

UNIFIED SCHOOL DISTRICT NO. 309

FINANCIAL STATEMENT
JUNE 30, 2012

BFR

BUSBY FORD & REIMER, LLC

CERTIFIED PUBLIC ACCOUNTANTS

UNIFIED SCHOOL DISTRICT NO. 309
TABLE OF CONTENTS
JUNE 30, 2012

	<u>Page</u>
Independent Auditors' Report	1 – 3
Financial Statement	
Summary of Cash Receipts, Expenditures, and Unencumbered Cash	4
Notes to Financial Statement	5 – 11
Summary of Expenditures - Actual and Budget	12
Statement of Cash Receipts and Expenditures - Actual and Budget	
General Fund	13
Supplemental General Fund	14
At Risk Fund (4 Year Old)	15
At Risk Fund (K-12)	16
Bilingual Education Fund	17
Capital Outlay Fund	18
Driver Training Fund	19
Food Service Fund	20
Professional Development Fund	21
Parent Education Fund	22
Special Education Fund	23
Vocational Education Fund	24
KPERs Contribution Fund	25
Bond and Interest Fund	26
Statement of Cash Receipts and Expenditures - Actual	
Federal Funds	27
Gifts and Grants Fund	28
Contingency Reserve Fund	29
Textbook and Student Material Revolving Fund	30
Statement of Cash Receipts and Cash Disbursements	
Agency Funds	31 – 34
Statement of Cash Receipts, Expenditures, and Unencumbered Cash	
District Activity Funds	35
Federal Award Information	
Independent Auditors' Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	36 – 37
Independent Auditors' Report on Compliance with Requirements that could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133	38 – 39
Schedule of Expenditures of Federal Awards	40
Notes to Schedule of Expenditures of Federal Awards	41
Schedule of Findings and Questioned Costs	42
Schedule of Prior Year Findings and Questioned Costs	43



BUSBY FORD & REIMER, LLC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Board of Education Unified School District No. 309

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of **Unified School District No. 309**, as of and for the year ended **June 30, 2012**.

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the Kansas Municipal Audit and Accounting Guide as described in Note 1 to meet the financial reporting requirements of the State of Kansas. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide*; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards and guidance require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Board of Education
Unified School District No. 309

As described in Note 1 of the financial statement, the financial statement is prepared by **Unified School District No. 309**, to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 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 significance of the matter discussed in the preceding paragraph the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of **Unified School District No. 309**, as of **June 30, 2012**, or the changes in its financial position and cash flows for the year then ended.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of **Unified School District No. 309**, as of **June 30, 2012**, and the aggregate cash receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 4, 2013, on our consideration of **Unified School District No. 309**, internal control over financial reporting and on our tests 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. The summary of expenditures-actual and budget, individual fund schedules of cash receipts and expenditures-actual and budget, individual funds schedules of cash receipts and expenditures-actual, and schedule of cash receipts and disbursements-agency funds (Supplementary Information as listed in the table of contents) are presented for analysis and are not a required part of the regulatory financial statement. 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. 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 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 taken as a whole.

**Board of Education
Unified School District No. 309**

The 2011 Actual columns presented in the individual fund schedules of cash receipts and expenditures-actual and budget and schedule of cash receipts and disbursements-agency funds (Supplementary Information as listed in the table of contents) are also presented for comparative analysis and are not a required part of the 2011 financial statement upon which we rendered an unqualified opinion dated March 1, 2012. The 2011 financial statements and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration, Office of Management Analysis and Standards at the following link <http://da.ks.gov/ar/muniserv/>. Such 2011 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2011 financial statement. The 2011 comparative information was subjected to the auditing procedures applied in the audit of the 2011 financial statement and certain additional procedures, including comparing and reconciling such statement to the 2011 financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2011 comparative information is fairly stated in all material respects in relation to the 2011 financial statements as a whole.


Busby Ford & Reimer, LLC
February 4, 2013

UNIFIED SCHOOL DISTRICT NO. 309
SUMMARY OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2012

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add	
						Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
General Fund	\$ 0	\$ 0	\$ 7,845,724	\$ 7,845,724	\$ 0	\$ 41,640	\$ 41,640
Special Purpose Funds							
Supplemental General	126,952	0	2,704,240	2,696,222	134,970	227,199	362,169
At Risk (4 Year Old)	31,706	0	65,000	61,873	34,833	0	34,833
At Risk (K-12)	206,315	0	1,150,150	1,188,115	168,350	0	168,350
Bilingual Education	41,788	0	47,738	56,540	32,986	9	32,995
Capital Outlay	1,750,972	0	458,144	332,002	1,877,114	219,534	2,096,648
Driver Training	40,086	0	14,856	11,509	43,433	0	43,433
Food Service	203,909	0	640,063	637,094	206,878	369	207,247
Professional Development	90,961	0	40,200	35,311	95,850	0	95,850
Parent Education	22,894	0	5,000	6,814	21,080	0	21,080
Special Education	684,286	0	1,661,875	1,578,114	768,047	0	768,047
Vocational Education	142,876	0	315,000	321,870	136,006	2,096	138,102
KPERS Contribution	0	0	709,118	709,118	0	0	0
Federal Funds	374	0	465,383	464,918	839	15,025	15,864
Gifts and Grants	28,146	0	233,043	241,198	19,991	1,722	21,713
Contingency Reserve	500,000	0	0	0	500,000	0	500,000
Textbook and Student Material							
Revolving	64,442	0	59,677	41,702	82,417	510	82,927
District Activity Funds	43,887	0	111,167	111,753	43,301	0	43,301
Debt Service Fund							
Bond and Interest	435,455	0	496,401	506,415	425,441	0	425,441
	<u>\$ 4,415,049</u>	<u>\$ 0</u>	<u>\$ 17,022,779</u>	<u>\$ 16,846,292</u>	<u>\$ 4,591,536</u>	<u>\$ 508,104</u>	<u>\$ 5,099,640</u>

Composition of Cash:

Checking Accounts	\$ 369,204
Savings Accounts	4,485,529
Certificate of Deposit	300,000
Agency Funds	5,154,733
	(55,093)
	<u>\$ 5,099,640</u>

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

UNIFIED SCHOOL DISTRICT NO. 309
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2012

Note 1 - Summary of Significant Accounting Policies:

Financial Reporting Entity

Unified School District No. 309 is a municipal corporation established under State of Kansas statutes designed to meet educational requirements at the primary and secondary levels in and around Nickerson and South Hutchinson, Kansas. The District is governed by an elected seven-member Board of Education. The District's financial statements include all funds over which the Board of Education exercises financial responsibility. Financial responsibility includes appointment of governing body members, designation of management, the ability to significantly influence operations and accountability for fiscal matters.

KMAAG Regulatory Basis of Presentation Fund Definitions:

General Fund-The primary operating fund. Used to account for all unrestricted resources except those required to be accounted for in another fund.

Special Purpose Funds-To account for the proceeds of specific receipts (other than major capital projects) that are restricted by law or administrative action to expenditure for specific purposes.

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

Agency Funds-To account for resources held in a trustee or agency capacity for others which therefore cannot be used to support the government's own programs.

Regulatory Basis of Accounting

The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

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

UNIFIED SCHOOL DISTRICT NO. 309
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2012

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 to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expense, liabilities such as deferred revenue, 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 accounting principles generally accepted in the United States of America. General fixed assets that account for the land, buildings, and equipment owned by the municipality are not presented in the financial statements. Also, general long-term debt such as general obligation bonds, temporary notes, and compensated absences are not presented in the financial statements.

Budget and Tax Cycle

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

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at 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 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 statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

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

UNIFIED SCHOOL DISTRICT NO. 309
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2012

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

Federal Funds
Contingency Reserve Fund
District Activity Funds

Gifts and Grants Fund
Textbook and Student Material Revolving Fund

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.

Note 2 - Compensated Absences:

All permanent full-time employees are eligible for vacation and/or sick leave benefits in varying annual amounts depending on position and length of service.

It is the policy of the District to record vacation and sick leave benefits as expenditures when paid.

Note 3 - On-Behalf Payments for Fringe Benefits and Salaries:

The District recognizes as revenues and expenses contributions made by the State of Kansas to the Kansas Public Employees Retirement System (KPERs) on behalf of the District's employees. For the year ended June 30, 2012, the State made contributions of \$709,118. These contributions are recorded in the KPERs Contribution Fund as receipts and expenditures.

Note 4 - Defined Benefit Pension Plan:

Plan Description

The District participates in the Kansas Public Employees Retirement System (KPERs), a cost-sharing, multiple-employer, defined benefit pension plan as provided by K.S.A. 74-4901, et seq. KPERs provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends 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 Ave, 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 a minimum of 4% of covered salary. Member-employees' contributions are withheld by their employer and paid to KPERs according to the provisions of section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. Kansas contributed 9.77% of covered payroll for the year ended June 30, 2012. 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.

UNIFIED SCHOOL DISTRICT NO. 309
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2012

Note 5 - Deposits:

K.S.A. 9-1401 establishes the depositories which may be used by the Government. 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 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.

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit 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 Government's deposits may 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 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 \$5,154,733 and the bank balance was \$5,082,894. The bank balance is held by two banks. Of the bank balance, \$500,000 was covered by depository insurance and the remaining \$4,582,894 was collateralized with securities held by the pledging financial institution's agent in the District's name.

Note 6 - Postemployment Benefits:

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

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the 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.

UNIFIED SCHOOL DISTRICT NO. 309
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2012

Note 7 - Interfund Transactions:

Operating transfers in accordance with K.S.A. 72-7063 were as follows:

	Transfer to:									
	At Risk (4 Year Old)	At Risk (K-12)	Bilingual Education	Capital Outlay	Driver Training	Professional Development	Parent Education	Special Education	Vocational Education	Total
Transfer from:										
General Fund	\$ 20,000	\$ 707,480	\$ 20,000	\$ 282,774	\$ 0	\$ 0	\$ 0	\$ 1,214,796	\$ 80,000	\$ 2,325,050
Supplemental	45,000	442,520	25,000	0	5,346	40,000	5,000	407,480	235,000	1,205,346
General Fund	<u>\$ 65,000</u>	<u>\$ 1,150,000</u>	<u>\$ 45,000</u>	<u>\$ 282,774</u>	<u>\$ 5,346</u>	<u>\$ 40,000</u>	<u>\$ 5,000</u>	<u>\$ 1,622,276</u>	<u>\$ 315,000</u>	<u>\$ 3,530,396</u>

Note 8 - Contingencies:

Grant Programs

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

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. The District carries commercial insurance for all risks of loss. Settled claims resulting from these risks have not materially exceeded commercial insurance coverage in any of the past three years.

Note 9 - Reimbursed Expenses:

The District records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as revenue to the fund. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements.

Note 10 - Advance Refunding of Bond Obligation:

On July 1, 2005, the District issued \$4,625,000 of General Obligation Bonds with interest rates ranging from 3.00% to 4.00%. Of the issues \$4,513,932 was used to purchase U.S. government securities. Those securities were deposited with an escrow agent to provide for the future debt service payments on a portion of the 1999 Series Bonds. As a result, this portion of the 1999 Series Bonds is considered defeased and not included in long-term debt.

Note 11 - Subsequent Events:

The District has evaluated subsequent events through February 4, 2013, the date which the financial statements were available to be issued.

UNIFIED SCHOOL DISTRICT NO. 309
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2012

Note 12 - Long-Term Debt:

Principal payments are due annually for general obligation bonds on September 1. Interest payments are due semi-annually on March 1 and September 1.

Lease payments are due monthly.

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

<u>Issue</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>
General Obligation Bonds 2005 Series	3.00 - 4.00	7/1/05	\$ 4,625,000.00	9/1/19
Capital Leases Computers	0.9	5/28/11	\$ 531,902.00	5/28/13

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

<u>Issue</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Balance End of Year</u>	<u>Interest Paid</u>
General Obligation Bonds 2005 Series	\$ 3,795,000	\$ 0	\$ 375,000	\$ 3,420,000	\$ 131,415
	<u>3,795,000</u>	<u>0</u>	<u>375,000</u>	<u>3,420,000</u>	<u>131,415</u>
Capital Leases Computers	177,296	0	0	177,296	0
	<u>\$ 3,972,296</u>	<u>\$ 0</u>	<u>\$ 375,000</u>	<u>\$ 3,597,296</u>	<u>\$ 131,415</u>

UNIFIED SCHOOL DISTRICT NO. 309
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2012

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

	Principal			Interest			Total Principal and Interest
	General Obligation Bonds	Capital Leases	Total Principal	General Obligation Bonds	Capital Leases	Total Interest	
2013	\$ 390,000	\$ 177,296	\$ 567,296	\$ 118,980	\$ 1,596	\$ 120,576	\$ 687,872
2014	405,000	0	405,000	105,660	0	105,660	510,660
2015	425,000	0	425,000	91,337	0	91,337	516,337
2016	440,000	0	440,000	75,980	0	75,980	515,980
2017	460,000	0	460,000	59,550	0	59,550	519,550
2018 - 2022	<u>1,300,000</u>	<u>0</u>	<u>1,300,000</u>	<u>71,120</u>	<u>0</u>	<u>71,120</u>	<u>1,371,120</u>
	<u>\$ 3,420,000</u>	<u>\$ 177,296</u>	<u>\$ 3,597,296</u>	<u>\$ 522,627</u>	<u>\$ 1,596</u>	<u>\$ 524,223</u>	<u>\$ 4,121,519</u>

Note 13 - Beginning Unencumbered Cash:

	6/30/2011		6/30/2011	
	Balance Previously Reported	July State Aid Payment	Balance Restated	
General Fund	\$ (542,069)	\$ 542,069	\$ 0	
Supplemental General Fund	<u>58,761</u>	<u>68,191</u>	<u>126,952</u>	
	<u>\$ (483,308)</u>	<u>\$ 610,260</u>	<u>\$ 126,952</u>	

SUPPLEMENTARY INFORMATION

UNIFIED SCHOOL DISTRICT NO. 309
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2012

Fund	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Favorable (Unfavorable)
General Fund	\$ 7,878,654	\$ (57,052)	\$ 24,122	\$ 7,845,724	\$ 7,845,724	\$ 0
Special Purpose Funds						
Supplemental General	2,707,475	(26,997)	15,744	2,696,222	2,696,222	0
At Risk (4 Year Old)	63,100	0		63,100	61,873	1,227
At Risk (K-12)	1,206,000	0		1,206,000	1,188,115	17,885
Bilingual Education	60,800	0		60,800	56,540	4,260
Capital Outlay	1,030,000	0		1,030,000	332,002	697,998
Driver Training	16,525	0		16,525	11,509	5,016
Food Service	704,975	0		704,975	637,094	67,881
Professional Development	40,000	0		40,000	35,311	4,689
Parent Education	10,000	0		10,000	6,814	3,186
Special Education	1,618,200	0		1,618,200	1,578,114	40,086
Vocational Education	391,700	0		391,700	321,870	69,830
KPERS Contribution	885,161	0		885,161	709,118	176,043
Federal Funds	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	464,918	XXXXXXXXXX
Gifts and Grants	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	241,198	XXXXXXXXXX
Contingency Reserve	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0	XXXXXXXXXX
Textbook and Student Material						
Revolving	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	41,702	XXXXXXXXXX
District Activity Funds	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	111,753	XXXXXXXXXX
Debt Service Fund						
Bond and Interest	506,416	0	0	506,416	506,415	1
	<u>\$ 17,119,006</u>	<u>\$ (84,049)</u>	<u>\$ 39,866</u>	<u>\$ 17,074,823</u>	<u>\$ 16,846,292</u>	<u>\$ 1,088,102</u>

UNIFIED SCHOOL DISTRICT NO. 309
STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

<u>General Fund</u>	<u>Current Year</u>			Variance - Favorable (Unfavorable)
	Prior Year			
	Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 1,176,423	\$ 1,157,049	\$ 1,089,211	\$ 67,838
County Sources	1,501	0	1,381	(1,381)
State Sources	6,484,717	6,685,053	6,788,062	(103,009)
Federal Sources	393,905	3,622	0	3,622
	<u>8,056,546</u>	<u>7,845,724</u>	<u>\$ 7,878,654</u>	<u>\$ (32,930)</u>
Expenditures				
Instruction	2,931,030	2,742,544	\$ 2,758,200	\$ 15,656
Student Support Services	230,990	220,739	226,250	5,511
Instructional Support Staff	212,951	187,660	158,650	(29,010)
General Administration	334,236	327,128	339,500	12,372
School Administration	591,111	576,374	601,500	25,126
Operations & Maintenance	852,901	902,093	907,500	5,407
Student Transportation Services	436,906	490,375	516,700	26,325
Other Supplemental Services	80,584	73,761	81,776	8,015
Transfers	2,385,837	2,325,050	2,288,578	(36,472)
Adjustment to Comply With Legal Max	0	0	(57,052)	(57,052)
Adjustment for Qualifying Budget Credits	0	0	24,122	24,122
	<u>8,056,546</u>	<u>7,845,724</u>	<u>\$ 7,845,724</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>		

UNIFIED SCHOOL DISTRICT NO. 309
STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

<u>Supplemental General Fund</u>	<u>Current Year</u>			Variance - Favorable (Unfavorable)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 1,433,649	\$ 1,443,587	\$ 1,319,739	\$ 123,848
County Sources	158,541	175,251	203,925	(28,674)
State Sources	1,147,756	1,085,402	1,056,860	28,542
	<u>2,739,946</u>	<u>2,704,240</u>	<u>\$ 2,580,524</u>	<u>\$ 123,716</u>
Expenditures				
Instruction	356,446	469,454	\$ 408,833	\$ (60,621)
Student Support Services	51,016	48,450	52,350	3,900
Instructional Support Staff	30,608	22,401	35,000	12,599
General Administration	124,479	114,547	123,000	8,453
School Administration	357,783	178,892	179,000	108
Operations & Maintenance	217,901	226,803	278,000	51,197
Student Transportation Services	0	82,385	74,292	(8,093)
Other Supplemental Services	315,452	340,758	302,000	(38,758)
Architectural & Engineering Services	2,639	79	0	(79)
Community Services Operation	0	7,107	0	(7,107)
Transfers	1,250,000	1,205,346	1,255,000	49,654
Adjustment to Comply With Legal Max	0	0	(26,997)	(26,997)
Adjustment for Qualifying Budget Credits	0	0	15,744	15,744
	<u>2,706,324</u>	<u>2,696,222</u>	<u>\$ 2,696,222</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	33,622	8,018		
Unencumbered Cash, Beginning	93,330	126,952		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 126,952</u>	<u>\$ 134,970</u>		

UNIFIED SCHOOL DISTRICT NO. 309
STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

<u>At Risk Fund (4 Year Old)</u>	<u>Current Year</u>			Variance - Favorable (Unfavorable)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Transfers	\$ 63,000	\$ 65,000	\$ 65,000	\$ 0
	<u>63,000</u>	<u>65,000</u>	<u>65,000</u>	<u>0</u>
Expenditures				
Instruction	60,828	61,873	\$ 63,100	\$ 1,227
	<u>60,828</u>	<u>61,873</u>	<u>\$ 63,100</u>	<u>\$ 1,227</u>
Receipts Over (Under) Expenditures	2,172	3,127		
Unencumbered Cash, Beginning	29,534	31,706		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 31,706</u>	<u>\$ 34,833</u>		

UNIFIED SCHOOL DISTRICT NO. 309
STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

<u>At Risk Fund (K-12)</u>	<u>Current Year</u>			Variance - Favorable (Unfavorable)
	Prior Year			
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Local Sources	\$ 765	\$ 150	\$ 1,000	\$ (850)
Transfers	<u>1,232,000</u>	<u>1,150,000</u>	<u>1,200,000</u>	<u>(50,000)</u>
	<u>1,232,765</u>	<u>1,150,150</u>	<u>\$ 1,201,000</u>	<u>\$ (50,850)</u>
Expenditures				
Instruction	1,184,169	1,188,115	\$ 1,206,000	\$ 17,885
Student Support Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>1,184,169</u>	<u>1,188,115</u>	<u>\$ 1,206,000</u>	<u>\$ 17,885</u>
Receipts Over (Under) Expenditures	48,596	(37,965)		
Unencumbered Cash, Beginning	157,719	206,315		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 206,315</u>	<u>\$ 168,350</u>		

UNIFIED SCHOOL DISTRICT NO. 309
STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

<u>Bilingual Education Fund</u>	<u>Current Year</u>			Variance -
	Prior Year			Favorable
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Unfavorable)</u>
Cash Receipts				
Local Sources	\$ 9,831	\$ 2,738	\$ 0	\$ 2,738
Transfers	<u>45,000</u>	<u>45,000</u>	<u>50,000</u>	<u>(5,000)</u>
	<u>54,831</u>	<u>47,738</u>	<u>\$ 50,000</u>	<u>\$ (2,262)</u>
Expenditures				
Instruction	<u>58,994</u>	<u>56,540</u>	<u>\$ 60,800</u>	<u>\$ 4,260</u>
	<u>58,994</u>	<u>56,540</u>	<u>\$ 60,800</u>	<u>\$ 4,260</u>
Receipts Over (Under) Expenditures	(4,163)	(8,802)		
Unencumbered Cash, Beginning	45,951	41,788		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 41,788</u>	<u>\$ 32,986</u>		

UNIFIED SCHOOL DISTRICT NO. 309
STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

<u>Capital Outlay Fund</u>	<u>Current Year</u>			Variance - Favorable (Unfavorable)
	Prior Year			
	Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 176,125	\$ 159,117	\$ 172,166	\$ (13,049)
County Sources	14,919	16,253	28,641	(12,388)
Transfers	329,675	282,774	0	282,774
	<u>520,719</u>	<u>458,144</u>	<u>\$ 200,807</u>	<u>\$ 257,337</u>
Expenditures				
Instruction	77,864	45,467	\$ 130,000	\$ 84,533
General Administration	15,999	1,522	15,000	13,478
School Administration	6,095	130	50,000	49,870
Operations & Maintenance	13,309	15,022	50,000	34,978
Transportation	0	0	125,000	125,000
Land Acquisition	0	4,000	0	(4,000)
Facility Acquisition & Construction Services	179,446	265,861	660,000	394,139
	<u>292,713</u>	<u>332,002</u>	<u>\$ 1,030,000</u>	<u>\$ 697,998</u>
Receipts Over (Under) Expenditures	228,006	126,142		
Unencumbered Cash, Beginning	1,522,966	1,750,972		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 1,750,972</u>	<u>\$ 1,877,114</u>		

UNIFIED SCHOOL DISTRICT NO. 309
STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

<u>Driver Training Fund</u>	<u>Current Year</u>			Variance - Favorable (Unfavorable)
	Prior Year			
	Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 9,210	\$ 6,314	\$ 9,000	\$ (2,686)
State Sources	2,220	3,196	2,960	236
Transfers	0	5,346	10,000	(4,654)
	<u>11,430</u>	<u>14,856</u>	<u>\$ 21,960</u>	<u>\$ (7,104)</u>
Expenditures				
Instruction	<u>8,666</u>	<u>11,509</u>	<u>\$ 16,525</u>	<u>\$ 5,016</u>
	<u>8,666</u>	<u>11,509</u>	<u>\$ 16,525</u>	<u>\$ 5,016</u>
Receipts Over (Under) Expenditures	2,764	3,347		
Unencumbered Cash, Beginning	37,322	40,086		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 40,086</u>	<u>\$ 43,433</u>		

UNIFIED SCHOOL DISTRICT NO. 309
STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

<u>Food Service Fund</u>	<u>Current Year</u>			Variance - Favorable (Unfavorable)
	Prior Year			
	Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 195,848	\$ 196,536	\$ 194,348	\$ 2,188
State Sources	6,787	6,816	5,501	1,315
Federal Sources	419,993	436,711	405,278	31,433
Transfers	0	0	25,000	(25,000)
	<u>622,628</u>	<u>640,063</u>	<u>\$ 630,127</u>	<u>\$ 9,936</u>
Expenditures				
Operations & Maintenance	9,462	10,933	\$ 14,725	\$ 3,792
Food Service Operations	<u>624,906</u>	<u>626,161</u>	<u>690,250</u>	<u>64,089</u>
	<u>634,368</u>	<u>637,094</u>	<u>\$ 704,975</u>	<u>\$ 67,881</u>
Receipts Over (Under) Expenditures	(11,740)	2,969		
Unencumbered Cash, Beginning	215,649	203,909		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 203,909</u>	<u>\$ 206,878</u>		

UNIFIED SCHOOL DISTRICT NO. 309
STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

<u>Professional Development Fund</u>	<u>Current Year</u>			Variance - Favorable (Unfavorable)
	Prior Year			
	Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 0	\$ 200	\$ 0	\$ 200
Transfers	30,000	40,000	25,000	15,000
	<u>30,000</u>	<u>40,200</u>	<u>\$ 25,000</u>	<u>\$ 15,200</u>
Expenditures				
Instructional Support Staff	5,843	1,954	\$ 10,000	\$ 8,046
Other Supplemental Services	18,783	33,357	30,000	(3,357)
	<u>24,626</u>	<u>35,311</u>	<u>\$ 40,000</u>	<u>\$ 4,689</u>
Receipts Over (Under) Expenditures	5,374	4,889		
Unencumbered Cash, Beginning	85,587	90,961		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 90,961</u>	<u>\$ 95,850</u>		

UNIFIED SCHOOL DISTRICT NO. 309
STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

Parent Education Fund	Current Year			Variance - Favorable (Unfavorable)
	Prior Year	Actual	Budget	
	Actual			
Cash Receipts				
Transfers	\$ 0	\$ 5,000	\$ 10,000	\$ (5,000)
	<u> 0</u>	<u> 5,000</u>	<u> 10,000</u>	<u> (5,000)</u>
Expenditures				
Student Support Services	<u> 8,992</u>	<u> 6,814</u>	<u> 10,000</u>	<u> 3,186</u>
	<u> 8,992</u>	<u> 6,814</u>	<u> 10,000</u>	<u> 3,186</u>
Receipts Over (Under) Expenditures	(8,992)	(1,814)		
Unencumbered Cash, Beginning	31,886	22,894		
Prior Year Canceled Encumbrances	<u> 0</u>	<u> 0</u>		
Unencumbered Cash, Ending	<u>\$ 22,894</u>	<u>\$ 21,080</u>		

UNIFIED SCHOOL DISTRICT NO. 309
STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

<u>Special Education Fund</u>	<u>Current Year</u>			Variance -
	Prior Year			Favorable
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	(Unfavorable)
Cash Receipts				
Federal Sources	\$ 24,791	\$ 39,599	\$ 20,000	\$ 19,599
Transfers	<u>1,561,162</u>	<u>1,622,276</u>	<u>1,793,578</u>	<u>(171,302)</u>
	<u>1,585,953</u>	<u>1,661,875</u>	<u>\$ 1,813,578</u>	<u>\$ (151,703)</u>
Expenditures				
Instruction	1,266,348	1,395,103	\$ 1,335,000	\$ (60,103)
Operations & Maintenance	0	0	0	0
Student Transportation Services	261,768	177,620	277,200	99,580
Other Supplemental Services	<u>5,486</u>	<u>5,391</u>	<u>6,000</u>	<u>609</u>
	<u>1,533,602</u>	<u>1,578,114</u>	<u>\$ 1,618,200</u>	<u>\$ 40,086</u>
Receipts Over (Under) Expenditures	52,351	83,761		
Unencumbered Cash, Beginning	631,935	684,286		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	\$ 684,286	\$ 768,047		

UNIFIED SCHOOL DISTRICT NO. 309
STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

<u>Vocational Education Fund</u>	<u>Current Year</u>			Variance -
	Prior Year			Favorable
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	(Unfavorable)
Cash Receipts				
Local Sources	\$ 4,927	\$ 0	\$ 0	\$ 0
Transfers	<u> 375,000</u>	<u> 315,000</u>	<u> 365,000</u>	<u> (50,000)</u>
	<u> 379,927</u>	<u> 315,000</u>	<u>\$ 365,000</u>	<u>\$ (50,000)</u>
Expenditures				
Instruction	<u> 351,082</u>	<u> 321,870</u>	<u>\$ 391,700</u>	<u>\$ 69,830</u>
	<u> 351,082</u>	<u> 321,870</u>	<u>\$ 391,700</u>	<u>\$ 69,830</u>
Receipts Over (Under) Expenditures	28,845	(6,870)		
Unencumbered Cash, Beginning	114,031	142,876		
Prior Year Canceled Encumbrances	<u> 0</u>	<u> 0</u>		
Unencumbered Cash, Ending	<u>\$ 142,876</u>	<u>\$ 136,006</u>		

UNIFIED SCHOOL DISTRICT NO. 309
STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

<u>KPERS Contribution Fund</u>	<u>Current Year</u>			Variance -
	Prior Year			Favorable
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	(Unfavorable)
Cash Receipts				
State Sources	\$ 423,971	\$ 709,118	\$ 885,161	\$ (176,043)
	<u>423,971</u>	<u>709,118</u>	<u>\$ 885,161</u>	<u>\$ (176,043)</u>
Expenditures				
Instruction	254,381	425,473	\$ 531,097	\$ 105,624
Student Support Services	21,199	35,456	44,258	8,802
Instructional Support Staff	21,199	35,456	44,258	8,802
General Administration	21,199	35,456	44,258	8,802
School Administration	33,918	56,729	70,813	14,084
Other Supplemental Services	12,719	21,273	26,555	5,282
Operations & Maintenance	33,918	56,729	70,813	14,084
Student Transportation Services	12,719	21,273	26,555	5,282
Food Service	12,719	21,273	26,554	5,281
	<u>423,971</u>	<u>709,118</u>	<u>\$ 885,161</u>	<u>\$ 176,043</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	\$ 0	\$ 0		

UNIFIED SCHOOL DISTRICT NO. 309
STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

<u>Bond and Interest Fund</u>	<u>Current Year</u>			Variance - Favorable (Unfavorable)
	Prior Year			
	Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 333,690	\$ 306,732	\$ 297,967	\$ 8,765
County Sources	39,072	42,809	50,255	(7,446)
State Sources	152,641	146,860	146,861	(1)
	<u>525,403</u>	<u>496,401</u>	<u>\$ 495,083</u>	<u>\$ 1,318</u>
Expenditures				
Debt Service	<u>508,803</u>	<u>506,415</u>	<u>\$ 506,416</u>	<u>\$ 1</u>
	<u>508,803</u>	<u>506,415</u>	<u>\$ 506,416</u>	<u>\$ 1</u>
Receipts Over (Under) Expenditures	16,600	(10,014)		
Unencumbered Cash, Beginning	418,855	435,455		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 435,455</u>	<u>\$ 425,441</u>		

UNIFIED SCHOOL DISTRICT NO. 309
STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

<u>Federal Funds</u>	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	\$ 25,000	\$ 15,000
Federal Sources	<u>427,708</u>	<u>450,383</u>
	<u>452,708</u>	<u>465,383</u>
Expenditures		
Instruction	463,389	462,023
Instructional Support Staff	270	1,686
Student Support Services	828	1,209
School Administration	0	0
Student Transportation	0	0
Food Service Operations	<u>0</u>	<u>0</u>
	<u>464,487</u>	<u>464,918</u>
Receipts Over (Under) Expenditures	(11,779)	465
Unencumbered Cash, Beginning	12,153	374
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 374</u>	<u>\$ 839</u>

UNIFIED SCHOOL DISTRICT NO. 309
STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

Gifts and Grants Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	\$ 121,472	\$ 115,964
State Sources	16,040	8,694
Federal Sources	103,000	108,385
	<u>240,512</u>	<u>233,043</u>
Expenditures		
Instruction	203,409	208,714
School Administration	31,113	32,676
Student Transportation Services	2,747	(192)
Food Service Operation	2,371	0
	<u>239,640</u>	<u>241,198</u>
Receipts Over (Under) Expenditures	872	(8,155)
Unencumbered Cash, Beginning	27,274	28,146
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 28,146</u>	<u>\$ 19,991</u>

UNIFIED SCHOOL DISTRICT NO. 309
STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

Contingency Reserve Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers	\$ 0	\$ 0
	<u>0</u>	<u>0</u>
Expenditures	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash, Beginning	500,000	500,000
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 500,000</u>	<u>\$ 500,000</u>

UNIFIED SCHOOL DISTRICT NO. 309
STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

Textbook and Student Material Revolving Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	\$ 49,448	\$ 59,677
	<u>49,448</u>	<u>59,677</u>
Expenditures		
Instruction	<u>25,585</u>	<u>41,702</u>
	<u>25,585</u>	<u>41,702</u>
Receipts Over (Under) Expenditures	23,863	17,975
Unencumbered Cash, Beginning	40,579	64,442
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 64,442</u>	<u>\$ 82,417</u>

UNIFIED SCHOOL DISTRICT NO. 309
AGENCY FUNDS
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2012

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Nickerson High School				
Class of 2012	\$ 611	\$ 144	\$ 709	\$ 46
Class of 2013	465	5,351	5,561	255
Class of 2014	357	358	5	710
Class of 2015	0	350	5	345
Cheerleaders	803	13,733	12,733	1,803
Debate	1,043	1,575	1,580	1,038
Forensics	1,643	2,347	3,001	989
FBLA	104	1,391	1,267	228
FCCLA	866	3,290	2,721	1,435
Spanish Club	749	139	424	464
Key Club	502	976	669	809
N-Club	5,384	3,207	2,871	5,720
National Honor Society	355	34	233	156
Vocal Music	1,155	300	528	927
Madrigals	1,261	7,454	6,675	2,040
SAVE/SADD	573	0	0	573
Book Club	1	3,106	2,981	126
Scholars Bowl	248	30	90	188
Science Club	2,121	2,029	3,586	564
Stuco	1,469	2,483	3,024	928
Renaissance	3,170	1,011	3,428	753
Drama Club	50	0	0	50
Drill Team	285	200	0	485
Skills USA	71	187	0	258
Scholarships	205	0	0	205
Education Fund	956	2,092	1,317	1,731
Hutchinson Community				
Foundation Grant	795	127	156	766
Prairie Quilt Guild Grant	627	2,952	2,466	1,113
Green School Grant	57	0	57	0
Sales Tax	126	6,647	6,325	448
	<u>26,052</u>	<u>61,513</u>	<u>62,412</u>	<u>25,153</u>

**UNIFIED SCHOOL DISTRICT NO. 309
AGENCY FUNDS
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2012**

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Nickerson Grade School	\$ 16,039	\$ 11,565	\$ 15,982	\$ 11,622
Student Council	16,039	11,565	15,982	11,622

UNIFIED SCHOOL DISTRICT NO. 309
AGENCY FUNDS
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2012

<u>Fund</u>	<u>Beginning Cash</u> <u>Balance</u>	<u>Cash Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Ending Cash</u> <u>Balance</u>
Reno Valley Middle School				
7th Grade	\$ 111	\$ 1,396	\$ 918	\$ 589
8th Grade	2,306	2,187	2,983	1,510
Music	981	9,119	8,267	1,833
Stuco	1,017	65	18	1,064
PAWS	512	3,611	3,424	699
Yearbook	284	1,435	1,549	170
Art Club	19	1,477	1,492	4
Sales Tax	0	291	291	0
	<u>5,230</u>	<u>19,581</u>	<u>18,942</u>	<u>5,869</u>

UNIFIED SCHOOL DISTRICT NO. 309
AGENCY FUNDS
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2012

Fund	Beginning Cash		Cash		Ending Cash
	Balance	Cash Receipts	Disbursements		Balance
South Hutchinson Grade School					
Spirit Club	\$ 1,856	\$ 1,531	\$ 2,376	\$	1,011
Spirit Club - Special	1,376	726	911		1,191
Spirit Club - Library AR	307	4,338	4,231		414
Yearbook	1,911	1,785	1,902		1,794
Stuco	7,757	7,031	6,749		8,039
	<u>13,207</u>	<u>15,411</u>	<u>16,169</u>		<u>12,449</u>
 Total Agency Funds	 <u>\$ 60,528</u>	 <u>\$ 108,070</u>	 <u>\$ 113,505</u>	 <u>\$</u>	 <u>55,093</u>

UNIFIED SCHOOL DISTRICT NO. 309
DISTRICT ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2012

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add	
						Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Nickerson High School							
Athletics	\$ 10,856	\$ 0	\$ 41,963	\$ 41,312	\$ 11,507	\$ 0	\$ 11,507
Instrumental Music	992	0	6,641	6,989	644	0	644
Productions/Musical	4,290	0	2,905	3,406	3,789	0	3,789
Concession/Vending Machines	9,078	0	45,307	45,304	9,081	0	9,081
Publications	6,777	0	6,599	5,447	7,929	0	7,929
	<u>31,993</u>	<u>0</u>	<u>103,415</u>	<u>102,458</u>	<u>32,950</u>	<u>0</u>	<u>32,950</u>
Reno Valley Middle School							
Athletics	1,825	0	1,679	2,038	1,466	0	1,466
School Projects	8,578	0	5,398	6,257	7,719	0	7,719
	<u>10,403</u>	<u>0</u>	<u>7,077</u>	<u>8,295</u>	<u>9,185</u>	<u>0</u>	<u>9,185</u>
South Hutchinson Grade School							
HCF Grant	1,241	0	675	1,000	916	0	916
Pepsi Grant	250	0	0	0	250	0	250
	<u>1,491</u>	<u>0</u>	<u>675</u>	<u>1,000</u>	<u>1,166</u>	<u>0</u>	<u>1,166</u>
Total District Activity Funds	<u>\$ 43,887</u>	<u>\$ 0</u>	<u>\$ 111,167</u>	<u>\$ 111,753</u>	<u>\$ 43,301</u>	<u>\$ 0</u>	<u>\$ 43,301</u>

FEDERAL AWARD INFORMATION



BUSBY FORD & REIMER, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

**Board of Education
Unified School District No. 309**

We have audited the financial statement of **Unified School District No. 309**, as of and for the year ended **June 30, 2012**, and have issued our report thereon dated February 4, 2013. In our report, our opinion on the financial statement was unqualified based on the prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of **Unified School District No. 309**, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered **Unified School District No. 309's** internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of **Unified School District No. 309's** internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of **Unified School District No. 309's** internal control over financial reporting.

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

**Board of Education
Unified School District No. 309**

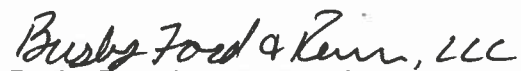
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses.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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether **Unified School District No. 309's** financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of **Unified School District No. 309**, in a separate letter dated February 4, 2013.

This report is intended solely for the information and use of the Board of Education and management of **Unified School District No. 309**, and for filing with the Kansas Department of Administration, Office of Management Analysis and Standards, The Kansas Department of Education, and other federal and state audit agencies, and is not intended to be and should not be used by anyone other than these specified parties.


Busby Ford & Reimer, LLC
February 4, 2013



BUSBY FORD & REIMER, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

**Board of Education
Unified School District No. 309**

Compliance

We have audited **Unified School District No. 309's** compliance 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. 309's** major federal programs for the year ended **June 30, 2012**. **Unified School District No. 309's** major federal programs are identified in the summary of auditors' 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. 309's** management. Our responsibility is to express an opinion on **Unified School District No. 309'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. 309'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. 309's** compliance with those requirements.

In our opinion, **Unified School District No. 309**, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended **June 30, 2012**.

**Board of Education
Unified School District No. 309**

Internal Control Over Compliance

Management of **Unified School District No. 309**, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered **Unified School District No. 309's** internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of **Unified School District No. 309'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 report is intended solely for the information and use of the Board of Education and management of **Unified School District No. 309**, and for filing with the Kansas Department of Administration, Office of Management Analysis and Standards, The Kansas Department of Education, and other federal and state audit agencies, and is not intended to be and should not be used by anyone other than these specified parties.


Busby Ford & Reimer, LLC
February 4, 2013

UNIFIED SCHOOL DISTRICT NO. 309
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

Grant Title	Federal CFDA No.	Program Amount	Unencumbered Cash 7-1-11	Receipts	Expenditures	Unencumbered Cash 6-30-12
(Passes Through Kansas Department of Education)						
Department of Agriculture						
Child Nutrition Cluster-Cluster						
School Breakfast Program	10.553	\$ 101,290				
National School Lunch Program	10.555	335,421				
		<u>436,711</u>	\$ 0	\$ 436,711	\$ 436,711	\$ 0
Department of Education						
Title I Grants to Local Educational Agencies	84.010	242,150	374	242,150	241,685	839
Title IV 21st Century Comm. Learning Center	84.287	208,385	272	208,385	208,657	0
Title II Tech Literacy	84.318	25,500	0	25,500	25,500	0
Improving Teacher Quality State Grants	84.367	67,540	0	67,540	67,540	0
Title II-Tech Literacy - ARRA	84.386	2,318	0	2,318	2,318	0
Education Jobs Fund	84.410	3,622	0	3,622	3,622	0
		<u>549,515</u>	<u>646</u>	<u>549,515</u>	<u>549,322</u>	<u>839</u>
(Passes Through Kansas SRS)						
Department of Health and Human Services						
Medicaid Cluster-Cluster						
Medical Assistance Program	93.778	39,599	0	39,599	39,599	0
(Passes Through Reno County Treasurer)						
Department of Justice						
Juvenile Justice and Delinquency Prevention	16.540	12,875	0	12,875	12,875	0
Total Federal Awards		<u>\$ 1,038,700</u>	<u>\$ 646</u>	<u>\$ 1,038,700</u>	<u>\$ 1,038,507</u>	<u>\$ 839</u>

**UNIFIED SCHOOL DISTRICT NO. 309
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012**

Note 1 - Basis of Presentation:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of **Unified School District No. 309**, and is prepared on the basis of accounting as described in Note 1 of the notes to the financial statement. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

**UNIFIED SCHOOL DISTRICT NO. 309
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012**

SUMMARY OF AUDIT RESULTS

1. The independent auditors' report expresses an unqualified opinion on the financial statement of **Unified School District No. 309**.
2. No significant deficiencies or material weaknesses were reported in the Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statement of **Unified School District No. 309** were disclosed during the audit.
4. No significant deficiencies or material weakness were reported in the Independent Auditors' Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133.
5. The independent auditors' report on compliance for the major federal award programs for **Unified School District No. 309** expresses an unqualified opinion on all federal award programs.
6. There were no audit findings relative to the major federal award programs for **Unified School District No. 309**.
7. The programs tested as major programs were:

Child Nutrition Cluster-Cluster	
School Breakfast Program	10.553
National School Lunch Program	10.555
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. **Unified School District No. 309** was determined to not be a low-risk auditee.

**UNIFIED SCHOOL DISTRICT NO. 309
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012**

There are no prior audit findings.