

**UNIFIED SCHOOL DISTRICT NUMBER 313
BUHLER, KANSAS**

FINANCIAL STATEMENT

FISCAL YEAR ENDED JUNE 30, 2012

**Unified School District Number 313
Buhler, Kansas**

Fiscal Year Ended June 30, 2012

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**Unified School District Number 313
Buhler, Kansas**

Fiscal Year Ended June 30, 2012

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Unified School District Number 313
Buhler, Kansas 67522

We have audited the summary statement of cash receipts, expenditures, and unencumbered cash balances of Unified School District Number 313, Buhler, Kansas, as of and for the year ended June 30, 2012. This financial statement is the responsibility of the School District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

In our opinion, 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 the District as of June 30, 2012, or the changes in its financial position 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 the District as of June 30, 2012, and the aggregate cash receipts and expenditures for the year then ended on the basis of accounting described in Note 1.

Our audit was conducted for the purpose of forming an opinion on the June 30, 2012 financial statement as a whole. The summary of expenditures—actual and budget, individual fund schedules of cash receipts and expenditures, agency funds—schedule of cash receipts and cash disbursements, and district activity funds—schedule of cash receipts and cash disbursements (Schedules 1, 2, 3 and 4 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the June 30, 2012 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 also not a required part of the

financial statements. The summary of expenditures—actual and budget, individual fund schedules of cash receipts and expenditures, agency funds—schedule of cash receipts and cash disbursements, district activity funds—schedule of cash receipts and cash disbursements and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the June 30, 2012 financial statement as a whole.

Swindoll, Janzen, Hawk & Loya, LLC

Certified Public Accountants

December 1, 2012

**Unified School District Number 313
Buhler, Kansas**

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

<u>Fund</u>	<u>Beginning Unencumbered Cash Balance 07-01-11</u>	<u>Prior Year Cancelled Encumbrances</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance 06-30-12</u>	<u>Add Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance 06-30-12</u>
GOVERNMENTAL TYPE FUNDS:							
GENERAL OPERATING FUNDS							
General Fund	\$ -	\$ 26	\$ 13,166,194	\$ 13,150,469	\$ 15,751	\$ 5,465	\$ 21,216
Supplemental General Fund	180,702	-	4,483,721	4,389,291	275,132	-	275,132
Total General Operating Funds	180,702	26	17,649,915	17,539,760	290,883	5,465	296,348
SPECIAL REVENUE FUNDS							
At Risk (4 Year Old) Fund	50,000	-	95,402	145,110	292	-	292
At Risk (K-12) Fund	50,000	-	881,723	928,094	3,629	-	3,629
Bilingual Education Fund	10,000	-	70,128	64,500	15,628	-	15,628
Capital Outlay Fund	158,506	-	1,448,646	1,060,745	546,407	182,925	729,332
Driver Training Fund	60,840	-	105,578	73,005	93,413	-	93,413
Food Service Fund	255,654	-	1,246,577	1,202,423	299,808	-	299,808
Professional Development Fund	50,000	-	18,848	18,848	50,000	-	50,000
Parent Education Fund	18,868	-	11,473	16,611	13,730	-	13,730
Special Education Fund	688,558	-	3,400,610	3,343,294	745,874	-	745,874
Vocational Education Fund	50,000	81	527,063	577,144	-	6,155	6,155
KPERS Retirement Contribution Fund	-	-	1,147,709	1,147,709	-	-	-
Title I, Low Income Fund	(78,398)	-	333,684	255,286.00	-	-	-
Title II, Part A Teacher Quality Fund	(17,070)	-	66,529	46,950.00	2,509	-	2,509
Title II, Part D Education Technology Fund	157	-	-	157.00	-	-	-
Title IV, Safe & Drug Free Fund	1,158	18	3,874	4,955.00	95	-	95
Gifts and Grants Fund	12,219	-	34,688	25,571	21,336	187	21,523
Contingency Reserve Fund	428,414	-	-	-	428,414	-	428,414
Student Material Fund	53,889	-	72,615	105,603	20,901	-	20,901
Buhler CARES Programs Fund	19,203	-	130,215	127,611	21,807	-	21,807
Universal Kindergarten Fund	-	-	25,000	25,000	-	-	-
PEP Grant Fund	6,268	-	14,607	63,269	(42,394)	7,497	(34,897)
Perkins Reserve Fund	-	-	-	2,223	(2,223)	-	(2,223)
Prosperity TRC Grant Fund	16,649	-	-	3,114	13,535	-	13,535
PHMS TRC Grant Fund	16,211	-	41,097	57,308	-	-	-
Three School Fund	5,813	-	2,983	2,998	5,798	-	5,798
District Activity Funds	197,370	-	747,625	781,665	163,330	-	163,330
Total Special Revenue Funds	2,054,309	99	10,426,674	10,079,193	2,401,889	196,764	2,598,653
DEBT SERVICE FUND							
Bond and Interest Fund	1,424,009	-	1,417,732	1,439,264	1,402,477	-	1,402,477
Total Financial Reporting Entity (Excluding Agency Funds)	\$ 3,659,020	\$ 125	\$ 29,494,321	\$ 29,058,217	\$ 4,095,249	\$ 202,229	\$ 4,297,478

COMPOSITION OF CASH:

Farmers National Bank	
District Checking	\$ 4,151,867
High School Checking	174,223
Grade School Checking	13,444
Central National Bank	
Food Service	3,193
Middle School Checking	21,247
Grade Schools Checking	18,417
Mid-Kansas Credit Union	
District Checking	60
Total Cash	4,382,451
Less Agency Funds per Schedule 4	(84,973)
Total (Excluding Agency Funds)	\$ 4,297,478

UNIFIED SCHOOL DISTRICT NUMBER 313

BUHLER, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

Unified School District Number 313 is a municipal corporation governed by an elected seven-member board. These financial statements present Unified School District Number 313 (the primary government). There were no material component units in the year ended June 30, 2012.

(b) Reimbursed Expenses

The District records reimbursable expenditures in the fund that makes the disbursement and records reimbursements to revenue to the fund. For purposes of budgetary comparisons, the expenditures are properly reflected as offset by the reimbursements. Expenditures for the year ended June 30, 2012, in the amount of \$232,543 are classified as reimbursed expenses in the General Fund. These expenditures are for general purposes and are exempt from the budget law under K.S.A. 72-5390.

(c) Basis of Presentation - Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for separately. Funds are classified into two categories: Governmental and Fiduciary. Within each of these two categories there are one or more fund types. The District uses the following fund types:

GOVERNMENTAL FUND TYPES

General Fund - The General Fund is used to account for all activities of the general government not accounted for in some other fund.

Special Revenue Funds - Special Revenue Funds are used to account for the collection and disbursement of monies earmarked for a special purpose.

Debt Service Fund - Debt Service Funds are used to account for the servicing of general long-term debt such as general obligation bonds.

Capital Project Funds – Capital Project Funds are used to account for the source of funds and the use of those funds to be expended on the particular capital project.

FIDUCIARY FUND TYPES

This fund type accounts for assets held by the District as a trustee or agent for others and therefore cannot be used to support the District's own programs.

Private Purpose Trust Funds-These funds are used to report all trust arrangements under which principal and income benefit individuals, private organizations or other governments.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(d) Statutory Basis of Accounting

The statutory basis of accounting, as used in the preparation of this statutory basis financial statement, is designed to demonstrate compliance with the cash basis and budget laws 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 expenditure would be charged in the fund from which the transfer is made.

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

(e) Departure from Accounting Principles Generally Accepted in the United States of America

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

(f) Budget and Tax Cycle

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. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

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

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.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(f) Budget and Tax Cycle (cont.)

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

A legal operating budget is not required for Fiduciary Funds and Permanent Funds, Capital Project Funds and the following Special Revenue Funds: Contingency Reserve Fund, Student Material Fund, Buhler CARES Program Fund, Federal Funds, Gifts and Grants, PEP Grant Fund, Prosperity TRC Grant Fund, Perkins Reserve Fund, Universal Kindergarten Fund, PHMS TRC Grant Fund, Three School Fund, and District Activity funds.

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.

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

(a) Compliance with Kansas Statutes

In violation of K.S.A. 79-2935, disbursements were made in excess of budget authority in the Bilingual Education Fund.

3. DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; 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 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. Custodial credit risk is the risk that in the event of bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at June 30, 2012.

(a) Deposits

At year end the carrying amount of the District's cash was \$4,382,448. The bank balance was \$5,001,363. The difference between the carrying amount and the bank balance is outstanding checks and deposits in transit. Of the bank balance, \$750,000 was covered by F.D.I.C. insurance and the remaining \$4,251,363 was collateralized by pledged securities held under joint custody receipts issued by a third-party bank in the District's name. The third-party bank holding the pledged securities is independent of the pledging bank. The pledged securities are held under a tri-party custodial agreement signed by all three parties: the District, the pledging bank, and the independent third-party bank holding the pledged securities.

4. INTERFUND TRANSACTIONS

Operating transfers were as follows:

From	To	Authority	Statutory Amount
General	Special Education	K.S.A. 72-6428	\$ 2,700,611
Supplemental General	At Risk (4 year old)	K.S.A. 72-6433	95,402
Supplemental General	At Risk (K-12)	K.S.A. 72-6433	881,723
Supplemental General	Bilingual	K.S.A. 72-6433	70,128
Supplemental General	Professional Development	K.S.A. 72-6433	18,848
Supplemental General	Parent Education	K.S.A. 72-6433	11,474
Supplemental General	Special Education	K.S.A. 72-6433	700,000
Supplemental General	Vocational Education	K.S.A. 72-6433	526,963

5. LONG-TERM DEBT

Changes in long-term liabilities for the District for the 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	Balance End of Year	Interest Paid
General Obligation Bonds:									
2003 Series	2.60% - 3.50%	7/01/2003	\$ 8,985,000	9/1/2016	\$ 7,610,000	\$ -	\$ 1,210,000	\$ 6,400,000	\$ 229,265
Capital Leases:									
Buses	4.24%	9/10/2007	713,231	6/18/2012	153,369	-	153,369	-	6,502
Band Equipment	5.00%	4/22/2008	25,734	7/1/2012	10,294	-	5,147	5,147	568
Energy Management System	4.25% - Var	4/13/2005	1,200,000	3/1/2015	1,060,000	-	30,000	1,030,000	48,548
Total Compensated Absences					40,860	5,340	-	46,200	-
Total Long-Term Debt					\$ 8,874,523	\$ 5,340	\$ 1,398,516	\$ 7,481,347	\$ 284,883

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	Total
Principal:						
G.O. Bonds Series 2003	\$ 1,260,000	\$ 1,315,000	\$ 1,375,000	\$ 1,435,000	\$ 1,015,000	\$ 6,400,000
Band Equipment	5,147					5,147
Energy Management System	280,000	280,000	470,000	-	-	1,030,000
Total Principal	1,545,147	1,595,000	1,845,000	1,435,000	1,015,000	7,435,147
Interest:						
G.O. Bonds Series 2003	191,428	150,371	106,659	59,920	17,762	526,140
Band Equipment	568					568
Energy Management System	47,174	45,800	44,426	-	-	137,400
Total Interest	239,170	196,171	151,085	59,920	17,762	664,108
Total Principal and Interest	\$ 1,784,317	\$ 1,791,171	\$ 1,996,085	\$ 1,494,920	\$ 1,032,762	\$ 8,099,255

6. LEAVE POLICIES

Sick Leave

Each full-time teacher will be allowed 15 days of sick leave the first year of employment and 10 days per year, thereafter, accumulative to 70 days. Administrative personnel may accumulate up to 75 days.

Teachers employed part-time shall be granted leave on a pro-rated basis. Certified employees will be compensated for unused sick leave at the rate of \$20 per day upon retirement or early retirement from the District when in compliance with the early retirement eligibility guidelines.

Each classified employee will be allowed 1 sick day per month of contracted employment immediately following the successful completion of any initial probationary period cumulative to a maximum of 70 days. Any employee who has reached age 60 and has at least 10 consecutive years of employee with the District, may, upon retirement, apply for payment of unused sick leave at a rate of \$20 per day.

Vacation Leave

Classified employees under contract for 12 months will receive non-accumulative vacation pay according to the following schedule:

- 1) Five days per year after the first and second year of employment.
- 2) Ten days per year after the third through the ninth year of employment.
- 3) Fifteen days per year after the tenth year of employment.

All vacation pay must be used by June 30 of each year or forfeited.

Personal Leave

Each certified employee is allowed two days of personal leave each contract year accumulative to three to five days based upon years of service.

Each full-time and part-time contracted employee is allowed three days of non-accumulative personal leave for each year.

Personal Leave is forfeited upon termination.

7. PENSION COSTS AND EMPLOYEE BENEFITS

Defined Benefit Pension Plan

Plan Description: The District contributes to 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) or by calling 1-888-275-5737.

Funding Policy. K.S.A. 74-4919 establishes the KPERs member-employee contribution rate at 4% of covered salary. 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 9.77% of covered payroll. These contribution requirements are established by KPERs and are periodically revised. Kansas' contributions to KPERs for all Kansas public school employees for the years ending June 30, 2012, 2011, and 2010 were \$298,635,383 received as of June 30, 2012, \$188,864,352 received as of June 30, 2011, (with the remaining balance due from the state of \$64,969,692, received by July 12, 2011), and \$140,318,395 received as of June 30, 2010, (with the remaining balance due from the state of \$108,149,792, received by July 9, 2010), respectively, equal to the statutory required contributions for each year. The amounts attributable to the District for the years ending June 30, 2012, 2011, and 2010 were \$1,147,709, \$681,313, and \$809,859.

8. CLAIMS AND JUDGMENTS

The District participates in federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of December 1, 2012 grant expenditures have not been audited, but the District believes that any disallowed expenditures or overpayments, if any, will not have a material effect on the individual governmental funds or the overall financial position of the District.

During the ordinary course of its operation the District is a party to various claims, legal actions and complaints. It is the opinion of the District's management and legal counsel that these matters are not anticipated to have a material impact on the District.

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 has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage from 2011 to 2012, and there were no settlements that exceeded insurance coverage in the past three years.

9. EARLY RETIREMENT INCENTIVE

The District provides an early retirement program for certain eligible employees. Generally, the employee must have completed 10 years of service with the District and have worked for the District through their 60th birthday or have reached an age and length of service in Kansas public schools totaling 85. Those eligible under this program may receive benefits for up to five years.

Payments to retired employees under this plan were \$151,184 for the year ended June 30, 2012.

10. OTHER POST EMPLOYMENT 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 District 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 District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the District under this program.

11. USE OF ESTIMATES

The preparation of financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas required management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

12. RESTATEMENT OF BEGINNING BALANCES

Due to a technical amendment to the 2011 Kansas Municipal Audit Guide, which governs the format and accounting for this financial statement, beginning unencumbered balances have been restated from (\$155,839) to \$0 in the General Fund and from (\$51,333) to \$53,951 in the Supplemental General Fund. These changes reflect the change in policy of the Kansas Municipal Audit Guide as to when the final State Aid payments are posted. The previous policy dictated that the payment received in July of the subsequent fiscal year be posted in the subsequent fiscal year. The technical amendment for the statutory statements now states that the payment should be posted in the prior fiscal year. The balances have been adjusted for this change in policy.

13. SUBSEQUENT EVENTS

Management has evaluated the effects on the financial statements of subsequent events occurring through December 1, 2012, which is the date at which the financial statements were available to be issued.

On August 31, 2012, the District issued General Obligation Bonds, Series 2012 A and B, in the amount of \$44,950,000 and \$3,080,000, respectively. Interest rates are 3.77% for Series A and 2.25% for Series B bonds. The Series A bonds mature on September 1, 2037 and the Series B bonds mature on September 1, 2020. The bonds were issued to finance the District's new construction and renovation of existing buildings. In doing so, the District is able to bring facilities up to code and implement needed changes to grade configuration for safety and alignment with the new Common Core Standards. These changes will not only help to maintain and improve student learning but also will help in making safe and secure facilities for extra curricular activities for our students and the public.

SUPPLEMENTARY INFORMATION

**Unified School District Number 313
Buhler, Kansas**

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET

(Budgeted Funds Only)

For the Year Ended June 30, 2012

<u>Fund</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 Favorable (Unfavorable)</u>
GOVERNMENTAL TYPE FUNDS:						
GENERAL OPERATING FUNDS						
General Fund	\$ 13,028,526	\$ (110,600)	\$ 232,543	\$ 13,150,469	\$ 13,150,469	\$ -
Supplemental General Fund	4,441,580	(52,132)	-	4,389,448	4,389,291	157
SPECIAL REVENUE FUNDS						
At Risk (4 Year Old) Fund	205,050	-	-	205,050	145,110	59,940
At Risk (K-12) Fund	1,101,218	-	-	1,101,218	928,094	173,124
Bilingual Education Fund	62,500	-	-	62,500	64,500	(2,000)
Capital Outlay Fund	1,383,170	-	-	1,383,170	1,060,745	322,425
Driver Training Fund	111,950	-	-	111,950	73,005	38,945
Food Service Fund	1,293,500	-	-	1,293,500	1,202,423	91,077
Professional Development Fund	50,000	-	-	50,000	18,848	31,152
Parent Education Fund	17,500	-	-	17,500	16,611	889
Special Education Fund	3,343,294	-	-	3,343,294	3,343,294	-
Vocational Education Fund	613,600	-	-	613,600	577,144	36,456
KPERS Retirement Contribution Fund	1,260,433	-	-	1,260,433	1,147,709	112,724
Federal Funds (Note A)	55,607	-	-	55,607	307,348	(251,741)
Gifts and Grants Fund	67,220	-	-	67,220	25,571	41,649
DEBT SERVICE FUND						
Bond and Interest Fund	1,439,271	-	-	1,439,271	1,439,264	7
Total	\$ 28,474,419	\$ (162,732)	\$ 232,543	\$ 28,544,230	\$ 27,889,426	\$ 654,804

Note A: The District is required by the State to include in their budget document a budget for federal funds. However, under the statutes, federal funds are exempt from budget requirements. This is not considered a budget violation.

**Unified School District Number 313
Buhler, Kansas**

GENERAL OPERATING FUND

GENERAL FUND

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
For the Year Ended June 30, 2012**

	2012		
	Actual	Budget	Variance Favorable (Unfavorable)
Cash Receipts:			
Taxes and Shared Revenue			
Ad valorem property	\$ 2,350,043	\$ 2,288,286	\$ 61,757
Delinquent tax	56,071	35,548	20,523
Severance tax	23,682	-	23,682
State equalization aid	7,967,057	8,094,003	(126,946)
State special education aid	2,516,804	2,473,853	42,951
Federal aid	5,537	-	5,537
Other income from local sources	14,457	-	14,457
Miscellaneous reimbursements	232,543	75,182	157,361
Total Cash Receipts	<u>13,166,194</u>	<u>\$ 12,966,872</u>	<u>\$ 199,322</u>
Expenditures:			
Instruction	5,635,977	\$ 4,884,500	\$ (751,477)
Student support services	36,958	198,200	161,242
Instruction support services	531,749	425,365	(106,384)
General administration	352,794	326,798	(25,996)
School administration	1,051,950	1,036,000	(15,950)
Operations and maintenance	1,650,541	1,772,919	122,378
Student transportation	626,223	562,650	(63,573)
Other support services	546,938	748,800	201,862
Architect fees	16,728	-	(16,728)
Outgoing Transfers- Special Education	<u>2,700,611</u>	<u>3,073,294</u>	<u>372,683</u>
Total Expenditures	<u>13,150,469</u>	<u>13,028,526</u>	<u>(121,943)</u>
Adjustment to legal maximum budget	-	(110,600)	(110,600)
Adjustment or other reimbursed expenses	-	232,543	232,543
Total expenditures and transfers subject to budget	<u>13,150,469</u>	<u>\$ 13,150,469</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	15,725		
Unencumbered Cash, Beginning	-		
Prior year cancelled encumbrances	<u>26</u>		
Unencumbered Cash, Ending	<u>\$ 15,751</u>		

**Unified School District Number 313
Buhler, Kansas**

GENERAL OPERATING FUND

SUPPLEMENTAL GENERAL FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2012

	2012		Variance
	Actual	Budget	Favorable (Unfavorable)
Cash Receipts:			
Taxes and Shared Revenue:			
Ad valorem tax	\$ 2,429,302	\$ 2,278,125	\$ 151,177
Delinquent tax	65,714	36,201	29,513
Motor vehicle tax	325,134	327,297	(2,163)
Recreational vehicle tax	4,894	4,564	330
16/20M truck tax	3,038	-	3,038
State equalization aid	1,655,340	1,741,931	(86,591)
Miscellaneous receipts	299	-	299
Total Cash Receipts	<u>4,483,721</u>	<u>\$ 4,388,118</u>	<u>\$ 95,603</u>
Expenditures:			
Instruction	1,802,235	\$ 2,209,500	\$ 407,265
Student support services	(314)	-	314
General administration	-	16,000	16,000
Other supplemental services	2,642	-	(2,642)
Operations and maintenance	280,190	252,000	(28,190)
Community service operations	-	24,712	24,712
Outgoing Transfers-			
At Risk (4 year old)	95,402	155,050	59,648
At Risk (K-12)	881,723	1,051,218	169,495
Bilingual	70,128	52,500	(17,628)
Professional Development	18,848	50,000	31,152
Parent Education	11,474	17,000	5,526
Special Education	700,000	613,600	(86,400)
Vocational Education	526,963	-	(526,963)
Total Expenditures	<u>4,389,291</u>	<u>4,441,580</u>	<u>52,289</u>
Adjustment to legal maximum budget	-	(52,132)	-
Total expenditures and transfers subject to budget	<u>4,389,291</u>	<u>4,389,448</u>	<u>\$ 52,289</u>
Receipts Over (Under) Expenditures	94,430		
Unencumbered Cash, Beginning	<u>180,702</u>		
Unencumbered Cash, Ending	<u>\$ 275,132</u>		

**Unified School District Number 313
Buhler, Kansas**

SPECIAL REVENUE FUND

AT RISK FUND (4 YEAR OLD) FUND

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

	<u>2012</u>		
	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Receipts:			
Transfer from Supplemental General	\$ 95,402	\$ 155,050	\$ 59,648
Expenditures:			
Instruction	145,110	\$ 205,050	\$ 59,940
Receipts Over (Under) Expenditures	(49,708)		
Unencumbered Cash, Beginning	50,000		
Unencumbered Cash, Ending	\$ 292		

**Unified School District Number 313
Buhler, Kansas**

SPECIAL REVENUE FUND

AT RISK FUND (K-12) FUND

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

	<u>2012</u>		
	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Receipts:			
Transfer from Supplemental General	<u>\$ 881,723</u>	<u>\$ 1,051,218</u>	<u>\$ 169,495</u>
Expenditures:			
Instruction	927,668	\$ 1,086,218	\$ 158,550
Instruction support services	<u>426</u>	<u>15,000</u>	<u>14,574</u>
Total Expenditures	<u>928,094</u>	<u>\$ 1,101,218</u>	<u>\$ 173,124</u>
Receipts Over (Under) Expenditures	(46,371)		
Unencumbered Cash, Beginning	<u>50,000</u>		
Unencumbered Cash, Ending	<u>\$ 3,629</u>		

Unified School District Number 313
Buhler, Kansas

SPECIAL REVENUE FUND

BILINGUAL EDUCATION FUND

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

	<u>2012</u>		
	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Receipts:			
Transfer from Supplemental General	\$ 70,128	\$ 52,500	\$ 17,628
Expenditures:			
Instruction	64,029	\$ 62,500	\$ (1,529)
Instruction support staff	471	-	(471)
Total Expenditures	64,500	\$ 62,500	\$ (2,000)
Receipts Over (Under) Expenditures	5,628		
Unencumbered Cash, Beginning	10,000		
Unencumbered Cash, Ending	\$ 15,628		

**Unified School District Number 313
Buhler, Kansas**

SPECIAL REVENUE FUND

CAPITAL OUTLAY FUND

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

	2012		
	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Receipts:			
Taxes and Shared Revenue:			
Ad valorem property	\$ 1,028,238	\$ 996,630	\$ 31,608
Delinquent tax	25,697	15,504	10,193
Motor vehicle tax	107,421	145,501	(38,080)
Interest on idle funds	16,138	15,000	1,138
Miscellaneous income	268,161	50,000	218,161
Total Cash Receipts	<u>1,448,646</u>	<u>\$ 1,224,664</u>	<u>\$ 223,982</u>
Expenditures:			
Instruction	322,695	\$ 485,000	\$ 162,305
Operations and maintenance	188,517	53,945	(134,572)
Student transportation	330,695	185,000	(145,695)
Land improvement	2,190	75,000	72,810
State aid	540	15,000	14,460
Building repairs	144,671	501,725	357,054
Debt service	71,437	67,500	(3,937)
Total Expenditures	<u>1,060,745</u>	<u>\$ 1,383,170</u>	<u>\$ 322,425</u>
Receipts Over (Under) Expenditures	387,901		
Unencumbered Cash, Beginning	<u>158,506</u>		
Unencumbered Cash, Ending	<u>\$ 546,407</u>		

**Unified School District Number 313
Buhler, Kansas**

SPECIAL REVENUE FUND

DRIVER TRAINING FUND

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

	2012		
	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Receipts:			
State aid	\$ 30,456	\$ 29,600	\$ 856
Fees	<u>75,122</u>	<u>79,617</u>	<u>(4,495)</u>
Total Cash Receipts	<u>105,578</u>	<u>\$ 109,217</u>	<u>\$ (3,639)</u>
Expenditures:			
Instruction	73,005	\$ 95,000	\$ 21,995
Operations and maintenance	<u>-</u>	<u>16,950</u>	<u>16,950</u>
Total Expenditures	<u>73,005</u>	<u>\$ 111,950</u>	<u>\$ 38,945</u>
Receipts Over (Under) Expenditures	32,573		
Unencumbered Cash, Beginning	<u>60,840</u>		
Unencumbered Cash, Ending	<u>\$ 93,413</u>		

**Unified School District Number 313
Buhler, Kansas**

SPECIAL REVENUE FUND

FOOD SERVICE FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2012

	2012		
	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Receipts:			
State aid	\$ 13,059	\$ 13,209	\$ (150)
Federal aid	544,176	643,383	(99,207)
Federal grant - ARRA	6,758	-	6,758
Lunch receipts - students	593,195	491,055	102,140
Lunch receipts - adults	58,008	132,960	(74,952)
Interest on idle funds	78	-	78
Other income	31,312	53,160	(21,848)
Total Cash Receipts	<u>1,246,586</u>	<u>\$ 1,333,767</u>	<u>\$ (87,181)</u>
Expenditures:			
Operations and maintenance	298	\$ 10,000	\$ 9,702
Food service operations	1,201,974	1,283,500	81,526
Total Expenditures	<u>1,202,423</u>	<u>\$ 1,293,500</u>	<u>\$ 91,077</u>
Receipts Over (Under) Expenditures	44,163		
Unencumbered Cash, Beginning	255,654		
Prior year cancelled encumbrances	<u>(9)</u>		
Unencumbered Cash, Ending	<u>\$ 299,808</u>		

**Unified School District Number 313
Buhler, Kansas**

SPECIAL REVENUE FUND

PROFESSIONAL DEVELOPMENT FUND

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

	<u>2012</u>		
	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Receipts:			
Transfer from Supplemental General	\$ 18,848	\$ 50,000	\$ (31,152)
Expenditures:			
Instruction support staff	18,848	\$ 50,000	\$ 31,152
Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	50,000		
Unencumbered Cash, Ending	\$ 50,000		

**Unified School District Number 313
Buhler, Kansas**

SPECIAL REVENUE FUND

PARENT EDUCATION FUND

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

	<u>2012</u>		<u>Variance</u>
	<u>Actual</u>	<u>Budget</u>	<u>Favorable</u> <u>(Unfavorable)</u>
Cash Receipts:			
Transfer from Supplemental General	\$ 11,474	\$ 17,000	\$ (5,526)
Expenditures:			
Student support services	16,612	\$ 17,500	\$ 888
Receipts Over (Under) Expenditures	(5,138)		
Unencumbered Cash, Beginning	18,868		
Unencumbered Cash, Ending	\$ 13,730		

**Unified School District Number 313
Buhler, Kansas**

SPECIAL REVENUE FUND

SPECIAL EDUCATION FUND

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

	2012		
	<u>Actual</u>	<u>Budget</u>	Variance Favorable (Unfavorable)
Cash Receipts:			
Transfer from General	\$ 2,700,610	\$ -	\$ 2,700,610
Transfer from Supplemental General	700,000	3,073,294	(2,373,294)
Total Cash Receipts	<u>3,400,610</u>	<u>\$ 3,073,294</u>	<u>\$ 327,316</u>
Expenditures:			
Instruction	2,752,720	\$ 2,738,294	\$ (14,426)
Student transportation	590,574	605,000	14,426
Total Expenditures	<u>3,343,294</u>	<u>\$ 3,343,294</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	57,316		
Unencumbered Cash, Beginning	<u>688,558</u>		
Unencumbered Cash, Ending	<u>\$ 745,874</u>		

**Unified School District Number 313
Buhler, Kansas**

SPECIAL REVENUE FUND

VOCATIONAL EDUCATION FUND

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

	2012		
	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Receipts:			
Miscellaneous revenue	\$ 100	\$ -	\$ 100
Transfer from Supplemental General	526,963	613,600	(86,637)
Total Cash Receipts	<u>527,063</u>	<u>\$ 613,600</u>	<u>\$ (86,537)</u>
Expenditures:			
Instruction	575,805	\$ 605,500	\$ 29,695
Instruction support staff	1,339	600	(739)
Operations and maintenance	-	7,500	7,500
Total Expenditures	<u>577,144</u>	<u>\$ 613,600</u>	<u>\$ 36,456</u>
Receipts Over (Under) Expenditures	(50,081)		
Unencumbered Cash, Beginning	50,000		
Prior year cancelled encumbrances	<u>81</u>		
Unencumbered Cash, Ending	<u>\$ -</u>		

**Unified School District Number 313
Buhler, Kansas**

SPECIAL REVENUE FUND

KPERS SPECIAL RETIREMENT CONTRIBUTION FUND

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

	<u>2012</u>		Variance
	<u>Actual</u>	<u>Budget</u>	<u>Favorable</u>
			<u>(Unfavorable)</u>
Cash Receipts:			
State aid	\$ 1,147,709	\$ 1,260,433	\$ (112,724)
Expenditures:			
Instruction	734,756	\$ 827,766	\$ 93,010
Student support services	19,447	18,067	(1,380)
Instruction support staff	34,431	32,754	(1,677)
General administration	27,875	29,141	1,266
School administration	91,817	97,970	6,153
Other supplemental service	40,988	50,122	9,134
Operations and maintenance	85,260	85,216	(44)
Employee benefits	73,783	72,793	(990)
Food service operations	39,352	46,604	7,252
Total Expenditures	<u>1,147,709</u>	<u>\$ 1,260,433</u>	<u>\$ 112,724</u>
Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	-		
Unencumbered Cash, Ending	<u>\$ -</u>		

**Unified School District Number 313
Buhler, Kansas**

SPECIAL REVENUE FUND

FEDERAL FUNDS

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
For the Year Ended June 30, 2012**

	<u>Title I</u>	<u>Title II-A</u>	<u>Title II-D Technology Education</u>	<u>Title IV</u>	<u>Total Current Year Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Receipts:							
Federal aid	\$ 333,684	\$ 66,529	\$ -	\$ 3,874	\$ 404,087	\$ 72,031	\$ (332,056)
Expenditures:							
Instruction	252,938	34,493	-	630	288,061	\$ 53,720	\$ (234,341)
Instruction Support Staff	2,348	12,458	157	4,324	19,287	-	(19,287)
School administration	-	-	-	-	-	1,087	1,087
Food service operations	-	-	-	-	-	800	800
Total Expenditures	<u>255,286</u>	<u>46,951</u>	<u>157</u>	<u>4,954</u>	<u>307,348</u>	<u>\$ 55,607</u>	<u>\$ (251,741)</u>
Receipts Over (Under) Expenditures	78,398	19,578	(157)	(1,080)	96,739		
Unencumbered Cash, Beginning	<u>(78,398)</u>	<u>(17,070)</u>	<u>157</u>	<u>1,158</u>	<u>(94,153)</u>		
Prior year cancelled encumbrances	<u>-</u>	<u>-</u>	<u>-</u>	<u>18</u>	<u>18</u>		
Unencumbered Cash, Ending	\$ <u>-</u>	\$ <u>2,508</u>	\$ <u>-</u>	\$ <u>96</u>	\$ <u>2,604</u>		

**Unified School District Number 313
Buhler, Kansas**

SPECIAL REVENUE FUND

GIFTS AND GRANTS FUND

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

	<u>2012</u>		
	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Receipts:			
Other revenue from local sources	<u>34,688</u>	<u>58,525</u>	<u>(23,837)</u>
Total Cash Receipts	<u>34,688</u>	<u>58,525</u>	<u>(23,837)</u>
Expenditures:			
Instruction	<u>25,571</u>	<u>\$ 67,220</u>	<u>\$ 41,649</u>
Receipts Over (Under) Expenditures	9,117		
Unencumbered Cash, Beginning	<u>12,219</u>		
Unencumbered Cash, Ending	<u>\$ 21,336</u>		

Unified School District Number 313
Buhler, Kansas

SPECIAL REVENUE FUND

CONTINGENCY RESERVE FUND

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

	<u>Actual</u>
Cash Receipts:	\$ -
Expenditures:	<u>-</u>
Receipts Over (Under) Expenditures	-
Unencumbered Cash, Beginning	<u>428,414</u>
Unencumbered Cash, Ending	<u>\$ 428,414</u>

**Unified School District Number 313
Buhler, Kansas**

SPECIAL REVENUE FUND

STUDENT MATERIAL FUND

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

	<u>Actual</u>
Cash Receipts:	
Book rental fees	\$ 19,142
Other income	<u>53,473</u>
Total Cash Receipts	<u>72,615</u>
Expenditures:	
Instruction	<u>105,603</u>
Receipts Over (Under) Expenditures	(32,988)
Unencumbered Cash, Beginning	<u>53,889</u>
Unencumbered Cash, Ending	<u>\$ 20,901</u>

**Unified School District Number 313
Buhler, Kansas**

SPECIAL REVENUE FUND

BUHLER CARES PROGRAMS FUND

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

	<u>Actual</u>
Cash Receipts:	
Other revenue from local source	\$ <u>130,215</u>
Expenditures:	
Instruction	127,517
Student transportation	<u>94</u>
Total Expenditures	<u>127,611</u>
Receipts Over (Under) Expenditures	2,604
Unencumbered Cash, Beginning	<u>19,203</u>
Unencumbered Cash, Ending	<u>\$ 21,807</u>

Unified School District Number 313
Buhler, Kansas

SPECIAL REVENUE FUND

UNIVERSAL KINDERGARTEN FUND

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

	<u>Actual</u>
Cash Receipts:	
Private grant aid	\$ 25,000
Expenditures:	
Instruction	<u>25,000</u>
Total Expenditures	<u>25,000</u>
Receipts Over (Under) Expenditures	-
Unencumbered Cash, Beginning	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>

**Unified School District Number 313
Buhler, Kansas**

SPECIAL REVENUE FUND

PEP GRANT FUND

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

	<u>Actual</u>
Cash Receipts:	
Federal aid	\$ 7
Other revenue from local source	<u>14,607</u>
Total Cash Receipts	<u>14,607</u>
Expenditures:	
Instruction	53,853
Instruction support staff	<u>9,416</u>
Total Expenditures	<u>63,269</u>
Receipts Over (Under) Expenditures	(48,662)
Unencumbered Cash, Beginning	<u>6,268</u>
Unencumbered Cash, Ending	<u>\$ (42,394)</u>

**Unified School District Number 313
Buhler, Kansas**

SPECIAL REVENUE FUND

PERKINS RESERVE FUND

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

	<u>Actual</u>
Cash Receipts:	\$ -
Expenditures:	
Instruction	787
Instruction support staff	<u>1,436</u>
Total Expenditures	<u>2,223</u>
Receipts Over (Under) Expenditures	(2,223)
Unencumbered Cash, Beginning	<u>-</u>
Unencumbered Cash, Ending	<u>\$ (2,223)</u>

**Unified School District Number 313
Buhler, Kansas**

SPECIAL REVENUE FUND

PROSPERITY TRC GRANT FUND

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

	<u>Actual</u>
Cash Receipts:	\$ -
Expenditures:	
Instruction	2,810
Instruction support staff	<u>304</u>
Total Expenditures	<u>3,114</u>
Receipts Over (Under) Expenditures	(3,114)
Unencumbered Cash, Beginning	<u>16,649</u>
Unencumbered Cash, Ending	<u>\$ 13,535</u>

**Unified School District Number 313
Buhler, Kansas**

SPECIAL REVENUE FUND

PHMS TRC GRANT FUND

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

	<u>Actual</u>
Cash Receipts:	
Federal aid	\$ 26,943
Other revenue from local sources	<u>14,154</u>
Total Cash Receipts	<u>41,097</u>
Expenditures:	
Instruction	55,749
Instruction support staff	<u>1,559</u>
Total Expenditures	<u>57,308</u>
Receipts Over (Under) Expenditures	(16,211)
Unencumbered Cash, Beginning	<u>16,211</u>
Unencumbered Cash, Ending	<u>\$ -</u>

**Unified School District Number 313
Buhler, Kansas**

SPECIAL REVENUE FUND

THREE SCHOOL FUND

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

	<u>Actual</u>
Cash Receipts:	
Other revenue from local source	\$ 2,983
Expenditures:	
Instruction	<u>2,998</u>
Receipts Over (Under) Expenditures	(15)
Unencumbered Cash, Beginning	<u>5,813</u>
Unencumbered Cash, Ending	<u>\$ 5,798</u>

**Unified School District Number 313
Buhler, Kansas**

SPECIAL REVENUE FUND

BOND & INTEREST FUND

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

	<u>2012</u>		
	<u>Actual</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Receipts:			
Taxes and Shared Revenue:			
Ad valorem tax	\$ 921,979	\$ 893,625	\$ 28,354
Delinquent tax	20,761	14,206	6,555
Motor vehicle tax	108,012	139,186	(31,174)
Recreational vehicle tax	1,601	1,941	(340)
16/20M truck tax	5,563	-	5,563
State equalization aid	359,816	359,816	-
Total Cash Receipts	<u>1,417,732</u>	<u>\$ 1,408,774</u>	<u>\$ 8,958</u>
Expenditures:			
Bond	1,210,000	\$ 1,210,000	\$ -
Interest	<u>229,264</u>	<u>229,271</u>	<u>7</u>
Total Expenditures	<u>1,439,264</u>	<u>\$ 1,439,271</u>	<u>\$ 7</u>
Receipts Over (Under) Expenditures	(21,532)		
Unencumbered Cash, Beginning	<u>1,424,009</u>		
Unencumbered Cash, Ending	<u>\$ 1,402,477</u>		

**Unified School District Number 313
Buhler, Kansas**

DISTRICT ACTIVITY FUNDS

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

For the Year Ended June 30, 2012

	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Buhler High School				
Activity Tickets	\$ 6,270	\$ 4,978	\$ 5,024	\$ 6,224
Ag Mechanics	2,187	7,192	6,658	2,721
Band Trips	891	156,820	154,235	3,476
BHS Library Media Center	-	1,921	234	1,687
Color Guard	630	1,446	2,025	51
Dramatics	354	97	240	211
Fall Musical	2,911	7,645	6,902	3,654
General and Guidance	7,819	36,186	35,442	8,563
Instrumental Music	39,407	43,479	65,242	17,644
Plants Vo-Ag	3,155	3,252	2,377	4,030
English Department	1,013	709	683	1,039
Postage Activity	-	435	-	435
Student Flowers	387	-	177	210
Tech Ed Shop	1,050	455	357	1,148
Vocal Music	297	3,305	2,806	796
Yearbook and Journalism	4,456	3,307	4,494	3,269
BHS Athletics				
Athletics	77,341	286,768	294,815	69,294
Prairie Hills Middle School				
Athletics	30,708	40,228	57,141	13,795
Magazine and Book Sales	761	2,768	2,337	1,192
Musical Festival	58	675	614	119
RCEC	-	1,176	1,076	100
Buhler Grade School				
Magazine	10,669	9,176	6,797	13,048
Book Fair	-	2,498	2,102	396
Buhler CARES	-	35,411	35,411	-
Obee Grade School				
Library Projects	60	307	272	95
Magazine Fund	3,472	8,259	6,591	5,140
Prosperity Grade School				
Cares Club	-	18,962	18,962	-
Union Valley Grade School				
Library	115	112	59	168
Magazine	3,429	7,172	5,776	4,825
Cares Club	(70)	62,886	62,816	-
Total School Projects	<u>\$ 197,370</u>	<u>\$ 747,625</u>	<u>\$ 781,665</u>	<u>\$ 163,330</u>

**Unified School District Number 313
Buhler, Kansas**

AGENCY FUNDS

STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
For the Year Ended June 30, 2012

	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Buhler High School				
Art Club	\$ 538	\$ 797	\$ 609	\$ 726
Buhler Singers	8,857	14,483	14,826	8,514
Debate	2,031	12,656	13,679	1,008
FBLA	228	-	-	228
FCA	3,258	4,064	3,968	3,354
FCCLA	1,037	3,460	2,872	1,625
FFA	2,524	130,455	127,550	5,429
French Club	240	407	402	245
International Club	316	-	-	316
Junior Class	2,600	4,811	4,845	2,566
Key Club	183	610	539	254
National Honor Society	384	187	138	433
SADD	648	276	334	590
Scholars Bowl	189	692	815	66
Science Club	983	332	552	763
Senior Class	460	4,338	2,549	2,249
Spanish Club	526	923	808	641
Student Council	2,345	3,961	4,402	1,904
Robotics Club	769	37	223	583
Maroon Cru	112	8,994	5,432	3,674
BHS Crimestoppers	419	-	-	419
Senior Legacy Project	1,997	2,330	3,997	330
Golden Millenium Scholarship	134	3,117	-	3,251
Citizenship Day	-	332	-	332
BHS Athletics				-
Cheerleading	10,154	19,027	19,862	9,319
Dance Team	949	-	-	949
Prairie Hills Middle School				-
Student Council	5,674	4,118	6,046	3,746
Band Projects	111	6,591	4,493	2,209
Prosperity Grade School				-
Student Activity	9,777	14,534	16,386	7,925
Pennies for Pages	224	-	-	224
Band	49	433	441	41
Other Agency Funds				
District Payroll Clearing Fund	118	53,705	53,823	-
Health Care Reserve Fund	-	1,590,346	1,569,373	20,973
Buhler High School sales tax	-	5,039	5,036	3
Prairie Hills Middle School sales tax	190	611	717	84
Total Agency Funds	<u>\$ 58,024</u>	<u>\$ 1,891,666</u>	<u>\$ 1,864,717</u>	<u>\$ 84,973</u>

SINGLE AUDIT SECTION



SWINDOLL
JANZEN
HAWK &
LOYD, LLC

Certified Public Accountants

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**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 Number 313
Buhler, Kansas

We have audited the financial statements of the Unified School District Number 405 as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statement and have issued our report thereon dated December 1, 2012. 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, and the *Kansas Municipal Auditing and Accounting Guide*.

Internal Control Over Financial Reporting

Management of District, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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

Our consideration of the 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. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting (12-01). A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District'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 the District, in a separate letter dated December 1, 2012.

This report is intended solely for the information and use of management, Board of Education, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Swindoll, Janzen, Hawk & Loyd, LLC

Swindoll Janzen Hawk & Loyd, LLC

December 1, 2012

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

Board of Education
Unified School District Number 313
Buhler, Kansas

Compliance

We have audited the compliance of the Unified School District Number 313 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 the District's major federal programs for the year ended June 30, 2012. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District'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 could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District'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 on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

Management of the Unified School District Number 313 is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District'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 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 management, Board of Education, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Swindoll, Janzen, Hawk & Loyd, LLC

Swindoll Janzen Hawk & Loyd, LLC

December 1, 2012

Unified School District Number 313
Buhler, Kansas

SCHEDULE 5

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2012

Pass-Through Grantor/ Federal Grantor Program Title	Federal CFDA Number	Pass- Through Grantor's Number	Expenditures
<u>U.S. Department of Agriculture</u>			
Passed through Kansas Department of Education:			
School Breakfast Program	10.553	DO313	\$ 95,114
National School Lunch Program	10.555	DO313	449,062
Fresh Fruit and Vegetable Program	10.582	DO313	<u>6,758</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>550,934</u>
<u>U.S. Department of Education</u>			
Passed through Kansas Department of Education:			
Title I - Grants to Local Educational Agencies	84.010	DO313	255,286
Title II-A-Improving Teacher Quality	84.367	DO313	46,951
Title IV - Safe and Drug Free Schools and Communities State Grants	84.186	DO313	4,954
Education Technology State Grant	84.318	DO313	25,500
ARRA - Education Technology State Grant	84.386	DO313	1,443
Education Jobs Fund	84.410	DO313	<u>5,537</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>339,671</u>
TOTAL SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS			<u>\$ 890,605</u>

NOTE 1 BASIS OF PRESENTATION

The above schedule of expenditures of federal awards includes the federal grant activity of Unified School District Number 313, Buhler, Kansas, and is presented using the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash and budget laws of the State of Kansas, the same as the financial statement accompanying this schedule.

**Unified School District No. 313
Buhler, Kansas**

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2012**

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the Buhler School District.
2. Significant deficiencies relating to the audit of the financial statements are reported in the 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 statements of the Buhler School District, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs expressed an unqualified opinion.
6. There were no audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133.
7. The programs tested as major programs include:

	<u>CFDA No.</u>
Child Nutrition Cluster:	
School Breakfast Program	10.553
National School Lunch Program	10.555
8. The threshold for distinguishing Types A and B program was \$300,000.
9. Buhler School District was not determined to be a low-risk auditee.

FINDINGS--FINANCIAL STATEMENTS AUDIT

12-01 Financial Statement Reporting

Condition: Our firm has been asked to prepare the financial statement for the District; however, our firm cannot be considered part of the internal control structure of the District in regard to the preparation of the financial statement.

Criteria: The District prepares its financial statements in accordance with the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, in accordance with the reporting and formatting requirements displayed in the *Kansas Municipal Audit Guide (KMAG)*.

Unified School District No. 313
Buhler, Kansas

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2012

FINDINGS--FINANCIAL STATEMENTS AUDIT (CONT.)

12-01 Financial Statement Reporting (Cont.)

Effect: We consider this condition related to external financial statement and other supplemental information preparation to be a significant deficiency under the standards established by the American Institute of Certified Public Accountants

Cause: District personnel do have the skill and knowledge to process all the basic financial transactions and the ability to issue the internal financial statements needed to provide appropriate budget and operating information to the District governing body on an as needed basis. However, the District either has no documented policy or procedures related to the preparation of the external financial statement and other supplemental information and/or the policies and procedures are not implemented and adequately followed to ensure the accuracy and completeness of the external financial statement and other supplemental information.

Recommendation: To strengthen internal control over financial statement preparation, we recommend:

- a) Obtain a current copy of the Kansas Municipal Audit Guide (KMAG);
- b) Obtain a report check list for KMAG financial statements;
- c) Participate in a training session on financial statement preparation and review; and
- d) Adopt a policy that annual financial statements will be reviewed prior to being subjected to audit.

FINDINGS AND QUESTIONED COSTS--MAJOR FEDERAL AWARD PROGRAMS AUDIT

There were no reportable findings.

Unified School District No. 313
Buhler, Kansas

SUMMARY OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended June 30, 2012

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

DEPARTMENT OF EDUCATION

2011-D Title I Grants to Local Education Agencies – CFDA No. 84.010 & 84.389
Award Period – 7/1/10 – 6/30/11
Compliance Issue – Allowable Costs/Cost Principles

Condition: Employees whose salaries were paid from federal program funds and worked solely on the program did not complete and sign the required certification.

Recommendation: Procedures should be established and implemented to ensure that employees paid from the federal program funds complete and sign the required certification at least semi-annually.

Current Status: Required certification was signed by employees whose salaries were paid from federal program funds and who worked solely on the program.

2011-E Title I Grants to Local Education Agencies, Recovery Act – CFDA 84.389
Award Period – 7/1/10 – 6/30/11
Compliance Issue – Level of Effort-Supplement, Not Supplant

Condition: In the District's targeted assistance program school, Title I kindergarten students were not segregated. The District paid salaries with Title I funds for reading instruction for all kindergarten students.

Recommendation: Within the District's targeted assistance program school, the District should segregate Title I students and provide Title I services only to those identified students. District personnel should attend additional training so that they fully understand the requirements for Level of Effort-Supplement, Not Supplant.

Current Status: Students receiving Title I services through the District's targeted assistance program school have been identified and segregated and only these students were provided Title I services.

**Unified School District No. 313
Buhler, Kansas**

**SUMMARY OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended June 30, 2012**

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT (CONT.)

DEPARTMENT OF EDUCATION (CONT.)

2011-F Title I Grants to Local Education Agencies – CFDA 84.010 & 84.389
Award Period – 7/1/10 – 6/30/11
Compliance Issue – Allowable Costs/Cost Principles

Condition: Documentation did not exist to show that the District prepared and disseminated to all schools and parents of students attending those schools an annual report card that includes the number, names and percentage of schools identified for school improvement and how long the schools have been so identified. A written school parental involvement policy also was not documented and an annual meeting to which all parents of participating children are invited for the purpose of explaining the Title I program, its requirements, and their right to be involved was not documented. A dated agenda or minutes should be kept from the meeting as well as parent sign in sheets.

Recommendation: The Title I District Coordinator should develop policy that includes a system of documenting and disseminating Title I information to the district parents and the community.

Current Status: The above requirements have been met as the District has prepared and disseminated an annual report card, a written school parental involvement policy has been developed and implemented and an annual meeting was held explaining the Title I program.