

UNIFIED SCHOOL DISTRICT NO. 325

Phillipsburg, Kansas

FINANCIAL STATEMENT AND INDEPENDENT AUDITOR'S REPORT

June 30, 2012

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

**UNIFIED SCHOOL DISTRICT NO. 325
Phillipsburg, Kansas
June 30, 2012**

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Angela Bruning-Thompson	-	Clerk
Russ Bowman	-	Treasurer

BOARD MEMBERS

Deb Kennedy - President

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Jeremy Sauer

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Patty Northup

**UNIFIED SCHOOL DISTRICT NO. 325
Phillipsburg, Kansas**

For the Year Ended June 30, 2012

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INDEPENDENT AUDITOR'S REPORT

**Board of Education
Unified School District No. 325
Phillipsburg, KS 67661**

We have audited the summary statement of cash receipts, expenditures, and unencumbered cash balances of Unified School District No. 325, Phillipsburg, Kansas as of and for the year ended June 30, 2012, which comprises the basic financial statement of the District as listed in the table of contents. This financial statement is the responsibility of the District's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, 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 statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Unified School District No. 325, Phillipsburg, Kansas, has prepared this financial statement in conformity with accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statement of the variances between these statutory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, is presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statement referred to above 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. 325, Phillipsburg, Kansas, as of June 30, 2012, or the respective changes in its financial position for the year then ended.

Also, in our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balances of Unified School District No. 325, Phillipsburg, Kansas as of June 30, 2012, and the aggregate cash receipts and expenditures and budget to actual comparisons for the year then ended, on the basis of accounting described in Note 1.

Board of Education
Unified School District No. 325
February 11, 2013
Page Two

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

Respectfully submitted,

Mapes & Miller LLP

Certified Public Accountants

February 11, 2013
Phillipsburg, Kansas

UNIFIED SCHOOL DISTRICT NO. 325
Phillipsburg, Kansas

Statement 1

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

FUND	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds:							
General Funds							
General Fund	\$ 1 *	\$ -	\$ 4,562,648	\$ 4,562,648	\$ 1	\$ 320,482	\$ 320,483
Supplemental General Fund	86,454 *	-	1,543,442	1,535,106	94,790	277,870	372,660
Special Revenue Funds							
Vocation Education Fund	19,432	-	182,135	180,528	21,039	5,902	26,941
Special Education Fund	517,908	-	997,156	1,011,232	503,832	1,086	504,918
Driver Training Fund	11,368	-	10,586	8,885	13,069	-	13,069
Food Service Fund	97,524	-	365,069	364,061	98,532	18,704	117,236
At Risk (K-12) Fund	23,355	-	339,285	340,340	22,300	25,501	47,801
Capital Outlay Fund	529,521	-	512,380	512,606	529,295	165,164	694,459
Textbook & Student Material Revolving Fund	50,442	-	25,239	14,607	61,074	3,277	64,351
Professional Development Fund	21,685	-	10,191	15,672	16,204	1,215	17,419
Contingency Reserve Fund	400,000	-	25,000	130,000	295,000	-	295,000
School Publications Fund	277	-	18,524	18,618	183	2,800	2,983
Gifts & Contributions Fund	3,127	-	19,689	22,685	131	6,597	6,728
Federal Funds	-	-	173,912	173,912	-	12,141	12,141
KPERS Special Retirement Contribution Fund	-	-	333,838	333,838	-	-	-
District Activity Funds	38,135	-	83,647	87,403	34,379	-	34,379
Debt Service Fund							
Bond & Interest Fund	170,784	-	695	170,784	695	-	695
Fiduciary Type Fund:							
Private Purpose Trust Fund							
Scholarship Fund	351	-	-	-	351	-	351
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 1,970,364</u>	<u>\$ -</u>	<u>\$ 9,203,436</u>	<u>\$ 9,482,925</u>	<u>\$ 1,690,875</u>	<u>\$ 840,739</u>	<u>\$ 2,531,614</u>

*See Note 13 (Restatement of Beginning Balances)

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

UNIFIED SCHOOL DISTRICT NO. 325
Phillipsburg, Kansas

Statement 1
(Cont.)

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

COMPOSITION OF CASH

First National Bank & Trust

Checking	\$ 19,896
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NOW Accounts	1,823,221
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Certificates of Deposit	490,000
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Farmers State Bank

Certificates of Deposit	<u>260,000</u>
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Total Cash	2,593,117
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Agency Funds per Schedule 3

	<u>(61,503)</u>
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Total Reporting Entity (Excluding Agency Funds)

	<u><u>\$ 2,531,614</u></u>
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The notes to the financial statement are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 325
Phillipsburg, Kansas

NOTES TO THE FINANCIAL STATEMENT
June 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

Unified School District No. 325, Phillipsburg, Kansas operates as a unified school district in accordance with the laws of the State of Kansas. The District is governed by an elected seven-member board and provides the following services: education, culture, and recreation.

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

FUND ACCOUNTING

The accounts of the District are organized on the basis of funds. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. Funds are classified into three categories: governmental, proprietary, and fiduciary. Within each of these three categories there are one or more fund types. The District uses the following fund types:

Governmental Type Funds:

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

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

Debt Service Funds—Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Fiduciary Type Funds:

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

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

BASIS OF ACCOUNTING

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

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

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

COMPENSATED ABSENCES

The District has formal sick leave, vacation, bereavement leave and personal leave policies. These policies vary depending on the employee's position. Vacation pay is not cumulative and is lost at the end of each year. Certain positions receive sick leave which may accumulate up to thirty-five to seventy-five days depending upon the employee's position. At the completion of each school year, each teacher will be paid \$40 per day for each day of sick leave that remains over the maximum accumulative days. Sick leave is not paid to employees terminating within the District. However, certified employees and district clerks retiring from the District who have been employed by the District for at least ten consecutive years and have a minimum of 85 points based on KPERS retirement calculations will be paid at the rate of \$40 per day for each day of accumulated full pay sick leave, upon retirement or death of the employee (not to exceed 75 days). Two employees received a benefit under this provision of \$5,920 for the year ended June 30, 2012. A classified hourly employee working at least three hours a day and retiring from the District who has been employed by the District for at least twenty consecutive years and has a minimum of 85 points based on KPERS retirement calculations will be paid \$20 for each day of accumulated

full pay sick leave upon retirement of the employee (not to exceed the maximum accumulated days allowed for the individual position). One employee received a benefit under this provision of \$530 for the year ended June 30, 2012.

The cost of accumulated leave payable at June 30, 2012 was \$0.

REIMBURSEMENTS

Reimbursements are defined as repayments of amounts remitted on behalf of another party. All reimbursements shown in the financial statement meet the following criteria: 1) the related disbursement was made in the current year on behalf of the payee, 2) the item paid for was directly identifiable as having been used by or provided to the payee, and 3) the amount of the reimbursement was directly tied to the amount of the original cash disbursement.

2. BUDGETARY INFORMATION

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

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

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

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

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

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

Textbook & Student Material Revolving Fund
Contingency Reserve Fund
School Publications Fund

Gifts & Contributions Fund
Federal Funds
District Activity Funds

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

3. PROPERTY TAXES

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

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

4. COMPLIANCE WITH KANSAS STATUTES

A. Mandatory Purchase of Products:

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

B. Cash Basis Violation:

Middle School Pep Club and Elementary School Special Projects were in violation of K.S.A. 10-1113 by expending more than the available cash in the funds during the year.

5. DEPOSITS AND INVESTMENTS

As of June 30, 2012, the District had no investments other than certificates of deposit, which are considered deposits under GASB Statement No. 3. K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located or in an adjoining county if such institution has been designated as an official depository and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

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

Concentration of Credit Risk

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

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during 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 \$2,593,117 and the bank balance was \$2,196,401. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$518,667 was covered by federal depository insurance. \$1,677,734 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

Custodial Credit Risk – Investments

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

6. 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	Beginning Balance 7/1/2011	Additions	Reductions/ Payments	Ending Balance 6/30/2012	Interest Paid
Lease Purchase Agreement									
Qualified Zone Academy Bonds (QZAB)	3.25%	11/01/06	\$ 600,000	11/17/2016	\$ 382,689	\$ -	\$ 58,813	\$ 323,876	\$ -
Capital Leases									
First National Bank	3.97%	05/11/10	377,698	11/15/2019	334,094	-	31,615	302,479	13,264
Apple Inc.	1.90%	04/12/12	611,184	4/15/2014	-	611,184	207,574	403,610	-
Total Capital Leases					334,094	611,184	239,189	706,089	13,264
Total Long-Term Debt					\$ 716,783	\$ 611,184	\$ 298,002	\$ 1,029,965	\$ 13,264

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

	Lease Purchase Agreement		Capital Leases		Total	
Year Ended June 30	* Principal	Interest Paid	Principal	Interest Paid	Principal	Interest Paid
2013	\$ 60,724	\$ -	\$ 232,742	\$ 19,710	\$ 293,466	\$ 19,710
2014	62,697	-	237,877	14,575	300,574	14,575
2015	64,735	-	35,530	9,648	100,265	9,648
2016	66,839	-	36,940	7,938	103,779	7,938
2017	68,881	-	38,389	6,489	107,270	6,489
2018-2020	-	-	124,611	10,022	124,611	10,022
Total	\$ 323,876	\$ -	\$ 706,089	\$ 68,382	\$ 1,029,965	\$ 68,382

* Principal includes 3.25% interest earned on the QZAB account. The District is only responsible for making annual payments in the amount of \$51,750. (See Note 11)

7. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General Fund	Vocational Education Fund	K.S.A. 72-6428	\$ 55,000
General Fund	Special Education Fund	K.S.A. 72-6428	869,125
General Fund	Drivers Training Fund	K.S.A. 72-6428	5,000
General Fund	At Risk (K-12) Fund	K.S.A. 72-6428	9,285
General Fund	Capital Outlay Fund	K.S.A. 72-6428	150,000
General Fund	Contingency Reserve Fund	K.S.A. 72-6428	25,000
Supplemental General Fund	Vocational Education Fund	K.S.A. 72-6433	125,000
Supplemental General Fund	Special Education Fund	K.S.A. 72-6433	123,336
Supplemental General Fund	Food Service Fund	K.S.A. 72-6433	65,000
Supplemental General Fund	At Risk (K-12) Fund	K.S.A. 72-6433	330,000
Supplemental General Fund	Professional Development Fund	K.S.A. 72-6433	10,000
Bond and Interest Fund	Capital Outlay Fund	K.S.A. 72-8219	170,784
Contingency Reserve Fund	General Fund	K.S.A. 72-6426	130,000
Title II Fund	Title I Fund	Section 2121	9,000

8. DEFINED BENEFIT PENSION PLAN

Plan Description - U.S.D. No. 325 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 statement 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 for active members hired before July 1, 2009. For active members employed on or after July 1, 2009, K.S.A. 74-49,210 establishes the KPERs member-employee contribution rate at 6% of covered salaries. Member-employees' contributions are withheld by their employer and paid to KPERs according to the provisions of section 414(h) of the Internal Revenue Service Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. Kansas currently contributes 9.77% of covered payroll, which includes pension contributions and group disability insurance. April 1, 2012 through June 30, 2012, there was a moratorium on the collection of the 1% Group Death and Disability Insurance premium. These contribution requirements are established by KPERs and are periodically revised. Kansas contributions to KPERs for all Kansas public school employees for the years ending June 30, 2012, 2011 and 2010 were \$298,635,383, \$253,834,044, \$248,468,186, respectively, equal to the required contributions for each year. The amounts attributable to the District for the years ending June 30, 2012, 2011 and 2010 were \$333,838, \$198,342, and \$250,551.

9. RISK MANAGEMENT

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

During the year ended June 30, 2012, the District reduced insurance coverage from levels in place during the prior year for commercial auto and general liability due to change in policy provider coverage available. No settlements have exceeded coverage levels in place during the past three fiscal years.

10. OTHER POST EMPLOYMENT BENEFITS

As provided by K.S.A. 12-5040, the District allows 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 this financial statement.

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

11. QUALIFIED ZONE ACADEMY BONDS (QZAB)

The District entered into a lease purchase agreement on November 1, 2006 with First National Bank & Trust, Phillipsburg, Kansas, for the financing of improvement to the high school track and installation of a new floor in the high school gym. The District will pay First National Bank & Trust \$51,750 a year for a period of ten years. The payments are put into an account with the First National Bank & Trust where 3.25% interest is earned on the account balance. The District is expected to make payments totaling \$517,500 and the interest earned should total \$82,500 at the end of the ten years. When the First National Bank & Trust has received a total of \$600,000, the bonds will be paid off. Once the bonds are paid off the lease will be terminated.

12. DEFERRED COMPENSATION – RETIREMENT BENEFIT

In previous years, the District offered an early retirement package to certified staff members with at least ten consecutive years of service to the District and who met the KPERs Retirement Criteria. The early retirees are eligible to receive a percentage of their ending salary for seven years or until reaching full social security retirement age. A 403(B) deferred compensation plan is available for these employees. The amount of the benefit for one retiree deferred to American Fidelity for the year ended June 30, 2012 was \$2,234. The retired employee can opt out of this 403(B) package and receive a cash payment. No payments were paid out in cash benefits to retired employees for the year ended June 30, 2012.

DEFERRED COMPENSATION – NEGOTIATED AGREEMENT

The District offers its employees the option to participate in a defined contribution plan created in accordance with Internal Revenue Code Section 403(b). In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The plan, available to all District employees, permits them to defer a portion of their current salary (up to \$17,000 and an additional \$5,500 catch-up contribution for employees age 50 and over) until future years. The District will match up to \$25 per month to be deposited in

each certified, full-time employee's 403(b) plan. During the past fiscal year, fifty-seven (57) employees contributed a total of \$56,795, and the District contributed \$15,025 as a match for fifty (50) participating certified, full-time employees. The deferred compensation is not available to employees until termination, retirement, total and permanent disability, death, or certain financial hardship.

The Plan has contracted with AFPlanServ for selected plan administrative services. Among the services provided by AFPlanServ is approval of salary reduction agreements for beginning or changing amounts and/or providers. The Plan also contracts with American Fidelity Assurance Company to manage the investment of plan assets.

13. RESTATEMENT OF BEGINNING BALANCES

Due to a technical amendment to the 2011 Kansas Municipal Audit Guide, which governs the format and accounting for this financial statement, beginning unencumbered balances have been restated from (\$377,165) to \$1 in the General Fund and from \$37,569 to \$86,454 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.

14. SUBSEQUENT EVENT

On August 9, 2012, the District had 150 iPads, chargers, and cases stolen from the High School valued at \$75,000. The District has received insurance proceeds to fully cover the amount of the loss.

**UNIFIED SCHOOL DISTRICT NO. 325,
PHILLIPSBURG, KANSAS**

SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2012

UNIFIED SCHOOL DISTRICT NO. 325

Phillipsburg, Kansas

Schedule 1

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET

(Budgeted Funds Only)

For the Year Ended June 30, 2012

FUNDS	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
Governmental Type Funds:						
General Funds						
General Fund	\$ 4,648,990	\$ (97,524)	\$ 11,182	\$ 4,562,648	\$ 4,562,648	\$ -
Supplemental General Fund	1,526,424	(4,654)	13,336	1,535,106	1,535,106	-
Special Revenue Funds						
Vocational Education Fund	189,432	-	-	189,432	180,528	(8,904)
Special Education Fund	1,115,650	-	-	1,115,650	1,011,232	(104,418)
Driver Training Fund	15,067	-	-	15,067	8,885	(6,182)
Food Service Fund	483,629	-	-	483,629	364,061	(119,568)
At Risk (K-12) Fund	342,640	-	-	342,640	340,340	(2,300)
Capital Outlay Fund	900,000	-	-	900,000	512,606	(387,394)
Professional Development Fund	26,685	-	-	26,685	15,672	(11,013)
KPERS Special Retirement Contribution Fund	357,016	-	-	357,016	333,838	(23,178)
Debt Service Fund						
Bond & Interest Fund	170,784	-	-	170,784	170,784	-

UNIFIED SCHOOL DISTRICT NO. 325
Phillpsburg, Kansas

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

GENERAL FUND			
	Actual	Budget	Variance Over (Under)
CASH RECEIPTS			
General Property Taxes			
Ad Valorem Taxes			
Tax in Process	\$ 6,288	\$ 12,633	\$ (6,345)
Current Tax	472,524	436,865	35,659
Delinquent Tax	4,422	7,188	(2,766)
Mineral Production Tax	2,923	-	2,923
Reimbursements	11,182	-	11,182
State Aid	3,191,517	3,236,504	(44,987)
Special Education Aid	741,724	825,800	(84,076)
Education Jobs Funds	2,068	-	2,068
Incoming Transfer			
Contingency Reserve Fund	130,000	130,000	-
Total Cash Receipts	4,562,648	\$ 4,648,990	\$ (86,342)
EXPENDITURES			
Instruction			
Salaries			
Certified	1,794,976	\$ 1,825,000	\$ (30,024)
Noncertified	48,673	35,000	13,673
Employee Benefits			
Insurance	164,179	180,000	(15,821)
Social Security & Medicare	131,836	135,000	(3,164)
Other	36,064	955	35,109
Purchased Professional & Technical Services	24,084	21,000	3,084
Other Purchased Services	-	10,000	(10,000)
Supplies			
General	8,851	39,000	(30,149)
Property	364	1,000	(636)
Other	20,442	-	20,442
Total Instruction	2,229,469	2,246,955	(17,486)

UNIFIED SCHOOL DISTRICT NO. 325
Phillpsburg, Kansas

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

GENERAL FUND (Cont.)

	Actual	Budget	Variance Over (Under)
EXPENDITURES (Cont.)			
Student Support Services			
Salaries			
Certified	\$ 62,170	\$ 53,000	\$ 9,170
Employee Benefits			
Social Security & Medicare	4,594	5,000	(406)
Other	137	-	137
Purchased Professional & Technical Services	20,692	20,000	692
Total Student Support Services	87,593	78,000	9,593
Instructional Support Staff			
Salaries			
Certified	42,483	40,000	2,483
Noncertified	6,121	14,000	(7,879)
Employee Benefits			
Insurance	11,764	9,500	2,264
Social Security & Medicare	3,699	4,000	(301)
Other	118	250	(132)
Supplies			
Books & Periodicals	1,382	2,500	(1,118)
Technology	852	1,500	(648)
Total Instructional Support Staff	66,419	71,750	(5,331)
General Administration			
Salaries			
Certified	56,125	56,000	125
Noncertified	82,831	83,000	(169)
Employee Benefits			
Insurance	11,105	15,000	(3,895)
Social Security & Medicare	10,506	12,000	(1,494)
Other	439	200	239
Purchased Professional & Technical Services	31,991	30,000	1,991
Other Purchased Services			
Insurance	60,630	70,000	(9,370)
Total General Administration	253,627	266,200	(12,573)

UNIFIED SCHOOL DISTRICT NO. 325
Phillpsburg, Kansas

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

GENERAL FUND (Cont.)

	Actual	Budget	Variance Over (Under)
EXPENDITURES (Cont.)			
School Administration			
Salaries			
Certified	\$ 225,838	\$ 230,000	\$ (4,162)
Noncertified	111,286	115,000	(3,714)
Employee Benefits			
Insurance	27,720	34,000	(6,280)
Social Security & Medicare	25,228	28,000	(2,772)
Other	17,570	-	17,570
Other Purchased Services			
Communications	5,591	7,000	(1,409)
Supplies	3,404	5,000	(1,596)
Total School Administration	416,637	419,000	(2,363)
Operations & Maintenance			
Salaries			
Noncertified	242,361	250,000	(7,639)
Employee Benefits			
Insurance	62,482	42,000	20,482
Social Security & Medicare	18,266	20,000	(1,734)
Other	687	30,000	(29,313)
Purchased Property Services			
Cleaning	1,470	1,500	(30)
Repairs & Maintenance	10,823	11,000	(177)
Repair of Building	1,993	2,000	(7)
Other	1,050	1,000	50
Other Purchased Services			
Other	5,680	5,000	680
Supplies			
General	6,890	7,000	(110)
Property	4,399	2,500	1,899
Total Operations & Maintenance	356,101	372,000	(15,899)
Other Supplemental Services			
Purchased Property Services	24,931	37,000	(12,069)
Other Purchased Services	11,052	10,000	1,052
Other	3,409	3,000	409
Total Other Supplemental Services	39,392	50,000	(10,608)

UNIFIED SCHOOL DISTRICT NO. 325
Phillpsburg, Kansas

Schedule 2-1
Page 4 of 4

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

GENERAL FUND (Cont.)

	Actual	Budget	Variance Over (Under)
EXPENDITURES (Cont.)			
Outgoing Transfers			
Vocational Education Fund	\$ 55,000	\$ 55,000	\$ -
Special Education Fund	869,125	825,800	43,325
Driver's Training Fund	5,000	-	5,000
At Risk (K-12) Fund	9,285	9,285	-
Capital Outlay Fund	150,000	255,000	(105,000)
Contingency Reserve Fund	25,000	-	25,000
Total Outgoing Transfers	<u>1,113,410</u>	<u>1,145,085</u>	<u>(31,675)</u>
Adjustment to Comply With Legal Max	<u>-</u>	<u>(97,524)</u>	<u>97,524</u>
Legal General Fund Budget	4,562,648	4,551,466	11,182
Adjustment for Qualifying Budget Credits	<u>-</u>	<u>11,182</u>	<u>(11,182)</u>
Total Expenditures	<u>4,562,648</u>	<u><u>\$ 4,562,648</u></u>	<u><u>\$ -</u></u>
Cash Receipts Over (Under) Expenditures	-		
UNENCUMBERED CASH, July 1, 2011	<u>1</u> *		
UNENCUMBERED CASH, June 30, 2012	<u><u>\$ 1</u></u>		

*See Note 13 (Restatement of Beginning Balances)

UNIFIED SCHOOL DISTRICT NO. 325
Phillipsburg, Kansas

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Page 1 of 2

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

SUPPLEMENTAL GENERAL FUND

	Actual	Budget	Variance Over (Under)
CASH RECEIPTS			
General Property Taxes			
Ad Valorem Taxes			
Tax In Process	\$ 10,299	\$ 18,536	\$ (8,237)
Current Tax	661,021	585,234	75,787
Delinquent Tax	7,940	9,856	(1,916)
Motor Vehicle Tax	94,448	94,765	(317)
Recreational Vehicle Tax	1,960	2,080	(120)
Reimbursements	13,336	-	13,336
State Aid	754,438	729,499	24,939
	<u>1,543,442</u>	<u>\$ 1,439,970</u>	<u>\$ 103,472</u>
Total Cash Receipts			
EXPENDITURES			
Instruction			
Employee Benefits			
Social Security & Medicare	-	\$ 45,000	\$ (45,000)
Purchased Professional & Technical Services	20,468	-	20,468
Purchased Property Services	15,276	2,648	12,628
Other Purchased Services	39,989	25,000	14,989
Supplies			
General	21,631	25,000	(3,369)
Textbooks	15,071	50,000	(34,929)
Technology	24,985	20,000	4,985
Miscellaneous	10,809	10,000	809
Property	118,814	15,000	103,814
Other	4,079	4,000	79
General Administration			
Purchased Professional & Technical Services	1,015	4,000	(2,985)
Other Purchased Services			
Communications	774	1,500	(726)
Other	713	500	213
Supplies	5,269	5,000	269
School Administration			
Other Purchased Services			
Communications	654	500	154
Property	37,812	-	37,812
Operations & Maintenance			
Purchased Property Services			
Water & Sewer	33,835	35,000	(1,165)
Repairs & Maintenance	85,407	160,000	(74,593)
Supplies			
General	19,831	25,000	(5,169)
Energy			
Heating	23,874	70,000	(46,126)
Electricity	101,716	125,000	(23,284)

UNIFIED SCHOOL DISTRICT NO. 325
Phillipsburg, Kansas

Schedule 2-2
Page 2 of 2

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

SUPPLEMENTAL GENERAL FUND (Cont.)

	Actual	Budget	Variance Over (Under)
EXPENDITURES (Cont.)			
Supervision			
Salaries			
Noncertified	\$ 9,146	\$ 10,000	\$ (854)
Employee Benefits			
Social Security & Medicare	702	900	(198)
Other	22	50	(28)
Vehicle Operating Services			
Other Purchased Services			
Contracting of Bus Services	216,841	220,000	(3,159)
Insurance	9,813	12,000	(2,187)
Motor Fuel	54,312	50,000	4,312
Vehicle & Maintenance Services			
Other Purchased Services	5,511	10,000	(4,489)
Supplies	2,280	200	2,080
Other	722	126	596
Other Student Transportation Services			
Other Purchased Services	399	-	399
Outgoing Transfers			
Vocational Education Fund	125,000	115,000	10,000
Special Education Fund	123,336	110,000	13,336
Food Service Fund	65,000	70,000	(5,000)
At Risk (K-12) Fund	330,000	300,000	30,000
Professional Development Fund	10,000	5,000	5,000
Adjustment to Comply With Legal Max	-	(4,654)	4,654
Legal Supplemental General Fund Budget	1,535,106	1,521,770	13,336
Adjustment for Qualifying Budget Credits Reimbursements	-	13,336	(13,336)
Total Expenditures	1,535,106	\$ 1,535,106	\$ -
Cash Receipts Over (Under) Expenditures	8,336		
UNENCUMBERED CASH, July 1, 2011	86,454 *		
UNENCUMBERED CASH, June 30, 2012	\$ 94,790		

*See Note 13 (Restatement of Beginning Balances)

UNIFIED SCHOOL DISTRICT NO. 325
Phillipsburg, Kansas

Schedule 2-3

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

VOCATIONAL EDUCATION FUND

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
CASH RECEIPTS			
Other Revenue From Local Sources	\$ 2,135	\$ -	\$ 2,135
Incoming Transfers			
General Fund	55,000	55,000	-
Supplemental General Fund	<u>125,000</u>	<u>115,000</u>	<u>10,000</u>
Total Cash Receipts	<u>182,135</u>	<u>\$ 170,000</u>	<u>\$ 12,135</u>
EXPENDITURES			
Instruction			
Salaries			
Certified	130,880	\$ 131,000	\$ (120)
Employee Benefits			
Insurance	18,310	18,000	310
Social Security & Medicare	9,527	10,000	(473)
Other	5,996	6,000	(4)
Other Purchased Services	3,422	5,000	(1,578)
Supplies			
General	9,188	13,000	(3,812)
Other	<u>3,205</u>	<u>6,432</u>	<u>(3,227)</u>
Total Expenditures	<u>180,528</u>	<u>\$ 189,432</u>	<u>\$ (8,904)</u>
Cash Receipts Over (Under) Expenditures	1,607		
UNENCUMBERED CASH, July 1, 2011	<u>19,432</u>		
UNENCUMBERED CASH, June 30, 2012	<u>\$ 21,039</u>		

UNIFIED SCHOOL DISTRICT NO. 325
Phillipsburg, Kansas

Schedule 2-4

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

SPECIAL EDUCATION FUND

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
CASH RECEIPTS			
Other Revenue From Local Sources	\$ 4,695	\$ -	\$ 4,695
Incoming Transfers			
General Fund	869,125	825,800	43,325
Supplemental General Fund	<u>123,336</u>	<u>110,000</u>	<u>13,336</u>
Total Cash Receipts	<u>997,156</u>	<u>\$ 935,800</u>	<u>\$ 61,356</u>
EXPENDITURES			
Instruction			
Salaries			
Certified	877	\$ -	\$ 877
Noncertified	108	4,000	(3,892)
Employee Benefits			
Social Security	76	-	76
Other	1	-	1
Other Purchased Services			
Tuition/Private Sources	-	8,000	(8,000)
Payments to Interlocal/Coop	1,006,989	1,100,000	(93,011)
Supplies			
General	1,268	1,000	268
General Administration			
Other Purchased Services	906	1,500	(594)
Vehicle Operating Services			
Other Purchased Services			
Insurance	618	800	(182)
Other	<u>389</u>	<u>350</u>	<u>39</u>
Total Expenditures	<u>1,011,232</u>	<u>\$ 1,115,650</u>	<u>\$ (104,418)</u>
Cash Receipts Over (Under) Expenditures	(14,076)		
UNENCUMBERED CASH, July 1, 2011	<u>517,908</u>		
UNENCUMBERED CASH, June 30, 2012	<u>\$ 503,832</u>		

UNIFIED SCHOOL DISTRICT NO. 325
Phillipsburg, Kansas

Schedule 2-5

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

DRIVER TRAINING FUND

	Actual	Budget	Variance Over (Under)
CASH RECEIPTS			
Other Revenue from Local Sources	\$ 2,860	\$ -	\$ 2,860
State Aid	2,726	3,700	(974)
Incoming Transfer			
General Fund	5,000	-	5,000
	<u>10,586</u>	<u>\$ 3,700</u>	<u>\$ 6,886</u>
EXPENDITURES			
Instruction			
Salaries			
Certified	7,840	\$ 13,750	\$ (5,910)
Employee Benefits			
Social Security & Medicare	601	500	101
Other	8	67	(59)
Supplies			
General	92	-	92
Operations & Maintenance			
Motor Fuel	328	500	(172)
Other Supplemental Services			
Supplies	-	250	(250)
Other Purchased Services	16	-	16
	<u>8,885</u>	<u>\$ 15,067</u>	<u>\$ (6,182)</u>
Cash Receipts Over (Under) Expenditures	1,701		
UNENCUMBERED CASH, July 1, 2011	<u>11,368</u>		
UNENCUMBERED CASH, June 30, 2012	<u>\$ 13,069</u>		

UNIFIED SCHOOL DISTRICT NO. 325
Phillipsburg, Kansas

Schedule 2-6

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

FOOD SERVICE FUND

	Actual	Budget	Variance Over (Under)
CASH RECEIPTS			
Student Receipts Breakfast & Lunch	\$ 128,082	\$ 117,553	\$ 10,529
Adult Receipts	1,003	31,513	(30,510)
Other Revenue From Local Sources	40	-	40
State Aid	3,788	3,144	644
Federal Aid	167,156	163,895	3,261
Incoming Transfer			
Supplemental General Fund	65,000	70,000	(5,000)
	<u>365,069</u>	<u>\$ 386,105</u>	<u>\$ (21,036)</u>
EXPENDITURES			
Operations & Maintenance			
Salaries			
Noncertified	1,425	\$ -	\$ 1,425
Property	-	1,000	(1,000)
Food Service Operation			-
Salaries			-
Noncertified	110,920	140,000	(29,080)
Employee Benefits			-
Insurance	22,850	40,000	(17,150)
Social Security & Medicare	7,992	20,000	(12,008)
Other	264	-	264
Other Purchased Services	2,773	629	2,144
Supplies			-
Food & Milk	188,476	245,000	(56,524)
Miscellaneous	9,595	20,000	(10,405)
Property	18,589	15,000	3,589
Other	1,177	2,000	(823)
	<u>364,061</u>	<u>\$ 483,629</u>	<u>\$ (119,568)</u>
Cash Receipts Over (Under) Expenditures	1,008		
UNENCUMBERED CASH, July 1, 2011	<u>97,524</u>		
UNENCUMBERED CASH, June 30, 2012	<u>\$ 98,532</u>		

UNIFIED SCHOOL DISTRICT NO. 325
Phillipsburg, Kansas

Schedule 2-7

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

AT RISK (K-12) FUND

	Actual	Budget	Variance Over (Under)
CASH RECEIPTS			
Other Revenue from Local Sources	\$ -	\$ 10,000	\$ (10,000)
Incoming Transfers			
General Fund	9,285	9,285	-
Supplemental General Fund	330,000	300,000	30,000
	<u>339,285</u>	<u>\$ 319,285</u>	<u>\$ 20,000</u>
Total Cash Receipts			
EXPENDITURES			
Instruction			
Salaries			
Certified	178,736	\$ 195,000	\$ (16,264)
Noncertified	2,594	6,000	(3,406)
Employee Benefits			
Insurance	98,872	60,000	38,872
Social Security & Medicare	13,004	14,000	(996)
Other	388	-	388
Other Purchased Services			
Tuition/Private Sources	15,648	35,000	(19,352)
Student Support Services			
Salaries			
Certified	23,723	25,000	(1,277)
Employee Benefits			
Social Security & Medicare	1,758	2,000	(242)
Other	52	-	52
Instructional Support Staff			
Salaries			
Certified	5,159	5,000	159
Employee Benefits			
Social Security & Medicare	394	600	(206)
Other	12	40	(28)
	<u>340,340</u>	<u>\$ 342,640</u>	<u>\$ (2,300)</u>
Total Expenditures			
Cash Receipts Over (Under) Expenditures	(1,055)		
UNENCUMBERED CASH, July 1, 2011	<u>23,355</u>		
UNENCUMBERED CASH, June 30, 2012	<u>\$ 22,300</u>		

UNIFIED SCHOOL DISTRICT NO. 325
Phillipsburg, Kansas

Schedule 2-8

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

CAPITAL OUTLAY FUND

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
CASH RECEIPTS			
General Property Taxes			
Ad Valorem Taxes			
Tax in Process	\$ 1,701	\$ 3,060	\$ (1,359)
Current Tax	106,425	98,948	7,477
Delinquent Tax	1,371	1,628	(257)
Motor Vehicle Tax	15,517	15,567	(50)
Recreational Vehicle Tax	322	341	(19)
Interest on Idle Funds	12,534	-	12,534
Other Revenue from Local Sources	53,726	170,784	(117,058)
Incoming Transfers			
General Fund	150,000	255,000	(105,000)
Bond & Interest Fund	170,784	-	170,784
	<u>512,380</u>	<u>\$ 545,328</u>	<u>\$ (32,948)</u>
EXPENDITURES			
Instruction			
Property	329,556	\$ 300,000	\$ 29,556
Student Support Services			
Property	2,449	200,000	(197,551)
School Administration			
Property	12,523	25,000	(12,477)
Central Services			
Property	-	10,000	(10,000)
Operations & Maintenance			
Property	43,100	50,000	(6,900)
Other Support Services			
Property	28,350	150,000	(121,650)
Building Improvements			
Other	-	15,000	(15,000)
Outside Contractors	-	50,000	(50,000)
Debt Service			
Principal	83,364	100,000	(16,636)
Interest	13,264	-	13,264
	<u>512,606</u>	<u>\$ 900,000</u>	<u>\$ (387,394)</u>
Cash Receipts Over (Under) Expenditures	(226)		
UNENCUMBERED CASH, July 1, 2011	<u>529,521</u>		
UNENCUMBERED CASH, June 30, 2012	<u>\$ 529,295</u>		

UNIFIED SCHOOL DISTRICT NO. 325
Phillipsburg, Kansas

Schedule 2-9

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

TEXTBOOK & STUDENT MATERIAL REVOLVING FUND

	Textbook Rental	Student Material	Total
CASH RECEIPTS			
Rentals	\$ 12,920	\$ -	\$ 12,920
Fees	-	11,849	11,849
Other Revenue from Local Sources	-	470	470
	<u>12,920</u>	<u>12,319</u>	<u>25,239</u>
EXPENDITURES			
Instructional Support Staff			
Textbooks	1,906	-	1,906
Musical Instruments	-	1,968	1,968
Other Materials & Supplies	-	10,733	10,733
	<u>1,906</u>	<u>12,701</u>	<u>14,607</u>
Cash Receipts Over (Under) Expenditures	11,014	(382)	10,632
UNENCUMBERED CASH, July 1, 2011	<u>17,875</u>	<u>32,567</u>	<u>50,442</u>
UNENCUMBERED CASH, June 30, 2012	<u><u>\$ 28,889</u></u>	<u><u>\$ 32,185</u></u>	<u><u>\$ 61,074</u></u>

UNIFIED SCHOOL DISTRICT NO. 325
Phillipsburg, Kansas

Schedule 2-10

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

PROFESSIONAL DEVELOPMENT FUND

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
CASH RECEIPTS			
Reimbursement	\$ 191	\$ -	\$ 191
Incoming Transfer			
Supplemental General Fund	<u>10,000</u>	<u>5,000</u>	<u>5,000</u>
Total Cash Receipts	<u>10,191</u>	<u>\$ 5,000</u>	<u>\$ 5,191</u>
EXPENDITURES			
Other Supplemental Services			
Purchased Professional & Technical Services	8,035	\$ 10,000	\$ (1,965)
Other Purchased Services	6,662	10,000	(3,338)
Supplies	975	2,500	(1,525)
Other	<u>-</u>	<u>4,185</u>	<u>(4,185)</u>
Total Expenditures	<u>15,672</u>	<u>\$ 26,685</u>	<u>\$ (11,013)</u>
Cash Receipts Over (Under) Expenditures	(5,481)		
UNENCUMBERED CASH, July 1, 2011	<u>21,685</u>		
UNENCUMBERED CASH, June 30, 2012	<u>\$ 16,204</u>		

UNIFIED SCHOOL DISTRICT NO. 325
Phillipsburg, Kansas

Schedule 2-11

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

CONTINGENCY RESERVE FUND

	<u>Actual</u>
CASH RECEIPTS	
Incoming Transfer	
General Fund	<u>\$ 25,000</u>
EXPENDITURES	
Outgoing Transfer	
General Fund	<u> 130,000</u>
Cash Receipts Over (Under) Expenditures	(105,000)
UNENCUMBERED CASH, July 1, 2011	<u> 400,000</u>
UNENCUMBERED CASH, June 30, 2012	<u><u>\$ 295,000</u></u>

UNIFIED SCHOOL DISTRICT NO. 325
Phillipsburg, Kansas

Schedule 2-12

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

SCHOOL PUBLICATIONS FUND

	Yearbooks		Panther Pause	Total
	High School	Middle School		
CASH RECEIPTS	\$ 14,874	\$ 1,716	\$ 1,934	\$ 18,524
EXPENDITURES	15,400	1,708	1,510	18,618
Cash Receipts Over (Under) Expenditures	(526)	8	424	(94)
UNENCUMBERED CASH, July 1, 2011	276	(349)	350	277
UNENCUMBERED CASH, June 30, 2012	<u>\$ (250)</u>	<u>\$ (341)</u>	<u>\$ 774</u>	<u>\$ 183</u>

UNIFIED SCHOOL DISTRICT NO. 325
Phillipsburg, Kansas

Schedule 2-13

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

GIFTS & CONTRIBUTIONS FUND

	<u>Actual</u>	<u>Budget *</u>	<u>Variance Over (Under)</u>
CASH RECEIPTS			
Other Revenue from Local Sources			
Contributions & Donations	<u>\$ 19,689</u>	<u>\$ 25,000</u>	<u>\$ (5,311)</u>
EXPENDITURES			
Instruction			
Purchased Professional & Technical Services	-	\$ 10,000	\$ (10,000)
Supplies	4,912	5,000	(88)
Equipment	-	5,000	(5,000)
Student Support Services			
Equipment	9,850	-	9,850
Instructional Support Staff			
Supplies	<u>7,923</u>	<u>8,127</u>	<u>(204)</u>
Total Expenditures	<u>22,685</u>	<u>\$ 28,127</u>	<u>\$ (5,442)</u>
Cash Receipts Over (Under) Expenditures	(2,996)		
UNENCUMBERED CASH, July 1, 2011	<u>3,127</u>		
UNENCUMBERED CASH, June 30, 2012	<u>\$ 131</u>		

* The Gifts and Contributions fund is not required by statute to be budgeted, this budget is for informational purposes only.

UNIFIED SCHOOL DISTRICT NO. 325
Phillipsburg, Kansas

Schedule 2-14

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

	FEDERAL FUNDS			Total Federal Funds	Budget*	Variance Over (Under)
	Title I	Title II	REAP			
CASH RECEIPTS						
Federal Aid	\$ 108,807	\$ 19,045	\$ -	\$ 127,852	\$ 127,994	\$ (142)
REAP Grant	-	-	37,060	37,060	-	37,060
Incoming Transfer						
Title II Fund	9,000	-	-	9,000	-	9,000
Total Cash Receipts	117,807	19,045	37,060	173,912	127,994	45,918
EXPENDITURES						
Instruction						
Salaries						
Certified	95,932	-	-	95,932	100,000	(4,068)
Employee Benefits						
Insurance	10,391	-	-	10,391	10,000	391
Social Security & Medicare	6,713	-	-	6,713	6,000	713
Other	199	-	-	199	994	(795)
Other Purchased Services	711	-	-	711	-	711
Supplies	3,861	-	-	3,861	5,000	(1,139)
Property	-	-	37,060	37,060	4,000	33,060
Other Supplemental Services						
Other Purchased Services	-	10,045	-	10,045	2,000	8,045
Outgoing Transfer						
Title I Fund	-	9,000	-	9,000	-	9,000
Total Expenditures	117,807	19,045	37,060	173,912	\$ 127,994	\$ 45,918
Cash Receipts Over (Under) Expenditures	-	-	-	-		
UNENCUMBERED CASH, July 1, 2011	-	-	-	-		
UNENCUMBERED CASH, June 30, 2012	\$ -	\$ -	\$ -	\$ -		

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

UNIFIED SCHOOL DISTRICT NO. 325
Phillipsburg, Kansas

Schedule 2-15

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

KPERS SPECIAL RETIREMENT CONTRIBUTION FUND

	Actual	Budget	Variance Over (Under)
CASH RECEIPTS			
State Aid	\$ 333,838	\$ 357,016	\$ (23,178)
EXPENDITURES			
Instruction			
Employee Benefits	229,139	\$ 220,000	\$ 9,139
Student Support Services			
Employee Benefits	23,369	30,000	(6,631)
Instructional Support Staff			
Employee Benefits	6,677	20,000	(13,323)
General Administration			
Employee Benefits	6,677	20,000	(13,323)
School Administration			
Employee Benefits	16,692	30,000	(13,308)
Other Supplemental Services			
Employee Benefits	9,316	6,000	3,316
Operations & Maintenance			
Employee Benefits	27,972	20,000	7,972
Food Services			
Employee Benefits	13,996	11,016	2,980
Total Expenditures	333,838	\$ 357,016	\$ (23,178)
Cash Receipts Over (Under) Expenditures	-		
UNENCUMBERED CASH, July 1, 2011	-		
UNENCUMBERED CASH, June 30, 2012	\$ -		

UNIFIED SCHOOL DISTRICT NO. 325
Phillipsburg, Kansas

Schedule 2-16

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

DISTRICT ACTIVITY FUNDS

	<u>Actual</u>
CASH RECEIPTS	<u>\$ 83,647</u>
EXPENDITURES	<u>87,403</u>
Cash Receipts Over (Under) Expenditures	(3,756)
UNENCUMBERED CASH, July 1, 2011	<u>38,135</u>
UNENCUMBERED CASH, June 30, 2012	<u><u>\$ 34,379</u></u>

UNIFIED SCHOOL DISTRICT NO. 325
Phillipsburg, Kansas

Schedule 2-17

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

BOND AND INTEREST FUND

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
CASH RECEIPTS			
General Property Taxes			
Ad Valorem Taxes			
Delinquent Tax	\$ 683	\$ -	\$ 683
Motor Vehicle Tax	12	-	12
	<u>695</u>	<u>-</u>	<u>695</u>
Total Cash Receipts			
EXPENDITURES			
Interest	-	\$ 170,784	\$ (170,784)
Outgoing Transfer			
Capital Outlay	170,784	-	170,784
	<u>170,784</u>	<u>170,784</u>	<u>-</u>
Total Expenditures			
Cash Receipts Over (Under) Expenditures	(170,089)		
UNENCUMBERED CASH, July 1, 2011	<u>170,784</u>		
UNENCUMBERED CASH, June 30, 2012	<u>\$ 695</u>		

UNIFIED SCHOOL DISTRICT NO. 325
Phillipsburg, Kansas

Schedule 2-18

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

SCHOLARSHIP FUND

	<u>Actual</u>
CASH RECEIPTS	<u>\$ -</u>
EXPENDITURES	<u>-</u>
Cash Receipts Over (Under) Expenditures	-
UNENCUMBERED CASH, July 1, 2011	<u>351</u>
UNENCUMBERED CASH, June 30, 2012	<u><u>\$ 351</u></u>

UNIFIED SCHOOL DISTRICT NO. 325
Phillipsburg, Kansas

Schedule 3

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

AGENCY FUNDS

<u>Fund</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Retiree/Summer Health Insurance	\$ 16,174	\$ 39,709	\$ 42,523	\$ 13,360
Student Activity Funds	28,771	154,818	135,446	48,143
Total	<u>\$ 44,945</u>	<u>\$ 194,527</u>	<u>\$ 177,969</u>	<u>\$ 61,503</u>

UNIFIED SCHOOL DISTRICT NO. 325
Phillipsburg, Kansas

Schedule 4

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

DISTRICT ACTIVITY FUNDS

Fund	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Student Attendance Incentive	\$ 1,625	\$ -	\$ 809	\$ 72	\$ 2,362	\$ -	\$ 2,362
High School Athletics	10,877	-	52,691	55,554	8,014	-	8,014
Middle School Athletics	6,192	-	16,266	14,693	7,765	-	7,765
School Play	1,031	-	833	747	1,117	-	1,117
Athletic Start Up	1,169	-	-	-	1,169	-	1,169
Middle School Office	43	-	13	-	56	-	56
Elementary School	17,198	-	13,034	16,336	13,896	-	13,896
Total District Activity Funds	\$ 38,135	\$ -	\$ 83,646	\$ 87,402	\$ 34,379	\$ -	\$ 34,379

UNIFIED SCHOOL DISTRICT NO. 325
Phillipsburg, Kansas

Schedule 5

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

STUDENT ACTIVITY FUNDS

	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Student Activity Funds				
High School				
Academic Organization	\$ 99	\$ 385	\$ 396	\$ 88
Football Activity	882	7,726	8,547	61
Boys Basketball Activity	1,036	8,486	7,217	2,305
Girls Basketball Activity	3	2,936	1,473	1,466
Track	425	5,220	5,035	610
Weight Lifting	20	-	-	20
Tennis	1,474	25,437	7,055	19,856
Cross Country	-	2,749	1,811	938
Golf	-	20	-	20
Activity Sales	4,500	9,845	14,345	-
Middle School Activities	130	-	-	130
Volleyball	123	5,470	4,713	880
Amendment	3,210	14,491	16,245	1,456
Cheerleaders	1,160	13,264	13,478	946
FBLA	26	-	-	26
FFA	1,111	4,029	5,114	26
FFA Fruit	23	6,691	6,714	-
FCCLA Fruit	10	-	10	-
Home Economics Beef	-	150	150	-
Class of 2012	2,642	-	2,642	-
Class of 2013	187	18,965	16,131	3,021
Class of 2014	124	-	-	124
Class of 2015	-	206	78	128
Kayettes	423	5,951	5,988	386
NFL	1,362	636	367	1,631
NHS	1	-	-	1
Pacers	474	6,058	5,045	1,487
Art Club	292	-	-	292
Art Activity	-	981	214	767
Band Activities	209	482	487	204
SADD	316	-	-	316
Spanish Club	303	-	-	303
STUCO	5,626	3,792	987	8,431
Wrestling	48	3,023	2,385	686
Total High School	<u>26,239</u>	<u>146,993</u>	<u>126,627</u>	<u>46,605</u>
Middle School				
Pep Club	674	5,317	6,106	(115)
Student Council	865	689	1,269	285
5th & 6th Grade Activity	993	1,819	1,444	1,368
Total Middle School	<u>2,532</u>	<u>7,825</u>	<u>8,819</u>	<u>1,538</u>
Total Student Activity Funds	<u>\$ 28,771</u>	<u>\$ 154,818</u>	<u>\$ 135,446</u>	<u>\$ 48,143</u>