

UNIFIED SCHOOL DISTRICT NO. 223
BARNES, KANSAS

REPORT ON AUDIT
SPECIAL FINANCIAL STATEMENTS

JUNE 30, 2012

BRUNA AUDITING SERVICES LLC
DEREK BRUNA
CERTIFIED PUBLIC ACCOUNTANT
WASHINGTON, KANSAS

UNIFIED SCHOOL DISTRICT NO. 223

Barnes, Kansas

TABLE OF CONTENTS**Page
Number**

	Independent Auditor's Report	1
STATEMENT 1	Summary of Cash Receipts, Expenditures and Unencumbered Cash	2
STATEMENT 2	Summary of Expenditures – Actual and Budget (Budgeted Funds Only)	3
STATEMENT 3 – 1	General Fund	4-5
STATEMENT 3 – 2	Supplemental General Fund	6
STATEMENT 3 – 3	At Risk (K-12) Fund.	7
STATEMENT 3 – 4	Bilingual Education Fund.	8
STATEMENT 3 – 5	Capital Outlay Fund	9
STATEMENT 3 – 6	Driver Training.	10
STATEMENT 3 – 7	Food Service Fund.	11
STATEMENT 3 – 8	Professional Development Fund	12
STATEMENT 3 – 9	Parental Education Program Fund.	13
STATEMENT 3 – 10	Special Education Fund.	14
STATEMENT 3 – 11	Vocational Education Fund.	15
STATEMENT 3 – 12	Gifts and Grants Fund.	16
STATEMENT 3 – 13	Interest	17
STATEMENT 3 – 14	Title I C Migrant	18
STATEMENT 3 – 15	Title I Current	19
STATEMENT 3 – 16	Title V and IV	20
STATEMENT 3 – 17	Title II A	21
STATEMENT 3 – 18	KPERS Fund	22
STATEMENT 3 – 19	Contingency Reserve Fund.	23
STATEMENT 3 – 20	Textbook and Student Material Fund	24
STATEMENT 3 – 21	Small Rural School Fund	25
STATEMENT 3 – 21	Bond and Interest Fund	26

UNIFIED SCHOOL DISTRICT NO. 223

Barnes, Kansas

TABLE OF CONTENTS

STATEMENT 4	Expendable Trust Fund Scholarships	27
STATEMENT 5	School Activity Funds (Hanover)	28
STATEMENT 6	School Activity Funds (Linn)	29
STATEMENT 7	Statement of Changes of LT Debt	30
Notes to the Financial Statements.		31-38
SUPPLEMENTAL INFORMATION		
Schedule of Federal Financial Assistance		39

BAS LLC

Bruna Auditing Services LLC

Derek Bruna, CPA

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Unified School District No. 223
Barnes, Kansas 66933

I have audited the statutory basis financial statements of Unified School District No. 223 (USD 223), 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 financial statements are the responsibility of the District's management. My responsibility is to express opinions on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America, as well as the Kansas Municipal Audit Guide. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinions.

As described in Note A, the District's policy is to prepare its financial statements on a prescribed basis of accounting that demonstrates compliance with the 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.

In my opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balance of each of the various funds of USD 223, as of June 30, 2012, and the cash revenues received and expenditures paid of such funds for the year then ended on the basis of accounting described in Note A.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

My audit was conducted for the purpose of forming opinions on the statutory basis financial statements that collectively comprise USD 223's financial statements as a whole. The Schedule of Federal Financial Assistance is presented for the purposes of additional analysis and is not a required part of the statutory basis financial statements of USD 223. The information has been subjected to the auditing procedures applied in the audit of the statutory basis 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 my opinion, the information is fairly stated in all material respects in relation to the statutory basis financial statements as a whole.

This report is intended solely for the information and use of the Board of Education and management of USD 223, and for filing with the Kansas Department of Administration, Division of Accounts and Reports, and Kansas State Board of Education, and should not be used for any other purposes.

Bruna Auditing Services LLC



Derek Bruna, CPA

Washington, Kansas

October 8, 2012

**SUMMARY OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH**
For The Year Ended June 30, 2012

							STATEMENT 1	
Fund	Statement Number	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances & A/P	Ending Cash Balance
Governmental Type Funds								
General Fund	3-1	\$	0	\$ 2,925,532	\$ 2,925,532	\$	0	0
Supplemental General Special Revenue	3-2	69,376	0	961,165	940,316	90,225	0	90,225
At Risk-(K 12) Fund	3-3	0	0	140,000	140,000	0	0	0
Bilingual Education	3-4	0	0	16,270	16,270	0	0	0
Capital Outlay Fund	3-5	465,550	0	146,869	143,644	468,775	0	468,775
Driver Training	3-6	40,204	0	6,532	19,697	27,039	0	27,039
Food Service Fund	3-7	67,287	0	228,485	222,630	73,142	0	73,142
Professional Development Fund	3-8	43,769	0	7,020	6,935	43,854	0	43,854
Parent as Teachers	3-9	9,487	0	9,000	8,041	10,446	0	10,446
Special Education Fund	3-10	158,833	0	588,776	612,653	134,956	0	134,956
Vocational Education Fund	3-11	0	0	170,374	170,374	0	0	0
Gifts and Grants Fund	3-12	13,298	0	14,845	13,320	14,823	0	14,823
Interest	3-13	0	0	12,015	12,015	0	0	0
Title I Fund-Migrant	3-14	0	0	27,040	27,040	0	0	0
Title I Fund-Current	3-15	0	0	58,432	58,432	0	0	0
Title IV-Preparedness	3-16	0	0	0	0	0	0	0
Title II A-Teacher Quality Fund	3-17	0	0	14,748	14,748	0	0	0
Title II D-Education Fund	3-17	0	0	0	0	0	0	0
KPERS Retirement Fund	3-18	0	0	245,819	245,819	0	0	0
Contingency Reserve Fund	3-19	173,266	0	0	0	173,266	0	173,266
Textbook Rental Fund	3-20	55,336	0	52,140	54,077	53,399	0	53,399
Small Rural School Fund	3-21	0	0	21,974	21,974	0	0	0
Debt Service Funds								
Bond and Interest Fund	3-22	279,842	0	258,597	194,081	344,358	0	344,358
		<u>\$ 1,376,248</u>	<u>0</u>	<u>\$ 5,905,633</u>	<u>\$ 5,847,598</u>	<u>1,434,283</u>	<u>0</u>	<u>\$ 1,434,283</u>
							Composition of Cash	
							Checking Account	
							Certificate of Deposit	
							Total Excluding Fiduciary, & Agency Funds	
Fiduciary Type Funds-Expendable Trust	4	6,947	0	6,674	5,039	8,582	0	8,582
Buildog Scholarships								
District Activity/Agency Funds	5	39,377	0	209,434	209,011	39,800	0	39,800
Hanover Activity Funds	6	54,039	0	105,632	105,393	54,278	0	54,278
Linn Activity Funds								
Total District Activity/Agency Funds		<u>93,416</u>	<u>0</u>	<u>315,066</u>	<u>314,404</u>	<u>94,078</u>	<u>0</u>	<u>94,078</u>
							Total Reporting Entity	
							<u>1,536,943</u>	

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET

For The Year Ended June 30, 2011

STATEMENT 2

Fund		Certified Budget	Adjustments		Adjustments For		Total Budget For Comparison	Expenditures		Variance Over (Under)
			To Comply With Legal Max		Qualifying Budget Credits			Chargeable To Current Year		
Government Type Funds										
General Fund	3-1	\$	2,759,400	\$	0	\$	2,759,400	\$	2,925,532	\$ 166,132
Supplemental General	3-2		936,860		0		936,860		940,316	3,456
Special Revenue Funds										
At Risk (K-12)	3-3		160,000		0		160,000		140,000	(20,000)
Bilingual Education	3-4		16,270		0		16,270		16,270	0
Capital Outlay	3-5		400,000		0		400,000		143,644	(256,356)
Driver Training	3-6		26,960		0		26,960		19,697	(7,263)
Food Service	3-7		231,900		0		231,900		222,630	(9,270)
Professional Development	3-8		14,200		0		14,200		6,935	(7,265)
Parent as Teachers	3-9		9,550		0		9,550		8,041	(1,509)
Special Education	3-10		621,258		0		621,258		612,653	(8,605)
Vocational Education	3-11		165,000		0		165,000		170,374	5,374
Gifts and Grants Fund	3-12		15,000		0		15,000		13,320	(1,680)
KPERS	3-18		268,692		0		268,692		245,819	(22,873)
Debt Service Funds										
Bond And Interest			194,081		0		194,081		194,081	0
TOTALS										
		\$	5,819,171	\$	0	\$	5,819,171	\$	5,659,312	\$ (159,859)

STATUTORY RECEIPTS AND EXPENDITURES

STATUTORY AND BUDGET

For The Year Ended June 30, 2012

(With Comparative Actual Totals for Prior Year Ended June 30, 2011)

STATEMENT 3-1

GENERAL FUND

	Current Year			
	Prior Year Statutory Transactions	Statutory Transactions	Budget	Variance Over (Under)
Statutory Revenues				
Taxes in Process	\$ 10,784	\$ 12,483	\$ 3,328	\$ 9,155
Current Tax	461,242	497,375	459,714	37,661
Delinquent Tax	2,043	2,407	6,039	(3,632)
ARRA Stabilization	47,887	0		0
State Equilization Aid	1,778,397	1,922,345	1,829,456	92,889
Special Education Aid	411,854	466,810	460,863	5,947
Ed Jobs Fund	83,850	1,242		1,242
Reimbursements	21,113	22,870		22,870
Total Statutory Revenues	2,817,170	2,925,532	2,759,400	156,977
Expenditures				
Instruction				
Salaries	1,135,733	1,301,710	1,242,580	59,130
Employee Benefits	307,357	323,088	318,687	4,401
Other Purchased Services	2,357	4,912	3,000	1,912
Supplies	29,345	45,108	28,000	17,108
Total Instruction	1,474,792	1,674,818	1,592,267	82,551
Student Support Services				
Salaries	72,887	78,027	79,950	(1,923)
Employee Benefits	11,653	17,479	17,230	249
Purchased Prof & Tech. Services	0	0	500	(500)
Total Student Support	84,540	95,506	97,680	(2,174)
Instructional Support Staff				
Salaries	29,509	35,399	36,500	(1,101)
Employee Benefits	14,875	18,715	14,440	4,275
Total Instructional Support	44,384	54,114	50,940	3,174
General Administration				
Salaries	31,553	34,122	31,500	2,622
Employee Benefits	32,076	20,037	19,800	237
Purchased Prof & Tech Services	5,408	5,468	4,800	668
Supplies	1,879	2,180	3,000	(820)
Other	15,406	21,162	10,000	11,162
Total General Administration	86,322	82,969	69,100	13,869
School Administration				
Salaries	54,431	41,283	39,750	1,533
Employee Benefits	29,627	27,720	26,450	1,270
Total School Administration	84,058	69,003	66,200	2,803
Operations and Maintenance				
Salaries	5,903	0	0	0
Employee Benefits	32,090	31,273	37,500	(6,227)
Other Purchases	13,348	26,687	13,000	13,687
District Insurance	24,290	25,829	24,300	1,529
Utilities	5,181	5,371	5,500	(129)
Total Operations and Maintenance	80,812	89,160	80,300	8,860

STATUTORY RECEIPTS AND EXPENDITURES
STATUTORY AND BUDGET
For The Year Ended June 30, 2012
(With Comparative Actual Totals for Prior Year Ended June 30, 2011)

STATEMENT 3-1 (cont.)

	GENERAL FUND			
	Prior Year Statutory Transactions	Statutory Transactions	Current Year Budget	Variance Over (Under)
Student Transportation				
Salaries	\$ 0	\$ 0	\$ 0	\$ 0
Employee Benefits	1,775	1,196	1,850	(654)
Vehicle Operating Services				
Salaries	0	0	0	0
Employee Benefits	4,706	5,035	4,750	285
Vehicle Services & Maintenance				
Other Purchased Services	0	0	0	0
Other	0	0	0	0
Total Student Transportation Services	<u>6,481</u>	<u>6,231</u>	<u>6,600</u>	<u>(369)</u>
Other Supplemental Services				
Salaries	21,540	21,385	22,000	(615)
Employee Benefits	1,601	1,585	1,630	(45)
Supplies	0	0	3,550	(3,550)
Total Other Supplemental Services	<u>23,141</u>	<u>22,970</u>	<u>27,180</u>	<u>(4,210)</u>
ARRA Stabilization				
Salaries	47,887	0	0	0
Employee Benefits	0	0	0	0
Total ARRA Stabilization	<u>47,887</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ed Jobs				
Salaries	<u>83,850</u>	<u>1,242</u>	<u>0</u>	<u>1,242</u>
Total Ed Jobs	<u>83,850</u>	<u>1,242</u>	<u>0</u>	<u>1,242</u>
Operating Transfers				
Bilingual Education	11,987	6,270	6,270	0
Special Education	441,854	516,249	460,863	55,386
Vocational Education	180,000	160,000	160,000	0
Capital Outlay	10,062	0	500	(500)
Food Service	0	0	500	(500)
Parent Education	2,000	0	500	(500)
Professional Development	10,000	7,000	500	6,500
At Risk (K-12)	145,000	140,000	140,000	0
Total Operating Transfers	<u>800,903</u>	<u>829,519</u>	<u>769,133</u>	<u>60,386</u>
Total Expenditures	<u>2,817,170</u>	<u>2,925,532</u>	<u>2,759,400</u>	<u>166,132</u>
Statutory Revenues (Under) Expenditures	0	0		
Modified Unencumbered Cash - Beginning	<u>0</u>	<u>0</u>		
Prior Year Cancelled Encumbrances	0	0		
Modified Unencumbered Cash - Ending	<u>0</u>	<u>0</u>		

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET**

For The Year Ended June 30, 2012
(With Comparative Actual Totals for Prior Year Ended June 30, 2011)

STATEMENT 3-2

SUPPLEMENTAL GENERAL FUND

	Prior Year Statutory Transactions	Current Year Statutory Transactions	Budget	Variance Over (Under)
Statutory Revenues				
Ad Volorem Tax	\$ 16,309	\$ 19,058	\$ 8,241	\$ 10,817
Ad Volorem In Process	612,933	639,620	0	639,620
Delinquent Tax	3,957	4,150	8,066	(3,916)
Miscellaneous	1,378	3,457	0	3,457
16/20 Trucks	10,341	10,776	0	10,776
Recreational Vehicle Tax	630	546	608	(62)
Motor Vehicle Tax	64,281	63,346	71,249	(7,903)
State Aid	198,628	220,212	212,283	7,929
ARRA Stabilization	0	0	0	0
Total Statutory Revenues	908,457	961,165	300,447	660,718
Expenditures				
Instruction				
Salaries	\$ 75,300	\$ 85,200	\$ 85,200	\$ 0
Internet/Technology	63,085	59,587	61,000	(1,413)
Supplies/Athletics	31,375	59,381	61,000	(1,619)
Total Instruction	169,760	204,168	207,200	(3,032)
School Administration				
Salaries	109,826	142,900	142,900	0
Total School Administration	109,826	142,900	142,900	0
Operations and Maintenance				
Utilities/Phone	92,295	85,146	95,000	(9,854)
Dist Office and Copy	23,800	27,804	0	27,804
Salaries	116,945	114,042	120,000	(5,958)
Repairs/Supplies	59,005	72,436	70,000	2,436
Total Operations and Maintenance	292,045	299,428	285,000	14,428
Student Transportation				
Salaries	85,694	82,437	82,500	(63)
Other Transportation	69,625	64,343	65,800	(1,457)
Fuel	62,839	61,897	67,000	(5,103)
Total Student Transportation	218,158	208,677	215,300	(6,623)
Transfers				
Bilingual	10,000	10,000	10,000	0
Vocational Ed	0	0	71,460	(71,460)
Food Service	0	0	0	0
Special Education	101,000	66,143	0	66,143
Parents Ed	5,000	9,000	5,000	4,000
Total Transfers	116,000	85,143	86,460	(1,317)
Total Expenditures	905,789	940,316	936,860	3,456
Statutory Revenues Over (Under) Expenditures	2,668	20,849		
Modified Unencumbered Cash - Beginning	66,708	69,376		
Prior Year Cancelled Encumbrances	0	0		
Modified Unencumbered Cash - Ending	\$ 69,376	\$ 90,225		

UNIFIED SCHOOL DISTRICT NO. 223
Barnes, Kansas

STATEMENT OF CASH RECEIPTS AND EXPENDITURES

ACTUAL AND BUDGET

For The Year Ended June 30, 2012

(With Comparative Actual Totals for Prior Year Ended June 30, 2011)

STATEMENT 3-3

SPECIAL REVENUE FUNDS

AT RISK (K-12) FUND

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Miscellaneous	\$ 0	\$ 0	\$ 20,000	\$ (20,000)
Transfer from General	145,000	140,000	14,000	126,000
Total Cash Receipts	<u>145,000</u>	<u>140,000</u>	<u>34,000</u>	<u>106,000</u>
Expenditures				
Instruction				
Salaries	134,452	128,824	129,530	(706)
Employee Benefits	10,200	10,676	9,970	706
Supplies - Technology	275	500	20,500	(20,000)
Miscellaneous	73	0	0	0
Transportation	0	0	0	0
Salaries	0	0	0	0
Employee Benefits	0	0	0	0
Total Expenditures	<u>145,000</u>	<u>140,000</u>	<u>160,000</u>	<u>(20,000)</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash - Beginning	<u>0</u>	<u>0</u>		
Unencumbered Cash - Ending	<u>0</u>	<u>0</u>		

UNIFIED SCHOOL DISTRICT NO. 223
Barnes, Kansas

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

STATEMENT 3-4

SPECIAL REVENUE FUNDS

BILINGUAL EDUCATION

		<u>Current Year</u>		
	<u>Prior Year Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Cash Receipts				
Transfer from Interest	\$ 0	\$ 0	\$	0
Transfer from General	11,978	6,270	6,270	0
Transfer from Supp General	10,000	10,000	10,000	0
Total Cash Receipts	<u>21,978</u>	<u>16,270</u>	<u>16,270</u>	<u>0</u>
Expenditures				
Instruction				
Salary	17,286	11,498	12,500	(1,002)
Employee Benefits	4,692	4,772	3,770	1,002
Supplies	0	0	0	0
Total Expenditures	<u>21,978</u>	<u>16,270</u>	<u>16,270</u>	<u>0</u>
Receipts Over (Under) Expenditures	\$ 0	0		
Unencumbered Cash - Beginning	0	0		
Unencumbered Cash - Ending	<u>0</u>	<u>0</u>		

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

STATEMENT 3-5

SPECIAL REVENUE FUNDS

CAPITAL OUTLAY

		<u>Current Year</u>		
	<u>Prior Year</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance Over</u>
	<u>Actual</u>			<u>(Under)</u>
Cash Receipts				
Ad Volorem Tax	\$ 2,685	\$ 3,131	\$ 1,343	\$ 1,788
Ad Volorem In Process	100,706	108,028	100,551	7,477
Delinquent Tax	612	667	1,325	(658)
Motor Vehicle Tax	10,130	10,423	11,720	(1,297)
Rec Vehicle Tax	90	90	100	(10)
16/20 Trucks	0	1,763	0	1,763
Interest on Idle Funds	13,602	12,015	0	12,015
Misc Receipts	0	10,752	0	10,752
Transfer from General	10,062	0	500	(500)
Reimbursement	40,130	0	0	0
Total Cash Receipts	<u>178,017</u>	<u>146,869</u>	<u>115,539</u>	<u>31,330</u>
Expenditures				
Instruction				
Property	30,645	40,455	100,000	(59,545)
General Administration				
Property	0	0	50,000	(50,000)
Transportation				
Property	22,700	69,103	150,000	(80,897)
Facility acq & construction				
Site Acquisition	0	0	0	0
Site Improvement	0	0	0	0
Architectual Services	0	0	0	0
Building Additions	0	0	0	0
New Building	0	0	0	0
Repair and Remodel	90,605	34,086	100,000	(65,914)
Other	0	0	0	0
Total Expenditures	<u>143,950</u>	<u>143,644</u>	<u>400,000</u>	<u>(256,356)</u>
Receipts Over (Under) Expenditures	34,067	3,225		
Unencumbered Cash - Beginning	<u>431,483</u>	<u>465,550</u>		
Unencumbered Cash - Ending	\$ <u>465,550</u>	\$ <u>468,775</u>		

UNIFIED SCHOOL DISTRICT NO. 223
Barnes, Kansas

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

STATEMENT 3-6

SPECIAL REVENUE FUNDS

DRIVER TRAINING

		<u>Current Year</u>		
	<u>Prior Year Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Cash Receipts				
State Aid	\$ 2,072	\$ 2,632	\$ 2,590	\$ 42
Reimbursements	3,002	3,900	4,000	(100)
Miscellaneous	0	0	0	0
Operating Transfers	0	0	0	0
Total Cash Receipts	<u>5,074</u>	<u>6,532</u>	<u>6,590</u>	<u>(58)</u>
Expenditures				
Instruction				
Salaries	4,400	5,739	6,000	(261)
Employee Benefits	343	444	360	84
Supplies	20	462	50	412
Vehicle Operating & Maintenance				
Repairs	0	246	150	96
Fuel	331	592	400	192
Property (Equip & Furn)	0	12,004	20,000	(7,996)
Other	136	210	0	210
Total Expenditures	<u>5,230</u>	<u>19,697</u>	<u>26,960</u>	<u>(7,263)</u>
Receipts Over (Under) Expenditures	(156)	(13,165)		
Unencumbered Cash - Beginning	<u>40,360</u>	<u>40,204</u>		
Unencumbered Cash - Ending	<u>40,204</u>	<u>27,039</u>		

UNIFIED SCHOOL DISTRICT NO. 223
Barnes, Kansas

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

STATEMENT 3-7

SPECIAL REVENUE FUNDS

FOOD SERVICE FUND

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Federal Aid	\$ 81,339	\$ 97,350	\$ 79,953	\$ 17,397
State Aid	1,915	2,088	1,542	546
Meals	124,941	128,884	115,685	13,199
Interest	0	0	14,000	(14,000)
Reimbursements	0	0	0	0
Miscellaneous	297	163	500	(337)
Transfer	0	0	0	0
Total Cash Receipts	208,492	228,485	211,680	16,805
Expenditures				
Operations & Maintenance				
Salaries	74,773	73,348	80,000	(6,652)
Employee Benefits	10,781	11,230	10,900	330
Food Service Operations				
Management	9,019	6,302	7,000	(698)
Food Costs	106,745	118,304	115,000	3,304
Non-food	5,594	6,452	6,000	452
Property	262	5,458	12,000	(6,542)
Repairs & Other	2,647	1,536	1,000	536
Total Expenditures	209,821	222,630	231,900	(9,270)
Receipts Over (Under) Expenditures	(1,329)	5,855		
Unencumbered Cash - Beginning	68,616	67,287		
Unencumbered Cash - Ending	\$ 67,287	73,142		

UNIFIED SCHOOL DISTRICT NO. 223
Barnes, Kansas

STATEMENT OF CASH RECEIPTS AND EXPENDITURES

ACTUAL AND BUDGET

For The Year Ended June 30, 2012

(With Comparative Actual Totals for Prior Year Ended June 30, 2011)

STATEMENT 3-8

SPECIAL REVENUE FUNDS

PROFESSIONAL DEVELOPMENT FUND

		<u>Current Year</u>		
	<u>Prior Year Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Cash Receipts				
Other Revenue	\$ 904	\$ 20	\$ 0	\$ 20
State Aid	0	0	0	0
Transfer Supplement General	10,000	7,000	500	6,500
Total Cash Receipts	<u>10,904</u>	<u>7,020</u>	<u>500</u>	<u>6,520</u>
Expenditures				
Instructional Support Staff				
Salaries	765	1,363	4,000	(2,637)
Employee Benefits	59	105	200	(95)
Other Purchased Services	1,961	2,154	8,000	(5,846)
Supplies	1,570	3,313	2,000	1,313
Total Expenditures	<u>4,355</u>	<u>6,935</u>	<u>14,200</u>	<u>(7,265)</u>
Receipts Over (Under) Expenditures	6,549	85		
Unencumbered Cash - Beginning	<u>37,220</u>	<u>43,769</u>		
Unencumbered Cash - Ending	\$ <u>43,769</u>	\$ <u>43,854</u>		

UNIFIED SCHOOL DISTRICT NO. 223
Barnes, Kansas

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

STATEMENT 3-9

SPECIAL REVENUE FUNDS

PARENT EDUCATION PROGRAM FUND

		<u>Current Year</u>		
	<u>Prior Year Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Cash Receipts				
Operating Transfers General	\$ 2,000	\$ 0	\$ 500	\$ (500)
Operating Transfers Supplemental	<u>5,000</u>	<u>9,000</u>	<u>5,000</u>	<u>4,000</u>
Total Cash Receipts	<u>7,000</u>	<u>9,000</u>	<u>5,500</u>	<u>3,500</u>
Expenditures				
Support Service				
Co-op Payment	<u>8,347</u>	<u>8,041</u>	<u>9,550</u>	<u>(1,509)</u>
Total Expenditures	<u>8,347</u>	<u>8,041</u>	<u>9,550</u>	<u>(1,509)</u>
Receipts Over (Under) Expenditures	(1,347)	959		
Unencumbered Cash - Beginning	<u>10,834</u>	<u>9,487</u>		
Unencumbered Cash - Ending	\$ <u>9,487</u>	<u>10,446</u>		

UNIFIED SCHOOL DISTRICT NO. 223
Barnes, Kansas

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

STATEMENT 3-10

SPECIAL REVENUE FUNDS

SPECIAL EDUCATION FUND

		<u>Current Year</u>		
	<u>Prior Year</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance Over</u>
	<u>Actual</u>			<u>(Under)</u>
Cash Receipts				
State Sources	\$ 411,854	\$ 466,810	\$ 0	\$ 466,810
Federal Sources	0	4,326	0	4,326
Miscellaneous	6,064	2,058	0	2,058
Transfer General	30,000	49,439	460,863	(411,424)
Operating Transfers	101,000	66,143	71,460	(5,317)
Total Cash Receipts	548,918	588,776	532,323	56,453
Expenditures				
Instruction				
Purchased Services (pay to Co-op)	486,288	552,027	538,308	13,719
Maintenance	5,044	0	1,500	(1,500)
Vehicle Operating Services				
Salaries	31,040	31,604	35,000	(3,396)
Employee Benefits	2,378	2,415	2,450	(35)
Other Purchased Services	3,221	1,361	2,000	(639)
Supplies-Fuel	10,218	11,697	12,000	(303)
Miscellaneous-Supplies	6,092	12,562	10,000	2,562
Equipment	667	987	20,000	(19,013)
Total Expenditures	544,948	612,653	621,258	(8,605)
Receipts Over (Under) Expenditures	3,970	(23,877)		
Unencumbered Cash - Beginning	154,863	158,833		
Unencumbered Cash - Ending	\$ 158,833	134,956		

UNIFIED SCHOOL DISTRICT NO. 223
Barnes, Kansas

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

STATEMENT 3-11

SPECIAL REVENUE FUNDS

VOCATIONAL EDUCATION FUND

		<u>Current Year</u>		
	<u>Prior Year</u>			<u>Variance Over</u>
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Under)</u>
Cash Receipts				
Miscellaneous/Reimb	\$ 3,958	\$ 10,374	\$ 5,000	\$ 5,374
Interest	0	0	0	0
Transfer from General	<u>180,000</u>	<u>160,000</u>	<u>160,000</u>	<u>0</u>
Total Cash Receipts	<u><u>183,958</u></u>	<u><u>170,374</u></u>	<u><u>165,000</u></u>	<u><u>5,374</u></u>
Expenditures				
Instruction				
Salaries	171,583	147,347	160,000	(12,653)
Other Purchased Services	5,048	2,365	2,500	(135)
Equipment	1,148	1,011	2,500	(1,489)
Other	<u>6,179</u>	<u>19,651</u>	<u>0</u>	<u>19,651</u>
Total Expenditures	<u><u>183,958</u></u>	<u><u>170,374</u></u>	<u><u>165,000</u></u>	<u><u>5,374</u></u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash - Beginning	<u>0</u>	<u>0</u>		
Unencumbered Cash - Ending	\$ <u><u>0</u></u>	\$ <u><u>0</u></u>		

UNIFIED SCHOOL DISTRICT NO. 223
Barnes, Kansas

STATEMENT OF CASH RECEIPTS AND EXPENDITURES
ACTUAL

For The Year Ended June 30, 2012
(With Comparative Actual Totals for Prior Year Ended June 30, 2011)

STATEMENT 3-12

SPECIAL REVENUE FUNDS

GIFTS AND GRANTS

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Cash Receipts				
Contributions & Donations	\$ 8,365	\$ 14,845	\$ 20,000	\$ (5,155)
Total Cash Receipts	<u>8,365</u>	<u>14,845</u>	<u>20,000</u>	<u>(5,155)</u>
Expenditures				
Instructional & Educational Mat	<u>10,387</u>	<u>13,320</u>	<u>15,000</u>	<u>(1,680)</u>
Total Expenditures	<u>10,387</u>	<u>13,320</u>	<u>15,000</u>	<u>(1,680)</u>
Receipts Over (Under) Expenditures	(2,022)	1,525		
Unencumbered Cash - Beginning	<u>15,320</u>	<u>13,298</u>		
Unencumbered Cash - Ending	\$ <u>13,298</u>	\$ <u>14,823</u>	\$	

STATEMENT OF CASH RECEIPTS AND EXPENDITURES

ACTUAL

For The Year Ended June 30, 2012
(With Comparative Actual Totals for Prior Year Ended June 30, 2011)

STATEMENT 3-13

SPECIAL REVENUE FUNDS

INTEREST

	Prior Year Actual	Current Year Actual
Cash Receipts		
Interest Holding	\$ 13,601	\$ 12,015
Total Cash Receipts	<u>13,601</u>	<u>12,015</u>
Expenditures		
Transfer to Vo Ag	0	0
Transfer to Food Service	13,601	0
Transfer to Sp Ed	0	0
Transfer to Capital Outlay	0	12,015
Bilingual	0	0
Total Expenditures	<u>13,601</u>	<u>12,015</u>
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash - Beginning	<u>0</u>	<u>0</u>
Unencumbered Cash - Ending	\$ <u>0</u>	\$ <u>0</u>

UNIFIED SCHOOL DISTRICT NO. 223
Barnes, Kansas

STATEMENT OF CASH RECEIPTS AND EXPENDITURES

ACTUAL

For The Year Ended June 30, 2012

(With Comparative Actual Totals for Prior Year Ended June 30, 2011)

STATEMENT 3-14

SPECIAL REVENUE FUNDS

TITLE I C MIGRANT

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Federal Aid	\$ <u>24,615</u>	\$ <u>27,040</u>
Total Cash Receipts	<u>24,615</u>	<u>27,040</u>
Expenditures		
Instruction		
Salaries	29,990	25,725
Employee Benefits	1,698	1,243
Supplies	<u>1,913</u>	<u>72</u>
Total Expenditures	<u>33,601</u>	<u>27,040</u>
Receipts Over (Under) Expenditures	(8,986)	0
Unencumbered Cash - Beginning	<u>8,986</u>	<u>0</u>
Unencumbered Cash - Ending	\$ <u>0</u>	\$ <u>0</u>

UNIFIED SCHOOL DISTRICT NO. 223
Barnes, Kansas

STATEMENT OF CASH RECEIPTS AND EXPENDITURES

ACTUAL

For The Year Ended June 30, 2012

(With Comparative Actual Totals for Prior Year Ended June 30, 2011)

STATEMENT 3-15

SPECIAL REVENUE FUNDS

TITLE I - CURRENT

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Federal	\$ <u>82,732</u>	\$ <u>58,432</u>
Total Cash Receipts	<u>82,732</u>	<u>58,432</u>
Expenditures		
Instruction		
Salaries	68,597	50,297
Employee Benefits	14,135	8,135
Purchased Prof & Tech Services	0	0
Supplies	<u>0</u>	<u>0</u>
Total Expenditures	<u>82,732</u>	<u>58,432</u>
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash - Beginning	<u>0</u>	<u>0</u>
Unencumbered Cash - Ending	\$ <u>0</u>	\$ <u>0</u>

STATEMENT OF CASH RECEIPTS AND EXPENDITURES

ACTUAL

For The Year Ended June 30, 2012

(With Comparative Actual Totals for Prior Year Ended June 30, 2011)

STATEMENT 3-16

SPECIAL REVENUE FUNDS

TITLE V & IV

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Intergovernmental Revenue	\$ 0	\$ 0
Federal	<u>23,251</u>	<u>0</u>
Total Cash Receipts	<u><u>23,251</u></u>	<u><u>0</u></u>
Expenditures		
Instruction	0	0
Support Service	<u>23,251</u>	<u>0</u>
Total Expenditures	<u><u>23,251</u></u>	<u><u>0</u></u>
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash - Beginning	<u>0</u>	<u>0</u>
Unencumbered Cash - Ending	\$ <u><u>0</u></u>	\$ <u><u>0</u></u>

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

STATEMENT 3-17

SPECIAL REVENUE FUNDS

FEDERAL FUNDS

TITLE II A

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts	\$ <u>17,274</u>	\$ <u>14,748</u>
Cash Disbursements	<u>17,274</u>	<u>14,748</u>
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash - Beginning	<u>0</u>	<u>0</u>
Unencumbered Cash - Ending	\$ <u>0</u>	\$ <u>0</u>

TITLE II - D EDUCATION TECH

Cash Receipts	\$ <u>214</u>	\$ <u>0</u>
Cash Disbursements	<u>214</u>	<u>0</u>
Receipts Over (Under) Expenditures	0	
Unencumbered Cash - Beginning	<u>0</u>	<u>0</u>
Unencumbered Cash - Ending	\$ <u>0</u>	\$ <u>0</u>

UNIFIED SCHOOL DISTRICT NO. 223
Barnes, Kansas

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

STATEMENT 3-18

SPECIAL REVENUE FUNDS

KPERS

	<u>Prior Year Actual</u>	<u>Current Year</u>		<u>Variance Over (Under)</u>
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts Flow Through	\$ 148,826	\$ 245,819	\$ 268,692	\$ (22,873)
Total Cash Receipts	<u>148,826</u>	<u>245,819</u>	<u>268,692</u>	<u>(22,873)</u>
Expenditures Instruction	<u>148,826</u>	<u>245,819</u>	<u>268,692</u>	<u>(22,873)</u>
Total Expenditures	<u>148,826</u>	<u>245,819</u>	<u>268,692</u>	<u>(22,873)</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash - Beginning	<u>0</u>	<u>0</u>		
Unencumbered Cash - Ending	\$ <u>0</u>	\$ <u>0</u>		

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

STATEMENT 3-19

SPECIAL REVENUE FUNDS

CONTINGENCY RESERVE

	Prior Year Actual	Current Year Actual
Cash Receipts	\$ <u>0</u>	\$ <u>0</u>
Expenditures	<u>0</u>	<u>0</u>
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash - Beginning	<u>173,266</u>	<u>173,266</u>
Unencumbered Cash - Ending	\$ <u>173,266</u>	\$ <u>173,266</u>

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

STATEMENT 3-20

SPECIAL REVENUE FUNDS

TEXTBOOK & STUDENT MATERIAL REVOLVING

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Textbook Rental & Fees	\$ 8,218	\$ 16,178
Materials & Supplies	<u>29,698</u>	<u>35,962</u>
Total Cash Receipts	<u>37,916</u>	<u>52,140</u>
Expenditures		
Textbooks	12,354	18,795
Materials & Supplies	<u>22,487</u>	<u>35,282</u>
Total Expenditures	<u>34,841</u>	<u>54,077</u>
Receipts Over (Under) Expenditures	3,075	(1,937)
Unencumbered Cash - Beginning	<u>52,261</u>	<u>55,336</u>
Unencumbered Cash - Ending	\$ <u>55,336</u>	\$ <u>53,399</u>

STATEMENT OF CASH RECEIPTS AND EXPENDITURES

ACTUAL

For The Year Ended June 30, 2012

(With Comparative Actual Totals for Prior Year Ended June 30, 2011)

STATEMENT 3-21

SPECIAL REVENUE FUNDS

SMALL RURAL SCHOOLS

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Small Rural School	\$ <u>0</u>	\$ <u>21,974</u>
Total Cash Receipts	<u>0</u>	<u>21,974</u>
Expenditures		
School Improvement	<u>0</u>	<u>21,974</u>
Total Expenditures	<u>0</u>	<u>21,974</u>
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash - Beginning	<u>0</u>	<u>0</u>
Unencumbered Cash - Ending	\$ <u>0</u>	\$ <u>0</u>

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

STATEMENT 3-22**SPECIAL REVENUE FUNDS****BOND AND INTEREST FUND**

		<u>Current Year</u>		
	<u>Prior Year Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Cash Receipts				
Motor Vehicle Tax	\$ 20,223	\$ 22,890	\$ 22,016	\$ 874
Back Taxes	1,151	1,247	199,576	(198,329)
Ad Valorem Taxes	193,793	218,934	2,453	216,481
State Aid	13,250	15,526	15,526	0
Machinery & Equip Aid	0	0	0	0
Total Cash Receipts	<u>228,417</u>	<u>258,597</u>	<u>239,571</u>	<u>19,026</u>
Expenditures				
Bond Principal	155,000	165,000	165,000	0
Bond Interst	34,281	29,081	29,081	0
Cash Reserve	0	0	0	0
Commision and Postage	0	0	0	0
Total Expenditures	<u>189,281</u>	<u>194,081</u>	<u>194,081</u>	<u>0</u>
Receipts Over (Under) Expenditures	39,136	64,516		
Unencumbered Cash - Beginning	<u>240,706</u>	<u>279,842</u>		
Unencumbered Cash - Ending	\$ <u>279,842</u>	\$ <u>344,358</u>		

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

STATEMENT 4

SPECIAL REVENUE FUNDS

EXPANDABLE TRUST FUNDS
BULLDOG SCHOLARSHIPS

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Contributions	\$ 6,779	\$ 6,674
Total Cash Receipts	<u>6,779</u>	<u>6,674</u>
Disbursements		
Grants	4,903	5,039
Total Disbursements	<u>4,903</u>	<u>5,039</u>
Receipts Over (Under) Expenditures	1,876	1,635
Unencumbered Cash - Beginning	<u>5,071</u>	<u>6,947</u>
Unencumbered Cash - Ending	\$ <u>6,947</u>	\$ <u>8,582</u>

UNIFIED SCHOOL DISTRICT NO. 223
Barnes, Kansas

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CASH BALANCES - ACTUAL**
For The Year Ended June 30, 2012

STATEMENT 5

SCHOOL ACTIVITY FUNDS

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursement	Ending Cash Balance
Hanover High School				
Hanover Activity	\$ 8,627	\$ 30,697	\$ 32,561	\$ 6,763
Wildcat Scholarship	1,000	300	1,000	300
Subtotal Hanover Activity	<u>9,627</u>	<u>30,997</u>	<u>33,561</u>	<u>7,063</u>
Freshman	\$ 323	\$ 918	\$ 457	\$ 784
Sophomores	1,531	2,433	2,770	1,194
Juniors	6,740	19,343	21,304	4,779
Seniors	0	1,100	1,100	0
JH 7th and 8th	54		54	0
Annual Club	5,326	8,630	7,168	6,788
Band Club	251	0	0	251
Cheerleaders	203	600	536	267
FBLA	2,407	26,149	23,306	5,250
FFA	5,847	10,379	11,137	5,089
FCCLA	4,404	10,171	9,748	4,827
H-Club	443	3,959	3,567	835
Jr. High Cheerleaders	115	1,555	1,525	145
HS Scholar Bowl	489	360	326	523
National Honor Society	164	480	606	38
Junior High FBLA	0	15	0	15
Student Council	334	590	353	571
Dance Squad	93	0	93	0
Thespian	1,026	1,514	1,159	1,381
Subtotal Hanover Organizations	<u>\$ 29,750</u>	<u>\$ 88,196</u>	<u>\$ 85,209</u>	<u>\$ 32,737</u>

CLEARING ACCOUNTS

Hanover Activity				
Library Project	\$ 0	\$ 89	\$ 89	\$ 0
Lunch	0	41,169	41,169	0
Textbooks	0	10,183	10,183	0
Revolving Music	0	441	441	0
Revolving Vo-Ag	0	24,072	24,072	0
Revolving Wood	0	6,427	6,427	0
Revolving Art	0	960	960	0
Petty Cash	0	2,695	2,695	0
Student - Act Petty Cash	0	4,205	4,205	0
Subtotal Hanover Clearing Accounts	<u>0</u>	<u>90,241</u>	<u>90,241</u>	<u>0</u>
Total Hanover Activity	<u>39,377</u>	<u>209,434</u>	<u>209,011</u>	<u>39,800</u>

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CASH BALANCES - ACTUAL
For The Year Ended June 30, 2012

SCHOOL ACTIVITY FUNDS**STATEMENT 6**

<u>Fund</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursement</u>	<u>Ending Cash Balance</u>
Linn High School				
Linn Activity Accounts	\$ 923	\$ 17,594	\$ 17,984	\$ 533
Subtotal Linn Activity	<u>923</u>	<u>17,594</u>	<u>17,984</u>	<u>533</u>
Yearbook	12,002	7,145	7,150	11,997
National Honor Society	294	1,096	1,037	353
Scholars Bowl	765	400	424	741
Class of 2012	4,876	958	5,834	0
Class of 2011	0	0	0	0
Class of 2010	46	0	0	46
Class of 2013	15,804	2,596	6,186	12,214
Class of 2014	6,197	14,426	8,018	12,605
Class of 2015	746	3,774	1,331	3,189
Class of 2016	0	0	0	0
Class of 2009	61	0	0	61
Art Club	33	590	520	103
Linn Music	563	186	688	61
FBLA	1,516	11,432	9,963	2,985
FFA	2,655	23,129	21,493	4,291
FCCLA	1,337	12,843	12,774	1,406
L-Club	108	0	0	108
Linn Faculty	486	0	486	0
Senior Send Off	200	0	200	0
National Honor Society	7	34		41
Jr. High Cheerleaders	391	391	534	248
Pepclub/Cheerleaders	2,110	1,937	2,902	1,145
Student Council	1,659	5,352	5,609	1,402
Thespian	1,260	1,749	2,260	749
Subtotal Linn Organization	\$ <u>53,116</u>	<u>88,038</u>	<u>87,409</u>	<u>53,745</u>
Total Linn Activity	<u>54,039</u>	<u>105,632</u>	<u>105,393</u>	<u>54,278</u>

STATEMENT OF CHANGES IN LONG - TERM DEBT
For The Year Ended June 30, 2012

STATEMENT 7

Issue	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year
General Obligation Bonds	3.25								
Series 1998 B 1	3.7	12/1/2004	\$ 1,500,000	9/1/2015	\$ 910,000	\$ 0	(\$165,000)	(\$165,000)	\$ 745,000
			\$ \$1,500,000.00		\$ \$910,000.00	\$ \$0.00	-\$165,000.00	-\$165,000.00	\$ 745,000.00
TOTAL LONG TERM DEBT									
Year	Principal Due	Interest							
2011-12	\$165,000.00	\$29,081.00							
2012-13	\$175,000.00	\$23,425.00							
2013-14	\$180,000.00	\$17,345.00							
2014-15	\$190,000.00	\$10,820.00							
2015-16	\$200,000.00	\$3,700.00							

UNIFIED SCHOOL DISTRICT NO. 223
Barnes, Kansas

NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.) Financial Reporting Entity

Unified School District No. 223 is a municipal Corporation established under Kansas Statutes with territory in Washington and Marshall counties. The District is governed by an elected seven member board. The financial statements present the financial condition and results of operation of the district. The district is a primary government and has no component units.

2.) Basis of Presentation

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, restricts, or limitations. The following types of funds comprise the financial activities of the District for the year:

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

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

Trust and Agency Funds - to account for assets held in a trustee capacity or as an agent for individual, other governmental units, private organizations, and/or other funds. These include Expendable Trust Funds, Non-expendable Trust Funds, Pension Trust Funds, and Agency Funds.

Capital Projects Fund - to account for the accumulation of resources for, and the payment of costs for district capital improvements financed through bonds

3.) Basis of Accounting

These financial statements are presented on a basis of accounting which demonstrates compliance with the cash basis and budget laws of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. For an inter-fund transaction a receipt is recorded in the fund receiving cash from another fund. Cash disbursements are recognized when the cash balance of a fund is decreased. For an inter-fund transaction, a cash disbursement is recorded in the fund from which the cash is transferred. 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 for written contracts. The District has obtained a GAAP waiver from the State of Kansas, which thereby allows this special type of reporting.

4.) Departure from GAAP

The basis of accounting described above results in a financial statement presentation, which shows cash receipts, cash disbursements, cash and unencumbered cash balance, 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 generally

UNIFIED SCHOOL DISTRICT NO. 223
Barnes, Kansas

NOTES TO FINANCIAL STATEMENTS
June 30, 2012

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 municipality are not presented in the financial statement.

5.) Reimbursed Expenses

The purpose of these expenditures is to repay the district for amounts remitted on behalf of another party and such expenditures are exempt for the budget law under K.S.A. 79-2934. Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statements meet the following criteria: 1) the related disbursement was made in the current year on behalf of the payee, 2) the item paid for was directly identifiable as having been used by or provided to the payee, and 3) the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

NOTE B - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

1.) Budgetary Data

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

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increase 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 10 days after publication the hearing may be held and the governing body may amend the budget at that time.

These taxes become a lien against all property November 1st. Taxpayers have the option of paying in full or in two installments. The delinquency dates are December 20 and May 10. Delinquent taxes are assessed interest at 9% per annum. This interest is retained by the County.

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 budget 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 municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditures authority) lapse at year-end.

A legal operating budget is not required for trust funds, agency funds, and the following special revenue funds: Textbooks and Student Materials, Athletic Gate Receipts and other School Agency/Activity Funds, Fee and User Charges/Clearing Accounts, Contingency Reserve, Employee Benefits, and Federal Funds.

UNIFIED SCHOOL DISTRICT NO. 223
Barnes, Kansas

NOTES TO FINANCIAL STATEMENTS
June 30, 2012

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. Inventories and prepaid expenses which benefit future periods are recorded as an expenditures during the year of purchase. For disclosure purposes, material inventories would be reported as an asset offset by a reserve. The district had no material inventories.

NOTE C- DEPOSITS AND INVESTMENTS

1.) Deposits

At year-end the carrying amount of the district's deposits, including certificates of deposit was \$1,536,943.. The bank balance was \$1,234,283 and activity operating accounts and other activity funds had a balance of \$94,078. The fiduciary funds carried a balance of \$8,582. (Please refer to Statement 1 for a further breakdown of the funds.) There was also funds of \$200,000 in a Certificate of Deposit. The difference between the carrying amount and the bank balance are outstanding checks and deposits in transit. Of the bank balance, \$250,000 was covered by FDIC insurance and the remaining amount 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 third-party custodial agreement signed by all three parties: the district, the pledging bank, and the independent third-party banks holding the securities.

2.) Investments

All funds of the district were on deposit in interest bearing accounts in banks and Certificates of Deposit issued by banks for the years ended June 20, 2012 and 2011.

3.) Pooling of Cash and Investments

The cash of each of the funds of the district is pooled together so that better management of cash and investments can be practiced, resulting in greater earnings accruing to the district. Please refer to Statement 1 to review how the various funds are accruing interest. All funds in Statement 1 were accruing interest.

NOTE D- FRINGE BENEFIT PLAN

The District has established an employer paid salary enhancement benefit plan under the terms of the Internal Revenue Service Code Section 125 cafeteria plan. The District shall pay the cost of a single health care premium for each teacher up to and including an amount of \$500 per month. No cash-in-lieu arrangements will be considered under any circumstances. Participation in the district group health plan is mandatory to receive this benefit.

Any employee may reduce his/her salary by an amount up to the statutory limit on non-taxable benefits as set forth in the program. Items by which the employee may reduce his/her contract are as follows: Health Insurance, Salary Protection Insurance, Group term life insurance up to \$50,000, Cancer Insurance, Medical Reimbursement, Dependent Care, Dental Insurance, and Vision Insurance. The District provides full family health insurance coverage for the Superintendent and for the principals with the designated common carrier.

UNIFIED SCHOOL DISTRICT NO. 223
Barnes, Kansas

NOTES TO FINANCIAL STATEMENTS
June 30, 2012

NOTE E- COMPENSATED ABSENCES

The District's policies regarding vacation and sick leave are: Teachers are allowed nine days sick leave accumulative to 90 days and three personal leave, non-accumulative; the Superintendent is allowed 12 days sick leave accumulative to 60 days, three days personal leave, non-accumulative, and 20 days annual vacation leave; the principals are allowed 12 days sick leave accumulative to 60 days and two days personal leave accumulative to three days; the U.S.D. clerk/secretary is allowed 12 days sick leave accumulative to 30 days, three days personal leave, non-accumulative, and 12 days annual leave, non-accumulative; the building secretaries are allowed nine days sick leave accumulative to 30 days and two days personal leave, non-accumulative; the cooks and teachers aides are allowed nine days sick leave accumulative to 30 days and two days personal leave, non-accumulative; the custodians are allowed 12 days sick leave accumulative to 60 days, two days personal leave, non-accumulative, and 12 days annual leave, non-accumulative; the maintenance/transportation supervisor is allowed 12 days sickleave accumulative to 60 days, three days personal leave, non-accumulative, and 12 days annual leave, non-accumulative; the U.S.D. treasurer/central office secretary is allowed 12 days sick leave accumulative to 60 days, three days personal leave, non-accumulative, and 12 days annual leave, non-accumulative; the bus drivers are allowed nine days sick leave accumulative to 30 days and 2 personal days leave, non-accumulative.

After 5 years of consecutive and continuous service in USD #223, teachers who retire in the district under KPERS guidelines shall be paid for unused sick leave up to a maximum of 30 days at the rate of substitute pay per day for every day of unused sick leave that they may have accumulated at the end of the contract year at which retirement is to take place. In order to receive benefits for payment of unused sick leave, the teacher must notify the central office by the end of their contract period that their intention of retirement will take place the following year.

After 5 years of consecutive and continuous years of service in USD #223, teachers who resign their position, or their contract is terminated shall be paid for unused sick leave up to a maximum of 30 days at the rate of substitute pay for every day of unused sick leave that they may have accumulated at the end of the contract year at which the resignation/termination is to take place.

Liability for compensated absences is not reflected in the financial statements.

NOTE F- DEFINED BENEFIT PENSION PLAN

Plan description. The (school Municipality) participates in the Kansas Public Employees Retirement Systems (KPERS), a cost-sharing multiple-employer defined pension plan as provided by K.S.A. 74-4901, *et seq.* KPERS provided 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 Suite 100; Topeka, KS 66604-4024) or by calling 1-800-275-5737.

Funding Policy. K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% 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 actuarial determined contribution rate.

NOTE G- 2011 FINANCIAL DATA

The amounts shown for 2011, in the accompanying statutory basis financial statements and these notes to financial statements are included, where practicable, 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 accounting principles generally accepted in the United States of America.

NOTE H- RISK FINANCING AND RELATED INSURANCE ISSUES

The district is exposed to various risks of loss related to torts; theft of, damage to; and destruction of assets; errors and

UNIFIED SCHOOL DISTRICT NO. 223
Barnes, Kansas

NOTES TO FINANCIAL STATEMENTS
June 30, 2012

omissions; injuries to employees; and nature disasters. The district continues to carry insurance for all risks of loss including workers compensation. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

NOTE I- FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value amounts for cash and cash equivalents approximate carrying amounts due to the short maturities of these instruments. Financial instruments that subject the district to significant concentration and credit risk consist of cash and cash equivalents. The district places its cash in market interest rate accounts and are insured fully by FDIC coverage and pledged securities with fair market value equal to or greater than its cash and cash equivalents.

NOTE J- FIDUCIARY TYPE FUNDS

The District has under its control a trust fund for the purpose of awarding scholarships to graduates of Linn High School to assist them in continuing their education. The balances at 06/30/12 and 6/30/11 were \$8582 and \$6674 respectively. (Please Refer to Statement 4 for breakdown and balances.)

NOTE K- COMMITMENTS AND CONTINGENCIES -Grant Program Involvement

In the normal course of operations, the District participates in various federal or state grant programs from year to year. The grant programs are often subject to additional audits by agents of the granting agency, the purpose of which is to ensure compliance with the specific conditions of the grant. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

NOTE L- LONG-TERM DEBT - GENERAL OBLIGATION REFUNDING BONDS:

On December 1, 2004, the district issued \$1,500,000, of General Obligation Refunding Series 1998 B 1 Bonds. Semi-annual interest payment on March 1 and September 1, each year and principal payments annually on September 1. (Please refer to Statement 7 for further analyzation)

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

Note M - REVENUE

1.) Inter-fund Transactions

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, have been segregated from normal revenues and expenditures for reporting purposes are are:

<u>FROM</u>	<u>TO</u>	<u>2012</u>	<u>2011</u>
General	Professional Development	\$ 7,000	10,000
General	Special Education	516,249	441,854
General	Parents as Teachers	0	2,000
General	Capital Outlay	0	10,062
General	Vocational Ed	160,000	216,729
General	At Risk K-12	140,000	145,000
General	Bilingual	6,270	11,978
	Totals	829,519	837,623
Supplemental General	Food Service		
Supplemental General	Vocational Education		
Supplemental General	Special Education	66,143	101,000
Supplemental General	Parents as Teachers	9,000	5,000
Supplemental General	Bilingual	10,000	10,000
	Totals	85,143	116,000
Interest	Capital Outlay	12,015	13,601
	Totals	914,662	953,623

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

Note M - REVENUE

2.) Taxes

Total property taxes received by the District during years ended June 30, 2011 and 2012 were:

	2012	2011
General Fund	\$ 512,265	474,069
Bond	243071	215,167
Capital Outlay	124102	114,223
Supplement General	737,496	708,452
Totals	1,616,934	1,511,911

3.) Interest

Interest received on Investments for the years ended June 30, 2011 and 2012 was accounted for in the following funds:

	2012	2011
Capital Outlay	\$ 12,015	\$ 13,601
Totals	12,015	13,601

4.) Intergovernmental Assistance-State

Type of Aid	Fund	2012	2011
State Equalization	General	\$ 1,922,345	1,849,531
State Equalization	Supplemental General	220,212	198,628
State Safety	Drivers Training	2,632	2,072
State Food Service	Food Service	2,088	1,915
State Special Ed	General	466,810	410,200
School District	Bond	15,526	13,250
KPERS Employer Cont.	KPERS	245,819	148,826
Totals		2,875,432	2,624,422

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

Note M - REVENUE

5.) Federal Assistance received during the years ended June 30, 2011 and 2012

<u>Type of Aid</u>	<u>2012</u>	<u>2011</u>
Title I Fund	\$ 58,432	19,496
Title II Tech	0	214
Small Rural Schools	21,974	0
Data Grant	0	1,355
School Preparedness	0	500
Title I ARRA	0	63,236
ARRA Stabilization	0	47,887
Food Service-Breakfast	19,643	0
Food Service-Other	77,707	81,339
Ed. Jobs Flo-Thru	1,242	83,850
Title II A	14,748	17,274
Title I C Migrant	27,040	33,600
Totals	220,786	348,751

UNIFIED SCHOOL DISTRICT NO. 223

Barnes, Kansas

SUPPLEMENTAL INFORMATION

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2012

DESCRIPTION	FEDERAL CFDA NO.	PASS THROUGH GRANTOR'S NO.	AWARD AMOUNT	UNENCUMBERED CASH BALANCE 7/1/2011	RECEIPTS	EXPENDITURES	UNENCUMBERED CASH BALANCE 6/30/12
USDA							
FOOD ASSIST. CASH FOR COMM.	10.555	D0223	\$10,735	\$0	\$10,735	\$10,735	\$0
FOOD ASSIST. BREAKFAST	10.553	D0223	\$19,643	\$0	\$19,643	\$19,643	\$0
FOOD ASSIST. LUNCH	10.555	D0223	\$66,971	\$0	\$66,971	\$66,971	\$0
TOTAL USDA			\$97,349	\$0	\$97,349	\$97,349	\$0
US DEPT. OF EDUCATION							
Title II Improving Teach. Quality	84.367	D0223	\$14,748	\$0	\$14,748	\$14,748	\$0
Title I Low Income	84.010	D0223	\$58,432	\$0	\$58,432	\$58,432	\$0
Title I Migrant	84.011	D0223	\$27,040	\$0	\$27,040	\$27,040	\$0
Education Jobs Fund Flo-thru	84.410	D0223	\$1,242	\$0	\$1,242	\$1,242	\$0
TOTAL DEPT. OF EDUCATION			\$101,462	\$0	\$101,462	\$101,462	\$0
TOTAL FEDERAL ASSISTANCE			\$198,811	\$0	\$198,811	\$198,811	\$0