

**BOARD OF EDUCATION  
BLUESTEM UNIFIED SCHOOL DISTRICT NO. 205  
Leon, Kansas**

**Financial Statements  
June 30, 2012**

**with  
Independent Auditors' Report**

BLUESTEM UNIFIED SCHOOL DISTRICT NO. 205

Financial Statements

Year Ended June 30, 2012

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**INDEPENDENT AUDITORS' REPORT**

Board of Education  
Bluestem Unified School District No. 205  
Leon, Kansas

We have audited the accompanying financial statements of the individual funds of Unified School District No. 205, Leon, Kansas, 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.

We conducted our audit in accordance with the Kansas Municipal Audit Guide and auditing standards generally accepted in the United States of America. 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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the District has prepared this financial statement using accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between these statutory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, the financial statements referred to above presents fairly, in all material respects, the cash and unencumbered cash balances of each of the various funds of Unified School District No. 205, Leon, Kansas, as of June 30, 2012, and the revenues received and expenditures paid of such funds for the year then ended on the basis of accounting described in Note 1.

This report is intended solely for the use of the management of Unified School District No. 205 and the Kansas Department of Education and should not be used for any other purpose.

January 19, 2013

BLUESTEM UNIFIED SCHOOL DISTRICT NO. 205  
Summary of Cash Receipts, Expenditures and Unencumbered Cash  
Year Ended June 30, 2012

Funds	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances	Ending Cash Balance
General	\$ 4	\$ 4,167,280	\$ 4,167,282	\$ 2	\$ 14,710	\$ 14,712
Supplemental General	56,325	1,367,840	1,400,397	23,768	9,638	33,406
Special Revenue:						
At Risk (K-12)	-	230,471	230,471	-	-	-
Capital Outlay	261,038	230,186	306,899	184,325	3,974	188,299
Contingency Reserve	346,390	-	59,030	287,360	13,738	301,098
Driver Training	15,707	12,742	5,652	22,797	-	22,797
Food Service	37,305	242,670	244,458	35,517	19	35,536
KPERs Special Retirement Contribution	-	345,465	345,465	-	-	-
Professional Development	27,732	5,000	22,495	10,237	125	10,362
Special Education	132,516	721,403	744,106	109,813	-	109,813
Vocational Education	-	287,983	287,983	-	343	343
Textbook Rental and Student Material Revolving	24,583	23,544	37,868	10,259	-	10,259
Auditorium Renovation	736	113	-	849	-	849
District Activity	1,106	21,583	22,660	29	-	29
Gifts and Grants	2,007	30,164	43,901	(11,730)	13,738	2,008
Rural School Achievement Grant	-	31,073	31,073	-	-	-
Federal Projects:						
Title I	-	79,005	79,005	-	14	14
Title IIA	-	23,668	23,668	-	-	-
Debt Service:						
Bond and Interest	944,866	668,841	657,088	956,619	-	956,619
Expendable Trust:						
Flexible Spending Account	443	51,989	51,546	886	-	886
Total Reporting Entity	<u>\$ 1,850,758</u>	<u>\$ 8,541,020</u>	<u>\$ 8,761,047</u>	<u>\$ 1,630,731</u>	<u>\$ 56,299</u>	<u>\$ 1,687,030</u>

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

BLUESTEM UNIFIED SCHOOL DISTRICT NO. 205  
Summary of Cash Receipts, Cash Disbursements and Unencumbered Cash  
Year Ended June 30, 2012

## Composition of Cash:

Checking Accounts - State Bank of Leon (excess of outstanding checks over bank balance)	\$ (197,181)
Money Market Accounts - State Bank of Leon	1,694,396
Petty Cash Checking Account - State Bank of Leon	600
Certificates of Deposit - State Bank of Leon	422,693
Payroll Clearing	<u>(154,934)</u>
Total Cash	1,765,574
 Agency Funds per Statement 4	 <u>(78,544)</u>
 Total Reporting Entity (Excluding Agency Funds)	 <u><u>\$ 1,687,030</u></u>

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

BLUESTEM UNIFIED SCHOOL DISTRICT NO. 205  
 Summary of Expenditures - Actual and Budget  
 Year Ended June 30, 2012

Funds	Certified Budget	Adjustment to Comply With Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Favorable (Unfavorable)
General	\$ 4,200,714	\$ (75,222)	\$ 41,790	\$ 4,167,282	\$ 4,167,282	\$ -
Supplemental General	1,400,397			1,400,397	1,400,397	-
Special Revenue:						
At Risk (K-12)	390,000			390,000	230,471	159,529
Capital Outlay	314,500			314,500	306,899	7,601
Driver Training	16,000			16,000	5,652	10,348
Food Service	290,000			290,000	244,458	45,542
KPERS Special Retirement Contribution	370,116			370,116	345,465	24,651
Professional Development	25,000			25,000	22,495	2,505
Special Education	825,000			825,000	744,106	80,894
Vocational Education	340,000			340,000	287,983	52,017
Debt Service:						
Bond and Interest	657,288			657,288	657,088	200

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

BLUESTEM UNIFIED SCHOOL DISTRICT NO. 205  
General Fund  
Statement of Cash Receipts and Expenditures - Actual and Budget  
Year Ended June 30, 2012

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
Cash Receipts:			
Taxes and Shared Revenue:			
Ad valorem property	\$ 510,942	\$ 510,760	\$ (182)
Delinquent tax	9,257	17,597	8,340
Mineral production tax	-	3,925	3,925
Federal Aid:			
Education job funds	-	1,921	1,921
State Aid:			
Equalization aid	2,871,690	3,012,502	140,812
Special education aid	733,600	578,785	(154,815)
Reimbursements (net \$1,098 state aid)	41,790	41,790	-
Total Cash Receipts	<u>4,167,279</u>	<u>4,167,280</u>	<u>1</u>
Expenditures:			
Instruction	1,882,614	2,008,901	(126,287)
Student support services	166,500	219,304	(52,804)
Instructional support services	166,700	163,514	3,186
General administration	287,500	241,543	45,957
School administration	329,000	309,590	19,410
Operation and maintenance	313,000	367,633	(54,633)
Student transportation services	235,400	211,797	23,603
Transfers to:			
At Risk (K-12) Fund	15,000	-	15,000
Special Education Fund	780,000	595,000	185,000
Vocational Education Fund	25,000	50,000	(25,000)
Adjustment to comply with legal max	(75,222)	-	(75,222)
Legal General Fund Budget	<u>4,125,492</u>	<u>4,167,282</u>	<u>(41,790)</u>
Adjustment for qualifying budget credits	41,790	-	41,790
Total Expenditures	<u>4,167,282</u>	<u>4,167,282</u>	<u>-</u>
Receipts Over (Under) Expenditures	(3)	(2)	1
Unencumbered Cash, Beginning	<u>3</u>	<u>4</u>	<u>1</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 2</u>

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

BLUESTEM UNIFIED SCHOOL DISTRICT NO. 205  
 Supplemental General Fund  
 Statement of Cash Receipts and Expenditures - Actual and Budget  
 Year Ended June 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Receipts:			
Taxes and Shared Revenue:			
Ad valorem property	\$ 671,765	\$ 688,185	\$ 16,420
Delinquent tax	14,214	27,080	12,866
Motor vehicle tax	130,511	105,289	(25,222)
State Aid:			
Supplemental state aid	<u>527,581</u>	<u>547,286</u>	<u>19,705</u>
Total Cash Receipts	1,344,071	1,367,840	23,769
Expenditures:			
Instruction	280,397	169,549	110,848
Operations and maintenance	205,000	424,497	(219,497)
Principal on QSCB Bond	130,000	130,000	-
Student transportation services	45,000	98,807	(53,807)
Transfers to:			
At Risk (K-12) Fund	375,000	230,471	144,529
Professional Development Fund	-	5,000	(5,000)
Driver Training Fund	10,000	-	10,000
Food Service Fund	25,000	-	25,000
Special Education Fund	30,000	110,000	(80,000)
Vocational Education Fund	<u>300,000</u>	<u>232,073</u>	<u>67,927</u>
Total Expenditures	1,400,397	1,400,397	-
Receipts Over (Under) Expenditures	(56,326)	(32,557)	23,769
Unencumbered Cash, Beginning	<u>56,326</u>	<u>56,325</u>	<u>(1)</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 23,768</u>	<u>\$ 23,768</u>

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



BLUESTEM UNIFIED SCHOOL DISTRICT NO. 205  
At Risk (K-12) Fund  
Statement of Cash Receipts and Expenditures - Actual and Budget  
Year Ended June 30, 2012

	Budget	Actual	Variance Favorable (Unfavorable)
Cash Receipts:			
Transfers from:			
General Fund	\$ 15,000	\$ -	\$ (15,000)
Supplemental General Fund	375,000	230,471	(144,529)
Total Cash Receipts	390,000	230,471	(159,529)
 Expenditures:			
Instruction	390,000	230,471	159,529
Total Expenditures	390,000	230,471	159,529
 Receipts Over (Under) Expenditures	-	-	-
 Unencumbered Cash, Beginning	-	-	-
 Unencumbered Cash, Ending	\$ -	\$ -	\$ -

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

BLUESTEM UNIFIED SCHOOL DISTRICT NO. 205  
 Capital Outlay Fund  
 Statement of Cash Receipts and Expenditures - Actual and Budget  
 Year Ended June 30, 2012

	<u>Budget</u>	<u>Actual</u>	Variance Favorable <u>(Unfavorable)</u>
Cash Receipts:			
Taxes and Shared Revenue:			
Ad valorem property	\$ 59,504	\$ 57,739	\$ (1,765)
Delinquent tax	1,072	3,305	2,233
Motor vehicle tax	18,568	15,982	(2,586)
Interest earnings	-	8,819	8,819
Other	-	144,341	144,341
Total Cash Receipts	<u>79,144</u>	<u>230,186</u>	<u>151,042</u>
Expenditures:			
Equipment and furnishings	314,500	283,766	30,734
Interest on QSCB Bonds	-	23,133	(23,133)
Total Expenditures	<u>314,500</u>	<u>306,899</u>	<u>7,601</u>
Receipts Over (Under) Expenditures	(235,356)	(76,713)	158,643
Unencumbered Cash, Beginning	<u>254,098</u>	<u>261,038</u>	<u>6,940</u>
Unencumbered Cash, Ending	<u><u>\$ 18,742</u></u>	<u><u>\$ 184,325</u></u>	<u><u>\$ 165,583</u></u>

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

BLUESTEM UNIFIED SCHOOL DISTRICT NO. 205  
Contingency Reserve Fund  
Statement of Cash Receipts and Expenditures - Actual  
Year Ended June 30, 2012

Expenditures:	
Operations and maintenance	<u>\$ 59,030</u>
Receipts Over (Under) Expenditures	(59,030)
Unencumbered Cash, Beginning	<u>346,390</u>
Unencumbered Cash, Ending	<u><u>\$ 287,360</u></u>

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

BLUESTEM UNIFIED SCHOOL DISTRICT NO. 205  
 Driver Training Fund  
 Statement of Cash Receipts and Expenditures - Actual and Budget  
 Year Ended June 30, 2012

	Budget	Actual	Variance Favorable (Unfavorable)
Cash Receipts:			
State aid	\$ 1,480	\$ 1,974	\$ 494
Transfer from Supplemental General	10,000	10,768	768
Total Cash Receipts	11,480	12,742	1,262
Expenditures:			
Instruction	16,000	4,306	11,694
Operation and maintenance	-	1,346	(1,346)
Total Expenditures	16,000	5,652	10,348
Receipts Over (Under) Expenditures	(4,520)	7,090	11,610
Unencumbered Cash, Beginning	15,707	15,707	-
Unencumbered Cash, Ending	\$ 11,187	\$ 22,797	\$ 11,610

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

BLUESTEM UNIFIED SCHOOL DISTRICT NO. 205  
 Food Service Fund  
 Statement of Cash Receipts and Expenditures - Actual and Budget  
 Year Ended June 30, 2012

	Budget	Actual	Variance Favorable (Unfavorable)
Cash Receipts:			
State aid	\$ 2,520	\$ 2,338	\$ (182)
Federal aid	100,390	133,621	33,231
Charges for services	147,480	106,711	(40,769)
Transfer from Supplemental General Fund	25,000	-	(25,000)
Total Cash Receipts	275,390	242,670	(32,720)
 Expenditures:			
Food service operation	290,000	244,458	45,542
Receipts Over (Under) Expenditures	(14,610)	(1,788)	12,822
 Unencumbered Cash, Beginning	37,305	37,305	-
Unencumbered Cash, Ending	\$ 22,695	\$ 35,517	\$ 12,822

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

BLUESTEM UNIFIED SCHOOL DISTRICT NO. 205  
 KPERS Special Retirement Contribution Fund  
 Statement of Cash Receipts and Expenditures - Actual and Budget  
 Year Ended June 30, 2012

	Budget	Actual	Variance Favorable (Unfavorable)
Cash Receipts:			
State aid	\$ 370,116	\$ 345,465	\$ (24,651)
Expenditures:			
Instruction	229,472	212,859	16,613
Student support	22,207	21,603	604
Instructional support	19,476	16,163	3,313
General administration	22,207	19,917	2,290
School administration	25,908	28,823	(2,915)
Operations and maintenance	25,908	21,594	4,314
Student transportation services	14,805	16,404	(1,599)
Food service	10,133	8,102	2,031
Total Expenditures	370,116	345,465	24,651
Receipts Over (Under) Expenditures	-	-	-
Unencumbered Cash, Beginning	-	-	-
Unencumbered Cash, Ending	\$ -	\$ -	\$ -

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

BLUESTEM UNIFIED SCHOOL DISTRICT NO. 205  
Professional Development Fund  
Statement of Cash Receipts and Expenditures - Actual and Budget  
Year Ended June 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Receipts:			
Transfer from Supplemental General Fund	\$ -	\$ 5,000	\$ 5,000
Expenditures:			
Support services	<u>25,000</u>	<u>22,495</u>	<u>2,505</u>
Receipts Over (Under) Expenditures	(25,000)	(17,495)	7,505
Unencumbered Cash, Beginning	<u>27,733</u>	<u>27,732</u>	<u>(1)</u>
Unencumbered Cash, Ending	<u><u>\$ 2,733</u></u>	<u><u>\$ 10,237</u></u>	<u><u>\$ 7,504</u></u>

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

BLUESTEM UNIFIED SCHOOL DISTRICT NO. 205  
Special Education Fund  
Statement of Cash Receipts and Expenditures - Actual and Budget  
Year Ended June 30, 2012

	Budget	Actual	Variance Favorable (Unfavorable)
Cash Receipts:			
Other	\$ -	\$ 16,403	\$ 16,403
Transfers from:			
General Fund	780,000	595,000	(185,000)
Supplemental General Fund	30,000	110,000	80,000
Total Cash Receipts	810,000	721,403	(88,597)
Expenditures:			
Instruction	730,000	701,527	28,473
Student transportation services	95,000	42,579	52,421
Total Expenditures	825,000	744,106	80,894
Receipts Over (Under) Expenditures	(15,000)	(22,703)	(7,703)
Unencumbered Cash, Beginning	132,517	132,516	(1)
Unencumbered Cash, Ending	\$ 117,517	\$ 109,813	\$ (7,704)

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



BLUESTEM UNIFIED SCHOOL DISTRICT NO. 205  
 Vocational Education Fund  
 Statement of Cash Receipts and Expenditures - Actual and Budget  
 Year Ended June 30, 2012

	Budget	Actual	Variance Favorable (Unfavorable)
Cash Receipts:			
Other	\$ 15,000	\$ 5,910	\$ (9,090)
Transfers from:			
General Fund	25,000	50,000	25,000
Supplemental General Fund	300,000	232,073	(67,927)
Total Cash Receipts	340,000	287,983	(52,017)
 Expenditures:			
Instruction	340,000	287,983	52,017
 Receipts Over (Under) Expenditures	-	-	-
 Unencumbered Cash, Beginning	-	-	-
 Unencumbered Cash, Ending	\$ -	\$ -	\$ -

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

BLUESTEM UNIFIED SCHOOL DISTRICT NO. 205  
Textbook Rental and Student Material Revolving Fund  
Statement of Cash Receipts and Expenditures - Actual  
Year Ended June 30, 2012

## Cash Receipts:

Textbook rental, fees	\$ 22,833
Shop fees and projects	<u>711</u>
Total Cash Receipts	23,544

## Expenditures:

Textbook purchases, supplies	<u>37,868</u>
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Receipts Over (Under) Expenditures (14,324)

Unencumbered Cash, Beginning 24,583

Unencumbered Cash, Ending \$ 10,259

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

BLUESTEM UNIFIED SCHOOL DISTRICT NO. 205  
Auditorium Renovation Fund  
Statement of Cash Receipts and Expenditures - Actual  
Year Ended June 30, 2012

Cash Receipts:	
Interest	<u>\$ 113</u>
Receipts Over (Under) Expenditures	113
Unencumbered Cash, Beginning	<u>736</u>
Unencumbered Cash, Ending	<u><u>\$ 849</u></u>

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

BLUESTEM UNIFIED SCHOOL DISTRICT NO. 205  
 Gifts and Grants Fund  
 Statement of Cash Receipts and Expenditures - Actual  
 Year Ended June 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Receipts:			
Grants	\$ 3,000	\$ 30,164	\$ 27,164
Expenditures:			
Equipment	<u>5,000</u>	<u>43,901</u>	<u>(38,901)</u>
Receipts Over (Under) Expenditures	(2,000)	(13,737)	(11,737)
Unencumbered Cash, Beginning	<u>2,007</u>	<u>2,007</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ 7</u>	<u>\$ (11,730)</u>	<u>\$ (11,737)</u>

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

BLUESTEM UNIFIED SCHOOL DISTRICT NO. 205  
Rural School Achievement Grant  
Statement of Cash Receipts and Expenditures - Actual  
Year Ended June 30, 2012

Cash Receipts:	
Grant	\$ 31,073
Expenditures:	
Grant expenses	<u>31,073</u>
Receipts Over (Under) Expenditures	-
Unencumbered Cash, Beginning	<u>-</u>
Unencumbered Cash, Ending	<u><u>\$ -</u></u>

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

BLUESTEM UNIFIED SCHOOL DISTRICT NO. 205  
 Federal Projects Funds  
 Statement of Cash Receipts and Expenditures - Actual  
 Year Ended June 30, 2012

	<u>Title I</u>	<u>Title IIA</u>
Cash Receipts:		
Federal aid	\$ 79,005	\$ 23,668
Expenditures:		
Instruction and supplies	<u>79,005</u>	<u>23,668</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

BLUESTEM UNIFIED SCHOOL DISTRICT NO. 205  
 Bond and Interest Fund  
 Statement of Cash Receipts and Expenditures - Actual and Budget  
 Year Ended June 30, 2012

	Budget	Actual	Variance Favorable (Unfavorable)
Cash Receipts:			
Taxes and Shared Revenue:			
Ad valorem property	\$ 420,369	\$ 419,082	\$ (1,287)
Delinquent tax	6,758	14,388	7,630
Motor vehicle tax	70,631	57,957	(12,674)
State aid	177,414	177,414	-
Total Cash Receipts	675,172	668,841	(6,331)
Expenditures:			
Principal	605,000	605,000	-
Interest	52,088	52,088	-
Commission and postage	200	-	200
Total Expenditures	657,288	657,088	200
Receipts Over (Under) Expenditures	17,884	11,753	(6,131)
Unencumbered Cash, Beginning	944,867	944,866	(1)
Unencumbered Cash, Ending	\$ 962,751	\$ 956,619	\$ (6,132)

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

BLUESTEM UNIFIED SCHOOL DISTRICT NO. 205  
Expendable Trust - Flexible Spending Account  
Statement of Cash Receipts and Expenditures - Actual  
Year Ended June 30, 2012

## Cash Receipts:

Employee contributions	\$ 51,989
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## Expenditures:

Third party payer expenses	<u>51,546</u>
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Receipts Over (Under) Expenditures	443
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Unencumbered Cash, Beginning	<u>443</u>
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Unencumbered Cash, Ending	<u><u>\$ 886</u></u>
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The notes to the financial statements are an integral part of this statement.



BLUESTEM UNIFIED SCHOOL DISTRICT NO. 205  
 School Activity Funds  
 Statement of Cash Receipts and Cash Disbursements - Actual  
 Year Ended June 30, 2012

Funds	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances	Ending Cash Balance
Student Organization Funds:						
Bluestem High School:						
Activities	\$ 189	\$ 11,399	\$ 11,385	\$ 203	\$ -	\$ 203
Art	181	-	-	181	-	181
Band	173	5,240	4,252	1,161	-	1,161
Baseball	623	1,163	1,364	422	-	422
Battle Buddies	140	1	112	29	-	29
BMS Petty Cash	800	-	792	8	-	8
BMS Stuco	1,046	716	742	1,020	-	1,020
Class of 2016	1,145	246	1,000	391	-	391
BMS Cheerleading	401	88	254	235	-	235
Boys Basketball	-	420	379	41	-	41
Chamber Singers	21	-	-	21	-	21
Cheerleaders	8,887	8,350	13,142	4,095	-	4,095
Class of 2005	404	-	-	404	-	404
Class of 2007	1,490	-	-	1,490	-	1,490
Class of 2015	-	3,898	1,630	2,268	-	2,268
Class of 2010	519	-	-	519	-	519
Class of 2011	1,039	-	-	1,039	-	1,039
Class of 2012	667	773	861	579	-	579
Class of 2013	3,739	9,352	9,061	4,030	-	4,030
Class of 2014	978	1,810	725	2,063	-	2,063
Concessions	3,782	23,676	26,757	701	-	701
Crime Stoppers	299	-	-	299	-	299
Cross Country	233	298	446	85	-	85
Drill Team	907	4,476	4,852	531	-	531
Driver's Ed	4,002	6,766	10,768	-	-	-
Ecology	85	114	144	55	-	55
Entrepreneurship	1,859	2,933	1,310	3,482	-	3,482
Faculty	181	330	262	249	-	249
FCA	848	1,001	1,200	649	-	649
FCCLA	115	1,010	586	539	-	539
Football	1,068	7,958	8,713	313	3,980	4,293
Forensics/Debate	2,081	4,698	5,038	1,741	-	1,741

BLUESTEM UNIFIED SCHOOL DISTRICT NO. 205  
 School Activity Funds  
 Statement of Cash Receipts and Cash Disbursements - Actual  
 Year Ended June 30, 2012

Funds	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances	Ending Cash Balance
Girls Basketball	273	700	707	266	-	266
Interest	22	223	152	93	-	93
Library	509	76	-	585	-	585
Madrigals	521	5,346	5,451	416	-	416
Newspaper	756	-	-	756	-	756
NHS	455	1,510	1,305	660	-	660
Play	1,487	2,004	1,119	2,372	-	2,372
Pop Sales	754	-	754	-	-	-
Production Technology	40	-	-	40	-	40
SADD	318	1,281	1,167	432	-	432
Scholars Bowl	286	57	215	128	-	128
Sci Con	32	-	-	32	-	32
Softball	26	-	-	26	-	26
SRO	331	-	6	325	-	325
Student Council	956	8,924	8,510	1,370	-	1,370
Track	733	-	445	288	-	288
Volleyball	-	1,395	1,389	6	-	6
Weight Lifting	76	1,500	126	1,450	-	1,450
Work Production	491	161	19	633	-	633
Yearbook	795	5,202	5,118	879	-	879
BMS Choir	-	306	303	3	-	3
BMS Girls Basketball	-	116	111	5	-	5
BMS Volleyball	-	539	539	-	-	-
Robotics	-	188	51	137	-	137
BHS Petty Cash	1,000	50	1,050	-	-	-
Golf Fundraising	2,205	1,308	2,335	1,178	-	1,178
Skills USA	599	8,001	8,026	574	-	574
Wrestling	30	580	576	34	-	34
Total High School	50,597	136,183	145,249	41,531	3,980	45,511
Leon Grade School	35,009	34,168	36,144	33,033	-	33,033
Total Student Organization Funds	\$ 85,606	\$ 170,351	\$ 181,393	\$ 74,564	\$ 3,980	\$ 78,544

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

BLUESTEM UNIFIED SCHOOL DISTRICT NO. 205  
 District Activity Funds  
 Statement of Cash Receipts, Expenditures and Unencumbered Cash  
 Year Ended June 30, 2012

Funds	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances	Ending Cash Balance
Gate Receipts:						
Athletics	\$ 1,106	\$ 21,583	\$ 22,660	\$ 29	\$ -	\$ 29
Total District Activity Funds	<u>\$ 1,106</u>	<u>\$ 21,583</u>	<u>\$ 22,660</u>	<u>\$ 29</u>	<u>\$ -</u>	<u>\$ 29</u>

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

BLUESTEM UNIFIED SCHOOL DISTRICT NO. 205

Notes to Financial Statements

June 30, 2012

1. Summary of Significant Accounting Policies

This summary of significant accounting policies of Bluestem Unified School District No. 205 (the District) is presented to assist in understanding the District's financial statements. The financial statements and notes are representations of the District's management, who is responsible for their integrity and objectivity. These accounting policies conform to a comprehensive basis of accounting other than generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Reporting Entity

Bluestem Unified School District No. 205 Board of Education ("Board") is the basic level of government which has financial accountability and control over all activities related to the public school education in the City of Leon, Kansas. The Board receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. However, the Board is not included in any other governmental "reporting entity" as defined by the GASB pronouncement, since the seven Board members are elected by the public and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. In addition, there are no component units as defined in Governmental Accounting Standards Board Statement 14, which are included in the District's reporting entity.

Basis of Presentation

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

The following types of funds comprise the financial activities of the District for the fiscal year of 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 that are restricted by law or administrative action to expenditures for specified purposes.

BLUESTEM UNIFIED SCHOOL DISTRICT NO. 205

Notes to Financial Statements

June 30, 2012

1. Summary of Significant Accounting Policies (continued)

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

Fiduciary Funds

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

Basis of Accounting

*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. 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 waiver from generally accepted accounting principles, allowed by the State of Kansas, which allows the District to report on the statutory basis of accounting.

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

BLUESTEM UNIFIED SCHOOL DISTRICT NO. 205

Notes to Financial Statements

June 30, 2012

2. Budgetary Information

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

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

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.

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. Expenditures include disbursements, 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.

BLUESTEM UNIFIED SCHOOL DISTRICT NO. 205

Notes to Financial Statements

June 30, 2012

2. Budgetary Information (continued)

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

Contingency Reserve Fund  
 Textbook Rental and Student Material Revolving Fund  
 Auditorium Renovation Fund  
 Federal Projects Funds  
 Gate Receipts  
 Gifts and Grants Fund  
 Rural School Achievement Grant

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.

3. Interfund Transfers

Recurring annual transfers between budgetary funds for the purpose 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</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
General Fund	Vocational Education Fund	K.S.A. 72-6428	\$ 5,000
General Fund	Special Education Fund	K.S.A. 72-6428	595,000
Supplemental General Fund	Vocational Education Fund	K.S.A. 72-6428	232,073
Supplemental General Fund	At Risk (K-12) Fund	K.S.A. 72-6428	230,471
Supplemental General Fund	Professional Development Fund	K.S.A. 72-6428	5,000
Supplemental General Fund	Special Education Fund	K.S.A. 72-6428	110,000

BLUESTEM UNIFIED SCHOOL DISTRICT NO. 205

Notes to Financial Statements

June 30, 2012

4. Defined Benefit Pension Plan

*Plan Description.* The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *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) or by calling 1-888-275-5737.

*Funding Policy.* K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% (Tier 1) and 6% (Tier 2) 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 currently contributes 8.57% 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 years ending June 30, 2012, 2011, and 2010 were \$298,635,383, \$188,864,532, and \$248,468,186, respectively, equal to the required contributions for each year. The amounts attributable to the District for the years ending June 30, 2012, 2011, and 2010 were \$345,465, \$205,620, and \$265,771, respectively.

5. Compensated Absences

Vacation

Twelve-month, non-teacher personnel are provided vacation based on years of service. All earned vacation time is to be taken from July 1 to June 30 of each fiscal year and cannot be accumulated or carried forward. Hence, there is no estimated liability for accrued vacation pay at June 30, 2012.

Sick Leave

Full-time teachers contracted for twelve-month positions start each school year with ten days of sick leave with full pay. Teachers may accumulate unused sick leave to a total of 70 days. Classified personnel contracted for twelve-month positions start each school year with 9 days of sick leave with full pay and may accumulate to a total of 50 days. Although there is not a policy that states accrued sick leave will be paid to employees retiring or terminating, as a matter of past practice, some personnel requesting payment for their accumulated leave have been compensated for it.

The District's certified and classified personnel have an estimated liability of \$52,462.



BLUESTEM UNIFIED SCHOOL DISTRICT NO. 205

Notes to Financial Statements

June 30, 2012

6. Deposits and Investments

Deposits

At June 30, 2012, the carrying amount of the District's deposits was \$1,765,574. The bank balance was \$1,816,112. The difference between the carrying amount and the bank balance is outstanding checks and deposits in transit. Of the bank balance \$250,000 was covered by FDIC insurance and the remaining \$1,566,112 was collateralized by pledged securities held under joint custody receipts issued by a third-party bank in the District's name. The third-party bank holding the pledged securities is independent of the pledging bank. The pledged securities are held under a tri-party custodial agreement signed by all three parties: the district, the pledging bank, and the independent third-party bank holding the pledged securities.

Investments

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

At June 30, 2012, the District had no investments required to be categorized in the risk categories discussed in the preceding paragraph.

7. Risk Management

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

BLUESTEM UNIFIED SCHOOL DISTRICT NO. 205

Notes to Financial Statements

June 30, 2012

8. Subsequent Events

Subsequent events have been evaluated through January 19, 2013, which is the date the financial statements were available to be issued. There were no such events identified to be disclosed.

9. Compliance with Kansas Statutes

The District was in violation of K.S.A 9-1402 regarding the adequate pledging of securities during one month of the year.

Management is aware of no other statutory violations for the year ended June 30, 2012.

BLUESTEM UNIFIED SCHOOL DISTRICT NO. 205

Notes to Financial Statements

Year Ended June 30, 2012

12. Long-term Debt

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

	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
General Obligation Bonds:										
Series 2009 Refunding	2.0% to 2.5%	9/1/2009	\$ 3,120,000	9/1/2014	\$ 2,575,000	\$ -	\$ 605,000	\$ -	\$ 1,970,000	\$ 52,088
QSCB Bonds:										
	1.86% to 5.4%	3/13/2010	\$ 1,300,000	5/13/2020	1,170,000	-	130,000	-	1,040,000	46,267
Capital Leases:										
Energy Equipment	4.33%	4/13/2007	\$ 872,512	4/13/2022	691,078	-	50,373	-	640,705	29,924
Bobcat	8.99%	10/30/2011	\$ 23,733	10/30/2012	-	23,733	3,300	-	20,433	-
Apple Computers	1.90%	6/15/2012	\$ 597,246	7/1/2015	-	597,246	-	-	597,246	-
Total Capital Leases					<u>691,078</u>	<u>620,979</u>	<u>53,673</u>	<u>-</u>	<u>1,258,384</u>	<u>29,924</u>
Total Contractual Indebtedness					4,436,078	620,979	788,673	-	4,268,384	128,279
Compensated absences	N/A	N/A	N/A	N/A	<u>39,895</u>	<u>-</u>	<u>-</u>	<u>12,567</u>	<u>52,462</u>	<u>-</u>
Total Long-Term Debt					<u>\$ 4,475,973</u>	<u>\$ 620,979</u>	<u>\$ 788,673</u>	<u>\$ 12,567</u>	<u>\$ 4,320,846</u>	<u>\$ 128,279</u>

Annual Debt Service Requirements

	2013	2014	2015	2016	2017	2018-2022	Total
Principal:							
General obligation bonds	\$ 630,000	\$ 655,000	\$ 685,000	\$ -	\$ -	\$ -	\$ 1,970,000
QSCB bonds	130,000	130,000	130,000	130,000	130,000	390,000	1,040,000
Capital leases	226,163	200,076	205,209	210,497	62,264	354,175	1,258,384
Total Principal Payments	<u>986,163</u>	<u>985,076</u>	<u>1,020,209</u>	<u>340,497</u>	<u>192,264</u>	<u>744,175</u>	<u>4,268,384</u>
Interest:							
General obligation bonds	38,950	24,494	8,562	-	-	-	72,006
QSCB bonds	43,212	39,468	35,126	30,199	24,804	38,376	211,185
Capital leases	29,182	33,901	28,768	23,480	18,032	47,306	180,669
Total Interest Payments	<u>111,344</u>	<u>97,863</u>	<u>72,456</u>	<u>53,679</u>	<u>42,836</u>	<u>85,682</u>	<u>463,860</u>
Total Principal and Interest	<u>\$ 1,097,507</u>	<u>\$ 1,082,939</u>	<u>\$ 1,092,665</u>	<u>\$ 394,176</u>	<u>\$ 235,100</u>	<u>\$ 829,857</u>	<u>\$ 4,732,244</u>