

UNIFIED SCHOOL DISTRICT NO. 273

Beloit, Kansas

FINANCIAL STATEMENT AND INDEPENDENT AUDITOR'S REPORT

June 30, 2012

**MAPES & MILLER
Certified Public Accountants
Phillipsburg, Kansas**

UNIFIED SCHOOL DISTRICT NO. 273
Beloit, Kansas
June 30, 2012

Joseph Harrison - Superintendent
Doris Gasper - Clerk
Janelle Gasper - Treasurer

BOARD MEMBERS

Greg Shamburg - President
Brenda Krone - Vice President
Connie Hager
Brent Budke
Jason Johnson
Sharra Odle
Mike Riemann

UNIFIED SCHOOL DISTRICT NO. 273
Beloit, Kansas

For the Year Ended June 30, 2012

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**UNIFIED SCHOOL DISTRICT NO. 273
Beloit, Kansas**

For the Year Ended June 30, 2012

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INDEPENDENT AUDITOR'S REPORT

**Board of Education
Unified School District No. 273
Beloit, KS 67420**

We have audited the summary statement of receipts, expenditures, and unencumbered cash balances of Unified School District No. 273, Beloit, Kansas as of and for the year ended June 30, 2012, as listed in the table of contents. This financial statement is the responsibility of the District's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the Kansas Municipal Audit Guide. Those standards and guidance require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Unified School District No. 273, Beloit, Kansas 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 the 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, because of the effects of the matter discussed in the preceding paragraph, the financial statement referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District No. 273, Beloit, Kansas, as of June 30, 2012, or the changes in its financial position for the year then ended.

In addition, in our opinion, the financial statement referred to above present fairly, in all material respects, the cash and unencumbered cash balance of the Unified School District No. 273, Beloit, Kansas, as of June 30, 2012, and its receipts and expenditures for the year then ended, on the basis of accounting described in Note 1.

Our audit was conducted for the purpose of forming an opinion on the financial statement as a whole. The summary of expenditures-actual and budget, individual fund schedules of receipts and expenditures, summary of receipts and disbursements-agency funds, schedule of receipts, expenditures, and unencumbered cash-district activity funds, and schedule of

Board of Education
Unified School District No. 273
January 14, 2013
Page Two

receipts and disbursements-student activity funds. (Schedules 1, 2, 3, 4, and 5) as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the statutory financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statement as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated , 2012, on our consideration of Unified School District No. 273's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statement that collectively comprise of Unified School District No. 273, Beloit, Kansas' financial statement as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statement of Unified School District No. 273. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statement taken as a whole, on the basis of accounting described in Note 1.

Respectfully submitted,

Mapes & Miller LLP

Certified Public Accountants

January 14, 2013
Phillipsburg, Kansas

UNIFIED SCHOOL DISTRICT NO. 273

Beloit, Kansas

Statement 1

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

FUND	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds:							
General Funds							
General Fund	\$ 908 *	\$ 1,619	\$ 6,265,795	\$ 6,266,703	\$ 1,619	\$ 705,667	\$ 707,286
Supplemental General Fund	63,641 *	-	1,745,656	1,739,860	69,437	73,843	143,280
Special Revenue Funds							
At Risk Fund (4 Year Old)	-	-	98,370	98,370	-	5,029	5,029
At Risk Fund (K-12)	-	-	361,764	339,550	22,214	23,335	45,549
Bilingual Education Fund	-	-	2,217	1,991	226	285	511
Capital Outlay Fund	1,644,888	-	529,554	37,380	2,137,062	-	2,137,062
Driver Training Fund	20,609	-	18,838	15,942	23,505	224	23,729
Federal Funds	16,355	-	161,607	174,282	3,680	27,518	31,198
Food Service Fund	76,119	-	410,176	371,508	114,787	76	114,863
Professional Development Fund	19,530	-	16,731	18,279	17,982	2,680	20,662
Parent Education Program Fund	11,177 *	2,280	144,965	144,011	14,411	7,886	22,297
Special Education Fund	210,242	-	1,253,658	1,323,779	140,121	-	140,121
Vocational Education Fund	-	42	579,239	270,406	308,875	20,438	329,313
Health Care Services Reserve Fund	927,889	-	1,486,818	1,101,489	1,313,218	-	1,313,218
KPERS Special Retirement Contribution Fund	-	-	879,536	879,536	-	-	-
Contingency Reserve Fund	605,273	-	-	85,000	520,273	85,000	605,273
Textbook & Student Material Revolving Fund	61,733	-	17,715	2,858	76,590	1,436	78,026
Cooperative Special Education Fund	1,379,367	-	4,130,804	4,340,551	1,169,620	239,462	1,409,082
Gifts & Grants Fund	163,531	5	792,418	820,472	135,482	7,155	142,637
District Activity Funds	34,269	-	159,563	149,120	44,712	6,498	51,210
Fiduciary Type Funds:							
Private Purpose Trust Funds							
Belles Scholarship Fund	1,510	-	20	20	1,510	-	1,510
Helen Babb Scholarship Fund	8,048	-	108	-	8,156	-	8,156
Vo-Ag Scholarship Fund	2,655	-	36	36	2,655	-	2,655
Total Reporting Entity (Excluding Agency Funds)	\$ 5,247,744	\$ 3,946	\$ 19,055,588	\$ 18,181,143	\$ 6,126,135	\$ 1,206,532	\$ 7,332,667

* See Note 13 (Restatement of Beginning Balances)

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

**UNIFIED SCHOOL DISTRICT NO. 273
Beloit, Kansas**

**Statement 1
(Cont.)**

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

COMPOSITION OF CASH

Checking Accounts	
Guarantee State Bank	\$ 1,238,431
Insured Cash Sweep (ICS) - Money Market	
Guarantee State Bank	6,160,773
Certificates of Deposit	
First National Bank	<u>12,165</u>
 Total Cash	 <u>7,411,369</u>
 Agency Funds per Schedule 3	 <u>(78,702)</u>
 Total Reporting Entity (Excluding Agency Funds)	 <u><u>\$ 7,332,667</u></u>

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

UNIFIED SCHOOL DISTRICT NO. 273
Beloit, Kansas

NOTES TO THE FINANCIAL STATEMENT
June 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

Unified School District No. 273, Beloit, Kansas operates as a unified school district in accordance with the laws of the State of Kansas. The District is governed by an elected seven-member board and provides the following services: education, culture, and recreation.

The accompanying basic financial statement comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 39, "Determining Whether Certain Organizations Are Component Units," in that the financial statement include all organizations, activities and functions for which the District is financially accountable. Financial accountability is defined as the appointment of a voting majority of a component unit's board and either the District's ability to impose its will over a component unit, or the possibility that the component unit will provide a financial benefit or impose a financial burden on the District. On that basis, the reporting entity of the District includes the services of the District only (i.e., there are no component units).

FUND ACCOUNTING

The accounts of the District are organized on the basis of funds. 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. Funds are classified into three categories: governmental, proprietary, and fiduciary. Within each of these three categories there are one or more fund types. The District uses the following fund types:

Governmental Type Funds:

General Funds--General Funds are used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds--Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments or major capital projects) that are legally restricted to expenditures for specified purposes.

Fiduciary Type Funds:

Private Purpose Trust Funds--Private Purpose Trust Funds are used to report trust agreements where both the principal and interest benefit individuals, private organizations, or other governments. The principal and revenue are not being used for the District's benefit.

Agency Funds--Agency Funds generally are used to account for assets that the government holds on behalf of others as their agent.

BASIS OF ACCOUNTING

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

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

Departure from Accounting Principles Generally Accepted in the United States of America--The basis of accounting described above results in a financial statement presentation which shows receipts, expenditures, cash and unencumbered cash balances. 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 in the United States of America. Capital assets that account for the land, buildings, and equipment owned by the District are not presented in the financial statement. Also, long-term debt such as general obligation bonds, revenue bonds, capital leases, temporary notes, and compensated absences are not presented in the financial statement.

LEAVE POLICIES

Classified employees of the District are eligible for vacation days. Twelve month classified employees are granted ten days of paid vacation after the first year of employment, fifteen days after eight years of employment, eighteen days after fifteen years of employment and twenty days after thirty years of employment. Vacation shall be taken in the year in which it is earned and shall not be accumulated. Therefore, there is no accumulated vacation leave accrued as of June 30, 2012.

The District has a leave policy, which includes sick leave and compensated leave, whereby each certified and classified full-time employee is granted ten leave days per school year. Any unused sick leave can accumulate to a maximum of one hundred twenty days. Compensated leave shall convert to sick leave if not used during the current year. Upon retirement, as defined by KPERS, disability or death of any certified or classified employee with six or more years service in the District, the District will pay for accumulated sick leave according to the District's formula based on current salary and years of service to the District, limited to a maximum of \$3,600.

The cost of accumulated sick leave accrued as of June 30, 2012 is shown in Footnote 15, and will be recorded as a normal expenditure at the time that leave is utilized.

REIMBURSEMENTS

Reimbursements are defined as repayments of amounts remitted on behalf of another party. All reimbursements shown in the financial statement 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 reimbursement was directly tied to the amount of the original cash disbursement.

2. BUDGETARY INFORMATION

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

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such amendments for the year ended June 30, 2012.

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 schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the statutory basis of accounting, in which, revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

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

Federal Funds
Health Care Services Reserve Fund
Contingency Reserve Fund
Textbook & Student Material Revolving Fund
Gifts and Grants Fund
District Activity Funds

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. PROPERTY TAXES

Property taxes are levied November 1st of the calendar year. A lien is placed on the property when the taxes are levied. The taxes are due ½ on December 20th and ½ the following May 10th. Any taxes unpaid at the due dates are considered delinquent. Collection of current year property tax by the County Treasurer is not completed, apportioned nor distributed to the various subdivisions until the succeeding year: such procedure being in conformity with governing state statutes. Consequently, current year property taxes receivable are not available as a resource that can be used to finance the current year operation of the District and therefore are not susceptible to accrual.

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

4. COMPLIANCE WITH KANSAS STATUTES

A. School Activity Funds:

K.S.A. 72-8208a requires school activity funds to be authorized and accounted for properly. The District's Activity Funds were not in compliance with K.S.A. 72-8208a, due to accounting for the Belles, Helen Babb and Vo-Ag Scholarship Funds as Student Activity Funds rather than accounting for them at the District level.

B. Mandatory Purchase of Products:

K.S.A. 75-3317 through 75-3322 requires districts to make purchases of products offered by Kansas industries for the blind and severely disabled. The District failed to make mandatory purchases offered by these industries during the year ending June 30, 2012.

5. DEPOSITS AND INVESTMENTS

Deposits

As of June 30, 2012, the District had no investments other than certificates of deposit, which are considered deposits under GASB Statement No. 3. K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located or in an adjoining county if such institution has been designated as an official

depository and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; savings and loan associations savings banks that participate in the Certificate of Deposit Account Registry Service (CDARS); U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices.

Concentration of Credit Risk

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

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during the designated "peak periods" when required coverage is 50%. All deposits were legally secured at June 30, 2012.

At June 30, 2012, the District's carrying amount of deposits was \$7,411,369 and the bank balance was \$7,298,534, which includes \$6,160,773 invested in an Insured Cash Sweep (ICS) program. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance \$6,422,938 was covered by federal depository insurance, \$875,596 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

Custodial Credit Risk – Investments

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

6. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General Fund	At Risk Fund (4 Year Old)	K.S.A. 72-6428	\$ 98,370
General Fund	At Risk Fund (K-12)	K.S.A. 72-6428	361,764
General Fund	Bilingual Education Fund	K.S.A. 72-6428	2,217
General Fund	Driver Training Fund	K.S.A. 72-6428	2,000
General Fund	Professional Development Fund	K.S.A. 72-6428	16,731
General Fund	Special Education Fund	K.S.A. 72-6428	911,725
General Fund	Vocational Education Fund	K.S.A. 72-6428	572,868
Supplemental General Fund	Driver Training Fund	K.S.A. 72-6433	5,000
Supplemental General Fund	Parent Education Program Fund	K.S.A. 72-6433	21,024
Supplemental General Fund	Special Education Fund	K.S.A. 72-6433	341,933
Special Education Fund	Cooperative Fund	K.S.A. 72-6420	1,296,149
Special Education Fund	Infant/Toddler Targeted Fund	K.S.A. 72-6420	27,630

7. DEFINED BENEFIT PENSION PLAN

Plan Description: Unified School District No. 273 contributes to the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq*, KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statement and required supplementary information. That report may be obtained by writing to KPERS (611 S Kansas, Suite 100; Topeka, KS 66603-3869) or by calling 1-888-275-5737.

Funding Policy: K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary for active members hired before July 1, 2009. For active members employed on or after July 1, 2009, K.S.A. 74-49,210 establishes the KPERS member-employee contribution rate at 6% of covered salaries. Member-employees' contributions are withheld by their employer and paid to KPERS according to the provisions of section 414(h) of the Internal Revenue Service Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. Kansas currently contributes 9.77% of covered payroll, which includes pension contributions and group disability insurance. From April 1, 2012 through June 30, 2012, there was a moratorium on the collection of the 1% Group Death and Disability Insurance premium. 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, \$253,834,044, and \$248,468,186, respectively, equal to the required contributions for each year as set forth by the legislature. The amounts attributable to the District for the years ending June 30, 2012, 2011 and 2010 were \$879,536, \$476,336, and \$547,979.

8. SELF-FUNDED HEALTH INSURANCE FUND

The District participates in a self-insurance fund program for medical and prescription insurance, which covers active, full-time teachers and half-time teachers who work three and a half hours per day. The plan also covers active, full-time employees who work at least 1,200 hours per employment year, and active part-time employees who work at least seventeen and a half hours per week during the employment year.

Premiums from the employees and the District are paid to Blue Cross Blue Shield (BCBS), the Plan Supervisor. The premiums are available to pay claims and administrative costs of the program. The agreement to participate provides that BCBS will be partially self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$35,000 for each insured event.

9. RISK MANAGEMENT

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

During the year ended June 30, 2012, the District did not reduce insurance coverage from levels in place during the prior year. No settlements have exceeded coverage levels in place during the past three fiscal years.

10. OTHER POST EMPLOYMENT BENEFITS

As provided by K.S.A. 12-5040, the District allows eligible retirees to participate in the group health insurance plan. Eligible employees have fifteen years of service to the District, enough points to retire under the KPERS system, and were enrolled in the health insurance plan at least three consecutive years immediately prior to retirement. Those eligible under this program may receive health insurance benefits until they reach the age of sixty-five. The District pays a portion of the premium for each retiree and the retiree is responsible for the balance. During the year ended June 30, 2012, twenty-nine retirees participated in this plan and the District paid \$79,920 in premiums for these retirees. Any remaining subsidy to retirees due to the plan's level premium structure has not been quantified in the financial statement.

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

11. TERMINATION BENEFITS

The District provides an early retirement program for certain eligible employees. Eligible employees are those employed full time, are eligible for KPERS early retirement and not more than sixty-one years of age, and has fifteen years of service with the District. Written notice shall be submitted on or before the first day of March preceding retirement date.

Those eligible under this program may receive benefits until turning age sixty-two. Benefits shall be a monthly benefit at the rate of 1% of the employee's highest annual salary (not including salary enhancement or extra duty) or \$400, whichever is lesser, payable beginning the month in which their retirement under KPERS becomes effective. Payments to seven retired employees under this plan were \$30,668 for the year ended June 30, 2012.

12. SUBSEQUENT EVENT

- A. The District will have a substantial decrease in state aid beginning fiscal year 2013 due to the completion of the third year of incentives from the state resulting from the land transfer occurring with the disorganization of USD 279, Jewell.
- B. The District entered into a Lease/Purchase Agreement with All American Investment Group, LLC on July 3, 2012 in the amount of \$859,953 for the purpose of replacing a majority of its energy infrastructure and replacement of windows. The District will make quarterly lease payments of \$21,182 for twelve years.

13. RESTATEMENT OF BEGINNING BALANCES

Due to a technical amendment to the 2011 Kansas Municipal Audit Guide, which governs the format and accounting for this financial statement, beginning unencumbered balances have been restated from (\$464,002) to \$908 in the General Fund; from \$21,302 to \$63,641 in the Supplemental General Fund; and from (\$28,696) to \$11,177 in the Parents Education Program Fund. These changes reflect the change in policy of the Kansas Municipal Audit Guide as to when the final State Aid payments are posted. The previous policy dictated that the payment received in July of the subsequent fiscal year be posted in the subsequent fiscal year. The technical amendment for the statutory statements now states that the payment should be posted in the prior fiscal year. The balances have been adjusted for this change in policy.

14. RELATED PARTY TRANSACTION

During fiscal year ended June 30, 2012, the District purchased fuel for bus use and other facility use from Shamburg Oil. A board member is a partner in Shamburg Oil. As of June 30, 2012, \$80,807 had been paid to Shamburg Oil.

15. LONG-TERM DEBT

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

Issue	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity	Balance 07/01/11	Additions	Reductions/ Payments	Net Change	Balance 06/30/12	Interest Paid
Compensated Absences					\$ 38,283	\$ -	\$ -	\$ 11	\$ 38,294	\$ -
Total Long-Term Debt					<u>\$ 38,283</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11</u>	<u>\$ 38,294</u>	<u>\$ -</u>

**UNIFIED SCHOOL DISTRICT NO. 273
BELOIT, KANSAS**

**SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2012**

UNIFIED SCHOOL DISTRICT NO. 273
Beloit, Kansas

Schedule 1

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
(Budgeted Funds Only)
For the 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 Over (Under)
Governmental Type Funds:						
General Funds						
General Fund	\$ 6,200,487	\$ (12,852)	\$ 79,068	\$ 6,266,703	\$ 6,266,703	\$ -
Supplemental General Fund	1,739,860	-	-	1,739,860	1,739,860	-
Special Revenue Funds						
At Risk Fund (4 Year Old)	131,000	-	-	131,000	98,370	(32,630)
At Risk Fund (K-12)	341,764	-	-	341,764	339,550	(2,214)
Bilingual Education Fund	2,000	-	-	2,000	1,991	(9)
Capital Outlay Fund	1,127,000	-	-	1,127,000	37,380	(1,089,620)
Driver Training Fund	17,295	-	-	17,295	15,942	(1,353)
Food Service Fund	371,830	-	-	371,830	371,508	(322)
Professional Development Fund	35,010	-	-	35,010	18,279	(16,731)
Parent Education Program Fund	155,000	-	-	155,000	144,011	(10,989)
Special Education Fund	1,481,116	-	-	1,481,116	1,323,779	(157,337)
Vocational Education Fund	342,000	-	-	342,000	270,406	(71,594)
KPERS Special Retirement Contribution Fund	881,222	-	-	881,222	879,536	(1,686)
Cooperative Special Education Fund	4,445,230	-	-	4,445,230	4,340,551	(104,679)

UNIFIED SCHOOL DISTRICT NO. 273
Beloit, Kansas

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SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
For The Year Ended June 30, 2012

GENERAL FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
General Property Taxes			
Ad Valorem Taxes			
Tax in Process	\$ 28,302	\$ 19,430	\$ 8,872
Current Tax	765,001	759,395	5,606
Delinquent Tax	11,318	10,315	1,003
State Aid	4,479,426	4,497,088	(17,662)
Reimbursements	79,068	-	79,068
Special Education Aid	900,344	913,351	(13,007)
Education Jobs Funds	2,336	-	2,336
Total Receipts	<u>6,265,795</u>	<u>\$ 6,199,579</u>	<u>\$ 66,216</u>
EXPENDITURES			
Instruction			
Salaries			
Certified	2,032,735	\$ 2,246,100	\$ (213,365)
Noncertified	104,710	70,329	34,381
Employee Benefits			
Insurance	191,527	190,320	1,207
Social Security & Medicare	156,969	156,000	969
Other	16,707	38,000	(21,293)
Purchased Professional & Technical Services	40,165	40,000	165
Other Purchased Services			
Tuition/Other State LEA's	11,736	16,000	(4,264)
Other	103,914	120,000	(16,086)
Supplies			
General	60,804	30,000	30,804
Textbooks	18,066	-	18,066
Miscellaneous	7,780	-	7,780
Property	39,759	5,000	34,759
Other	6,948	-	6,948
Total Instruction	<u>2,791,820</u>	<u>2,911,749</u>	<u>(119,929)</u>
Instructional Support Staff			
Salaries			
Certified	17,345	-	17,345
Employee Benefits			
Social Security & Medicare	4	-	4
Purchased Professional & Technical	1,660	-	1,660
Supplies			
Textbooks	414	-	414
Technology	-	3,000	(3,000)
Miscellaneous	894	-	894
Total Instructional Support Staff	<u>20,317</u>	<u>3,000</u>	<u>17,317</u>

UNIFIED SCHOOL DISTRICT NO. 273
Beloit, Kansas

Schedule 2-1
Page 2 of 4

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
For The Year Ended June 30, 2012

GENERAL FUND (Cont.)

	Actual	Budget	Variance Over (Under)
EXPENDITURES (Cont.)			
General Administration			
Salaries			
Certified	\$ 101,061	\$ 102,000	\$ (939)
Employee Benefits			
Insurance	3,240	3,240	-
Social Security & Medicare	6,639	6,500	139
Other	375	450	(75)
Purchased Professional & Technical Services	37,034	40,000	(2,966)
Purchased Property Services	1,706	1,000	706
Other Purchased Services			
Insurance	5,221	12,000	(6,779)
Communications	5,109	6,500	(1,391)
Other	5,266	6,000	(734)
Supplies	3,460	3,500	(40)
Property	16,073	5,000	11,073
Other	4,430	-	4,430
Total General Administration	189,614	186,190	3,424
School Administration			
Salaries			
Certified	207,362	208,000	(638)
Noncertified	122,022	150,000	(27,978)
Employee Benefits			
Insurance	28,890	24,960	3,930
Social Security & Medicare	21,910	23,000	(1,090)
Other	19,033	19,000	33
Purchased Professional & Technical Services	5,746	15,000	(9,254)
Other Purchased Services			
Communications	9,064	10,000	(936)
Other	1,204	6,000	(4,796)
Supplies	13,339	15,000	(1,661)
Property	-	500	(500)
Other	5,655	2,500	3,155
Total School Administration	434,225	473,960	(39,735)
Operations & Maintenance			
Salaries			
Noncertified	240,061	261,000	(20,939)
Employee Benefits			
Insurance	19,440	18,720	720
Social Security & Medicare	15,782	18,000	(2,218)
Other	2,801	3,000	(199)
Purchased Professional & Technical Services	173,703	4,000	169,703

UNIFIED SCHOOL DISTRICT NO. 273
Beloit, Kansas

Schedule 2-1
Page 3 of 4

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
For The Year Ended June 30, 2012

GENERAL FUND (Cont.)

	Actual	Budget	Variance Over (Under)
EXPENDITURES (Cont.)			
Operations & Maintenance (Cont.)			
Purchased Property Services			
Repairs & Maintenance	\$ 64,165	\$ 1,500	\$ 62,665
Rentals	743	-	743
Other	2,795	5,000	(2,205)
Other Purchased Services			
Insurance	46,232	4,000	42,232
Other	1,912	2,000	(88)
Supplies			
General	5,855	500	5,355
Energy			
Motor Fuel	4,711	-	4,711
Property	63,339	-	63,339
Other	15	-	15
Total Operations & Maintenance	641,554	317,720	323,834
Vehicle Operating Services			
Other Purchased Services			
Contracting of Bus Services	131,852	145,000	(13,148)
Mileage in Lieu of Transportation	944	2,000	(1,056)
Other	95	250	(155)
Total Instruction	132,891	147,250	(14,359)
Other Supplemental Services			
Salaries			
Noncertified	78,906	80,000	(1,094)
Employee Benefits			
Insurance	5,767	5,554	213
Social Security & Medicare	5,389	5,400	(11)
Other	545	700	(155)
Property	-	315,200	(315,200)
Total Instructional Support Staff	90,607	406,854	(316,247)
Outgoing Transfers			
At Risk Fund (4 Year Old)	98,370	131,000	(32,630)
At Risk Fund (K-12)	361,764	316,764	45,000
Bilingual Education Fund	2,217	2,000	217
Driver Training Fund	2,000	2,000	-
Food Service Fund	-	20,000	(20,000)
Professional Development Fund	16,731	20,000	(3,269)
Special Education Fund	911,725	920,000	(8,275)
Vocational Education Fund	572,868	342,000	230,868
Total Outgoing Transfers	1,965,675	1,753,764	211,911

UNIFIED SCHOOL DISTRICT NO. 273
Beloit, Kansas

Schedule 2-1
Page 4 of 4

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
For The Year Ended June 30, 2012

GENERAL FUND (Cont.)

	Actual	Budget	Variance Over (Under)
Adjustment to Comply with Legal Max	\$ -	\$ (12,852)	\$ 12,852
Legal General Fund Budget	6,266,703	6,187,635	79,068
Adjustments for Qualifying Budget Credits Reimbursements	-	79,068	(79,068)
Total Expenditures	<u>6,266,703</u>	<u>\$ 6,266,703</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	(908)		
UNENCUMBERED CASH, July 1, 2011	908 *		
Prior Year Cancelled Encumbrances	<u>1,619</u>		
UNENCUMBERED CASH, June 30, 2012	<u>\$ 1,619</u>		

* See Note 13 (Restatement of Beginning Balances)

UNIFIED SCHOOL DISTRICT NO. 273
Beloit, Kansas

Schedule 2-2
Page 1 of 3

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
For The Year Ended June 30, 2012

SUPPLEMENTAL GENERAL FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
General Property Taxes			
Ad Valorem Taxes			
Tax In Process	\$ 32,756	\$ 24,412	\$ 8,344
Current Tax	890,468	861,814	28,654
Delinquent Tax	14,746	10,947	3,799
Motor Vehicle Tax	129,900	125,363	4,537
Recreational Vehicle Tax	1,430	1,679	(249)
State Aid	676,356	652,004	24,352
	<u>1,745,656</u>	<u>\$ 1,676,219</u>	<u>\$ 69,437</u>
EXPENDITURES			
Instruction			
Salaries			
Certified	72,400	\$ 27,000	\$ 45,400
Noncertified	-	3,000	(3,000)
Employee Benefits			
Insurance	-	1,560	(1,560)
Social Security & Medicare	5,539	3,000	2,539
Other	400	-	400
Purchased Professional & Technical Services	15,038	13,000	2,038
Supplies			
General	-	5,000	(5,000)
Textbooks	11,396	12,000	(604)
Property	95,009	-	95,009
Student Support Services			
Salaries			
Certified	148,798	205,853	(57,055)
Noncertified	12,759	-	12,759
Employee Benefits			
Insurance	12,960	12,480	480
Social Security & Medicare	11,746	15,081	(3,335)
Other	1,386	1,500	(114)
Purchased Professional & Technical Services	325	-	325
Other Purchased Services	277	100	177
Supplies	5,831	2,220	3,611
Property	908	-	908

UNIFIED SCHOOL DISTRICT NO. 273
Beloit, Kansas

Schedule 2-2
Page 2 of 3

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
For The Year Ended June 30, 2012

SUPPLEMENTAL GENERAL FUND (Cont.)

	Actual	Budget	Variance Over (Under)
EXPENDITURES (Cont.)			
Instructional Support Staff			
Salaries			
Certified	\$ 146,186	\$ 165,056	\$ (18,870)
Noncertified	76,133	77,824	(1,691)
Employee Benefits			
Insurance	22,140	15,600	6,540
Social Security & Medicare	16,915	15,303	1,612
Other	1,579	500	1,079
Purchased Professional & Technical Services	10,094	1,000	9,094
Other Purchased Services	2,352	2,000	352
Supplies			
Books	6,488	2,200	4,288
Technology	4,783	5,000	(217)
Miscellaneous	2,449	1,000	1,449
Property	7,022	-	7,022
Other	390	1,000	(610)
Operations & Maintenance			
Salaries			
Noncertified	78,335	115,260	(36,925)
Employee Benefits			
Insurance	6,480	9,500	(3,020)
Social Security	5,486	8,500	(3,014)
Other	1,059	1,200	(141)
Purchased Professional & Technical Services	-	1,000	(1,000)
Purchased Property Services			
Water/Sewer	26,484	20,000	6,484
Repairs & Maintenance	78,641	25,000	53,641
Other	4,283	2,500	1,783
Other Purchased Services	670	750	(80)
Supplies			
General	26,581	30,000	(3,419)
Energy			
Heating	25,482	40,570	(15,088)
Electricity	176,746	150,000	26,746
Motor Fuel	2,109	2,000	109
Property	49,088	-	49,088
Other	400	-	400
Vehicle Operating Services			
Other Purchased Services			
Contracting of Bus Services	198,756	142,187	56,569

UNIFIED SCHOOL DISTRICT NO. 273
Beloit, Kansas

Schedule 2-2
Page 3 of 3

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
For The Year Ended June 30, 2012

SUPPLEMENTAL GENERAL FUND (Cont.)

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
EXPENDITURES (Cont.)			
Outgoing Transfers			
Driver Training Fund	\$ 5,000	\$ 5,000	\$ -
Professional Development Fund	-	15,000	(15,000)
Parent Education Program Fund	21,024	22,000	(976)
Special Education Fund	<u>341,933</u>	<u>561,116</u>	<u>(219,183)</u>
Total Expenditures	<u>1,739,860</u>	<u>\$ 1,739,860</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	5,796		
UNENCUMBERED CASH, July 1, 2011	<u>63,641</u>	*	
UNENCUMBERED CASH, June 30, 2012	<u>\$ 69,437</u>		

* See Note 13 (Restatement of Beginning Balances)

UNIFIED SCHOOL DISTRICT NO. 273
Beloit, Kansas

Schedule 2-3

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
For The Year Ended June 30, 2012

AT RISK FUND (4 YEAR OLD)

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Incoming Transfer			
General Fund	\$ 98,370	\$ 131,000	\$ (32,630)
EXPENDITURES			
Instruction			
Salaries			
Certified	63,497	\$ 82,955	\$ (19,458)
Noncertified	15,819	28,765	(12,946)
Employee Benefits			
Insurance	9,720	12,480	(2,760)
Social Security & Medicare	4,174	5,400	(1,226)
Other	1,092	1,200	(108)
Purchased Professional & Technical Services	4,000	200	3,800
Other Purchased Services	34	-	34
Supplies			
General	34	-	34
Total Expenditures	98,370	\$ 131,000	\$ (32,630)
Receipts Over (Under) Expenditures	-		
UNENCUMBERED CASH, July 1, 2011	-		
UNENCUMBERED CASH, June 30, 2012	\$ -		

UNIFIED SCHOOL DISTRICT NO. 273
Beloit, Kansas

Schedule 2-4

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
For The Year Ended June 30, 2012

AT RISK FUND (K-12)

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Other Revenue From Local Sources	\$ -	\$ 25,000	\$ (25,000)
Incoming Transfer			
General Fund	<u>361,764</u>	<u>316,764</u>	<u>45,000</u>
Total Receipts	<u>361,764</u>	<u>\$ 341,764</u>	<u>\$ 20,000</u>
EXPENDITURES			
Instruction			
Salaries			
Certified	256,444	\$ 262,464	\$ (6,020)
Noncertified	46,987	23,000	23,987
Employee Benefits			
Insurance	15,660	12,000	3,660
Social Security & Medicare	12,045	10,000	2,045
Other	1,116	2,000	(884)
Purchased Professional & Technical Services	7,120	7,000	120
Other Purchased Services			
Other	-	-	-
Supplies			
General	178	300	(122)
Other	<u>-</u>	<u>25,000</u>	<u>(25,000)</u>
Total Expenditures	<u>339,550</u>	<u>\$ 341,764</u>	<u>\$ (2,214)</u>
Receipts Over (Under) Expenditures	22,214		
UNENCUMBERED CASH, July 1, 2011	<u>-</u>		
UNENCUMBERED CASH, June 30, 2012	<u>\$ 22,214</u>		

UNIFIED SCHOOL DISTRICT NO. 273
Beloit, Kansas

Schedule 2-5

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
For The Year Ended June 30, 2012

BILINGUAL EDUCATION FUND

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
RECEIPTS			
Incoming Transfer			
General Fund	\$ 2,217	\$ 2,000	\$ 217
EXPENDITURES			
Instruction			
Salaries			
Certified	1,608	\$ 1,600	\$ 8
Noncertified	-	200	(200)
Employee Benefits			
Social Security & Medicare	92	100	(8)
Other	2	50	(48)
Purchased Professional & Technical Services	289	50	239
Total Expenditures	1,991	\$ 2,000	\$ (9)
Receipts Over (Under) Expenditures	226		
UNENCUMBERED CASH, July 1, 2011	-		
UNENCUMBERED CASH, June 30, 2012	\$ 226		

UNIFIED SCHOOL DISTRICT NO. 273
Beloit, Kansas

Schedule 2-6

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
For The Year Ended June, 30, 2012

CAPITAL OUTLAY FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
General Property Taxes			
Ad Valorem Taxes			
Tax in Process	\$ 13,724	\$ 10,241	\$ 3,483
Current Tax	339,594	337,175	2,419
Delinquent Tax	4,619	4,586	33
Motor Vehicle Tax	52,808	50,410	2,398
Recreational Vehicle Tax	582	675	(93)
Interest on Idle Funds	16,292	-	16,292
Other Revenue from Local Sources	101,935	-	101,935
	<u>529,554</u>	<u>\$ 403,087</u>	<u>\$ 126,467</u>
Total Receipts			
EXPENDITURES			
Instruction			
Property	-	\$ 200,000	\$ (200,000)
Student Support Services			
Property	31,000	220,000	(189,000)
Instructional Support Staff			
Property	-	125,000	(125,000)
General Administration			
Property	-	120,000	(120,000)
School Administration			
Property	-	20,000	(20,000)
Central Services			
Property	-	100,000	(100,000)
Operations & Maintenance			
Property	6,380	225,000	(218,620)
Other Support Services			
Property	-	12,000	(12,000)
Land Improvement	-	50,000	(50,000)
Architectural & Engineering Services	-	5,000	(5,000)
Site Improvement	-	50,000	(50,000)
	<u>37,380</u>	<u>\$ 1,127,000</u>	<u>\$ (1,089,620)</u>
Total Expenditures			
Receipts Over (Under) Expenditures	492,174		
UNENCUMBERED CASH, July 1, 2011	<u>1,644,888</u>		
UNENCUMBERED CASH, June 30, 2012	<u>\$ 2,137,062</u>		

UNIFIED SCHOOL DISTRICT NO. 273
Beloit, Kansas

Schedule 2-7

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
For The Year Ended June 30, 2012

DRIVER TRAINING FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Other Revenue from Local Sources	\$ 6,480	\$ -	\$ 6,480
State Aid	5,358	4,070	1,288
Incoming Transfers			
General Fund	2,000	2,000	-
Supplemental General Fund	5,000	5,000	-
	<u>18,838</u>	<u>\$ 11,070</u>	<u>\$ 7,768</u>
EXPENDITURES			
Instruction			
Salaries			
Certified	13,448	\$ 14,000	\$ (552)
Employee Benefits			
Social Security	1,032	1,000	32
Other	23	20	3
Purchased Professional & Technical Services	224	250	(26)
Supplies			
General	-	225	(225)
Vehicle Operations & Maintenance Services			
Insurance	140	600	(460)
Motor Fuel	935	1,200	(265)
Other	140	-	140
	<u>15,942</u>	<u>\$ 17,295</u>	<u>\$ (1,353)</u>
Receipts Over (Under) Expenditures	2,896		
UNENCUMBERED CASH, July 1, 2011	<u>20,609</u>		
UNENCUMBERED CASH, June 30, 2012	<u>\$ 23,505</u>		

UNIFIED SCHOOL DISTRICT NO. 273
Beloit, Kansas

Schedule 2-8

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
For The Year Ended June 30, 2012

FEDERAL FUNDS

	Title I	Title II-A Teacher Quality	Total Federal Funds	Budget*	Variance Over (Under)
RECEIPTS					
Federal Aid	\$ 130,239	\$ 31,368	\$ 161,607	\$ 161,875	\$ (268)
EXPENDITURES					
Instruction					
Salaries					
Certified	113,499	26,566	140,065	\$ 141,457	\$ (1,392)
Noncertified	11,538	-	11,538	11,333	205
Employee Benefits					
Insurance	8,100	1,253	9,353	11,340	(1,987)
Social Security & Medicare	8,722	2,046	10,768	12,000	(1,232)
Other	1,055	37	1,092	100	992
Purchased Professional & Technical Services	-	-	-	2,000	(2,000)
Other Purchased Services	-	1,466	1,466	-	1,466
Total Expenditures	142,914	31,368	174,282	\$ 178,230	\$ (3,948)
Receipts Over (Under) Expenditures	(12,675)	-	(12,675)		
UNENCUMBERED CASH, July 1, 2011	16,355	-	16,355		
UNENCUMBERED CASH, June 30, 2012	\$ 3,680	\$ -	\$ 3,680		

*Federal funds are not required by statute to be budgeted, this budget is for informational purposes only.

UNIFIED SCHOOL DISTRICT NO. 273
Beloit, Kansas

Schedule 2-9

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
For The Year Ended June 30, 2012

FOOD SERVICE FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Student Lunch Receipts	\$ 168,856	\$ 152,158	\$ 16,698
Breakfast Receipts	19,846	17,780	2,066
Special Milk	3,877	-	3,877
Adult Lunch Receipts	30,105	24,369	5,736
Miscellaneous	4,564	-	4,564
State Aid	4,557	3,665	892
Federal Aid	178,371	172,680	5,691
Incoming Transfer			
General Fund	-	20,000	(20,000)
	<u>410,176</u>	<u>\$ 390,652</u>	<u>\$ 19,524</u>
EXPENDITURES			
Food Service Operation			
Salaries			
Noncertified	113,595	\$ 131,000	\$ (17,405)
Employee Benefits			
Insurance	22,140	28,080	(5,940)
Social Security & Medicare	9,414	12,000	(2,586)
Other	3,758	3,000	758
Other Purchased Services			
Food Service Management	13,020	-	13,020
Supplies			
Food & Milk	196,452	195,000	1,452
Miscellaneous	11,391	1,500	9,891
Property	63	250	(187)
Other	1,675	1,000	675
	<u>371,508</u>	<u>\$ 371,830</u>	<u>\$ (322)</u>
Receipts Over (Under) Expenditures	38,668		
UNENCUMBERED CASH, July 1, 2011	<u>76,119</u>		
UNENCUMBERED CASH, June 30, 2012	<u>\$ 114,787</u>		

UNIFIED SCHOOL DISTRICT NO. 273
Beloit, Kansas

Schedule 2-10

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
For The Year Ended June 30, 2012

PROFESSIONAL DEVELOPMENT FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Incoming Transfers			
General Fund	\$ 16,731	\$ 20,000	\$ (3,269)
Supplemental General Fund	-	15,000	(15,000)
Total Receipts	<u>16,731</u>	<u>\$ 35,000</u>	<u>\$ (18,269)</u>
EXPENDITURES			
Instructional Support Staff			
Salaries			
Certified	1,800	\$ 6,000	\$ (4,200)
Noncertified	-	2,000	(2,000)
Employee Benefits			
Social Security & Medicare	136	600	(464)
Other	2	10	(8)
Purchased Professional & Technical Services	<u>16,341</u>	<u>26,400</u>	<u>(10,059)</u>
Total Expenditures	<u>18,279</u>	<u>\$ 35,010</u>	<u>\$ (16,731)</u>
Receipts Over (Under) Expenditures	(1,548)		
UNENCUMBERED CASH, July 1, 2011	<u>19,530</u>		
UNENCUMBERED CASH, June 30, 2012	<u>\$ 17,982</u>		

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Schedule 2-11

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
For The Year Ended June 30, 2012

PARENT EDUCATION PROGRAM FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Payments from Other Districts	\$ 37,376	\$ 36,600	\$ 776
Other Revenue From Local Sources	-	25	(25)
State Aid	86,560	86,560	-
Reimbursements	5	-	5
Incoming Transfer			
Supplemental General Fund	21,024	22,000	(976)
Total Receipts	<u>144,965</u>	<u>\$ 145,185</u>	<u>\$ (220)</u>
EXPENDITURES			
Instruction			
Noncertified	2,400	\$ -	\$ 2,400
Social Security & Medicare	184	-	184
Other	4	-	4
Student Support Services			
Salaries			
Noncertified	77,988	86,132	(8,144)
Employee Benefits			
Insurance	10,800	12,960	(2,160)
Social Security & Medicare	4,847	7,775	(2,928)
Other	1,099	75	1,024
Purchased Professional & Technical Services	1,000	11,230	(10,230)
Purchased Property Services	8,156	10,500	(2,344)
Other Purchased Services	14,621	8,000	6,621
Supplies			
Miscellaneous	5,194	6,714	(1,520)
Property	8,224	2,054	6,170
Other	23	1,000	(977)
Other Supplemental Service			
Salaries			
Certified	5,000	5,000	-
Noncertified	3,329	2,600	729
Employee Benefits			
Social Security & Medicare	530	550	(20)
Other	10	10	-
Purchased Professional & Technical Services	-	200	(200)
Other Purchased Services	602	200	402
Total Expenditures	<u>144,011</u>	<u>\$ 155,000</u>	<u>\$ (10,989)</u>
Receipts Over (Under) Expenditures	954		
UNENCUMBERED CASH, July 1, 2011	11,177	*	
Prior Year Cancelled Encumbrances	<u>2,280</u>		
UNENCUMBERED CASH, June 30, 2012	<u>\$ 14,411</u>		

*See Note 13 (Restatement of Beginning Balances)

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Schedule 2-12

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
For The Year Ended June 30, 2012

SPECIAL EDUCATION FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Incoming Transfers			
General Fund	\$ 911,725	\$ 920,000	\$ (8,275)
Supplemental General Fund	<u>341,933</u>	<u>561,116</u>	<u>(219,183)</u>
Total Receipts	<u>1,253,658</u>	<u>\$ 1,481,116</u>	<u>\$ (227,458)</u>
EXPENDITURES			
Outgoing Transfers			
Cooperative Fund	1,296,149	\$ 1,481,116	\$ (184,967)
Infant/Toddler Targeted Fund	<u>27,630</u>	<u>-</u>	<u>27,630</u>
Total Expenditures	<u>1,323,779</u>	<u>\$ 1,481,116</u>	<u>\$ (157,337)</u>
Receipts Over (Under) Expenditures	(70,121)		
UNENCUMBERED CASH, July 1, 2011	<u>210,242</u>		
UNENCUMBERED CASH, June 30, 2012	<u>\$ 140,121</u>		

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Schedule 2-13

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
For The Year Ended June 30, 2012

VOCATIONAL EDUCATION FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Student Activity Reimbursement	\$ 6,371	\$ -	\$ 6,371
Incoming Transfer			
General Fund	<u>572,868</u>	<u>342,000</u>	<u>230,868</u>
 Total Receipts	 <u>579,239</u>	 <u>\$ 342,000</u>	 <u>\$ 237,239</u>
EXPENDITURES			
Instruction			
Salaries			
Certified	198,712	\$ 266,400	\$ (67,688)
Employee Benefits			
Insurance	16,200	15,600	600
Social Security & Medicare	13,985	19,000	(5,015)
Other	1,783	2,000	(217)
Purchased Professional & Technical Services	4,502	1,700	2,802
Other Purchased Services			
Tuition/Other State LEA's	12,963	16,000	(3,037)
Other	915	-	915
Supplies			
General	20,040	20,000	40
Textbooks	876	-	876
Miscellaneous	<u>430</u>	<u>1,300</u>	<u>(870)</u>
 Total Expenditures	 <u>270,406</u>	 <u>\$ 342,000</u>	 <u>\$ (71,594)</u>
 Receipts Over (Under) Expenditures	 308,833		
 UNENCUMBERED CASH, July 1, 2011	 -		
 Prior Year Cancelled Encumbrances	 <u>42</u>		
 UNENCUMBERED CASH, June 30, 2012	 <u>\$ 308,875</u>		

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Schedule 2-14

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL
For The Year Ended June 30, 2012

HEALTH CARE SERVICES RESERVE FUND

	<u>Actual</u>
RECEIPTS	
Health Insurance Payroll Deduction	\$ 565,965
Employer Share Health Insurance	834,840
Reimbursement Retirees Health Insurance Premiums	85,467
Reimbursement Claims Benefit	<u>546</u>
Total Receipts	<u>1,486,818</u>
EXPENDITURES	
Self-Insured Insurance & Medical Payments	<u>1,101,489</u>
Receipts Over (Under) Expenditures	385,329
UNENCUMBERED CASH, July 1, 2011	<u>927,889</u>
UNENCUMBERED CASH, June 30, 2012	<u><u>\$ 1,313,218</u></u>

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Schedule 2-15

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
For The Year Ended June 30, 2012

KPERS SPECIAL RETIREMENT CONTRIBUTION FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
State Aid	\$ 879,536	\$ 881,222	\$ (1,686)
EXPENDITURES			
Instruction			
Employee Benefits	562,903	\$ 563,982	\$ (1,079)
Student Support Services			
Employee Benefits	123,135	123,371	(236)
Instructional Support Staff			
Employee Benefits	52,772	52,873	(101)
General Administration			
Employee Benefits	26,386	26,437	(51)
School Administration			
Employee Benefits	35,182	35,249	(67)
Other Supplemental Service			
Employee Benefits	8,795	8,812	(17)
Operations & Maintenance			
Employee Benefits	43,977	44,061	(84)
Student Transportation Services			
Employee Benefits	8,795	8,812	(17)
Food Service			
Employee Benefits	17,591	17,625	(34)
Total Expenditures	879,536	\$ 881,222	\$ (1,686)
Receipts Over (Under) Expenditures	-		
UNENCUMBERED CASH, July 1, 2011	-		
UNENCUMBERED CASH, June 30, 2012	\$ -		

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SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL
For The Year Ended June 30, 2012

CONTINGENCY RESERVE FUND

	<u>Actual</u>
RECEIPTS	<u>\$ -</u>
EXPENDITURES	
Operations & Maintenance	
Property	<u>85,000</u>
Receipts Over (Under) Expenditures	(85,000)
UNENCUMBERED CASH, July 1, 2011	<u>605,273</u>
UNENCUMBERED CASH, June 30, 2012	<u><u>\$ 520,273</u></u>

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SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL
For The Year Ended June 30, 2012

TEXTBOOK & STUDENT MATERIAL REVOLVING FUND

	<u>Actual</u>
RECEIPTS	
Rental Fees	<u>\$ 17,715</u>
EXPENDITURES	
Instruction	
Supplies	
Textbooks	<u>2,858</u>
Receipts Over (Under) Expenditures	14,857
UNENCUMBERED CASH, July 1, 2011	<u>61,733</u>
UNENCUMBERED CASH, June 30, 2012	<u><u>\$ 76,590</u></u>

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SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL & BUDGET
For The Year Ended June 30, 2012

COOPERATIVE SPECIAL EDUCATION FUND

	Infant/ Toddler Targeted Fund	Cooperative Fund	Medicaid Fund	Total Cooperative Special Education Fund	Budget	Variance Over (Under)
RECEIPTS						
Payments from Other Districts	\$ 15,110	\$ 2,054,721	\$ -	\$ 2,069,831	\$ 3,636,768	\$ (1,566,937)
Interest on Idle Funds	-	1,421	-	1,421	5,000	(3,579)
Other Revenue from Local Sources	3,500	39,632	6	43,138	15,000	28,138
State Aid	27,438	-	-	27,438	-	27,438
Federal Aid	32,795	463,035	-	495,830	618,362	(122,532)
Medicaid	-	-	169,367	169,367	200,000	(30,633)
Other Reserve Grants in Aid	-	-	-	-	5,000	(5,000)
Incoming Transfer						
Special Education Fund	27,630	1,296,149	-	1,323,779	-	1,323,779
Total Receipts	106,473	3,854,958	169,373	4,130,804	\$ 4,480,130	\$ (349,326)
EXPENDITURES						
Instruction						
Salaries						
Certified	-	1,046,428	6,100	1,052,528	\$ 1,240,300	\$ (187,772)
Noncertified	-	1,171,852	-	1,171,852	1,052,990	118,862
Employee Benefits						
Insurance	-	326,476	-	326,476	417,720	(91,244)
Social Security & Medicare	-	154,555	466	155,021	150,000	5,021
Other	-	37,617	7	37,624	75,100	(37,476)
Purchased Professional & Technical Services	-	10,587	17,680	28,267	-	28,267
Purchased Property Services	-	-	-	-	200	(200)
Other Purchased Services	-	29,776	488	30,264	5,000	25,264
Supplies	-	6,610	40,113	46,723	90,000	(43,277)
Property	-	3,309	10,457	13,766	54,000	(40,234)
Other	-	5,307	-	5,307	7,800	(2,493)

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SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL & BUDGET
For The Year Ended June 30, 2012

COOPERATIVE SPECIAL EDUCATION FUND

	Infant/ Toddler Targeted Fund	Cooperative Fund	Medicaid Fund	Total Cooperative Special Education Fund	Budget	Variance Over (Under)
EXPENDITURES (Cont.)						
Student Support Services						
Salaries						
Certified	\$ 48,485	\$ 582,930	\$ -	\$ 631,415	\$ 645,000	\$ (13,585)
Noncertified	5,035	38,008	-	43,043	50,000	(6,957)
Employee Benefits						
Insurance	3,146	68,188	-	71,334	60,530	10,804
Social Security & Medicare	3,701	43,213	-	46,914	49,500	(2,586)
Other	334	5,572	-	5,906	24,200	(18,294)
Purchased Professional & Technical Services	400	3,934	-	4,334	91,600	(87,266)
Purchased Property Services	6,000	-	-	6,000	6,500	(500)
Other Purchased Services	8,097	40,200	-	48,297	39,300	8,997
Supplies	5,495	946	-	6,441	8,000	(1,559)
Property	7,057	-	-	7,057	2,000	5,057
Other	-	582	-	582	100	482
Instructional Support Staff						
Salaries						
Certified	3,000	38,515	160,753	202,268	52,850	149,418
Noncertified	-	-	-	-	28,500	(28,500)
Employee Benefits						
Insurance	-	2,970	9,288	12,258	3,120	9,138
Social Security & Medicare	-	2,410	12,546	14,956	5,850	9,106
Other	-	681	236	917	1,000	(83)
Purchased Professional & Technical Services	22,425	186	2,695	25,306	17,650	7,656
Other Purchased Services	-	4,274	8,944	13,218	3,100	10,118
Supplies	376	150	-	526	7,000	(6,474)
Other	-	-	116	116	-	116

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SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL & BUDGET
For The Year Ended June 30, 2012

COOPERATIVE SPECIAL EDUCATION FUND

	Infant/ Toddler Targeted Fund	Cooperative Fund	Medicaid Fund	Total Cooperative Special Education Fund	Budget	Variance Over (Under)
EXPENDITURES (Cont.)						
General Administration						
Salaries						
Certified	\$ -	\$ 36,891	\$ -	\$ 36,891	\$ 80,000	\$ (43,109)
Noncertified	-	58,281	5,088	63,369	7,100	56,269
Employee Benefits						
Insurance	-	8,543	-	8,543	10,100	(1,557)
Social Security & Medicare	-	6,495	390	6,885	8,850	(1,965)
Other	-	676	7	683	2,000	(1,317)
Purchased Professional & Technical Services	-	15,432	8,495	23,927	30,000	(6,073)
Purchased Property Services	-	4,500	-	4,500	4,500	-
Other Purchased Services	-	5,322	49	5,371	4,500	871
Supplies	-	5,606	-	5,606	700	4,906
Property	-	14,887	-	14,887	1,000	13,887
Other	-	1,425	-	1,425	1,500	(75)
Operations & Maintenance						
Salaries						
Noncertified	-	1,158	-	1,158	1,000	158
Employee Benefits						
Social Security & Medicare	-	89	-	89	75	14
Other	-	2	-	2	-	2
Purchased Professional & Technical Services	-	-	-	-	300	(300)
Purchased Property Services	-	31,502	-	31,502	19,000	12,502
Other Purchased Services	-	-	-	-	250	(250)
Supplies	-	1,949	-	1,949	3,400	(1,451)
Property	-	150	-	150	-	150
Vehicle Operating Services						
Salaries						
Noncertified	-	34,874	-	34,874	28,000	6,874

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SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL & BUDGET
For The Year Ended June 30, 2012

COOPERATIVE SPECIAL EDUCATION FUND

	Infant/ Toddler Targeted Fund	Cooperative Fund	Medicaid Fund	Total Cooperative Special Education Fund	Budget	Variance Over (Under)
EXPENDITURES (Cont.)						
Vehicle Operating Services (Cont.)						
Employee Benefits						
Insurance	\$ -	\$ 2,970	\$ -	\$ 2,970	\$ 3,120	\$ (150)
Social Security & Medicare	-	2,392	-	2,392	1,800	592
Other	-	296	-	296	550	(254)
Purchased Professional & Technical Services	-	1,447	-	1,447	-	1,447
Purchased Property Services						
Rent of Vehicles	-	32,753	-	32,753	35,000	(2,247)
Other	-	3,966	-	3,966	4,000	(34)
Other Purchased Services	-	7,746	-	7,746	5,800	1,946
Supplies	-	-	-	-	3,100	(3,100)
Equipment	-	-	-	-	275	(275)
Other	-	-	-	-	400	(400)
Vehicle & Maintenance Services						
Purchased Property Services	-	30	-	30	-	30
Other Supplemental Services						
Salaries						
Noncertified	-	-	31,114	31,114	-	31,114
Employee Benefits						
Insurance	-	-	3,240	3,240	-	3,240
Social Security & Medicare	-	-	2,386	2,386	-	2,386
Other	-	-	295	295	-	295
Other Purchased Services	-	-	1,389	1,389	-	1,389
Total Expenditures	<u>113,551</u>	<u>3,904,658</u>	<u>322,342</u>	<u>4,340,551</u>	<u>\$ 4,445,230</u>	<u>\$ (104,679)</u>
Receipts Over (Under) Expenditures	(7,078)	(49,700)	(152,969)	(209,747)		
UNENCUMBERED CASH July 1, 2011	<u>21,426</u>	<u>688,049</u>	<u>669,892</u>	<u>1,379,367</u>		
UNENCUMBERED CASH June 30, 2012	<u>\$ 14,348</u>	<u>\$ 638,349</u>	<u>\$ 516,923</u>	<u>\$ 1,169,620</u>		

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SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL
For The Year Ended June 30, 2012

	GIFTS & GRANTS FUND					
	Gifts & Grants Fund	Smart Start Grant Fund	Other Gifts & Grants Fund	Total	Budget *	Variance Over (Under)
RECEIPTS						
Other Revenue From Local Sources	\$ 565	\$ 308,357	\$ 297	\$ 309,219	\$ -	\$ 309,219
Interest on Idle Funds	-	-	33	33	-	33
Reimbursements	-	-	2,855	2,855	-	2,855
State Aid	-	458,470	-	458,470	-	458,470
Federal Aid	-	16,559	-	16,559	-	16,559
Miscellaneous	-	5,282	-	5,282	-	5,282
Total Receipts	565	788,668	3,185	792,418	-	792,418
EXPENDITURES						
Instruction						
Salaries						
Certified	-	14,728	-	14,728	-	14,728
Noncertified	-	355,236	-	355,236	-	355,236
Employee Benefits						
Insurance	-	19,386	-	19,386	-	19,386
Social Security & Medicare	-	26,585	-	26,585	-	26,585
Other	-	3,757	-	3,757	-	3,757
Purchased Professional & Technical Services	-	8,726	-	8,726	-	8,726
Purchased Property Services	-	4,628	-	4,628	-	4,628
Other Purchased Services	-	5,456	-	5,456	-	5,456
Supplies	-	9,982	-	9,982	-	9,982
Property	352	3,044	-	3,396	-	3,396
Other	-	1,497	-	1,497	-	1,497
Student Support Services						
Salaries						
Certified	-	130,880	-	130,880	-	130,880
Noncertified	-	79,356	-	79,356	-	79,356

* Gifts & Grants Funds are not required by statute to be budgeted, this budget is for informational purposes only.

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SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL
For The Year Ended June 30, 2012

GIFTS & GRANTS FUND (Cont.)						
	<u>Gifts & Grants Fund</u>	<u>Smart Start Grant Fund</u>	<u>Other Gifts & Grants Fund</u>	<u>Total</u>	<u>Budget *</u>	<u>Variance Over (Under)</u>
EXPENDITURES (Cont.)						
Student Support Services (Cont.)						
Employee Benefits						
Insurance	\$ -	\$ 31,717	\$ -	\$ 31,717	\$ -	\$ 31,717
Social Security & Medicare	-	14,543	-	14,543	-	14,543
Other	-	1,255	-	1,255	-	1,255
Purchased Professional & Technical Services	-	22,325	-	22,325	-	22,325
Purchased Property Services	-	6,128	-	6,128	-	6,128
Other Purchased Services	-	9,838	-	9,838	-	9,838
Supplies						
General	-	12,582	-	12,582	-	12,582
Miscellaneous	-	826	-	826	-	826
Property	-	6,570	-	6,570	-	6,570
Other	-	197	2,256	2,453	-	2,453
Instructional Support Staff						
Supplies						
Books & Periodicals	150	-	-	150	-	150
Miscellaneous	63	-	-	63	-	63
Operations & Maintenance						
Salaries						
Noncertified	-	2,430	-	2,430	-	2,430
Employee Benefits						
Social Security & Medicare	-	185	-	185	-	185
Other	-	3	-	3	-	3
Purchased Property Services						
Repairs & Maintenance	-	1,862	-	1,862	-	1,862
Rentals	-	361	-	361	-	361
Other	-	8,002	-	8,002	-	8,002
Other Purchased Services	-	1,134	-	1,134	-	1,134
Supplies	-	2,475	-	2,475	-	2,475

* Gifts & Grants Funds are not required by statute to be budgeted, this budget is for informational purposes only.

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SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL
For The Year Ended June 30, 2012

	GIFTS & GRANTS FUND (Cont.)					Variance Over (Under)
	<u>Gifts & Grants Fund</u>	<u>Smart Start Grant Fund</u>	<u>Other Gifts & Grants Fund</u>	<u>Total</u>	<u>Budget *</u>	
EXPENDITURES (Cont.)						
Vehicle Operating Services						
Salaries						
Certified	\$ -	\$ 391	\$ -	\$ 391	\$ -	\$ 391
Noncertified	-	1,470	-	1,470	-	1,470
Employee Benefits						
Insurance	-	869	-	869	-	869
Social Security & Medicare	-	140	-	140	-	140
Other	-	2	-	2	-	2
Food Service Operation						
Salaries						
Noncertified	-	2,400	-	2,400	-	2,400
Employee Benefits						
Social Security & Medicare	-	129	-	129	-	129
Other	-	2	-	2	-	2
Purchased Professional & Technical Services	-	104	-	104	-	104
Other Purchased Services	-	249	-	249	-	249
Supplies						
Food & Milk	-	24,600	-	24,600	-	24,600
Miscellaneous	-	1,601	-	1,601	-	1,601
Total Expenditures	<u>565</u>	<u>817,651</u>	<u>2,256</u>	<u>820,472</u>	<u>\$ -</u>	<u>\$ 820,472</u>
Receipts Over (Under) Expenditures	-	(28,983)	929	(28,054)		
UNENCUMBERED CASH, July 1, 2011	-	155,831	7,700	163,531		
Prior Year Cancelled Encumbrances	-	5	-	5		
UNENCUMBERED CASH, June 30, 2012	<u>\$ -</u>	<u>\$ 126,853</u>	<u>\$ 8,629</u>	<u>\$ 135,482</u>		

* Gifts & Grants Funds are not required by statute to be budgeted, this budget is for informational purposes only.

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SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL
For The Year Ended June 30, 2012

DISTRICT ACTIVITY FUNDS

	<u>Actual</u>
RECEIPTS	<u>\$ 159,563</u>
EXPENDITURES	<u>149,120</u>
Receipts Over (Under) Expenditures	10,443
UNENCUMBERED CASH, July 1, 2011	<u>34,269</u>
UNENCUMBERED CASH, June 30, 2012	<u><u>\$ 44,712</u></u>

UNIFIED SCHOOL DISTRICT NO. 273
Beloit, Kansas

Schedule 2-21

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL
For The Year Ended June 30, 2012

BELLES SCHOLARSHIP FUND

	<u>Actual</u>
RECEIPTS	
Interest on Idle Funds	<u>\$ 20</u>
EXPENDITURES	
Scholarship	<u>20</u>
Receipts Over (Under) Expenditures	-
UNENCUMBERED CASH July 1, 2011	<u>1,510</u>
UNENCUMBERED CASH June 30, 2012	<u><u>\$ 1,510</u></u>

UNIFIED SCHOOL DISTRICT NO. 273
Beloit, Kansas

Schedule 2-22

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL
For The Year Ended June 30, 2012

HELEN BABB SCHOLARSHIP FUND

	<u>Actual</u>
RECEIPTS	
Interest on Idle Funds	<u>\$ 108</u>
EXPENDITURES	
Scholarship	<u>-</u>
Receipts Over (Under) Expenditures	108
UNENCUMBERED CASH July 1, 2011	<u>8,048</u>
UNENCUMBERED CASH June 30, 2012	<u><u>\$ 8,156</u></u>

UNIFIED SCHOOL DISTRICT NO. 273
Beloit, Kansas

Schedule 2-23

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL
For The Year Ended June 30, 2012

VO-AG SCHOLARSHIP FUND

	<u>Actual</u>
RECEIPTS	
Interest on Idle Funds	<u>\$ 36</u>
EXPENDITURES	
Scholarship	<u>36</u>
Receipts Over (Under) Expenditures	-
UNENCUMBERED CASH July 1, 2011	<u>2,655</u>
UNENCUMBERED CASH June 30, 2012	<u><u>\$ 2,655</u></u>

UNIFIED SCHOOL DISTRICT NO. 273
Beloit, Kansas

Schedule 3

SUMMARY OF RECEIPTS AND DISBURSEMENTS
For The Year Ended June 30, 2012

AGENCY FUNDS

FUND	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Student Organization Funds	\$ 69,399	\$ 119,460	\$ 115,197	\$ 73,662
Payroll Clearing Fund	2,474	6,657	5,135	3,996
Sales Tax Fund	5	14,906	13,867	1,044
Wellness Center Dues	-	9,504	9,504	-
Total	\$ 71,878	\$ 150,527	\$ 143,703	\$ 78,702

UNIFIED SCHOOL DISTRICT NO. 273
Beloit, Kansas

Schedule 4

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

DISTRICT ACTIVITY FUNDS

	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
GATE RECEIPTS							
Sr. High Athletics	\$ 675	\$ -	\$ 83,145	\$ 81,579	\$ 2,241	\$ 5,012	\$ 7,253
Jr. High Athletics	235	-	5,917	5,617	535	-	535
Drama	<u>7,422</u>	<u>-</u>	<u>2,057</u>	<u>1,834</u>	<u>7,645</u>	<u>-</u>	<u>7,645</u>
Total Gate Receipts	<u>8,332</u>	<u>-</u>	<u>91,119</u>	<u>89,030</u>	<u>10,421</u>	<u>5,012</u>	<u>15,433</u>
SCHOOL PROJECTS							
Concessions	5,431	-	26,037	25,633	5,835	-	5,835
Jr. & Sr. High School Paper	203	-	342	512	33	-	33
Jr. & Sr. High Yearbook	18,605	-	19,464	12,898	25,171	-	25,171
Jr. & Sr. High Book Fund	71	-	343	226	188	-	188
5th & 6th Grade Rockets	21	-	679	577	123	-	123
Elementary Preschool & Garden Project	145	-	-	-	145	-	145
Elementary Vocal Music	500	-	-	409	91	-	91
Elementary Written & Illustrated	353	-	465	818	-	-	-
Elementary Student Field Trips	608	-	12,121	11,182	1,547	-	1,547
Jr. & Sr. High Fee Funds	-	-	895	895	-	895	895
Elementary Fee Funds	<u>-</u>	<u>-</u>	<u>8,098</u>	<u>6,940</u>	<u>1,158</u>	<u>591</u>	<u>1,749</u>
Total School Projects	<u>25,937</u>	<u>-</u>	<u>68,444</u>	<u>60,090</u>	<u>34,291</u>	<u>1,486</u>	<u>35,777</u>
Total District Activity Funds	<u>\$ 34,269</u>	<u>\$ -</u>	<u>\$ 159,563</u>	<u>\$ 149,120</u>	<u>\$ 44,712</u>	<u>\$ 6,498</u>	<u>\$ 51,210</u>

UNIFIED SCHOOL DISTRICT NO. 273
Beloit, Kansas

Schedule 5

SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS
For The Year Ended June 30, 2012

STUDENT ORGANIZATION FUNDS

STUDENT ORGANIZATION FUNDS	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
FFA	\$ 1,869	\$ 13,329	\$ 14,516	\$ 682
Cheerleading	1,241	3,882	4,308	815
Language Club	1,598	-	-	1,598
Art & Photo Club	3,550	737	899	3,388
Science Club	1,398	1,082	475	2,005
Scholar's Bowl	1,514	701	944	1,271
Student Council	3,678	25,748	23,856	5,570
Technology Club	29	227	-	256
American Field Study Club	2,616	-	273	2,343
Class of 2015	-	1,998	457	1,541
Class of 2014	320	2,133	457	1,996
Class of 2013	2,346	5,661	4,007	4,000
Class of 2012	3,613	884	4,497	-
FCCLA	1,214	2,379	2,176	1,417
FBLA	12	-	-	12
Music Club	38,373	46,839	44,891	40,321
Future Medical Students	798	1,977	1,885	890
Jr. High Kayettes	1,285	1,732	2,080	937
Special Education Olympics	1,851	1,139	952	2,038
SADD	1,054	105	127	1,032
B-Club	614	900	1,360	154
FCA	426	1,209	915	720
History Club	-	6,798	6,122	676
Total Student Organization Funds	\$ 69,399	\$ 119,460	\$ 115,197	\$ 73,662



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

January 14, 2013

Board of Education
Unified School District No. 273
Beloit, KS 67420

We have audited the accompanying financial statement of Unified School District No. 273, Beloit, Kansas, as of and for the year ended June 30, 2012 which collectively comprise the District's basic financial statement, and have issued our report thereon dated January 14, 2013. Our report on the financial statement disclosed that, as described in Note 1 to the financial statement, the District prepares its financial statement 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 generally accepted accounting principles. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the Kansas Municipal Audit Guide.

Internal Control Over Financial Reporting

Management of Unified School District No. 273 is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Unified School District No. 273's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of Unified School District No. 273's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Unified School District No. 273's internal control over financial reporting.

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

Board of Education
Unified School District No. 273
Page Two
January 14, 2013

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting. (2012-1 and 2012-2). A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Unified School District No. 273's financial statement are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also noted certain other matters that we reported to management of Unified School District No. 273 in a separate letter dated January 14, 2013.

Unified School District No. 273's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. We did not audit Unified School District No. 273's response, and accordingly, we express no opinion on it.

This report is intended solely for the information of the Board of Education and management of Unified School District No. 273, Beloit, Kansas, others within the entity, and the federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

Mapes & Miller LLP

Certified Public Accountants

January 14, 2013
Phillipsburg, Kansas



MAPES & MILLER LLP

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

January 14, 2013

Board of Education
Unified School District No. 273
Beloit, KS 67420

Compliance

We have audited the compliance of Unified School District No. 273 with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Unified School District No. 273's major federal programs for the year ended June 30, 2012. Unified School District No. 273's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Unified School District No. 273's management. Our responsibility is to express an opinion on Unified School District No. 273's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Unified School District No. 273's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Unified School District No. 273's compliance with those requirements.

In our opinion, Unified School District No. 273 complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

Management of Unified School District No. 273 is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and per-

forming our audit, we considered federal program in order to determine our auditing Unified School District No. 273's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the our auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Unified School District No. 273's internal control over compliance.

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

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

This purpose of this report is solely to describe the scope of our testing of compliance with the types of compliance requirements applicable to each of Unified School District No. 273's major programs and our testing of internal control over compliance and the results of our testing, and to provide an opinion on Unified School District No. 273's compliance but not to provide an opinion on the effectiveness of Unified School District No. 273's internal control over compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Unified School District No. 273's compliance with requirements applicable to each major program and its internal control over compliance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,
Mapes & Miller LLP
Certified Public Accountants

January 14, 2013
Phillipsburg, Kansas

UNIFIED SCHOOL DISTRICT NO. 273
Beloit, Kansas

Schedule 6
Page 1 of 2

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2012

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Beginning Unencumbered Cash July 1, 2011	Receipts	Expenditures	Ending Unencumbered Cash June 30, 2012
U.S. Department of Education					
Passed through Kansas Department of Education					
Title I Low Income	84.010	\$ 16,355	\$ 130,239	\$ 142,914	\$ 3,680
Special Education Aid	84.027	-	467,872	467,872	-
Special Education Preschool Grants	84.173	-	17,964	17,964	-
Title II Improving Teacher Quality	84.367	-	31,368	31,368	-
Education Jobs Fund	84.410	-	2,336	2,336	-
Total Kansas Department of Education		16,355	649,779	662,454	3,680
Passed through Kansas Department of Health & Environment					
ARRA Infant Toddler	84.393	-	2,855	2,855	-
Title I Infant Toddler	84.181	-	7,139	7,139	-
Total Kansas Department of Health & Environment		-	9,994	9,994	-
Total U.S. Department of Education		16,355	659,773	672,448	3,680

UNIFIED SCHOOL DISTRICT NO. 273
Beloit, Kansas

Schedule 6
Page 2 of 2

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2012

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Beginning Unencumbered Cash July 1, 2011	Receipts	Expenditures	Ending Unencumbered Cash June 30, 2012
U.S. Department of Agriculture					
Passed through Kansas Department of Education					
School Breakfast Program	10.553	\$ -	\$ 29,519	\$ 29,519	\$ -
National School Lunch Program	10.555	-	148,502	148,502	-
Team Nutrition Training Grant	10.574	-	500	500	-
Child & Adult Care Food Program	10.558	-	16,409	16,409	-
Total U.S. Department of Agriculture		-	194,930	194,930	-
Total		\$ 16,355	\$ 854,703	\$ 867,378	\$ 3,680

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Unified School District No. 273 and is presented using the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, the same as the financial statements accompanying this schedule. The information presented in this schedule is in accordance with the requirements of OMB Circular A-133, Audits of States, local governments, and non-profit organizations.

UNIFIED SCHOOL DISTRICT NO. 273
Beloit, Kansas

Schedule 7

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2012

SECTION 1 – SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENT

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weaknesses identified? Yes x No
- Significant deficiencies identified that are not considered to be material weaknesses? x Yes None reported
- Noncompliance material to financial statement noted? Yes x No

FEDERAL AWARDS

Internal control over major programs:

- Material weaknesses identified? Yes x No
- Significant deficiencies identified that are not considered to be material weaknesses? Yes x None reported

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

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

Identification of major programs:

CFDA NUMBER

84.027
84.173

NAME OF FEDERAL PROGRAM

Special Education Cluster:
Special Education Aid
Special Education Preschool Grants

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

Auditee qualified as low-risk auditee? x Yes No

**UNIFIED SCHOOL DISTRICT NO. 273
Beloit, Kansas**

**Schedule 7
(Cont.)**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2012**

SECTION 2 – FINDINGS – FINANCIAL STATEMENT AUDIT

INTERNAL CONTROL

2012-1 Segregation of duties

Condition: The limited staff size does not provide for adequate segregating of duties.

Criteria: Segregation of duties should be maintained to strengthen internal control over accounting and compliance functions.

Effect: Lack of segregation of duties increases the risk of errors and noncompliance occurring and not being detected in a timely manner.

Cause: Because the entity is small, management does not feel it is feasible to hire more staff.

Recommendations: Duties of key financial and compliance personnel should be evaluated to determine if duties could be segregated.

Response: We concur with the recommendation. However, the size of the entity does not make it practical to have sufficient number of employees to achieve the optimum level of internal control.

2012-2 Financial Statement Preparation

Condition: Management does not have the qualifications and training necessary to prepare the financial statement which would include the related footnote disclosures.

Criteria: Management must have controls over the preparation of the financial statement including footnote disclosures which would prevent or detect an omission/misstatement in the financial statement.

Effect: The control deficiency allows for omission/misstatements in the financial statement including footnotes that may not be prevented, detected, or corrected.

Cause: There are no procedures in place that require management to obtain the necessary qualifications and training.

Recommendations: Management would need to attend training classes and annual continuing education classes to educate on proper and complete preparation of the financial statement and footnote disclosures and to be aware of all of the current accounting standards by purchasing annual accounting subscriptions.

Response: We concur with the recommendation. However, the cost of annual subscription services and the continuous education/training classes do not make it practical to obtain the competency and expertise required to correct the deficiency.

UNIFIED SCHOOL DISTRICT NO. 273
Beloit, Kansas

Schedule 7
(Cont.)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2012

SECTION 3 – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

U.S. Department of Education

Special Education Cluster – CFDA Numbers 84.027 and 84,173. No findings or questioned costs for the year ended June 30, 2012.

SECTION 4 – SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2011-3

Condition: The limited staff size does not provide for adequate segregation of duties.

Recommendation: Duties of key financial and compliance personnel should be evaluated to determine if duties could be segregated.

Current Status: The size of the entity does not make it practical to have a sufficient number of employees to achieve the optimum level of internal control. However, the District has implemented additional monitoring and review procedures.

FINDING 2011-4

Condition: Targeted Improvement Plan expenditures reported on the “Annual Financial Report” did not agree with the expenditures shown in the accounting records.

Recommendations: We recommended that the Clerk and the Special Education Director review the transactions posted to the Targeted Improvement Plan Accounts and ascertain that they are reported properly on the “Annual Financial Report”.

Current Status: The transactions posted to the Targeted Improvement Plan accounts in the current year were properly reported on the current year “Annual Financial Report”.