

**ST. JOHN-HUDSON UNIFIED SCHOOL DISTRICT  
NO. 350 ST. JOHN, KANSAS**

Financial Statements With Independent Auditors' Report

For the Year Ended June 30, 2012

**ST. JOHN-HUDSON UNIFIED SCHOOL DISTRICT NO. 350 ST. JOHN, KANSAS**  
Financial Statements With Independent Auditors' Report  
For the Year Ended June 30, 2012

---

**TABLE OF CONTENTS**

Independent Auditors' Report .....	1
Statement 1 - Summary of Cash Receipts, Expenditures and Unencumbered Cash .....	3
Statement 2 - Summary of Expenditures - Actual and Budget .....	4
Statement 3 - Statement of Cash Receipts and Expenditures - Actual and Budget Individually Presented by Fund	
<b>Governmental Fund Categories</b>	
<b>General Funds</b>	
3-1 General Fund .....	5
3-2 Supplemental General Fund .....	6
<b>Special Revenue Funds</b>	
3-3 At Risk Fund .....	7
3-4 Capital Outlay Fund .....	8
3-5 Driver Training Fund .....	9
3-6 Food Service Fund .....	10
3-7 Professional Development Fund .....	11
3-8 Parent Education Program Fund .....	12
3-9 Special Education Fund .....	13
3-10 Vocational Education Fund .....	14
3-11 KPERs Special Retirement Contribution Fund .....	15
3-12 Contingency Fund .....	16
3-13 Textbook and Student Material Revolving Fund .....	17
3-14 Recreation Commission Fund .....	18
3-15 Recreation Commission Employee Benefits and Special Liability Fund .....	19
3-16 Title I Fund .....	20
3-17 Title II, Part A – Teacher Quality Fund .....	21
3-18 Title II, Part D – Education Technology Fund .....	22
3-19 Ida Long Goodman Memorial Library Fund .....	23
3-20 Rural Small Schools Grant Fund .....	24
3-21 Grants Fund .....	25
<b>Debt Service Fund</b>	
3-22 Bond and Interest Fund .....	26
<b>Fiduciary Fund Category</b>	
<b>Private Purpose Trust Funds</b>	
3-23 Bowden Plaque Fund .....	27
3-24 J. Hearn Agricultural Scholarship Fund .....	28
Statement 4 – Summary of Cash Receipts and Cash Disbursements Agency Funds .....	29
Statement 5 – Summary of Cash Receipts, Expenditures and Unencumbered Cash District Activity Funds .....	30
Notes to Financial Statements .....	31



Certified  
Public  
Accountants

## INDEPENDENT AUDITORS' REPORT

To the Board of Education

**St. John-Hudson Unified School District No. 350 St. John, Kansas**

St. John, Kansas

We have audited the accompanying financial statements of **St. John-Hudson Unified School District No. 350 St. John, Kansas**, as of and for the year ended June 30, 2012, as listed in the table of contents. These financial statements are the responsibility of **St. John-Hudson Unified School District No. 350 St. John, Kansas'** management. Our responsibility is to express opinions 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 statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

The financial statements referred to above include the primary government of **St. John-Hudson Unified School District No. 350 St. John, Kansas** and one of its two component units, the Ida Long Goodman Memorial Library. The financial statements do not include financial data for the St. John-Hudson Unified School District No. 350 Education Foundation, which is the District's other legally separate component unit. Accounting principles generally accepted in the United States of America require the financial data of the District's primary government to include the financial data for its component unit, unless the District also issues financial statements for the financial reporting entity that include the financial data for all its component units. The District has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the cash and unencumbered cash balances of the aggregate discretely presented component unit would have been reported as \$1,111,074 for the St. John-Hudson Community USD No. 350 Education Foundation.

As described more fully in Note 1, **St. John-Hudson Unified School District No. 350 St. John, Kansas** has prepared these financial statements using accounting practices prescribed or permitted by the State of Kansas, whose practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the omission of the discretely presented component unit and the effects noted in the two preceding paragraphs, 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 **St. John-Hudson Unified School District No. 350 St. John, Kansas**, as of June 30, 2012, or the changes in financial position for the year then ended.

**St. John-Hudson Unified School District No. 350 St. John, Kansas**  
Page Two

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of each fund of **St. John-Hudson Unified School District No. 350 St. John, Kansas**, as of June 30, 2012, and their respective cash receipts and disbursements and budgetary results for the year then ended, on the basis of accounting described in Note 1.

*Adams, Brown, Beran & Ball, Chtd.*

**ADAMS, BROWN, BERAN & BALL, CHTD.**  
Certified Public Accountants

October 01, 2012

**ST. JOHN-HUDSON UNIFIED SCHOOL DISTRICT NO. 350 ST. JOHN, KANSAS**  
**Summary of Cash Receipts, Expenditures and Unencumbered Cash**  
**For the Year Ended June 30, 2012**

Funds	Beginning Unencumbered Cash Balance	Prior Period Adjustment	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
<b>Governmental Fund Categories</b>								
<b>General Funds</b>								
General Fund	\$ (69,574)	69,574	-	2,605,830	2,605,830	-	445	445
Supplemental General Fund	30,539	-	-	853,469	855,360	28,648	785	29,433
<b>Special Revenue Funds</b>								
At Risk Fund	1,748	-	-	256,284	258,032	-	-	-
Capital Outlay Fund	437,404	-	-	185,073	382,559	239,918	34,085	274,003
Driver Training Fund	3,490	-	-	6,010	5,510	3,990	-	3,990
Food Service Fund	35,653	-	-	158,102	154,539	39,216	151	39,367
Professional Development Fund	11,792	-	-	14,000	15,044	10,748	1,498	12,246
Parent Education Program Fund	2,973	-	-	10,000	10,344	2,629	-	2,629
Special Education Fund	55,335	-	-	433,120	454,882	33,573	-	33,573
Vocational Education Fund	17,252	-	750	153,239	152,963	18,278	-	18,278
KPERs Special Retirement Contribution Fund	-	-	-	208,454	208,454	-	-	-
Contingency Fund	282,645	-	-	-	-	282,645	-	282,645
Textbook and Student Material Revolving Fund	56,690	-	-	13,908	16,096	54,502	-	54,502
Recreation Commission Fund	24,333	-	-	116,844	95,000	46,177	-	46,177
Recreation Commission Employee Benefits and Special Liability Fund	10,329	-	-	33,407	31,600	12,136	-	12,136
Title I Fund	-	-	-	60,172	60,172	-	-	-
Title II, Part A - Teacher Quality Fund	-	-	-	14,712	14,712	-	-	-
Ida Long Goodman Memorial Library Fund	39,190	-	389	10,606	25,185	25,000	445	25,445
Rural Small Schools Grant Fund	-	-	-	49,715	49,715	-	-	-
Grants Fund	-	-	-	8,276	8,154	122	-	122
District Activity Funds	15,202	-	-	47,562	54,270	8,494	104	8,598
<b>Debt Service Fund</b>								
Bond and Interest Fund	360,010	-	-	245,183	215,948	389,245	-	389,245
<b>Total Reporting Entity (Excluding Agency Funds and a Component Unit)</b>	<b>\$ 1,315,011</b>	<b>69,574</b>	<b>1,139</b>	<b>5,483,966</b>	<b>5,674,369</b>	<b>1,195,321</b>	<b>37,513</b>	<b>1,232,834</b>
<b>Composition of Cash</b>								
Checking Accounts							\$	1,255,904
Agency Funds per Statement 4								(23,069)
<b>Total Reporting Entity (Excluding Agency Funds and a Component Unit)</b>								<b>\$ 1,232,835</b>

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

**ST. JOHN-HUDSON UNIFIED SCHOOL DISTRICT NO. 350 ST. JOHN, KANSAS**  
Summary of Expenditures - Actual and Budget  
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)
<b>Governmental Fund Categories</b>						
<b>General Funds</b>						
General Fund	\$ 2,527,686	(55,188)	133,332	2,605,830	<b>2,605,830</b>	-
Supplemental General Fund	870,919	(16,358)	799	855,360	<b>855,360</b>	-
<b>Special Revenue Funds</b>						
At Risk Fund	258,032	-	-	258,032	<b>258,032</b>	-
Capital Outlay Fund	558,251	-	-	558,251	<b>382,559</b>	(175,692)
Driver Training Fund	5,510	-	-	5,510	<b>5,510</b>	-
Food Service Fund	200,550	-	-	200,550	<b>154,539</b>	(46,011)
Professional Development Fund	23,541	-	-	23,541	<b>15,044</b>	(8,497)
Parent Education Program Fund	11,500	-	-	11,500	<b>10,344</b>	(1,156)
Special Education Fund	593,198	-	-	593,198	<b>454,882</b>	(138,316)
Vocational Education Fund	208,309	-	-	208,309	<b>152,963</b>	(55,346)
KPERS Special Retirement Contribution Fund	235,674	-	-	235,674	<b>208,454</b>	(27,220)
Recreation Commission Fund	120,000	-	-	120,000	<b>95,000</b>	(25,000)
Recreation Commission Employee Benefits and Special Liability Fund	31,600	-	-	31,600	<b>31,600</b>	-
<b>Debt Service Fund</b>						
Bond and Interest Fund	215,958	-	-	215,958	<b>215,948</b>	(10)

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

## ST. JOHN-HUDSON UNIFIED SCHOOL DISTRICT NO. 350 ST. JOHN, KANSAS

## General Fund

Statement of Cash Receipts and Expenditures - Actual and Budget  
 For the Year Ended June 30, 2012  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
Taxes and Shared Revenues	\$ 707,477	695,079	691,939	3,140
Intergovernmental Revenues				
Mineral Severance Tax	25,858	46,229	-	46,229
Equalization Aid	1,339,592	1,351,008	1,447,903	(96,895)
Special Education Aid	378,624	379,021	387,844	(8,823)
Federal Aid - Education Jobs Funds	86,628	1,161	-	1,161
Federal Aid - ARRA	49,474	-	-	-
Reimbursed Expenses	74,900	133,332	-	133,332
<b>Total Cash Receipts</b>	2,662,553	2,605,830	2,527,686	78,144
<b>Expenditures</b>				
Instruction	1,264,799	1,353,568	1,199,912	153,656
Student Support Services	1,507	1,521	1,750	(229)
Instructional Support Staff	122,855	98,534	122,200	(23,666)
General Administration	149,188	123,891	144,680	(20,789)
School Administration	219,194	186,210	221,100	(34,890)
Other Support Services	109,753	117,651	111,900	5,751
Operations and Maintenance	306,974	264,531	258,650	5,881
Student Transportation Services	80,870	85,665	79,650	6,015
Transfers Out	414,160	368,437	387,844	(19,407)
Capital Outlay	-	5,822	-	5,822
Adjustment to Comply With Legal Max	-	-	(55,188)	55,188
(a) Adjustment for Qualifying Budget Credit	-	-	133,332	(133,332)
<b>Total Expenditures</b>	2,669,300	2,605,830	2,605,830	-
<b>Cash Receipts Over (Under) Expenditures</b>	(6,747)	-		
<b>Unencumbered Cash - Beginning As Previously Stated</b>	6,747	(69,574)		
<b>Prior Period Adjustment</b>	-	69,574		
<b>Unencumbered Cash - Beginning As Restated</b>	6,747	-		
<b>Unencumbered Cash - Ending</b>	\$ -	-		
<b>(a) Adjustment for Qualifying Budget Credit</b>				
Reimbursed Expense Over Amount Budgeted			\$ 133,332	

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

**ST. JOHN-HUDSON UNIFIED SCHOOL DISTRICT NO. 350 ST. JOHN, KANSAS**  
**Supplemental General Fund**

Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over Under
		Actual	Budget	(Under)
<b>Cash Receipts</b>				
Taxes and Shared Revenues	\$ 849,729	<b>852,670</b>	906,376	(53,706)
Intergovernmental Revenues				
State Aid	2,605	-	-	-
Reimbursed Expenses	-	<b>799</b>	-	799
<b>Total Cash Receipts</b>	<b>852,334</b>	<b>853,469</b>	<b>906,376</b>	<b>(52,907)</b>
<b>Expenditures</b>				
Instruction	143,419	<b>149,013</b>	102,935	46,078
Student Support Services	27,297	<b>15,849</b>	20,000	(4,151)
Instructional Support Staff	5,912	<b>13,710</b>	3,300	10,410
Operations and Maintenance	118,304	<b>155,318</b>	124,900	30,418
Architectural and Engineering	409	-	-	-
Transfers Out	556,556	<b>521,470</b>	619,784	(98,314)
Adjustment to Comply With Legal Max	-	-	(16,358)	16,358
(a) Adjustment for Qualifying Budget Credit	-	-	799	(799)
<b>Total Expenditures</b>	<b>851,897</b>	<b>855,360</b>	<b>855,360</b>	<b>-</b>
<b>Cash Receipts Over (Under) Expenditures</b>	<b>437</b>	<b>(1,891)</b>		
<b>Unencumbered Cash - Beginning</b>	<b>30,102</b>	<b>30,539</b>		
<b>Unencumbered Cash - Ending</b>	<b>\$ 30,539</b>	<b>28,648</b>		
<b>(a) Adjustment for Qualifying Budget Credit</b>				
Reimbursed Expense Over Amount Budgeted			\$ 799	

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

**ST. JOHN-HUDSON UNIFIED SCHOOL DISTRICT NO. 350 ST. JOHN, KANSAS**  
**At Risk Fund**

Statement of Cash Receipts and Expenditures - Actual and Budget  
 For the Year Ended June 30, 2012  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
Transfers In	\$ 293,380	<b>256,284</b>	256,284	-
<b>Expenditures</b>				
Instruction	287,002	<b>254,271</b>	258,032	(3,761)
Operations and Maintenance	4,630	<b>3,761</b>	-	3,761
<b>Total Expenditures</b>	291,632	<b>258,032</b>	258,032	-
<b>Cash Receipts Over (Under) Expenditures</b>	1,748	<b>(1,748)</b>		
<b>Unencumbered Cash - Beginning</b>	-	<b>1,748</b>		
<b>Unencumbered Cash - Ending</b>	\$ 1,748	-		

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

**ST. JOHN-HUDSON UNIFIED SCHOOL DISTRICT NO. 350 ST. JOHN, KANSAS**  
**Capital Outlay Fund**

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over Under
		Actual	Budget	(Under)
<b>Cash Receipts</b>				
Taxes and Shared Revenues	\$ 74,649	<b>108,691</b>	109,792	(1,101)
Intergovernmental Revenue				
Wildlife Grant	-	<b>2,555</b>	-	2,555
Interest Earned	2,261	<b>1,956</b>	2,250	(294)
Interlocal Agreement	15,932	<b>17,706</b>	14,000	3,706
Reimbursed Expenses	1,600	<b>54,165</b>	-	54,165
<b>Total Cash Receipts</b>	<u>94,442</u>	<u><b>185,073</b></u>	<u>126,042</u>	<u>59,031</u>
<b>Expenditures</b>				
Instruction	47,343	<b>179,017</b>	258,251	(79,234)
Student Support Services	5,482	<b>17,870</b>	-	17,870
General Administration	7,222	<b>49,457</b>	-	49,457
Other Support Services	-	-	100,000	(100,000)
School Administration	-	<b>19</b>	-	19
Operations and Maintenance	4,888	<b>57,315</b>	100,000	(42,685)
Student Transportation Services	53,705	<b>68,301</b>	100,000	(31,699)
Facility Acquisition and Construction	15,234	<b>10,580</b>	-	10,580
<b>Total Expenditures</b>	<u>133,874</u>	<u><b>382,559</b></u>	<u>558,251</u>	<u>(175,692)</u>
<b>Cash Receipts Over (Under) Expenditures</b>	(39,432)	<b>(197,486)</b>		
<b>Unencumbered Cash - Beginning</b>	<u>476,836</u>	<u><b>437,404</b></u>		
<b>Unencumbered Cash - Ending</b>	\$ <u>437,404</u>	<u><b>239,918</b></u>		

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

**ST. JOHN-HUDSON UNIFIED SCHOOL DISTRICT NO. 350 ST. JOHN, KANSAS**  
**Driver Training Fund**

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
Intergovernmental Revenue				
State Aid	\$ 1,406	2,444	1,924	520
Reimbursed Expenses	90	66	-	66
Transfers In	-	3,500	3,500	-
<b>Total Cash Receipts</b>	1,496	6,010	5,424	586
<b>Expenditures</b>				
Instruction	4,043	5,045	5,510	(465)
Operations and Maintenance	344	465	-	465
<b>Total Expenditures</b>	4,387	5,510	5,510	-
<b>Cash Receipts Over (Under) Expenditures</b>	(2,891)	500		
<b>Unencumbered Cash - Beginning</b>	6,381	3,490		
<b>Unencumbered Cash - Ending</b>	\$ 3,490	3,990		

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

## ST. JOHN-HUDSON UNIFIED SCHOOL DISTRICT NO. 350 ST. JOHN, KANSAS

## Food Service Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over Under
		Actual	Budget	
<b>Cash Receipts</b>				
Intergovernmental Revenues				
State Aid	\$ 1,606	1,523	1,469	54
Federal Aid	89,179	97,930	84,594	13,336
Lunch Receipts - Students	41,776	38,041	62,523	(24,482)
Lunch Receipts - Adults	-	763	-	763
Reimbursed Expenses	10	81	10	71
Transfers In	1,200	19,764	20,000	(236)
<b>Total Cash Receipts</b>	133,771	158,102	168,596	(10,494)
<b>Expenditures</b>				
Operations and Maintenance	-	726	-	726
Food Service Operation	134,088	153,813	200,550	(46,737)
<b>Total Expenditures</b>	134,088	154,539	200,550	(46,011)
<b>Cash Receipts Over (Under) Expenditures</b>	(317)	3,563		
<b>Unencumbered Cash - Beginning</b>	35,970	35,653		
<b>Unencumbered Cash - Ending</b>	\$ 35,653	39,216		

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

## ST. JOHN-HUDSON UNIFIED SCHOOL DISTRICT NO. 350 ST. JOHN, KANSAS

## Professional Development Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
Transfers In	16,000	14,000	15,000	(1,000)
<b>Expenditures</b>				
Instructional Support Staff	6,358	15,044	16,541	(1,497)
Other Support Services	6,850	-	7,000	(7,000)
<b>Total Expenditures</b>	13,208	15,044	23,541	(8,497)
<b>Cash Receipts Over (Under) Expenditures</b>	2,792	(1,044)		
<b>Unencumbered Cash - Beginning</b>	9,000	11,792		
<b>Unencumbered Cash - Ending</b>	\$ 11,792	10,748		

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

**ST. JOHN-HUDSON UNIFIED SCHOOL DISTRICT NO. 350 ST. JOHN, KANSAS**  
**Parent Education Program Fund**  
 Statement of Cash Receipts and Expenditures - Actual and Budget  
 For the Year Ended June 30, 2012  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

		<u>Current Year</u>		
	Prior Year Actual	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
<b>Cash Receipts</b>				
Transfers In	\$ 12,522	<b>10,000</b>	<u>10,000</u>	<u>-</u>
<b>Expenditures</b>				
Student Support Services	<u>10,310</u>	<u><b>10,344</b></u>	<u>11,500</u>	<u>(1,156)</u>
<b>Cash Receipts Over (Under) Expenditures</b>	2,212	<b>(344)</b>		
<b>Unencumbered Cash - Beginning</b>	<u>761</u>	<u><b>2,973</b></u>		
<b>Unencumbered Cash - Ending</b>	\$ <u>2,973</u>	<u><b>2,629</b></u>		

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

## ST. JOHN-HUDSON UNIFIED SCHOOL DISTRICT NO. 350 ST. JOHN, KANSAS

## Special Education Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
Transfers In	\$ 483,409	<b>433,120</b>	527,844	(94,724)
<b>Expenditures</b>				
Student Transportation Services	14,634	<b>17,084</b>	-	17,084
Payment to Coop Special Education	502,273	<b>437,798</b>	593,198	(155,400)
<b>Total Expenditures</b>	516,907	<b>454,882</b>	593,198	(138,316)
<b>Cash Receipts Over (Under) Expenditures</b>	(33,498)	<b>(21,762)</b>		
<b>Unencumbered Cash - Beginning</b>	88,833	<b>55,335</b>		
<b>Unencumbered Cash - Ending</b>	\$ 55,335	<b>33,573</b>		

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

## ST. JOHN-HUDSON UNIFIED SCHOOL DISTRICT NO. 350 ST. JOHN, KANSAS

## Vocational Education Fund

## Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over Under
		Actual	Budget	
<b>Cash Receipts</b>				
Transfers In	164,205	<b>153,239</b>	175,000	(21,761)
<b>Expenditures</b>				
Instruction	198,697	<b>150,942</b>	208,309	(57,367)
Instructional Support Staff	70	<b>915</b>	-	915
Operations and Maintenance	1,455	<b>1,106</b>	-	1,106
<b>Total Expenditures</b>	200,222	<b>152,963</b>	208,309	(55,346)
<b>Cash Receipts Over (Under) Expenditures</b>	(36,017)	<b>276</b>		
<b>Unencumbered Cash - Beginning</b>	53,100	<b>17,252</b>		
<b>Prior Year Cancelled Encumbrance</b>	169	<b>750</b>		
<b>Unencumbered Cash - Ending</b>	\$ 17,252	<b>18,278</b>		

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

## ST. JOHN-HUDSON UNIFIED SCHOOL DISTRICT NO. 350 ST. JOHN, KANSAS

## KPERS Special Retirement Contribution Fund

## Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over Under
		Actual	Budget	
<b>Cash Receipts</b>				
Intergovernmental Revenue				
State Aid	\$ 128,084	208,454	235,674	(27,220)
<b>Expenditures</b>				
Instruction	87,236	153,012	172,992	(19,980)
Instructional Support Staff	9,564	8,206	9,278	(1,072)
General Administration	5,089	7,153	8,087	(934)
School Administration	8,724	14,626	16,536	(1,910)
Supplemental Services	6,930	10,061	11,375	(1,314)
Operations and Maintenance	6,543	10,782	12,232	(1,450)
Student Transportation Services	1,454	449	465	(16)
Food Service	2,544	4,165	4,709	(544)
<b>Total Expenditures</b>	128,084	208,454	235,674	(27,220)
<b>Cash Receipts Over (Under) Expenditures</b>	-	-		
<b>Unencumbered Cash - Beginning</b>	-	-		
<b>Unencumbered Cash - Ending</b>	\$ -	-		

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

**ST. JOHN-HUDSON UNIFIED SCHOOL DISTRICT NO. 350 ST. JOHN, KANSAS**  
**Contingency Fund**

Statement of Cash Receipts and Expenditures  
For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
<b>Cash Receipts</b>	\$ -	-
<b>Expenditures</b>	<u>-</u>	<u>-</u>
<b>Cash Receipts Over (Under) Expenditures</b>	-	-
<b>Unencumbered Cash - Beginning</b>	<u>282,645</u>	<u>282,645</u>
<b>Unencumbered Cash - Ending</b>	<u>\$ 282,645</u>	<u>282,645</u>

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

**ST. JOHN-HUDSON UNIFIED SCHOOL DISTRICT NO. 350 ST. JOHN, KANSAS**  
**Textbook and Student Material Revolving Fund**  
 Statement of Cash Receipts and Expenditures  
 For the Year Ended June 30, 2012  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
<b>Cash Receipts</b>		
Book Rental Fees	\$ 9,961	13,908
<b>Expenditures</b>		
Instruction	20,381	16,096
<b>Cash Receipts Over (Under) Expenditures</b>	(10,420)	(2,188)
<b>Unencumbered Cash - Beginning</b>	67,110	56,690
<b>Unencumbered Cash - Ending</b>	\$ 56,690	54,502

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

**ST. JOHN-HUDSON UNIFIED SCHOOL DISTRICT NO. 350 ST. JOHN, KANSAS**

**Recreation Commission Fund**

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
Taxes and Shared Revenues	\$ 110,542	<b>116,844</b>	116,195	649
Interlocal Agreement	-	-	900	(900)
<b>Total Cash Receipts</b>	110,542	<b>116,844</b>	<u>117,095</u>	<u>(251)</u>
<b>Expenditures</b>				
Appropriation to Recreation Commission	120,000	<b>95,000</b>	<u>120,000</u>	<u>(25,000)</u>
<b>Cash Receipts Over (Under) Expenditures</b>	(9,458)	<b>21,844</b>		
<b>Unencumbered Cash - Beginning</b>	33,791	<b>24,333</b>		
<b>Unencumbered Cash - Ending</b>	\$ <u>24,333</u>	<u><b>46,177</b></u>		

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

**ST. JOHN-HUDSON UNIFIED SCHOOL DISTRICT NO. 350 ST. JOHN, KANSAS**  
**Recreation Commission Employee Benefits and Special Liability Fund**  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended June 30, 2012  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
Taxes and Shared Revenues	\$ 32,306	<b>33,407</b>	<u>33,233</u>	<u>174</u>
<b>Expenditures</b>				
Appropriation to Recreation Commission	<u>31,600</u>	<u><b>31,600</b></u>	<u>31,600</u>	<u>-</u>
<b>Cash Receipts Over (Under) Expenditures</b>	706	<b>1,807</b>		
<b>Unencumbered Cash - Beginning</b>	<u>9,623</u>	<u><b>10,329</b></u>		
<b>Unencumbered Cash - Ending</b>	\$ <u>10,329</u>	<u><b>12,136</b></u>		

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

**ST. JOHN-HUDSON UNIFIED SCHOOL DISTRICT NO. 350 ST. JOHN, KANSAS**  
**Title I Fund**

Statement of Cash Receipts and Expenditures

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
<b>Cash Receipts</b>		
Intergovernmental Revenues		
Federal Aid	\$ 64,118	60,172
Federal Aid - ARRA	27,858	-
	<u>91,976</u>	<u>60,172</u>
<b>Total Cash Receipts</b>	<u>91,976</u>	<u>60,172</u>
<b>Expenditures</b>		
Instruction	74,805	60,172
Support Staff Services	17,171	-
	<u>91,976</u>	<u>60,172</u>
<b>Total Expenditures</b>	<u>91,976</u>	<u>60,172</u>
<b>Cash Receipts Over (Under) Expenditures</b>	-	-
<b>Unencumbered Cash - Beginning</b>	-	-
<b>Unencumbered Cash - Ending</b>	\$ <u>-</u>	<u>-</u>

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

## ST. JOHN-HUDSON UNIFIED SCHOOL DISTRICT NO. 350 ST. JOHN, KANSAS

## Title II, Part A - Teacher Quality Fund

## Statement of Cash Receipts and Expenditures

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
<b>Cash Receipts</b>		
Intergovernmental Revenue		
Federal Aid	\$ 16,652	14,712
<b>Expenditures</b>		
Instruction	2,113	14,712
Instructional Support Staff	14,539	-
<b>Total Expenditures</b>	16,652	14,712
<b>Cash Receipts Over (Under) Expenditures</b>	-	-
<b>Unencumbered Cash - Beginning</b>	-	-
<b>Unencumbered Cash - Ending</b>	\$ -	-

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

## ST. JOHN-HUDSON UNIFIED SCHOOL DISTRICT NO. 350 ST. JOHN, KANSAS

## Title II, Part D - Education Technology Fund

## Statement of Cash Receipts and Expenditures

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
<b>Cash Receipts</b>		
Intergovernmental Revenues		
Federal Aid	\$ 217	-
Federal Aid - ARRA	1,212	-
<b>Total Cash Receipts</b>	1,429	-
<b>Expenditures</b>		
Other Supplemental Services	217	-
Instructional Support Staff	1,212	-
<b>Total Expenditures</b>	1,429	-
<b>Cash Receipts Over (Under) Expenditures</b>	-	-
<b>Unencumbered Cash - Beginning</b>	-	-
<b>Unencumbered Cash - Ending</b>	\$ -	-

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

**ST. JOHN-HUDSON UNIFIED SCHOOL DISTRICT NO. 350 ST. JOHN, KANSAS**  
**Ida Long Goodman Memorial Library Fund**  
 Statement of Cash Receipts and Expenditures  
 For the Year Ended June 30, 2012  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
<b>Cash Receipts</b>		
Receipts From Education Foundation	\$ 25,000	-
Other Income	17,594	<u>10,606</u>
<b>Total Cash Receipts</b>	42,594	<b>10,606</b>
<b>Expenditures</b>		
Support Services - Books	<u>25,591</u>	<u>25,185</u>
<b>Cash Receipts Over (Under) Expenditures</b>	17,003	<b>(14,579)</b>
<b>Unencumbered Cash - Beginning</b>	21,886	<b>39,190</b>
<b>Prior Year Cancelled Encumbrances</b>	<u>301</u>	<u>389</u>
<b>Unencumbered Cash - Ending</b>	<u><u>\$ 39,190</u></u>	<u><u>25,000</u></u>

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

## ST. JOHN-HUDSON UNIFIED SCHOOL DISTRICT NO. 350 ST. JOHN, KANSAS

## Rural Small Schools Grant Fund

## Statement of Cash Receipts and Expenditures

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
<b>Cash Receipts</b>		
Intergovernmental Revenue		
Federal Aid	\$ 29,841	49,715
<b>Expenditures</b>		
Instruction	29,753	48,329
Other Supplemental Services	88	1,386
<b>Total Expenditures</b>	29,841	49,715
<b>Cash Receipts Over (Under) Expenditures</b>	-	-
<b>Unencumbered Cash - Beginning</b>	-	-
<b>Unencumbered Cash - Ending</b>	\$ -	-

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

## ST. JOHN-HUDSON UNIFIED SCHOOL DISTRICT NO. 350 ST. JOHN, KANSAS

## Grants Fund

## Statement of Cash Receipts and Expenditures

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
<b>Cash Receipts</b>		
Grant Income	\$ -	8,276
<b>Expenditures</b>		
Grant Expense	-	8,154
<b>Total Expenditures</b>	-	8,154
<b>Cash Receipts Over (Under) Expenditures</b>	-	122
<b>Unencumbered Cash - Beginning</b>	-	-
<b>Unencumbered Cash - Ending</b>	\$ -	122

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

**ST. JOHN-HUDSON UNIFIED SCHOOL DISTRICT NO. 350 ST. JOHN, KANSAS**  
**Bond and Interest Fund**

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
Taxes and Shared Revenues	\$ 201,075	<b>245,183</b>	242,412	2,771
<b>Expenditures</b>				
Commission and Postage	-	-	10	(10)
Interest Payment	32,653	<b>25,948</b>	25,948	-
Principal Payment	185,000	<b>190,000</b>	190,000	-
<b>Total Expenditures</b>	217,653	<b>215,948</b>	215,958	(10)
<b>Cash Receipts Over (Under) Expenditures</b>	(16,578)	<b>29,235</b>		
<b>Unencumbered Cash - Beginning</b>	376,588	<b>360,010</b>		
<b>Unencumbered Cash - Ending</b>	\$ 360,010	<b>389,245</b>		

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

## ST. JOHN-HUDSON UNIFIED SCHOOL DISTRICT NO. 350 ST. JOHN, KANSAS

## Bowden Plaque Fund

## Statement of Cash Receipts and Expenditures

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
<b>Cash Receipts</b>	\$ -	-
<b>Expenditures</b>		
Miscellaneous	523	-
<b>Cash Receipts Over (Under) Expenditures</b>	(523)	-
<b>Unencumbered Cash - Beginning</b>	523	-
<b>Unencumbered Cash - Ending</b>	\$ -	-

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

**ST. JOHN-HUDSON UNIFIED SCHOOL DISTRICT NO. 350 ST. JOHN, KANSAS**  
**J. Hearn Agricultural Scholarship Fund**  
 Statement of Cash Receipts and Expenditures  
 For the Year Ended June 30, 2012  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
<b>Cash Receipts</b>	\$ -	-
<b>Expenditures</b>		
Miscellaneous	3,268	-
<b>Cash Receipts Over (Under) Expenditures</b>	(3,268)	-
<b>Unencumbered Cash - Beginning</b>	3,268	-
<b>Unencumbered Cash - Ending</b>	\$ -	-

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

## ST. JOHN-HUDSON UNIFIED SCHOOL DISTRICT NO. 350 ST. JOHN, KANSAS

## Agency Funds

## Summary of Cash Receipts and Cash Disbursements

For the Year Ended June 30, 2012

Funds	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
<b>High School</b>				
Student Council	\$ 3,654	4,293	4,893	3,054
Pep Club	60	-	-	60
Cheerleaders	1,081	4,647	3,580	2,148
FCCLA	3,469	2,761	3,298	2,932
Kays	359	259	240	378
Kayettes	1,570	566	572	1,564
Choir Club	1,066	-	-	1,066
Golf Club	10	-	-	10
Science Club	158	-	-	158
Quiz Bowl	880	300	275	905
Band Club	784	-	-	784
In-House Training	822	464	454	832
Boys Basketball Club	42	1,933	892	1,083
Art Club	421	-	47	374
General Activity/Supplies	114	-	2	112
Class of 2009	397	-	397	-
Class of 2010	31	-	31	-
Class of 2011	312	-	312	-
Class of 2012	1,225	-	1,087	138
Class of 2013	2,036	8,458	7,766	2,728
Class of 2014	-	6,528	4,398	2,130
<b>Total High School</b>	18,491	30,209	28,244	20,456
<b>Middle School</b>				
Cheerleaders	898	4,946	3,231	2,613
<b>Total</b>	\$ 19,389	35,155	31,475	23,069

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

## ST. JOHN-HUDSON UNIFIED SCHOOL DISTRICT NO. 350 ST. JOHN, KANSAS

## District Activity Funds

## Summary of Cash Receipts, Expenditures and Unencumbered Cash

For the Year Ended June 30, 2012

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
<b>High School</b>							
Athletics	\$ 3,914	-	20,961	24,889	(14)	85	71
Junior/Senior Play	470	-	376	226	620	4	624
Year Book	5,590	-	10,492	15,857	225	15	240
Concessions	(562)	-	8,690	8,091	37	-	37
Regional Music Festival	1,256	-	379	263	1,372	-	1,372
Auditorium	555	-	1,635	2,141	49	-	49
Instrumental Music	914	-	1,215	-	2,129	-	2,129
Metal Shop	-	-	14	14	-	-	-
<b>Total High School</b>	12,137	-	43,762	51,481	4,418	104	4,522
<b>Middle School</b>							
Music Festival	1,173	-	1,400	1,444	1,129	-	1,129
<b>Elementary School</b>							
St. John Elementary	1,892	-	2,400	1,345	2,947	-	2,947
<b>Total District Activity Funds</b>	\$ 15,202	-	47,562	54,270	8,494	104	8,598

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

**ST. JOHN-HUDSON UNIFIED SCHOOL DISTRICT NO. 350 ST. JOHN, KANSAS**

Notes to Financial Statements

June 30, 2012

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**St. John-Hudson Unified School District No. 350 St. John, Kansas** has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. The accompanying financial statements are presented to conform to the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The following is a summary of such significant policies.

**Reporting Entity**

The District is a municipal corporation governed by an elected board. These financial statements present the District (primary government) and the Ida Long Goodman Memorial Library. This component unit is included in the District's reporting entity because of the significance of its operational or financial relationship with the District. The financial statements do not include financial data for the District's legally separate component unit, St. John-Hudson Unified School District No. 350 Education Foundation.

The District has the following component unit that is presented as a blended entity in the District's financial statements:

**Ida Long Goodman Memorial Library**

The Ida Long Goodman Memorial Library is operated by three boards, the School District Board, a City Library Board, and an Inter-local Board. The Inter-local Board and the City Library Board are advisory boards and all final decisions are made by the School District Board. The Library is for the District's and public's use; however, only a small percent of its funding comes from the City of St. John.

The District has the following component unit that is not included in the financial statements:

**St. John-Hudson Unified School District No. 350 Education Foundation**

The Foundation shall be vested in a Board of Trustees consisting of five to ten persons. The Superintendent of the District shall serve as ex-officio co-trustee with one vote. The school board of the District shall appoint the remaining trustees. Trustees shall consist of the President of the Board of Education, Vice-President of the Board of Education and at least two additional members to be appointed by the Board of Education.

St. John-Hudson Unified School District No. 350 Education Foundation, established in April 2001, is organized specifically for educational purposes, including, but not limited to, the funding of programs, gifts, loans, or other assistance, financial or otherwise, for the benefit of the District and its students and employees. In order to fulfill these objectives, the Foundation may secure gifts and other properties.

The Foundation is an organization of citizens that is separate from the District. It provides the community ways to maintain and enhance educational opportunities for the District's students and staff. Financial information on the Foundation may be obtained by contacting the Board of the St. John-Hudson Unified School District No. 350 Education Foundation.

**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 requires management to make estimates and assumptions that affect the reported amount of unencumbered cash balances and accounts payable during the reporting period. Actual results could differ from these estimates.

ST. JOHN-HUDSON UNIFIED SCHOOL DISTRICT NO. 350 ST. JOHN, KANSAS

Notes to Financial Statements

June 30, 2012

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Basis of Presentation – Fund Accounting**

The accounts of the District are organized and operated on the basis of funds. In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The following categories of funds comprise the financial activities of the District for the year ended June 30, 2012.

**Governmental Fund Categories**

**General Funds** – to account for all financial resources except those required to be reported in another fund.

**Special Revenue Funds** – to account for the proceeds of specific revenue sources that are legally restricted to expenditure for a specified purpose.

**District Activity Funds** – a special revenue fund that accounts for the receipts and disbursements of monies from District activities. These organizations exist with the explicit approval of and are subject to revocation by the District's Board of Education. The students participate in the activities, but the board of education has control of the expenditures. This accounting reflects the District's agency relationship with the student activity organizations.

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

**Fiduciary Fund Categories**

**Private Purpose Trust Funds** – to account for assets held by the District as trustee or agent for others. The principal and income of these funds may be expended in the course of the fund's designated operations.

**Agency Funds** – to account for assets held by the District as trustee or agent for others.

**Student Activity Funds** – an agency fund that accounts for the receipts and disbursements of monies from student activity organizations in which the students participate and are involved in the management of the organization's activities. These organizations exist with the explicit approval of and are subject to revocation by the District's Board of Education. The student organization approves the expenditure, not the Board of Education. This accounting reflects the District's agency relationship with the student activity organizations.

**Statutory Basis of Accounting**

The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments related to unperformed

**ST. JOHN-HUDSON UNIFIED SCHOOL DISTRICT NO. 350 ST. JOHN, KANSAS**

Notes to Financial Statements

June 30, 2012

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

**Departure From Accounting Principles Generally Accepted in the United States of America**

The basis of accounting described above results in a financial statement presentation which shows cash receipts, expenditures, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid 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 District are not presented in the financial statements. Also, long-term debt such as general obligation bonds, revenue bonds, capital leases, temporary notes, and compensated absences are not presented in the financial statements.

**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.

- a. Preparation of the budget for the succeeding calendar year on or before August 1st.
- b. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
- c. Public hearing on or before August 15th, but at least 10 days after publication of notice of hearing.
- d. 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 10 days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

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

**ST. JOHN-HUDSON UNIFIED SCHOOL DISTRICT NO. 350 ST. JOHN, KANSAS**  
Notes to Financial Statements  
June 30, 2012

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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 project funds, fiduciary funds, permanent funds, and the following special revenue funds: Contingency Fund, Textbook and Student Material Revolving Fund, Title I Fund, Title II, Part A - Teacher Quality Fund, Title II, Part D – Education Technology Fund, Rural Small Schools Grant Fund, Ida Long Goodman Memorial Library Fund, Grants Fund, and 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.

**Deposits and Investments**

The District follows the practice of pooling cash and investments of all funds. Each fund's portion of total cash and investments is summarized by fund category in the summary of cash receipts, expenditures and unencumbered cash.

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

**Concentration of Credit Risk**

State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and K.S.A. 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%. The District does not use "peak periods". All deposits were legally secured at June 30, 2012.

**ST. JOHN-HUDSON UNIFIED SCHOOL DISTRICT NO. 350 ST. JOHN, KANSAS**

Notes to Financial Statements

June 30, 2012

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

At June 30, 2012, the District's carrying amount of deposits was \$1,255,904 and the bank balance was \$1,422,851. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$448,909 was covered by federal depository insurance and \$973,942 was collateralized with securities held by 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. The District had no investments at June 30, 2012.

**Compensated Absences**

**Vacation**

Noncertified - All full-time noncertified employees shall receive 15 days paid vacation each year. The number of days will be prorated for an employee who is employed after July 1. Vacation is not allowed to accumulate.

**Sick Leave**

Certified Employees - The policy regarding sick leave is that all employees are allowed 10 days per year, accumulative to 90 days. According to the negotiated agreement, when an employee reaches 90 or more days (could be from 90 to 100 days), the days not used for sick leave during that year above 90 days will be bought back at the end of the school year at a rate of \$20 a day. Upon retirement or resignation, an employee with four or more years of service will be paid \$20 per day for any unused sick leave.

Noncertified Employees - All employees are allowed 90 sick leave hours multiplied by their FTE (Full Time Equivalency) per year, accumulative to 720 hours multiplied by their FTE. Upon termination of employment, no sick leave benefits will be paid out. In accordance with the provisions of GASB No. 16, "Accounting for Compensated Absences," no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

**Personal Leave**

Certified Employees - Each certified employee shall be granted three days of personal leave each contract year. Employees have the option to carry over personal leave days to the following contract year, cumulative to a maximum of two days. Additionally, teachers may desire to be reimbursed for unused personal leave days each year, at the rate of \$60 per day. Payment will be made at the end of the teaching year or in the July paycheck.

Noncertified Employees - The actual number of hours of personal leave is determined by multiplying the FTE times 24 hours. Personal leave will not accumulate from year to year.

**Sick Leave Bank**

Certified Employees - Each employee is eligible to participate in a sick leave/disability leave bank. The Board contributes 15 days annually to the bank, accumulative to a maximum of 90 days. Annually, a building principal will be appointed by the Board and two teachers will be selected by the Association. These three people will serve as a committee whose primary responsibility will be to approve or disapprove requests from the teaching staff for additional sick leave/disability leave days.

A potential liability for accumulated sick leave and personal leave is shown on the schedule of long-term debt.

**ST. JOHN-HUDSON UNIFIED SCHOOL DISTRICT NO. 350 ST. JOHN, KANSAS**

Notes to Financial Statements

June 30, 2012

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Deferred Compensation Plan**

The District sponsors a deferred compensation plan under Internal Revenue Code Section 403(b). Permanent and part-time employees are eligible to participate under the plan. The employee is responsible for the amount of deferred compensation to be contributed. The District is not required to make any contributions.

**Defined Benefit Pension Plan**

**Plan Description**

The District contributes to the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.* KPERS provides retirement benefits, life insurance, disability income benefits and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S Kansas, Suite 100; Topeka, KS 66603-3869) or by calling 1-888-275-5737.

**Funding Policy**

K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% and 6% (if hired on or after July 1, 2009) 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. The State currently contributes 9.77% of covered payroll and 22.69% for licensed KPERS retirees. These contribution requirements are established by KPERS and are periodically revised. The State of Kansas' contributions to KPERS for all Kansas public school employees for the years ending June 30, 2012, 2011, and 2010 were \$298,635,383, \$253,834,044, and \$248,468,186, respectively, equal to the required contributions for each year as set forth by the legislature. The amounts attributable to the District for the years ending June 30, 2012, 2011, and 2010 were \$208,454, \$128,084 and \$153,207, respectively.

**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.

**Property Tax Calendar**

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. Property taxes are collected and remitted to the County Treasurer. Taxes levied annually on November 1st are due one-half by December 20th and one-half by May 10th. Major tax distributions are made in the months of December through July. Lien dates for personal property are in March and August and lien dates for real property are in September. Taxes are recognized as revenue in the year received. Delinquent tax payments are recognized as revenue in the year received.

**ST. JOHN-HUDSON UNIFIED SCHOOL DISTRICT NO. 350 ST. JOHN, KANSAS**  
Notes to Financial Statements  
June 30, 2012

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Restricted Assets**

Restricted cash balances are reported in various funds that are legally restricted for specified uses such as the payment of debt service and fiscal fees on long-term debt and for expenditures approved in federal and state grant contracts. Also, cash is restricted in the trust and agency funds of the District for special purposes.

**Reimbursements**

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

**NOTE 2 – INTERFUND TRANSFERS**

Interfund transfers within the reporting entity are substantially for the purpose of subsidizing operating functions, funding capital projects and asset acquisitions or maintaining debt service on a routine basis as authorized by Kansas statutes. **St. John-Hudson Unified School District No. 350 St. John, Kansas'** interfund transfers and statutory authority for the year ended June 30, 2012 were as follows:

From	To	Statutory Authority	Amount
General Fund	Special Education Fund	K.S.A. 72-6428	\$ 363,120
General Fund	Vocational Education Fund	K.S.A. 72-6428	5,317
Supplemental General Fund	At-Risk Fund	K.S.A. 72-6433	256,284
Supplemental General Fund	Driver Training Fund	K.S.A. 72-6433	3,500
Supplemental General Fund	Food Service Fund	K.S.A. 72-6433	19,764
Supplemental General Fund	Professional Development Fund	K.S.A. 72-6433	14,000
Supplemental General Fund	Parent Education Program Fund	K.S.A. 72-6433	10,000
Supplemental General Fund	Special Education Fund	K.S.A. 72-6433	70,000
Supplemental General Fund	Vocational Education Fund	K.S.A. 72-6433	147,922

**NOTE 3– LITIGATION**

**St. John-Hudson Unified School District No. 350 St. John, Kansas** is party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material adverse impact on the affected funds of the District.

**NOTE 4– RISK MANAGEMENT**

**St. John-Hudson Unified School District No. 350 St. John, Kansas** carries commercial insurance for risks of loss, including property, general liability, inland marine, crime, umbrella, linebacker, auto and workers' compensation. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**ST. JOHN-HUDSON UNIFIED SCHOOL DISTRICT NO. 350 ST. JOHN, KANSAS**  
Notes to Financial Statements  
June 30, 2012

---

**NOTE 5– GRANTS AND SHARED REVENUES**

**St. John-Hudson Unified School District No. 350 St. John, Kansas** participates in numerous state and federal grant programs, which are governed by various rules and regulations for the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the District, any liability for reimbursement, which may arise as the result of the audit, is not believed to be material.

**NOTE 6 – COMPARATIVE DATA**

Comparative data for the prior year has been presented in Statement 3 in the accompanying financial statements in order to provide an understanding of changes in **St. John-Hudson Unified School District No. 350 St. John, Kansas'** cash and unencumbered cash balances. However, complete comparative data (presentation of prior year totals in Statement 1) has not been presented since their inclusion would make the statement unduly complex and difficult to read.

**NOTE 7 – IN-SUBSTANCE RECEIPT IN TRANSIT**

**St. John-Hudson Unified School District No. 350 St. John, Kansas** received \$55,965 subsequent to June 30, 2012 and as required by K.S.A. 72-6417, the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2012.

**NOTE 8 – PRIOR PERIOD ADJUSTMENT**

The General Fund Unencumbered Cash has been restated to zero to be in conformity with the regulatory basis of accounting as of July 1, 2011.

**NOTE 9 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**K.S.A. 10-1113** – The District has expenditures that exceeded available monies in the District Activity Funds in the amount of \$14.

**NOTE 10 – LONG-TERM DEBT**

**St. John-Hudson Unified School District No. 350** has the following types of long-term debt.

**General Obligation Bond**

On June 1, 2004, the District issued \$1,300,000 in Series 2004 A bonds to complete building expansions and renovations.

**Lease Obligations**

The District has entered into a capital lease agreement for an activity bus with an option to purchase at the expiration of the lease terms. The lease contains a fiscal funding clause.

Changes in long-term debt and current maturities of long-term debt and interest are included on the next page.

**ST. JOHN-HUDSON UNIFIED SCHOOL DISTRICT NO. 350 ST. JOHN, KANSAS**

Notes to Financial Statements

June 30, 2012

**NOTE 10 - LONG-TERM DEBT (continued)**

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	Net Change	Balance End of Year	Interest Paid
<b>General Obligation Bond</b>										
School Building Bonds, 2004 A	3.50%-4.25%	06/01/04	\$ 1,300,000	09/01/14	\$ 760,000	-	190,000		570,000	25,948
<b>Capital Lease Payable</b>										
Blue Bird Activity Bus	3.75%	08/01/08	108,327	08/01/11	a) 36,315	-	36,315		-	1,404
<b>Total Contractual Indebtedness</b>					796,315	-	226,315		570,000	27,352
<b>Compensated Absences</b>					41,407			(2,804)	38,603	
<b>Total Long-Term Debt</b>					<u>\$ 837,722</u>	<u>-</u>	<u>226,315</u>	<u>(2,804)</u>	<u>608,603</u>	<u>27,352</u>

Current maturities of long-term debt and interest for the next three years through maturity are as follows:

	2013	2014	2015	Total
<b>Principal</b>				
General Obligation Bond	\$ 200,000	205,000	165,000	<b>570,000</b>
<b>Interest</b>				
General Obligation Bond	18,630	10,731	3,341	<b>32,702</b>
<b>Total Principal and Interest</b>	<u>\$ 218,630</u>	<u>215,731</u>	<u>168,341</u>	<u><b>602,702</b></u>

a) The beginning principle balance was changed from the previous years ending balance due to an error in the previous years confirmations received from the bank holding the lease.