transfers	<u>24,831</u>	<u>20,786</u>	<u>25,000</u>	<u>(4,214)</u>
Excess of Revenue and Other Financing Sources over/(under) Expenditures and Other Uses	<u>\$ 169</u>	<u>5,388</u>	<u>\$ -</u>	<u>\$ 5,388</u>
UNENCUMBERED CASH, JULY 1		<u>2,112</u>		
UNENCUMBERED CASH, JUNE 30		<u>\$ 7,500</u>		

The accompanying notes are an integral part of
the financial statements.

B E P O S I  I V E .

UNIFIED SCHOOL DISTRICT NO. 204

PARENTS AS TEACHERS
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)

	<u>2011 Actual</u>	<u>2012 Actual</u>	<u>2012 Budget</u>	<u>Actual Over/ (Under) Budget</u>
Cash Receipts:				
Transfers In	\$ 11,300	\$ 16,300	\$ 13,000	\$ 3,300
Total Revenues	<u>11,300</u>	<u>16,300</u>	<u>13,000</u>	<u>3,300</u>
Expenditures and Transfers:				
Other	11,300	11,300	13,000	(1,700)
Total Expenditures and Transfers	<u>11,300</u>	<u>11,300</u>	<u>13,000</u>	<u>(1,700)</u>
Excess of Revenue and Other Financing Sources over/(under) Expenditures and Other Uses	<u>\$ -</u>	<u>5,000</u>	<u>\$ -</u>	<u>\$ 5,000</u>
UNENCUMBERED CASH, JULY 1		<u>-</u>		
UNENCUMBERED CASH, JUNE 30		<u>\$ 5,000</u>		

The accompanying notes are an integral part of
the financial statements.

B E P O S I  I V E .

UNIFIED SCHOOL DISTRICT NO. 204

SPECIAL EDUCATION FUND
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)

	<u>2011 Actual</u>	<u>2012 Actual</u>	<u>2012 Budget</u>	<u>Actual Over/ (Under) Budget</u>
Cash Receipts:				
Interest on Idle Funds	\$ 6,335	\$ 6,827	\$ -	\$ 6,827
Other	57,066	100,801	58,000	42,801
Reimbursement	-	54,566	-	-
Transfers In	<u>3,618,287</u>	<u>3,264,377</u>	<u>3,578,100</u>	<u>(313,723)</u>
Total Revenues	<u>3,681,688</u>	<u>3,426,571</u>	<u>3,636,100</u>	<u>(264,095)</u>
Expenditures and Transfers:				
Payments to Wyandotte County	2,588,933	2,743,411	2,800,000	(56,589)
Miscellaneous	-	129	-	129
Instructional	<u>384,374</u>	<u>395,934</u>	<u>480,554</u>	<u>(84,620)</u>
Total Expenditures and Transfers	<u>2,973,307</u>	<u>3,139,474</u>	<u>3,280,554</u>	<u>(141,080)</u>
Excess of Revenue and Other Financing Sources over/(under) Expenditures and Other Uses				
	<u>\$ 708,381</u>	<u>287,097</u>	<u>\$ 355,546</u>	<u>\$ (123,015)</u>
UNENCUMBERED CASH, JULY 1		<u>787,607</u>		
UNENCUMBERED CASH, JUNE 30		<u>\$ 1,074,704</u>		

The accompanying notes are an integral part of
the financial statements.

B E P O S I  I V E .

UNIFIED SCHOOL DISTRICT NO. 204

VOCATIONAL EDUCATION FUND
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)

	<u>2011 Actual</u>	<u>2012 Actual</u>	<u>2012 Budget</u>	<u>Actual Over/ (Under) Budget</u>
Cash Receipts:				
Other Revenue	\$ -	\$ 46	\$ -	\$ 46
Federal-Aid Carl Perkins Grant	38,084	32,262	32,262	-
Transfers In	<u>480,301</u>	<u>433,575</u>	<u>480,301</u>	<u>(46,726)</u>
Total Revenues	<u>518,385</u>	<u>465,883</u>	<u>512,563</u>	<u>(46,680)</u>
Expenditures and Transfers:				
Salaries	311,001	270,033	291,044	(21,011)
Social Security	22,859	19,812	19,391	421
Employee Benefits	22,754	24,507	14,539	9,968
Tuition	26,095	65,445	75,000	(9,555)
Equipment	17,258	18,963	19,758	(795)
Supplies	3,311	3,995	8,500	(4,505)
Carl Perkins Program	18,844	3,942	3,500	442
Support Services	<u>2,005</u>	<u>9,358</u>	<u>10,778</u>	<u>(1,420)</u>
Total Expenditures and Transfers	<u>424,126</u>	<u>416,055</u>	<u>442,510</u>	<u>(26,455)</u>
Excess of Revenue and Other Financing Sources over/(under) Expenditures and Other Uses				
	<u>\$ 94,259</u>	<u>49,828</u>	<u>\$ 70,053</u>	<u>\$ (20,225)</u>
UNENCUMBERED CASH, JULY 1		<u>94,248</u>		
UNENCUMBERED CASH, JUNE 30		<u>\$ 144,076</u>		

The accompanying notes are an integral part of
the financial statements.

B E P O S I  I V E .

UNIFIED SCHOOL DISTRICT NO. 204

GIFTS AND GRANTS
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)

	<u>2011 Actual</u>	<u>2012 Actual</u>	<u>2012 Budget</u>	<u>Actual Over/ (Under) Budget</u>
Cash Receipts:				
Miscellaneous	\$ 3,348	\$ 453	\$ -	\$ 453
Wellness Fund Revenue	-	-	5,000	(5,000)
Grants	-	-	-	-
Special Needs	-	-	-	-
Total Revenues	<u>3,348</u>	<u>453</u>	<u>5,000</u>	<u>(4,547)</u>
Expenditures and Transfers:				
Benefits	6,055	3,525	8,072	-
Adjustment for Qualifying Budget Credit	-	-	-	-
Total Expenditures and Transfers	<u>6,055</u>	<u>3,525</u>	<u>8,072</u>	<u>(4,547)</u>
Excess of Revenue and Other Financing Sources over/(under) Expenditures and Other Uses	<u>\$ (2,707)</u>	<u>(3,072)</u>	<u>\$ (3,072)</u>	<u>\$ -</u>
UNENCUMBERED CASH, JULY 1		<u>3,072</u>		
UNENCUMBERED CASH, JUNE 30		<u>\$ -</u>		

The accompanying notes are an integral part of
the financial statements.

UNIFIED SCHOOL DISTRICT NO. 204

KPERS RETIREMENT FUND
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)

	<u>2011 Actual</u>	<u>2012 Actual</u>	<u>2012 Budget</u>	<u>Actual Over/ (Under) Budget</u>
Cash Receipts:				
KPERS Contribution - State	\$ 797,451	\$ 1,355,501	\$ 1,451,361	\$ (95,860)
Total Revenues	<u>797,451</u>	<u>1,355,501</u>	<u>1,451,361</u>	<u>(95,860)</u>
Expenditures and Transfers:				
Benefits				
Instruction Employees	538,620	906,451	929,361	(22,910)
Student Support Services Employees	48,116	72,097	95,000	(22,903)
Instruction Support Services Employees	33,095	66,729	70,000	(3,271)
General Administration Employees	15,860	23,950	35,000	(11,050)
School Administration Employees	67,994	112,114	120,000	(7,886)
Central Services Employees	-	-	16,000	(16,000)
Operation/Maintenance Employees	37,538	62,900	76,000	(13,100)
Student Transportation Employees	22,727	55,914	44,000	11,914
Non-Instruction Food Service Employees	33,501	55,344	66,000	(10,656)
Total Expenditures and Transfers	<u>797,451</u>	<u>1,355,501</u>	<u>1,451,361</u>	<u>(95,860)</u>
Excess of Revenue and Other Financing Sources over/(under) Expenditures and Other Uses				
	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
UNENCUMBERED CASH, JULY 1				
		<u>-</u>		
UNENCUMBERED CASH, JUNE 30				
		<u>\$ -</u>		

The accompanying notes are an integral part of
the financial statements.

UNIFIED SCHOOL DISTRICT NO. 204

DEBT SERVICE FUND
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)

	<u>2011 Actual</u>	<u>2012 Actual</u>	<u>2012 Budget</u>	<u>Actual Over/ (Under) Budget</u>
Cash Receipts:				
Ad Valorem Tax	\$ 2,381,574	\$ 2,727,856	\$ 2,199,948	\$ 527,908
Motor Vehicle Property Tax	228,827	271,903	250,356	21,547
Back Taxes	40,070	92,401	64,444	27,957
Recreation Motor Vehicle Tax	2,037	2,300	2,173	127
Motor Vehicle Excise Tax	228,827	192,806	116,867	75,939
Machinery and Equipment State Aid	560,155	807,177	696,910	110,267
Machinery & Heavy Truck Tax	2,809	3,598	-	3,598
Other Revenue	-	4,650	-	4,650
Transfers In	-	-	-	-
Total Revenues	<u>3,444,298</u>	<u>4,102,691</u>	<u>3,330,698</u>	<u>771,993</u>
Expenditures:				
Principal	1,625,000	1,735,000	1,735,000	-
Interest	<u>1,542,773</u>	<u>1,493,709</u>	<u>1,493,709</u>	-
Total Expenditures	<u>3,167,773</u>	<u>3,228,709</u>	<u>3,228,709</u>	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 276,525</u>	<u>873,982</u>	<u>\$ 101,989</u>	<u>\$ 771,993</u>
UNENCUMBERED CASH, JULY 1		<u>2,722,746</u>		
UNENCUMBERED CASH, JUNE 30		<u>\$ 3,596,728</u>		

The accompanying notes are an integral part of
the financial statements.

**NONBUDGETED FUNDS
SUMMARY STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2012**

	Contingency Fund	Summer School	Early Childcare McDaniels	Technology Textbook	Expendituary Learning Grant	Head Start Activity
Revenues:						
Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Tuition			247,503			
Miscellaneous	-	-	2,228	80,090	-	2,512
Transfers In	206,113	-	54,520	43,887	100,050	-
Total Revenues	206,113	-	304,251	123,977	100,050	2,512
Expenditures:						
Salaries	-	-	194,983	-	-	-
Employee Benefits	-	-	57,316	-	-	-
Travel	-	-	-	-	-	-
Professional Education Services	-	-	-	-	-	-
Supplies and Materials	-	-	-	99,368	-	994
Purchased Services	-	-	12,222	8,792	100,050	-
Other	-	-	557	-	-	-
	-	-	265,078	108,160	100,050	994
Excess of Revenues over (under) Expenditures	206,113	-	39,173	15,817	0	1,518
UNENCUMBERED FUND BALANCE, JULY 1	758,025	13	3,094	8,955	-	861
UNENCUMBERED FUND BALANCE, JUNE 30	\$ 964,138	\$ 13	\$ 42,267	\$ 24,772	\$ -	\$ 2,379

The accompanying notes are an integral part of the financial statements.

**NONBUDGETED FUNDS
SUMMARY STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Head Start</u>	<u>Activity Participation</u>	<u>Afterschool Activity</u>	<u>McDaniel & Youth Friends</u>	<u>Short Suspension</u>
Revenues:					
Grants	\$ 316,090	\$ -	\$ 9,125		\$ -
Tuition				9,439	
Miscellaneous	36,570	-	206.00		
Transfers In	794.00	-	9,580	-	
	<u>353,454</u>	<u>-</u>	<u>18,911</u>	<u>9,439</u>	<u>-</u>
Total Revenues					
Expenditures:					
Salaries	213,463	-	7,633	-	-
Employee Benefits	17,972	-	523	-	-
Travel	330	-	-	-	-
Professional Education Services	26,189	-	-	-	-
Supplies and Materials	15,127	-	33	-	-
Purchased Services	35,775	-	10,517	-	-
Other	67,119	-	-	3,968	-
	<u>375,976</u>	<u>-</u>	<u>18,705</u>	<u>3,968</u>	<u>-</u>
Excess of Revenues over (under)	-				
Expenditures	<u>(22,522)</u>	<u>0</u>	<u>206</u>	<u>5,471</u>	<u>-</u>
UNENCUMBERED FUND BALANCE, JULY 1	<u>10,101</u>	<u>-</u>	<u>961</u>	<u>0</u>	<u>8,165</u>
UNENCUMBERED FUND BALANCE, JUNE 30	\$ <u>(12,421)</u>	\$ <u>-</u>	\$ <u>1,167</u>	\$ <u>5,471</u>	\$ <u>8,165</u>

The accompanying notes are an integral part of the financial statements.

UNIFIED SCHOOL DISTRICT NO. 204

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CASH
STUDENT ORGANIZATIONS AND OTHER AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Beginning Cash</u> <u>Balance</u>	<u>Cash Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Ending Cash</u> <u>Balance</u>
Fund:				
Bonner Springs High School				
Clubs and Organizations	\$ 41,182	\$ 101,277	\$ 97,860	\$ 44,599
Classes	16,413	38,431	39,284	15,560.04
Athletic Support Group	5,387	5,871	9,858	1,399.42
Library	1,537	1,912	1,630	1,819.63
Subtotal Bonner Springs High School	<u>64,519</u>	<u>147,491</u>	<u>148,632</u>	<u>63,378</u>
Clark Middle School				
Clubs, Organizations and Classes	22,485	48,852	67,041	4,296
Athletic Support Group	500	3,655	1,386	2,769
Library	425	3,095	2,524	996
Subtotal Clark Middle School	<u>23,410</u>	<u>55,602</u>	<u>70,951</u>	<u>8,061</u>
Bonner Springs Elementary				
Clubs and Organizations	8,143	18,790	14,835	12,098
Classes	9,797	30,719	32,785	7,731
Subtotal Bonner Springs Elementary	<u>17,940</u>	<u>49,509</u>	<u>47,620</u>	<u>19,829</u>
Delaware Ridge Elementary				
Clubs and Organizations	23,622	34,413	31,369	26,666
Classes	908	5,086	5,394	601
Subtotal Delaware Ridge Elementary	<u>24,531</u>	<u>39,499</u>	<u>36,763</u>	<u>27,267</u>
Edwardsville Elementary				
Clubs and Organizations	9,719	13,192	16,972	5,940
Classes	3,299	4,167	6,969	497
Subtotal Edwardsville Elementary	<u>13,018</u>	<u>17,360</u>	<u>23,941</u>	<u>6,437</u>
Total District Agency Funds	<u>\$ 143,418</u>	<u>309,461</u>	<u>\$ 327,907</u>	<u>\$ 124,972</u>

UNIFIED SCHOOL DISTRICT NO. 204

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CASH
DISTRICT ACTIVITY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012**

	Beginning Cash <u>Balance</u>	Cash Receipts	Cash Disbursements	Ending Cash <u>Balance</u>
Gate Receipts:				
Bonner Springs High School	\$ 62,435	\$ 210,687	\$ 208,057	\$ 65,065
Clark Middle School	549	4,816	5,365	-
Subtotal Gate Receipts	<u>62,984</u>	<u>215,503</u>	<u>213,422</u>	<u>65,065</u>
School Projects:				
Bonner Springs High School	20,652	78,874	79,229	20,297
Clark Middle School	16,624	35,713	19,040	33,297
Subtotal School Projects	<u>37,276</u>	<u>114,587</u>	<u>98,269</u>	<u>53,594</u>
 Total District Agency Funds	 <u>\$ 100,260</u>	 <u>\$ 330,090</u>	 <u>\$ 311,691</u>	 <u>\$ 118,659</u>

**UNIFIED SCHOOL DISTRICT NO. 204
BONNER SPRINGS, KANSAS
NOTES TO FINANCIAL STATEMENTS
June 30, 2012**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - Unified School District Number 204 is a municipal corporation governed by an elected seven-member board. As required by generally accepted accounting principles, these financial statements include all the accounts for which the District is considered to be financially accountable. The District has no components units.

Basis of Accounting - These financial statements are presented on a basis of accounting, which is designed to demonstrate compliance with cash basis and budget laws of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. For an interfund transaction, the amount received is recorded as an increase in the fund receiving the cash. Cash disbursements are recognized when the cash balance of a fund is decreased. For an inter-fund transaction, the amount disbursed is recorded as a decrease in the fund from which the cash is transferred. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments related to unperformed (executor) contracts for goods and services, and are usually evidenced by a purchase order or written contract.

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. Upon the adoption of the Kansas GAAP waiver, K.S.A. 75-1120a specifically requires that the District prepare its financial statements and financial reports on the basis of cash receipts and disbursements as adjusted to show compliance with the cash-basis and budget laws of the state. In addition, K.S.A. 72-6417 and 72-6434 require that any general fund or supplemental general fund state aid payments that is due to be paid in June, but is paid after "shall be recorded and accounted for by the school districts as a receipt for the school year ending on the preceding June 30".

Departure from Generally Accepted Accounting Principles - 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 expenses, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balances are not presented. Under generally accepted accounting principles, 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. General fixed assets that account for the land, buildings and equipment owned by the District are not presented in the financial statements.

Fund Description - 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 or limitations.

**UNIFIED SCHOOL DISTRICT NO. 204
BONNER SPRINGS, KANSAS
NOTES TO FINANCIAL STATEMENTS
June 30, 2012**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The following types of funds comprise the financial activities of the District for the year of 2012.

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 major projects) that are restricted by law or administrative action to expenditures for specified purposes.

Capital Project Funds – to account for financial resources segregated for the acquisition of major capital facilities.

Debt Service Funds – to account for the accumulation of resources for, and the payment of, interest and principal on long-term debt.

Fiduciary Funds:

Agency Funds – to account for assets held in a trustee capacity or as an agent for individuals, other governmental units, private organizations, and/or other funds.

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), and debt service funds. The statutes provided for the following sequence and timetable in adoption of budgets.

- Preparation of budget for the succeeding 18 month period on or before August 1 of each year.
- Publication of proposed budget on or before August 5 of each year.
- A minimum of ten days' notice of public hearing, published in local newspaper, on or before August 15 of each year.
- Public hearing on or before August 15 of each year.
- Adoption of final budget on or before August 25 of each year.

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 held and the governing body may amend the budget at that time.

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.

**UNIFIED SCHOOL DISTRICT NO. 204
BONNER SPRINGS, KANSAS
NOTES TO FINANCIAL STATEMENTS
June 30, 2012**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Adjustment to Comply with Legal Max – The District has elected to adjust the certified budget amounts (for use in the budget column only) to comply with the “Legal Max” budget. The State Board of Education calculates the “Legal Max” budget using enrollment figures. The District’s budgeted expenditures are limited to the lower of the published budget or the “Legal Max” budget.

In addition management has determined that certain adjustments for qualifying budget credits are presented for certain budgeted funds. These qualifying budget credits include certain amounts transferred to the contingency reserve fund, expenses not budgeted, but incurred and reimbursed within the same period, and unexpected grants and gifts provided for certain activities.

All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the district for future payments and are supported by a document evidencing the commitments, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

A legal operating budget is not required for capital projects, contingency fund, trust and agency funds and the following special revenue funds: Early Childcare McDaniels, Technology Textbook, Expeditionary Learning Grant, Head Start Activity, Head Start 11-12, Head Start, Activity Participation, Afterschool Activity, Youth Friends and Short Suspension.

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.

2011 Financial Data - Amounts that are shown for 2011 in the accompanying financial statements are included where practical, only to provide a basis for comparison with 2012, and are not intended to present all information necessary for a fair presentation in accordance with generally accepted accounting principles.

Cash and Investments - Cash balances from all funds are combined and invested to the extent available in certificates of deposit and other authorized investments. Earnings from these investments are allocated to designated funds. All investments are stated at cost.

Ad Valorem Tax Revenue - The determination of assessed valuation 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 valuation on January 1 and the County Clerk spreads the annual assessment on the tax rolls. One-half of the property taxes are due November 1 and become delinquent, with penalty December 21. Payments of 50% are accepted through December 20, with the second 50% then being due on or before May 10 of the following year.

**UNIFIED SCHOOL DISTRICT NO. 204
BONNER SPRINGS, KANSAS
NOTES TO FINANCIAL STATEMENTS
June 30, 2012**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The County Treasurer is the tax collection agent for all taxing entities within the County. The District Treasurer draws all available funds from the County Treasurer's Office at designated times throughout the year. The initial distribution to the subdivisions of the County, including the District, is on or before January 20 of the ensuing year, with the remaining amounts generally distributed in periodic dates throughout the calendar year.

Reimbursements - 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 original cash disbursement.

Legal Debt Margin - The District is subject to the municipal finance laws of the State of Kansas which limits the net bonded debt (exclusive of revenue bonds and special assessment bonds) the District may have outstanding up to 14% of the assessed value of all tangible taxable property within the District, as certified to the County Clerk on the preceding August 25. Additional authority may be granted by the Kansas State Board of Education. At June 30, 2012, the District was within the statutory limit.

NOTE B – DEPOSITS AND INVESTED FUNDS

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 branch bank in the county in which the District is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk. Cash balances from all funds are combined and invested to the extent available in certificates of deposits and other authorized investments. Earnings from these investments are allocated to designated funds. All investments are stated at cost.

Custodial Credit Risk - Custodial credit risk is the risk 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. At June 30, 2012 certain deposits exceeded coverage provided by pledged collateral of \$9,202,818 and federal depository insurance of \$250,000.

**UNIFIED SCHOOL DISTRICT NO. 204
BONNER SPRINGS, KANSAS
NOTES TO FINANCIAL STATEMENTS
June 30, 2012**

NOTE B – DEPOSITS AND INVESTED FUNDS (Continued)

Municipal Investment Pool - The District has no investment policy that would further limit 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.

Investment Policy - 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 investment choices.

Investments - At June 30, 2012 the District had invested \$2,315,895 in the Kansas Municipal Investment pool. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas Legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

NOTE C – LONG TERM LIABILITIES

General Obligation Improvement and Refunding Bond Series 2000A - On the 3rd of May 2000, the District held an election in accordance with the various Kansas Statutes. A majority of those voting voted affirmatively that the District issue General obligation bonds in the maximum principal amount of \$18,200,000 to finance the costs to remodel, renovate, repair, equip and construct additions to the Edwardsville Grade School, the Bonner Springs Grade, Middle, and High Schools and the Central Office of the District, and construct, furnish and equip a new physical education facility for use by the students and staff of the District and complete all other things necessary and incidental thereto.

UNIFIED SCHOOL DISTRICT NO. 204
BONNER SPRINGS, KANSAS
NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE C – LONG TERM LIABILITIES (Continued)

The District determined it necessary and advisable to issue and sell General Obligations Improvement and Refunding Bonds, Series 2000A for the purpose of paying the cost of the Improvements, and in addition refund the District's Series 1994 Bonds and paying the cost of issuing of the Bonds.

A resolution dated July 14, 2000 was passed to issue \$25,170,000 of General Obligation Improvement and Refunding Bonds Series 2000A. General Obligation Improvement and Refunding Bonds Series 2000A dated August 1, 2000 were issued with an interest rate range from 4.6% to 6.375% and final maturity in year 2020. These bonds matured and final payment was made on September 1, 2011

General Obligation Improvement and Refunding Bonds Series 2005 – On September 13, 2005 voters within the district approved the issuance of up to \$18,700,000 of general obligation bonds to fund the remodeling, renovation, repair, equipping and additions to all four District facilities and to fund construction of a new elementary school.

The District determined it necessary and advisable to issue and sell General Obligation Improvement and Refunding Bonds Series 2005, for the purpose of paying the cost of the Improvements, and in addition refunding a portion of the District's Series 2000A Bonds, and paying the cost of issuing of the Bonds.

A resolution dated November 3, 2005 was passed to issue \$35,380,000 of General Obligation Improvement and Refunding Bonds Series 2005. Proceeds from the sale of the Bonds and other available funds of the District was used to make improvements as listed above and purchase an escrow of U.S. Government securities and cash which will provide for the payment of the remaining balance of that portion of the District's currently outstanding General Obligation Improvement and Refunding Bonds, Series 2000-A (the "Refunded Bonds") allocated to the purposes of paying the cost of constructing certain voter authorized Improvement projects. The Refunding Plan was undertaken in order to achieve debt restructuring and provide a more orderly plan of financing for the District. According to the terms of this Refunding Plan, The Escrow Fund will provide monies to pay the principal of the Refunded Bonds at their maturity date or earlier optional redemption date, if any, and to pay interest on Refunded Bonds through such dates. All Refunded Bonds subject to optional redemption will be called for redemption in accordance with resolution authorizing their issuance and will be called at a price equal to 100% of the par value thereof, without premium.

General Obligation Refunding Bonds Series 2010A – On May 17, 2010 the District approved the issuance of \$4,335,000 of general obligation bonds. Proceeds from the sale of the bonds was used to refund the District's General Obligation Improvements and Refunding Bonds Series 2000A Bonds maturing on and after September 1, 2011 and to pay the cost of issuing the bonds.

**UNIFIED SCHOOL DISTRICT NO. 204
BONNER SPRINGS, KANSAS
NOTES TO FINANCIAL STATEMENTS
June 30, 2012**

NOTE C – LONG TERM LIABILITIES (Continued)

All refunded bonds will be called for redemption in accordance with the resolution authorizing their issuance and will be called at a price equal to 100% of the par value thereof, without premium. The refunding was undertaken by the District in order to achieve interest costs savings and to provide a more orderly plan of financing for the District.

General Obligation Refunding Bonds Series 2012A – On May 1, 2012 the District approved an issuance of \$9,980,000 general obligation bonds. Proceeds from the sale of the bonds, was used to execute an advance refunding of a portion of the District's outstanding General Obligation Improvement and Refunding Bonds, Series 2005A, and related issuance costs.

All refunded bonds will be called for redemption in accordance with the resolution authorizing their issuance and will be called at a price equal to 100% of the par value thereof, without premium. The refunding was undertaken by the District in order to achieve interest costs savings and to promote a more orderly plan of financing for the District.

A summary of general long-term liabilities is as follows:

<u>Debt Issue</u>	<u>Date Issued</u>	<u>Original Amount</u>	<u>Interest Rate</u>
Series 2000A	08/01/2000	\$25,170,000	4 - 6.375%
Series 2005A	11/15/2005	\$35,380,000	3.6 – 5%
Series 2010A	06/01/2010	\$ 4,335,000	2 - 3.3%
Series 2012A	05/01/2012	\$ 9,980,000	2 - 3.3%

Following is a summary of changes in long-term debt and interest payments made for the year ended June 30, 2012:

<u>Type of Issue</u>	7/1/11		Additions to Principal	Reductions of Principal	6/31/12	
	Beginning Principal Outstanding				Ending Principal Outstanding	Interest Paid
Series 2000A	\$ 350,000	\$ -	\$ -	\$ 350,000	\$ -	\$ 11,156
Series 2005A	30,365,000	-	-	9,870,000	20,495,000	1,367,600
Series 2010A	4,305,000	-	-	55,000	4,250,000	114,952
Series 2012A	-	9,980,000	-	-	9,980,000	-
Total	<u>\$35,020,000</u>	<u>\$ 9,980,000</u>		<u>\$10,275,000</u>	<u>\$ 34,725,000</u>	<u>\$1,493,708</u>

**UNIFIED SCHOOL DISTRICT NO. 204
BONNER SPRINGS, KANSAS
NOTES TO FINANCIAL STATEMENTS
June 30, 2012**

NOTE C – LONG TERM LIABILITIES (Continued)

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

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 1,935,000	\$ 1,186,425	\$ 3,121,425
2014	1,985,000	1,154,148	3,139,148
2015	2,060,000	1,076,685	3,136,685
2016	2,130,000	987,572	3,117,572
2017	2,235,000	900,561	3,135,561
2018-2022	12,540,000	3,149,341	15,689,341
2023-202x	11,840,000	826,715	12,666,715
	<u>\$ 34,725,000</u>	<u>\$ 9,281,447</u>	<u>\$ 44,006,447</u>

General obligation bonds of the District are reflected in the General Long Term Debt Account Group, and current requirements for principal and interest expenditures are accounted for in the Debt Service Fund.

NOTE D – DEFINED BENEFIT PLANS

Plan Description. The District contributes to the Kansas Public Employees Retirement System (KPERs), a cost-sharing multiple-employer defined benefit pension plan as provided by KSA 74-4901 *et seq.* KPERs provides retirement benefits, life insurance, disability income benefits and death benefits. Kansas law establishes and amends benefit provision. 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 66603-3869) or by calling 1-888-275-5737.

Funding Policy. KSA 74-4919 establishes the KPERs member-employee contribution rate at up to 6% of covered salary. 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 contributed 9.77% of covered payroll for July 1, 2011 to June 30, 2012. These contribution requirements are established by KPERs and are periodically revised. The amounts attributable to the District for the years ending Jun 30, 2012, 2011, 2010 were \$1,355,501, \$797,450, \$899,877 respectively.,

NOTE E – FLEXIBLE BENEFIT PLAN (I.R.C SECTION 125)

The Board adopted by resolution a salary-reduction flexible benefit plan ("Plan") under Section 125 of the Internal Revenue Code. All employees of the District are eligible to participate in the Plan beginning the first day of the month following thirty days of employment. Each participant may elect to reduce his or her salary to purchase benefits offered through the Plan.

**UNIFIED SCHOOL DISTRICT NO. 204
BONNER SPRINGS, KANSAS
NOTES TO FINANCIAL STATEMENTS
June 30, 2012**

NOTE F – COMMITMENT AND CONTINGENCIES

The District receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the District at June 30, 2012.

NOTE G – 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; and natural disasters for which the District carries commercial insurance. Settlements of claims have not exceeded coverage during the past three fiscal years.

NOTE H - COMPENSATED ABSENCES

The School District's policy regarding vacation leave permits employees to accumulate a maximum of 100% of the amount of vacation time earned in the twelve-month period. Unpaid vacation at June 30, 2012 and 2011 is \$200,018 and \$165,094 respectively. The District's policy prohibits payment of vacation time in lieu of time off. It also requires the payment of accrued sick leave and unused vacation to employees who voluntarily terminate after giving the minimum required notice. The District allows certain unused accumulated sick leave to accrue and may become payable under certain conditions as outlined in the District's Negotiated Agreement. The Districts unused accumulated sick leave was \$166,625 at June 30, 2012.

NOTE I – 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 local government is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in 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.

**UNIFIED SCHOOL DISTRICT NO. 204
BONNER SPRINGS, KANSAS
NOTES TO FINANCIAL STATEMENTS
June 30, 2012**

NOTE J – INTER-FUND TRANSACTIONS

Transfers made from one fund to another during the year representing reimbursements of expenditures of the receiving fund have been recorded as Receipts–Reimbursed Expenses. Recurring annual transfers between budgetary funds for the purposes of shifting resources from the fund legally required to receive the revenue to the fund authorized to expend the revenue are as follows:

<u>From Fund</u>	<u>To Fund</u>	<u>School Year Ending June 30, 2012</u>	<u>School Year Ending June 30, 2011</u>
General	Special Education	\$2,616,090	\$3,704,916
General	Contingency Fund	206,113	250,000
General	Bilingual Education	99,969	119,291
General	4 Year Old at Risk	71,777	123,188
General	Parent Education	16,300	-
General	At Risk-K-12	2,221,520	2,001,177
General	Professional Development	25,349	25,000
General	Vocational Education	393,718	386,067
General	Expeditionary Learning Grant	100,050	25,000
General	Head Start	794	20,210
General	Parents as Teachers	-	300
General	Early Childcare	54,520	-
General	Food Service	10,788	-
General	Technology Textbook	43,887	-
General Supplemental	Afterschool Grant – DRA	9,580	17,224
General Supplemental	Professional Development	-	-
General Supplemental	Special Education	648,288	-
General Supplemental	Parents as Teachers	-	11,000
General Supplemental	Summer School	-	13
General Supplemental	At Risk-12 Years Old	-	90,943
General Supplemental	Vocation Education	39,857	94,234
General Supplemental	4 Year Old at Risk	-	50,000
General Supplemental	Bilingual	-	50,000
		<u>\$6,558,600</u>	<u>\$6,968,563</u>

The above transfers are included in the expenditure of the disbursing fund and included in revenues of the receiving fund as required by the Cash-Basis and Budget Laws of Kansas and for budget comparison purposes.

NOTE K – 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 2012 and is paid to the school district after June 30, 2012 be recorded as a receipt for the school year ending on June 30, 2012 as deposits in transit which is not in accordance with the cash basis rules, but is in accordance with KSA's listed above.

**UNIFIED SCHOOL DISTRICT NO. 204
BONNER SPRINGS, KANSAS
NOTES TO FINANCIAL STATEMENTS
June 30, 2012**

NOTE L – Termination Benefits

The District has adopted and renewed in the current year an early retirement incentive of \$3,500 for eligible certified full time teachers. The District’s policy requires annual approval by the Board.

NOTE M - Subsequent Events

These financial statements considered subsequent events through September 28, 2012, the date the financial statements were available to be issued.

NOTE N - Totals (Memorandum Only)

The columns captioned “Totals (Memorandum Only)” are not comparable to a consolidation. They do not fairly present financial position in conformity with generally accepted accounting principles, even if inter-fund elimination were made.

NOTE O - Federal Funds

Federal programs in which the school district participated have specified for what purpose funds are to be expended. All funds unexpended at June 30, 2012 are restricted to federal program specified expenditures

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Education Members
Unified School District No. 204

We have audited the financial statements of Unified School District No. 204 (the District) as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements and have issued our report thereon, dated October 30, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to management of the School District in a separate letter dated October 30, 2012.

This report is intended solely for the information and use of management of the District, Board Members of the District, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Novak Binks P.C.

October 30, 2012



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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE AND
THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Trustees
Unified School District No. 204

Compliance

We have audited the compliance of Unified School District No. 204 with the types of compliance requirements described in the OMB Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of the School District's major federal programs for the year ended June 30, 2012. The School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the School District's compliance with those requirements.

In our opinion, the School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control over Compliance

The management of the School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the School District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

Schedule of Expenditures of Federal Awards

We have audited the statutory basis financial statements of the District as of and for the year ended June 30, 2012, and have issued our report thereon dated October 30, 2012, which contained unqualified opinions on those statutorily prescribed financial statements. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. The schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial 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 basic financial statements taken as a whole.

This report is intended solely for the information and use of management, the Board of Trustees and others within the entity; and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Noah Bishop, c.

October 30, 2012

UNIFIED SCHOOL DISTRICT 204

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

FEDERAL GRANTOR/PASS THROUGH GRANTOR/ PROGRAM OR CLUSTER TITLE	FEDERAL CFDA NUMBER	PASS- THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES
U.S. Department of Education			
<u>Pass-Through State of Kansas Department of Education</u>			
Title I - Low Income 2002 M-204	84.010		\$ 368,187
Title I - Low Income ARRA	84.389		6,476
Total Title I Low Income Cluster			374,663
Title II-Improving Teacher Quality	84.367		67,011
Title III- English Language Acquisition	84.365		19,123
Secondary Program Improvement (Carl Perkins)	84.048		32,262
Education Jobs Fund	84.410		6,302
Total Department of Education			499,361
 U. S. Department of Agriculture			
<u>Pass-Through State of Kansas Department of Education</u>			
Fresh Fruits and Vegetables	10.582		46,173
School Breakfast	10.553		174,924
Cash for Commodities	10.555		69,343
Section 4	10.555		507,644
Cash for Commodities	10.558		1,679
Child and Adult Care Food - meal costs	10.558		32,383
Summer Food Service for Children	10.559		16,170
Total Department of Agriculture			848,316
 U. S. Department of Agriculture			
<u>Pass-Through Economic Opportunity Foundation, Inc.</u>			
Head Start - Early Head Start	93.600		309,963
Total Federal Assistance-Pass Thru and Direct			\$ 1,657,640



UNIFIED SCHOOL DISTRICT NO. 204
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

- A. The accompanying schedule of expenditures of federal awards has been prepared on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*.
- B. Catalog of Federal Domestic Assistance (CFDA) numbers are presented for those programs for which such numbers were available.
- C. Federal direct programs are presented by the Federal Department. Federal flow-through programs are presented by the entity through which the School District received the federal financial assistance.

**UNIFIED SCHOOL DISTRICT NO. 204
 NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2012**

A. SUMMARY OF AUDITOR'S RESULTS

Financial Statement Section

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- a. Material weakness identified? No
- b. Reportable condition(s) identified that are not considered material weaknesses? No
- c. Noncompliance material to financial statements noted? No

Federal Awards Section

Internal control over major programs:

- a. Material weakness(es) identified? No
- b. Reportable condition identified not considered to be material weaknesses? No

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal program or Cluster</u>
10.553, 10.555	National School Lunch Program (Cluster)
93.600	Head Start Program

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? No

**UNIFIED SCHOOL DISTRICT NO. 204
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012**

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

None

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

D. PRIOR YEAR FINDINGS AND QUESTIONED COSTS

Finding 2011-1

Requirement

The School District is required to annually submit the Data Collection Form SF-FAC, to the Federal Audit Clearinghouse and accompanying audit within 30 days of the audit report or 9 months after year end, whichever occurs first.

Condition

It was noted that the School District had not submitted the Data Collection Form for the year ending June 30, 2010 and the related audit within the prescribed time frame.

Effect

Failure to file the required form in the prescribed manner may impact the School District's audit under federal standards

Cause

Management determined that the failure to file the form in the prescribed time frame was the result of turnover in the business office.

Recommended Action

It was recommended that management review policies and procedures relating to the filing of the Data Collection Form.

Current Year Response:

The Districts Data Collection Form SF-FAC was filed within the prescribed time frame.