

UNIFIED SCHOOL DISTRICT NO. 307
Brookville, Kansas

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

CLUBINE AND RETTELE, CHARTERED
CERTIFIED PUBLIC ACCOUNTANTS
Salina, Kansas

UNIFIED SCHOOL DISTRICT NO. 307
Brookville, Kansas

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

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UNIFIED SCHOOL DISTRICT NO. 307
Brookville, Kansas

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

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INDEPENDENT AUDITORS' REPORT

CLUBINE & RETTELE CHARTERED

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To the Board of Education
Unified School District No. 307
Brookville, Kansas

We have audited the accompanying financial statements of Unified School District No. 307, as of and for the fiscal year ended June 30, 2012, which collectively comprise the basic financial statements of Unified School District No. 307 as listed in the table of contents. These financial statements are the responsibility of Unified School District No. 307 management. Our responsibility is to express opinions on these financial statements based on our audit. The partial prior-year comparative information has been derived from Unified School District No. 307 financial statements and, in our report dated November 10, 2011, we expressed an unqualified opinion on the respective financial statements which were prepared using accounting practices prescribed or permitted by the State of Kansas.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit Guide* prescribed by the Division of Accounts and Reports of the State of Kansas. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described more fully in Note 2, Unified School District No. 307 has prepared these financial statements using accounting practices prescribed or permitted by the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District No. 307 as of June 30, 2012, the changes in its financial position, or, where applicable, its cash flows for the year then ended. Further, Unified School District No. 307 has not presented a management's discussion and analysis that accounting principles generally accepted in the United States have determined is necessary to supplement, although not required to be part of, the basic financial statements.

In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of each fund of Unified School District No. 307 as of June 30, 2012, and their respective cash receipts and disbursements, and the respective budgetary comparison for the General Funds and budgeted Special Revenue Funds for the fiscal year then ended, on the basis of accounting described in Note 2.

The financial statements include partial prior-year comparative information. Such information does not include all of the information required to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with Unified School District No. 307 financial statements for the fiscal year ended June 30, 2011, from which such partial information was derived.

Clubine and Rettele, Chartered

Salina, Kansas
October 19, 2012

UNIFIED SCHOOL DISTRICT NO. 307
 Brookville, Kansas
 Summary of Cash Receipts, Expenditures, and Unencumbered Cash - Statutory Basis
 For the Fiscal Year Ended June 30, 2012

Funds	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds:						
General Funds						
* General	\$ (115,339.38)	\$ 3,508,110.81	\$ 3,531,353.77	\$ (138,582.34)	\$ 18,513.15	\$ (120,069.19)
* Supplemental General	(13,151.14)	1,192,276.59	1,158,650.00	20,475.45	9,418.39	29,893.84
Special Revenue Funds						
Capital Outlay	610,043.85	128,192.59	167,320.50	570,915.94	39,223.73	610,139.67
Drivers Education	35,207.22	4,976.00	11,125.54	29,057.68	-	29,057.68
Food Service	52,095.24	248,260.79	233,030.94	67,325.09	-	67,325.09
At-Risk	273,670.73	162,275.00	168,846.95	267,098.78	-	267,098.78
Professional Development	33,559.20	23,714.12	24,273.07	33,000.25	1,835.00	34,835.25
Special Education	414,025.30	564,519.00	559,509.24	419,035.06	-	419,035.06
KPERS Retirement Contribution	-	271,764.09	271,764.09	-	-	-
Vocational Education	224,395.16	137,000.00	142,449.64	218,945.52	1,115.61	220,061.13
Contingency Reserve	375,144.00	-	-	375,144.00	-	375,144.00
Textbook Rental	81,055.45	17,723.21	6,531.32	92,247.34	388.40	92,635.74
ESOL Bilingual Education	14,835.26	4,000.00	6,097.96	12,737.30	-	12,737.30
Parent Education	20,444.00	-	5,781.00	14,663.00	-	14,663.00
Title I	-	55,819.00	55,819.00	-	-	-
Title I ARRA	-	-	-	-	-	-
Title II-A	-	25,749.00	25,749.00	-	-	-
Title II-D	-	-	-	-	-	-
REAP	-	38,422.00	38,422.00	-	-	-
District Activity Funds	13,594.84	64,293.74	60,719.64	17,168.94	-	17,168.94
Debt Service Funds						
Bond and Interest	200,264.43	469,211.55	436,275.00	233,200.98	-	233,200.98
Capital Project Funds						
Capital Project	1,774,360.23	401.44	1,706,846.21	67,915.46	-	67,915.46
Fiduciary Type Funds:						
Special Gift	5,688.65	18,743.90	18,064.54	6,368.01	89.90	6,457.91
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 3,999,893.04</u>	<u>\$ 6,935,452.83</u>	<u>\$ 8,628,629.41</u>	<u>\$ 2,306,716.46</u>	<u>\$ 70,584.18</u>	<u>\$ 2,377,300.64</u>
Composition of Cash:				Checking Accounts		\$ 2,411,262.53
				Cash on Hand		100.00
						2,411,362.53
*General Funds presented per Kansas Municipal Audit Guide.				Agency Funds per Statement 4		(34,061.89)
For Statutory Basis presentation of these funds see Note #11.				Total Reporting Entity (Excluding Agency Funds)		<u>\$ 2,377,300.64</u>

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

UNIFIED SCHOOL DISTRICT NO. 307
 Brookville, Kansas
 Summary of Expenditures, Actual and Budget - Statutory Basis
 For the Fiscal Year Ended June 30, 2012

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustment to Comply with Legal Max</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Over (Under)</u>
Governmental Type Funds:						
General Funds						
General Fund	\$ 3,643,542.00	\$ (119,070.00)	\$ 6,881.77	\$ 3,531,353.77	\$ 3,531,353.77	\$ -
Supplemental General	1,158,650.00	-	-	1,158,650.00	1,158,650.00	-
Special Revenue Funds						
Capital Outlay	727,510.00	-	-	727,510.00	167,320.50	(560,189.50)
Drivers Education	37,427.00	-	-	37,427.00	11,125.54	(26,301.46)
Food Service	320,155.00	-	-	320,155.00	233,030.94	(87,124.06)
At-Risk	396,320.00	-	-	396,320.00	168,846.95	(227,473.05)
Professional Development	33,559.00	-	-	33,559.00	24,273.07	(9,285.93)
Special Education	1,020,525.00	-	-	1,020,525.00	559,509.24	(461,015.76)
KPERS Retirement Contribution	419,352.00	-	-	419,352.00	271,764.09	(147,587.91)
Vocational Education	346,397.00	-	-	346,397.00	142,449.64	(203,947.36)
ESOL Bilingual Education	14,835.00	-	-	14,835.00	6,097.96	(8,737.04)
Parent Education	20,444.00	-	-	20,444.00	5,781.00	(14,663.00)
Debt Service Funds						
Bond and Interest	436,275.00	-	-	436,275.00	436,275.00	-

UNIFIED SCHOOL DISTRICT NO. 307
 Brookville, Kansas
 General Fund
 Statement of Cash Receipts and Expenditures, Actual and Budget
 For the Fiscal Year Ended June 30, 2012
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenue:				
Ad Valorem	\$ 361,950.81	\$ 371,219.97	\$ 355,140.00	\$ 16,079.97
Delinquent	7,518.31	6,238.07	4,552.00	1,686.07
State Aid				
Equalization Aid	2,504,648.00	2,686,829.00	2,788,150.00	(101,321.00)
Special Education Aid	386,013.00	402,519.00	484,500.00	(81,981.00)
Federal Aid				
ARRA Stabilization	172,792.00	1,600.00	-	1,600.00
Other Sources	27,251.08	39,704.77	11,200.00	28,504.77
Total Cash Receipts	<u>3,460,173.20</u>	<u>3,508,110.81</u>	<u>\$ 3,643,542.00</u>	<u>\$ (135,431.19)</u>
Expenditures				
Instruction	1,647,176.72	1,627,772.50	\$ 1,669,000.00	\$ (41,227.50)
Student Support Services	98,146.22	108,533.54	106,000.00	2,533.54
Instructional Support Services	159,605.37	170,505.51	167,000.00	3,505.51
General Administration	143,142.94	142,392.55	137,000.00	5,392.55
School Administration	259,885.78	271,220.80	266,000.00	5,220.80
Operations and Maintenance	278,476.87	335,508.73	322,154.00	13,354.73
Other Supplemental Service	130,604.08	126,376.13	125,000.00	1,376.13
Supervision and Vehicle Operating Service	125,626.25	137,320.06	232,000.00	(94,679.94)
Vehicle Services and Maintenance Services	118,815.23	134,316.95	60,000.00	74,316.95
Operating Transfers	501,893.12	477,407.00	559,388.00	(81,981.00)
Adjustment to Comply with Legal Max	-	-	(119,070.00)	119,070.00
Legal General Fund Budget	3,463,372.58	3,531,353.77	3,524,472.00	6,881.77
Adjustment for Qualifying Budget Credits	-	-	6,881.77	(6,881.77)
Total Expenditures	<u>3,463,372.58</u>	<u>3,531,353.77</u>	<u>\$ 3,531,353.77</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	(3,199.38)	(23,242.96)		
Unencumbered Cash, Beginning	<u>(112,140.00)</u>	<u>(115,339.38)</u>		
Unencumbered Cash, Ending	<u>\$ (115,339.38)</u>	<u>\$ (138,582.34)</u>		

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

UNIFIED SCHOOL DISTRICT NO. 307
 Brookville, Kansas
 Supplemental General Fund
 Statement of Cash Receipts and Expenditures, Actual and Budget
 For the Fiscal Year Ended June 30, 2012
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenue:				
Ad Valorem	\$ 473,330.89	\$ 531,822.55	\$ 567,482.00	\$ (35,659.45)
Motor Vehicle	73,745.50	68,469.32	69,859.00	(1,389.68)
Recreational Vehicle and 16/20M	1,944.91	1,771.72	1,918.00	(146.28)
Delinquent	9,322.05	8,453.00	6,016.00	2,437.00
State Aid	605,781.00	581,760.00	559,986.00	21,774.00
Total Cash Receipts	<u>1,164,124.35</u>	<u>1,192,276.59</u>	<u>\$ 1,205,261.00</u>	<u>\$ (12,984.41)</u>
Expenditures				
Instruction	194,125.93	202,182.28	\$ 279,000.00	\$ (76,817.72)
Student Support Services	6,727.80	6,515.19	8,000.00	(1,484.81)
Instructional Support Services	57,834.56	141,723.69	75,000.00	66,723.69
General Administration	11,584.64	10,855.07	13,500.00	(2,644.93)
School Administration	21,565.93	23,599.18	27,500.00	(3,900.82)
Other Supplemental Service	4,637.84	3,543.41	10,000.00	(6,456.59)
Operations and Maintenance	211,683.39	224,421.95	308,000.00	(83,578.05)
Student Transportation Services	29,354.04	36,445.11	41,000.00	(4,554.89)
Operating Transfers	623,253.87	509,364.12	396,650.00	112,714.12
Total Expenditures	<u>1,160,768.00</u>	<u>1,158,650.00</u>	<u>\$ 1,158,650.00</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	3,356.35	33,626.59		
Unencumbered Cash, Beginning	<u>(16,507.49)</u>	<u>(13,151.14)</u>		
Unencumbered Cash, Ending	<u>\$ (13,151.14)</u>	<u>\$ 20,475.45</u>		

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

UNIFIED SCHOOL DISTRICT NO. 307
 Brookville, Kansas
 Capital Outlay Fund
 Statement of Cash Receipts and Expenditures, Actual and Budget - Statutory Basis
 For the Fiscal Year Ended June 30, 2012
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenue:				
Ad Valorem	\$ 41,687.23	\$ 2,277.01	\$ 2,098.00	\$ 179.01
Delinquent	1,723.58	1,033.09	496.00	537.09
Motor Vehicle	14,089.18	11,154.70	10,692.00	462.70
Recreational Vehicle and 16/20M	371.46	285.78	293.00	(7.22)
Operating Transfers	115,880.12	74,888.00	74,888.00	-
Interest	3,935.00	1,590.44	4,000.00	(2,409.56)
Other Sources	28,955.34	36,963.57	25,000.00	11,963.57
Total Cash Receipts	<u>206,641.91</u>	<u>128,192.59</u>	<u>\$ 117,467.00</u>	<u>\$ 10,725.59</u>
Expenditures				
Instruction	-	30,699.87	\$ 108,759.00	\$ (78,059.13)
Student Support Services	-	402.30	15,000.00	(14,597.70)
Instructional Support Staff	-	-	15,000.00	(15,000.00)
General Administration	-	-	15,000.00	(15,000.00)
School Administration	-	-	15,000.00	(15,000.00)
Central Services	-	-	15,000.00	(15,000.00)
Operations and Maintenance	13,474.27	5,680.00	60,000.00	(54,320.00)
Transportation	-	74,975.00	85,000.00	(10,025.00)
Architectural and Engineering Services	-	-	40,000.00	(40,000.00)
Land Acquisition	35,250.00	-	38,000.00	(38,000.00)
Building Improvements	47,732.96	55,559.95	270,751.00	(215,191.05)
Other	50,243.64	3.38	50,000.00	(49,996.62)
Total Expenditures	<u>146,700.87</u>	<u>167,320.50</u>	<u>\$ 727,510.00</u>	<u>\$ (560,189.50)</u>
Receipts Over (Under) Expenditures	59,941.04	(39,127.91)		
Unencumbered Cash, Beginning	<u>550,102.81</u>	<u>610,043.85</u>		
Unencumbered Cash, Ending	<u>\$ 610,043.85</u>	<u>\$ 570,915.94</u>		

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

UNIFIED SCHOOL DISTRICT NO. 307
 Brookville, Kansas
 Drivers Education Fund
 Statement of Cash Receipts and Expenditures, Actual and Budget - Statutory Basis
 For the Fiscal Year Ended June 30, 2012
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
State Aid	\$ 1,850.00	\$ 1,974.00	\$ 2,220.00	\$ (246.00)
Other Sources	2,992.00	3,002.00	-	3,002.00
Operating Transfers	10,000.00	-	-	-
Total Cash Receipts	<u>14,842.00</u>	<u>4,976.00</u>	<u>\$ 2,220.00</u>	<u>\$ 2,756.00</u>
Expenditures				
Instruction	8,482.04	11,125.54	\$ 34,600.00	\$ (23,474.46)
Vehicle Operating Service	-	-	2,827.00	(2,827.00)
Total Expenditures	<u>8,482.04</u>	<u>11,125.54</u>	<u>\$ 37,427.00</u>	<u>\$ (26,301.46)</u>
Receipts Over (Under) Expenditures	6,359.96	(6,149.54)		
Unencumbered Cash, Beginning	<u>28,847.26</u>	<u>35,207.22</u>		
Unencumbered Cash, Ending	<u>\$ 35,207.22</u>	<u>\$ 29,057.68</u>		

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

UNIFIED SCHOOL DISTRICT NO. 307
 Brookville, Kansas
 Food Service Fund
 Statement of Cash Receipts and Expenditures, Actual and Budget - Statutory Basis
 For the Fiscal Year Ended June 30, 2012
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
State Aid	\$ 2,444.81	\$ 2,788.18	\$ 2,500.00	\$ 288.18
Federal Aid	81,235.89	100,224.54	102,909.00	(2,684.46)
Operating Transfers	10,000.00	30,000.00	30,000.00	-
Local Receipts	<u>109,572.90</u>	<u>115,248.07</u>	<u>132,650.00</u>	<u>(17,401.93)</u>
Total Cash Receipts	203,253.60	248,260.79	<u>\$ 268,059.00</u>	<u>\$ (19,798.21)</u>
Expenditures				
Food Service Operation	<u>208,421.24</u>	<u>233,030.94</u>	<u>\$ 320,155.00</u>	<u>\$ (87,124.06)</u>
Receipts Over (Under) Expenditures	(5,167.64)	15,229.85		
Unencumbered Cash, Beginning	<u>57,262.88</u>	<u>52,095.24</u>		
Unencumbered Cash, Ending	<u>\$ 52,095.24</u>	<u>\$ 67,325.09</u>		

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

UNIFIED SCHOOL DISTRICT NO. 307
 Brookville, Kansas
 At-Risk Fund
 Statement of Cash Receipts and Expenditures, Actual and Budget - Statutory Basis
 For the Fiscal Year Ended June 30, 2012
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Other Sources	\$ 8,262.00	\$ 9,625.00	\$ -	\$ 9,625.00
Operating Transfers	185,000.00	152,650.00	122,650.00	30,000.00
Total Cash Receipts	<u>193,262.00</u>	<u>162,275.00</u>	<u>\$ 122,650.00</u>	<u>\$ 39,625.00</u>
Expenditures				
Instruction	139,311.09	158,064.45	\$ 365,000.00	\$ (206,935.55)
Operations and Maintenance	11,820.83	10,782.50	31,320.00	(20,537.50)
Total Expenditures	<u>151,131.92</u>	<u>168,846.95</u>	<u>\$ 396,320.00</u>	<u>\$ (227,473.05)</u>
Receipts Over (Under) Expenditures	42,130.08	(6,571.95)		
Unencumbered Cash, Beginning	<u>231,540.65</u>	<u>273,670.73</u>		
Unencumbered Cash, Ending	<u>\$ 273,670.73</u>	<u>\$ 267,098.78</u>		

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

UNIFIED SCHOOL DISTRICT NO. 307
 Brookville, Kansas
 Professional Development Fund
 Statement of Cash Receipts and Expenditures, Actual and Budget - Statutory Basis
 For the Fiscal Year Ended June 30, 2012
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Operating Transfers	\$ 15,000.00	\$ 23,714.12	\$ -	\$ 23,714.12
Expenditures				
Other Support Services	10,998.74	24,273.07	\$ 33,559.00	\$ (9,285.93)
Receipts Over (Under) Expenditures	4,001.26	(558.95)		
Unencumbered Cash, Beginning	29,557.94	33,559.20		
Unencumbered Cash, Ending	\$ 33,559.20	\$ 33,000.25		

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

UNIFIED SCHOOL DISTRICT NO. 307
 Brookville, Kansas
 Special Education Fund
 Statement of Cash Receipts and Expenditures, Actual and Budget - Statutory Basis
 For the Fiscal Year Ended June 30, 2012
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Operating Transfers	\$ 574,765.00	\$ 564,519.00	\$ 606,500.00	\$ (41,981.00)
Expenditures				
Instruction	519,736.54	557,709.24	\$ 671,103.00	\$ (113,393.76)
Student Transportation Service	35,681.19	1,800.00	349,422.00	(347,622.00)
Total Expenditures	<u>555,417.73</u>	<u>559,509.24</u>	<u>\$ 1,020,525.00</u>	<u>\$ (461,015.76)</u>
Receipts Over (Under) Expenditures	19,347.27	5,009.76		
Unencumbered Cash, Beginning	<u>394,678.03</u>	<u>414,025.30</u>		
Unencumbered Cash, Ending	<u>\$ 414,025.30</u>	<u>\$ 419,035.06</u>		

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

UNIFIED SCHOOL DISTRICT NO. 307
 Brookville, Kansas
 KPERS Retirement Contribution Fund
 Statement of Cash Receipts and Expenditures, Actual and Budget - Statutory Basis
 For the Fiscal Year Ended June 30, 2012
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
State Aid	\$ 159,173.82	\$ 271,764.09	\$ <u>419,352.00</u>	\$ <u>(147,587.91)</u>
Expenditures				
Employee Benefits	<u>159,173.82</u>	<u>271,764.09</u>	<u>\$ 419,352.00</u>	<u>\$ (147,587.91)</u>
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

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

UNIFIED SCHOOL DISTRICT NO. 307
 Brookville, Kansas
 Vocational Education Fund
 Statement of Cash Receipts and Expenditures, Actual and Budget - Statutory Basis
 For the Fiscal Year Ended June 30, 2012
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Operating Transfers	\$ 180,501.87	\$ 137,000.00	<u>\$ 122,000.00</u>	<u>\$ 15,000.00</u>
Expenditures				
Instruction	<u>156,586.79</u>	<u>142,449.64</u>	<u>\$ 346,397.00</u>	<u>\$ (203,947.36)</u>
Receipts Over (Under) Expenditures	23,915.08	(5,449.64)		
Unencumbered Cash, Beginning	<u>200,480.08</u>	<u>224,395.16</u>		
Unencumbered Cash, Ending	<u>\$ 224,395.16</u>	<u>\$ 218,945.52</u>		

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

UNIFIED SCHOOL DISTRICT NO. 307
 Brookville, Kansas
 Contingency Reserve Fund
 Statement of Cash Receipts and Expenditures - Statutory Basis
 For the Fiscal Year Ended June 30, 2012
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Operating Transfers	\$ -	\$ -
Expenditures	<u>-</u>	<u>-</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>375,144.00</u>	<u>375,144.00</u>
Unencumbered Cash, Ending	<u>\$ 375,144.00</u>	<u>\$ 375,144.00</u>

Textbook Rental Fund
 Statement of Cash Receipts and Expenditures - Statutory Basis
 For the Fiscal Year Ended June 30, 2012
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Fees	\$ 17,927.30	\$ 17,723.21
Operating Transfers	<u>20,000.00</u>	<u>-</u>
Total Cash Receipts	37,927.30	17,723.21
Expenditures	<u>34,349.54</u>	<u>6,531.32</u>
Receipts Over (Under) Expenditures	3,577.76	11,191.89
Unencumbered Cash, Beginning	<u>77,477.69</u>	<u>81,055.45</u>
Unencumbered Cash, Ending	<u>\$ 81,055.45</u>	<u>\$ 92,247.34</u>

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

UNIFIED SCHOOL DISTRICT NO. 307
 Brookville, Kansas
 ESOL Bilingual Education Fund
 Statement of Cash Receipts and Expenditures - Statutory Basis
 For the Fiscal Year Ended June 30, 2012
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Operating Transfers	\$ 7,000.00	\$ 4,000.00	\$ -	\$ 4,000.00
Expenditures				
Instruction	5,593.93	6,097.96	14,835.00	(8,737.04)
Receipts Over (Under) Expenditures	1,406.07	(2,097.96)		
Unencumbered Cash, Beginning	13,429.19	14,835.26		
Unencumbered Cash, Ending	\$ 14,835.26	\$ 12,737.30		

Parent Education Fund
 Statement of Cash Receipts and Expenditures - Statutory Basis
 For the Fiscal Year Ended June 30, 2012
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Operating Transfers	\$ 7,000.00	\$ -	\$ -	\$ -
Expenditures	6,791.00	5,781.00	20,444.00	(14,663.00)
Receipts Over (Under) Expenditures	209.00	(5,781.00)		
Unencumbered Cash, Beginning	20,235.00	20,444.00		
Unencumbered Cash, Ending	\$ 20,444.00	\$ 14,663.00		

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

UNIFIED SCHOOL DISTRICT NO. 307
 Brookville, Kansas
 Title I Fund
 Statement of Cash Receipts and Expenditures - Statutory Basis
 For the Fiscal Year Ended June 30, 2012
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Aid	\$ 56,151.00	\$ 55,819.00
Expenditures		
Instruction and Administration	56,151.00	55,819.00
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

Title I ARRA Fund
 Statement of Cash Receipts and Expenditures - Statutory Basis
 For the Fiscal Year Ended June 30, 2012
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Aid	\$ 12,193.00	\$ -
Expenditures		
Instruction and Administration	12,193.00	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

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

UNIFIED SCHOOL DISTRICT NO. 307
 Brookville, Kansas
 Title II-A Fund
 Statement of Cash Receipts and Expenditures - Statutory Basis
 For the Fiscal Year Ended June 30, 2012
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Aid	\$ 14,323.00	\$ 25,749.00
Expenditures		
Instruction and Support Staff	<u>14,323.00</u>	<u>25,749.00</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

Title II-D Fund
 Statement of Cash Receipts and Expenditures - Statutory Basis
 For the Fiscal Year Ended June 30, 2012
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Aid	\$ 190.00	\$ -
Expenditures		
Instruction and Support Staff	<u>190.00</u>	<u>-</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

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

UNIFIED SCHOOL DISTRICT NO. 307
 Brookville, Kansas
 REAP Fund
 Statement of Cash Receipts and Expenditures - Statutory Basis
 For the Fiscal Year Ended June 30, 2012
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
Total Cash Receipts		
Federal Aid	\$ 63,080.39	\$ 38,422.00
Expenditures	<u>63,080.39</u>	<u>38,422.00</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

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

UNIFIED SCHOOL DISTRICT NO. 307
 Brookville, Kansas
 Bond and Interest Fund
 Statement of Cash Receipts and Expenditures, Actual and Budget - Statutory Basis
 For the Fiscal Year Ended June 30, 2012
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenue:				
Ad Valorem	\$ 190,154.42	\$ 193,053.35	\$ 186,289.00	\$ 6,764.35
Delinquent	3,355.58	3,347.04	2,382.00	965.04
Motor Vehicle	11,171.90	32,742.38	32,641.00	101.38
Recreational Vehicle	280.82	847.28	896.00	(48.72)
State Aid	121,519.00	131,369.00	131,369.00	-
Federal Tax Credit Subsidy	107,852.50	107,852.50	107,853.00	(0.50)
Total Cash Receipts	<u>434,334.22</u>	<u>469,211.55</u>	<u>\$ 461,430.00</u>	<u>\$ 7,781.55</u>
Expenditures				
2009A Bond Principal	-	25,000.00	\$ 25,000.00	\$ -
2009A Bond Interest	<u>411,650.00</u>	<u>411,275.00</u>	<u>411,275.00</u>	<u>-</u>
Total Expenditures	<u>411,650.00</u>	<u>436,275.00</u>	<u>\$ 436,275.00</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	22,684.22	32,936.55		
Unencumbered Cash, Beginning	<u>177,580.21</u>	<u>200,264.43</u>		
Unencumbered Cash, Ending	<u>\$ 200,264.43</u>	<u>\$ 233,200.98</u>		

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

UNIFIED SCHOOL DISTRICT NO. 307
 Brookville, Kansas
 Capital Project Fund
 Statement of Cash Receipts and Expenditures - Statutory Basis
 For the Fiscal Year Ended June 30, 2012
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
2009B Bond Issue	\$ 819,737.13	\$ -
2009C Bond Issue	1,741,941.42	-
Interest	15,484.63	401.44
Total Cash Receipts	2,577,163.18	401.44
Expenditures		
Project Costs	5,957,012.36	1,706,846.21
Receipts Over (Under) Expenditures	(3,379,849.18)	(1,706,444.77)
Unencumbered Cash, Beginning	5,154,209.41	1,774,360.23
Unencumbered Cash, Ending	\$ 1,774,360.23	\$ 67,915.46

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

UNIFIED SCHOOL DISTRICT NO. 307
 Brookville, Kansas
 Special Gift Fund
 Statement of Cash Receipts and Expenditures - Statutory Basis
 For the Fiscal Year Ended June 30, 2012
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Donations and Grants	\$ 13,179.00	\$ 18,743.90
Expenditures	<u>10,705.67</u>	<u>18,064.54</u>
Receipts Over (Under) Expenditures	2,473.33	679.36
Unencumbered Cash, Beginning	<u>3,215.32</u>	<u>5,688.65</u>
Unencumbered Cash, Ending	<u>\$ 5,688.65</u>	<u>\$ 6,368.01</u>

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

UNIFIED SCHOOL DISTRICT NO. 307

Statement 4

Brookville, Kansas

Agency Funds

Summary of Cash Receipts and Cash Disbursements - Statutory Basis

For the Fiscal Year Ended June 30, 2012

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Student Organization Funds				
Class of 2005	\$ 14.79	\$ -	\$ 14.79	\$ -
Class of 2007	13.99	-	13.99	-
Class of 2009	7.99	-	7.99	-
Class of 2010	90.14	-	90.14	-
Class of 2012	13,919.54	7,710.19	21,629.73	-
Class of 2013	4,754.48	36,437.58	24,326.83	16,865.23
Class of 2014	3,049.28	385.46	212.69	3,222.05
Class of 2015	-	4,988.42	2,631.75	2,356.67
13 Senior Trip	-	1,817.26	-	1,817.26
Cheerleaders	452.49	4,652.82	4,671.78	433.53
Junior High Cheerleaders	120.91	-	16.23	104.68
National Honor Society	12.73	-	-	12.73
Natural Helpers	0.16	1,000.00	850.18	149.98
Technical Supplies	1,000.00	37.54	633.21	404.33
Friends of Rachel	1,052.00	1,794.18	2,846.18	0.00
Future Farmers of America	5,680.91	32,772.13	34,779.55	3,673.49
Hoops for Heart	-	400.00	400.00	-
FCA	850.91	870.00	670.93	1,049.98
Drama Club	299.51	-	159.00	140.51
Metals	9.90	-	-	9.90
Student Council	16.48	260.01	208.85	67.64
Band Club	358.29	746.00	1,104.29	-
Band Boosters	-	1,891.62	1,260.92	630.70
Bigs	-	1,000.00	165.97	834.03
7th and 8th Grades	263.13	84.80	175.42	172.51
Snack Express	1,486.33	12,822.34	12,438.43	1,870.24
Hospitality Club	32.36	445.00	230.93	246.43
Subtotals	<u>33,486.32</u>	<u>110,115.35</u>	<u>109,539.78</u>	<u>34,061.89</u>
Sales Tax Fund				
High School	<u>(76.61)</u>	<u>4,753.96</u>	<u>4,677.35</u>	<u>-</u>
Total Student Organization Funds	<u>\$ 33,409.71</u>	<u>\$ 114,869.31</u>	<u>\$ 114,217.13</u>	<u>\$ 34,061.89</u>

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

UNIFIED SCHOOL DISTRICT NO. 307
 Brookville, Kansas
 District Activity Funds
 Summary of Cash Receipts, Expenditures, and Unencumbered Cash - Statutory Basis
 For the Fiscal Year Ended June 30, 2012

Funds	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Current Year Ending Cash Balance
Gate Receipts						
Athletics	\$ 4,942.80	\$ 59,593.48	\$ 55,828.88	\$ 8,707.40	\$ -	\$ 8,707.40
School Projects						
School Prevention	388.51	-	-	388.51	-	388.51
Wal-Mart Foundation	1,806.51	-	-	1,806.51	-	1,806.51
Go Carts	276.15	1,177.01	482.84	970.32	-	970.32
Greenhouse	2,364.37	962.00	1,279.20	2,047.17	-	2,047.17
Carazo Greenhouse	-	150.00	114.12	35.88	-	35.88
Library	88.30	11.25	-	99.55	-	99.55
9th Books	26.26	630.00	656.26	-	-	-
FFA Grant	515.39	1,270.00	1,358.34	427.05	-	427.05
FFA Scholarship	2,372.94	500.00	1,000.00	1,872.94	-	1,872.94
In-House	813.61	-	-	813.61	-	813.61
Total School Projects	8,652.04	4,700.26	4,890.76	8,461.54	-	8,461.54
Total District Activity Funds	\$ 13,594.84	\$ 64,293.74	\$ 60,719.64	\$ 17,168.94	\$ -	\$ 17,168.94

UNIFIED SCHOOL DISTRICT NO. 307
Brookville, Kansas

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

Note 1 Reporting Entity

Unified School District No. 307 is a municipal corporation governed by a citizen elected seven-member Board of Education.

Note 2 Basis of Accounting

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

The municipality 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 municipality to use the statutory basis of accounting.

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

The financial statements include partial prior-year comparative information. Such information does not include all of the information required to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with Unified School District No. 307 financial statements for the fiscal year ended June 30, 2011, from which such partial information was derived.

Note 3 Budgetary Information

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

UNIFIED SCHOOL DISTRICT NO. 307
Brookville, Kansas

NOTES TO FINANCIAL STATEMENTS (Cont.)
JUNE 30, 2012

Note 3 Budgetary Information (Cont.)

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 a least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

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

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the 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 municipality 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 project funds, fiduciary funds, permanent funds, and the following special revenue funds:

Contingency Reserve Fund
Textbook Rental Fund
Title I Fund
Title I ARRA Fund

Title II-A Fund
Title II-D Fund
REAP Fund

Spending in funds which are not subject to the legal annual operating budget requirements is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

Note 4 Deposits and Investments

K.S.A. 9-1401 establishes the depositories which may be used by the Government. The statute requires banks eligible to hold the Government's funds have a main or branch bank in the county in which the Government 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 Government has no other policies that would further limit interest rate risk.

UNIFIED SCHOOL DISTRICT NO. 307
Brookville, Kansas

NOTES TO FINANCIAL STATEMENTS (Cont.)
JUNE 30, 2012

Note 4 Deposits and Investments (Cont.)

K.S.A. 12-1675 limits the Government's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The Government has no investment policy that would further limit its investment choices.

Concentration of credit risk. State statutes place no limit on the amount the Government 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 Government's deposits may not be returned to it. State statutes require the Government's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The Government has not designated a "peak period". All deposits were legally secured at June 30, 2012.

Deposits. At June 30, 2012, the Government's carrying amount of deposits was \$2,411,262.53 and the bank balance was \$2,856,949.15. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$678,217.55 was covered by federal depository insurance, and the remaining \$2,178,731.60 was collateralized with securities held by the pledging financial institutions agents in the Government's name.

Note 5 Interfund Transfers

Operating transfers were as follows:			
From	To	Statutory Authority	Amount
General Fund	Capital Outlay Fund	K.S.A. 72-6428	\$ 74,888.00
General Fund	Food Service Fund	K.S.A. 72-6428	402,519.00
Supplemental General Fund	At-Risk Fund	K.S.A. 72-6433	152,650.00
Supplemental General Fund	Special Education Fund	K.S.A. 72-6433	162,000.00
Supplemental General Fund	Vocational Education Fund	K.S.A. 72-6433	137,000.00
Supplemental General Fund	ESOL Bilingual Education Fund	K.S.A. 72-6433	4,000.00
Supplemental General Fund	Food Service Fund	K.S.A. 72-6433	30,000.00
Supplemental General Fund	Professional Development Fund	K.S.A. 72-6433	23,714.12

Note 6 Defined Benefit Pension Plan

Plan Description. The Government 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 statements and required supplementary information. That report may be obtained by writing to KPERS (611 S Kansas, Suite 100; Topeka, KS 66603-3869) or by calling 1-888-275-5737.

UNIFIED SCHOOL DISTRICT NO. 307
Brookville, Kansas

NOTES TO FINANCIAL STATEMENTS (Cont.)
JUNE 30, 2012

Note 6 Defined Benefit Pension Plan (Cont.)

Funding Policy. K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary, or 6% if hired on or after July 1, 2009. Member-employees' contributions are withheld by their employer and paid to KPERS according to the provisions of section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. Kansas currently contributes 8.77% of covered payroll for the period July 1, 2011 to June 30, 2012. Included in this rate is the contribution for Group Death and Disability Insurance of 1.0%. These contribution requirements are established by KPERS and are periodically revised. For more information please see the KPERS website at www.kpers.org.

The State of Kansas' contributions to KPERS for all school municipalities for the years ending June 30, 2012, 2011, and 2010 were \$314,466,992.90, \$253,834,044.00, and \$248,468,186.00 respectively, equal to the statutory required contributions each year.

For the employer rates for school-type municipalities that hire a KPERS retiree, please see the main KPERS site at <http://kpers.org/contributionrates.htm>.

Note 7 Compensated Absences

The Government provides compensation for absences. For an in depth understanding, the policy in its entirety should be reviewed.

Note 8 Other Post Employment Benefits

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

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government 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 government under this program.

Note 9 Termination Benefits

The local government provides an incentive for timely resignations. The written resignation should be received by the Board of Education by April 1st for the teacher to receive the incentive based on the following pay scale of (1) received by February 1st \$900.00, received between February 2nd and March 1st \$700.00, and (3) received between March 2nd and April 1st \$500.00. Teachers qualifying for this incentive will receive payment with the final check. For the fiscal year ending June 30, 2012 there was one participant in the incentive plan with a total cost of \$900.00.

UNIFIED SCHOOL DISTRICT NO. 307
Brookville, Kansas

NOTES TO FINANCIAL STATEMENTS (Cont.)
JUNE 30, 2012

Note 10 Subsequent Events

The Government's management has evaluated events and transactions occurring after June 30, 2012 through October 19, 2012. The aforementioned date represents the date the financial statements were available to be issued.

Note 11 Compliance With Statutes

K.S.A. 10-1113 requires that each fund comply with the cash-basis laws of the State of Kansas. No commitments or indebtedness should be incurred unless there is available cash in the fund. K.S.A. 10-116A exempts expenditures by school districts that are in excess of current revenues if the deficit in revenues is caused by the late distribution of state aid.

The General and Supplemental General Funds expenditures exceeded the fund balance due to the final June state aid payment for the fiscal year ended June 30, 2012 being disbursed by the State of Kansas in July 2012. The June state aid payment received in July 2012 was \$138,583.00 for the General Fund and \$34,092.00 for the Supplemental General Fund.

K.S.A. 72-6417(d) and K.S.A. 72-6434(d) require the school district to record any payment of general state aid that is due to be paid during the month of June and is paid to the school district after June 30, as a receipt for the school year ending on June 30. The following two pages show the revenue as required by these Statutes.

UNIFIED SCHOOL DISTRICT NO. 307

NOTES TO FINANCIAL STATEMENTS (Cont.)
June 30, 2012

Note 11 Compliance with Statutes (Cont.)

Statutory Revenues and Expenditures - Statutory and Budget
For the Fiscal Year Ended June 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

General Fund

	Prior Year Statutory Transactions	Current Year Statutory Transactions	Budget	Variance Over (Under)
Cash Receipts				
Taxes and Shared Revenue:				
Ad Valorem	\$ 361,950.81	\$ 371,219.97	\$ 355,140.00	\$ 16,079.97
Delinquent	7,518.31	6,238.07	4,552.00	1,686.07
State Aid				
Equalization Aid	2,507,848.00	2,710,072.00	2,788,150.00	(78,078.00)
Special Education Aid	386,013.00	402,519.00	484,500.00	(81,981.00)
Federal Aid				
ARRA Stabilization	172,792.00	1,600.00	-	1,600.00
Other Sources	27,251.08	39,704.77	11,200.00	28,504.77
Total Cash Receipts	<u>3,463,373.20</u>	<u>3,531,353.81</u>	<u>\$ 3,643,542.00</u>	<u>\$ (112,188.19)</u>
Expenditures				
Instruction	1,647,176.72	1,627,772.50	\$ 1,669,000.00	\$ (41,227.50)
Student Support Services	98,146.22	108,533.54	106,000.00	2,533.54
Instructional Support Services	159,605.37	170,505.51	167,000.00	3,505.51
General Administration	143,142.94	142,392.55	137,000.00	5,392.55
School Administration	259,885.78	271,220.80	266,000.00	5,220.80
Operations and Maintenance	278,476.87	335,508.73	322,154.00	13,354.73
Other Supplemental Service	130,604.08	126,376.13	125,000.00	1,376.13
Supervision and Vehicle Operating Service	125,626.25	137,320.06	232,000.00	(94,679.94)
Vehicle Services and Maintenance Services	118,815.23	134,316.95	60,000.00	74,316.95
Operating Transfers	501,893.12	477,407.00	559,388.00	(81,981.00)
Adjustment to Comply with Legal Max	-	-	(119,070.00)	119,070.00
Legal General Fund Budget	<u>3,463,372.58</u>	<u>3,531,353.77</u>	<u>3,524,472.00</u>	<u>6,881.77</u>
Adjustment for Qualifying Budget Credits	-	-	6,881.77	(6,881.77)
Total Expenditures	<u>3,463,372.58</u>	<u>3,531,353.77</u>	<u>\$ 3,531,353.77</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	0.62	0.04		
Unencumbered Cash, Beginning	-	0.62		
Unencumbered Cash, Ending	<u>\$ 0.62</u>	<u>0.66</u>		

UNIFIED SCHOOL DISTRICT NO. 307

NOTES TO FINANCIAL STATEMENTS (Cont.)
June 30, 2012

Note 11 Compliance with Statutes (Cont.)

Statutory Revenues and Expenditures - Statutory and Budget
For the Fiscal Year Ended June 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

Supplemental General Fund

	Prior Year Statutory Transactions	Current Year Statutory Transactions	Budget	Variance Over (Under)
Cash Receipts				
Taxes and Shared Revenue:				
Ad Valorem	\$ 473,330.89	\$ 531,822.55	\$ 567,482.00	\$ (35,659.45)
Motor Vehicle	73,745.50	68,469.32	69,859.00	(1,389.68)
Recreational Vehicle & 16/20M	1,944.91	1,771.72	1,918.00	(146.28)
Delinquent	9,322.05	8,453.00	6,016.00	2,437.00
State Aid	606,935.00	580,901.00	559,986.00	20,915.00
Total Cash Receipts	<u>1,165,278.35</u>	<u>1,191,417.59</u>	<u>\$ 1,205,261.00</u>	<u>\$ (13,843.41)</u>
Expenditures				
Instruction	194,125.93	202,182.28	\$ 279,000.00	\$ (76,817.72)
Student Support Services	6,727.80	6,515.19	8,000.00	(1,484.81)
Instructional Support Services	57,834.56	141,723.69	75,000.00	66,723.69
General Administration	11,584.64	10,855.07	13,500.00	(2,644.93)
School Administration	21,565.93	23,599.18	27,500.00	(3,900.82)
Other Supplemental Service	4,637.84	3,543.41	10,000.00	(6,456.59)
Operations and Maintenance	211,683.39	224,421.95	308,000.00	(83,578.05)
Student Transportation Services	29,354.04	36,445.11	41,000.00	(4,554.89)
Operating Transfers	623,253.87	509,364.12	396,650.00	112,714.12
Total Expenditures	<u>1,160,768.00</u>	<u>1,158,650.00</u>	<u>\$ 1,158,650.00</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	4,510.35	32,767.59		
Unencumbered Cash, Beginning	<u>17,289.51</u>	<u>21,799.86</u>		
Unencumbered Cash, Ending	<u>\$ 21,799.86</u>	<u>\$ 54,567.45</u>		

UNIFIED SCHOOL DISTRICT NO. 307

NOTES TO FINANCIAL STATEMENTS (Cont.)
June 30, 2012

Note 13 Long-Term Debt

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

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
General Obligation Bonds										
Series 2009 - B	5.00%	6/23/2009	\$ 2,180,000.00	9/1/2024	\$ 2,180,000.00	\$ -	\$ 25,000.00	\$ -	\$ 2,155,000.00	\$ 103,125.00
Series 2009 - C	6.5%/6.75%	6/23/2009	4,635,000.00	9/1/2034	4,635,000.00	-	-	-	4,635,000.00	308,150.00
Total Contractual Indebtedness			<u>6,815,000.00</u>		<u>6,815,000.00</u>	<u>-</u>	<u>25,000.00</u>	<u>-</u>	<u>6,790,000.00</u>	<u>411,275.00</u>
Compensated Absences					<u>407,915.13</u>	<u>-</u>	<u>-</u>	<u>1,112.12</u>	<u>409,027.25</u>	<u>-</u>
Total Long-Term Debt					<u>\$ 7,222,915.13</u>	<u>\$ -</u>	<u>\$ 25,000.00</u>	<u>\$ 1,112.12</u>	<u>\$ 7,199,027.25</u>	<u>\$ 411,275.00</u>

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

	Year									
	2013	2014	2015	2016	2017	2018-2022	2023-2027	2028-2032	2033-2035	Total
Principal:										
Series 2009 - B	\$ 75,000.00	\$ 75,000.00	\$ 100,000.00	\$ 100,000.00	\$ 125,000.00	\$ 885,000.00	\$ 795,000.00	\$ -	\$ -	\$ 2,155,000.00
Series 2009 - C	-	-	-	-	-	-	665,000.00	2,200,000.00	1,770,000.00	4,635,000.00
Total Principal	<u>75,000.00</u>	<u>75,000.00</u>	<u>100,000.00</u>	<u>100,000.00</u>	<u>125,000.00</u>	<u>885,000.00</u>	<u>1,460,000.00</u>	<u>2,200,000.00</u>	<u>1,770,000.00</u>	<u>6,790,000.00</u>
Interest:										
Series 2009 - B	101,625.00	99,375.00	96,750.00	92,750.00	87,125.00	319,875.00	62,125.00	-	-	859,625.00
Series 2009 - C	308,150.00	308,150.00	308,150.00	308,150.00	308,150.00	1,540,750.00	1,498,337.50	986,500.00	184,612.50	5,750,950.00
Total Interest	<u>409,775.00</u>	<u>407,525.00</u>	<u>404,900.00</u>	<u>400,900.00</u>	<u>395,275.00</u>	<u>1,860,625.00</u>	<u>1,560,462.50</u>	<u>986,500.00</u>	<u>184,612.50</u>	<u>6,610,575.00</u>
Total Principal and Interest	<u>\$ 484,775.00</u>	<u>\$ 482,525.00</u>	<u>\$ 504,900.00</u>	<u>\$ 500,900.00</u>	<u>\$ 520,275.00</u>	<u>\$ 2,745,625.00</u>	<u>\$ 3,020,462.50</u>	<u>\$ 3,186,500.00</u>	<u>\$ 1,954,612.50</u>	<u>\$ 13,400,575.00</u>