

**ARGONIA UNIFIED SCHOOL DISTRICT NO. 359
ARGONIA, KANSAS**

**FINANCIAL STATEMENT
JUNE 30, 2012**

BFR

BUSBY FORD & REIMER, LLC

CERTIFIED PUBLIC ACCOUNTANTS

ARGONIA UNIFIED SCHOOL DISTRICT NO. 359
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BUSBY FORD & REIMER, LLC

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Board of Education
Argonia Unified School District No. 359
Argonia, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of **Argonia Unified School District No. 359, Argonia, Kansas**, as of and for the year ended **June 30, 2012**.

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

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

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

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

Board of Education
Argonia Unified School District No. 359

As described in Note 1 of the financial statement, the financial statement is prepared by **Argonia Unified School District No. 359, Argonia, Kansas** to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the significance of the matter discussed in the preceding paragraph the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of **Argonia Unified School District No. 359, Argonia, Kansas**, as of **June 30, 2012**, or the changes in its financial position and cash flows for the year then ended.

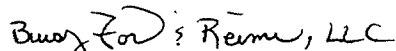
In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of **Argonia Unified School District No. 359, Argonia, Kansas**, as of **June 30, 2012**, and the aggregate cash receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note 1.

Our audit was conducted for the purpose of forming an opinion on the financial statement. The summary of expenditures-actual and budget, individual fund schedules of cash receipts and expenditures-actual and budget, individual funds schedules of cash receipts and expenditures-actual, and schedule of cash receipts and disbursements-agency funds (Supplementary Information as listed in the table of contents) and schedule of expenditures of federal awards (Federal Award Information as listed in the table of contents as listed in the table of contents) are presented for analysis and are not a required part of the regulatory financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statement taken as a whole.

The 2011 Actual columns presented in the individual fund schedules of cash receipts and expenditures-actual and budget and schedule of cash receipts and disbursements-agency funds (Supplementary Information as listed in the table of contents) are also presented for comparative analysis and are not a required part of the 2011 financial statement upon which we rendered an unqualified opinion dated September 8, 2011. The 2011 financial statements and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration, Office of Management Analysis and

**Board of Education
Argonia Unified School District No. 359**

Standards at the following link <http://da.ks.gov/ar/muniserv/>. Such 2011 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2011 financial statement. The 2011 comparative information was subjected to the auditing procedures applied in the audit of the 2011 financial statement and certain additional procedures, including comparing and reconciling such statement to the 2011 financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2011 comparative information is fairly stated in all material respects in relation to the 2011 financial statements as a whole.


Busby Ford & Reimer, LLC
September 6, 2012

ARGONIA UNIFIED SCHOOL DISTRICT NO. 359
SUMMARY OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2012

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add	
						Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
General Fund	\$ 0	\$ 0	\$ 1,622,694	\$ 1,622,694	\$ 0	\$ 0	\$ 0
Special Purpose Funds							
Supplemental General	16,313	0	388,012	390,550	13,775	0	13,775
At Risk (4 Year Old)	0	0	742	742	0	0	0
At Risk (K-12)	0	0	68,976	68,976	0	0	0
Capital Outlay	424,472	0	102,083	19,751	506,804	0	506,804
Driver Training	658	0	1,663	2,321	0	0	0
Food Service	28,176	0	85,146	86,340	26,982	0	26,982
Special Education	187,439	0	284,356	335,842	135,953	0	135,953
Vocational Education	0	0	50,086	50,086	0	0	0
KPERS Contribution	0	0	125,735	125,735	0	0	0
Federal Funds	0	0	53,143	53,143	0	0	0
Gifts and Grants	57	0	0	57	0	0	0
Contingency Reserve	110,000	0	0	0	110,000	0	110,000
Textbook and Student Material							
Revolving	46,781	0	27,730	16,683	57,828	0	57,828
District Activity Funds	256	0	23,184	20,650	2,790	0	2,790
Related Municipal Entity							
Recreation Commission	82,352	0	35,101	29,091	88,362	0	88,362
	<u>\$ 896,504</u>	<u>\$ 0</u>	<u>\$ 2,868,651</u>	<u>\$ 2,822,661</u>	<u>\$ 942,494</u>	<u>\$ 0</u>	<u>\$ 942,494</u>
Composition of Cash:							
			Checking Accounts	\$	466,753		
			Certificate of Deposit		400,000		
			Savings Account		2,656		
			Related Municipal Entity		88,362		
			Agency Funds		957,771		
					(15,277)		
					<u>\$ 942,494</u>		

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

ARGONIA UNIFIED SCHOOL DISTRICT NO. 359
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2012

Note 1 - Summary of Significant Accounting Policies:

Financial Reporting Entity

Argonia Unified School District No. 359 is a municipal corporation established under State of Kansas statutes designed to meet educational requirements at the primary and secondary levels in and around Argonia, Kansas. The District is governed by an elected seven-member Board of Education. The District's financial statements include all funds over which the Board of Education exercises financial responsibility. Financial responsibility includes appointment of governing body members, designation of management, the ability to significantly influence operations and accountability for fiscal matters. These financial statements present **Argonia Unified School District No. 359** (the primary government) and its related municipal entity. The related municipal entity is included in the District's reporting entity because of the significance of its operational and financial relationship with the District.

Recreation Commission - Argonia USD No. 359 Recreation Commission oversees recreational activities. The recreation commission operates as a separate governing body but the District levies the taxes for the recreation commission and the recreation commission has only the powers granted by statute, K.S.A. 12-1928. The recreation commission cannot purchase real property but can acquire real property by gift.

KMAAG Regulatory Basis of Presentation Fund Definitions:

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

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

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

ARGONIA UNIFIED SCHOOL DISTRICT NO. 359
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2012

Regulatory Basis of Accounting

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

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

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

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

Budget and Tax Cycle

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

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

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

ARGONIA UNIFIED SCHOOL DISTRICT NO. 359
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2012

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

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

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

Federal Funds	Gifts & Grants Fund
Contingency Reserve Fund	District Activity Funds
Textbook and Student Material Revolving Fund	

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

Note 2 - Compensated Absences:

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

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

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

The District recognizes as revenues and expenses contributions made by the State of Kansas to the Kansas Public Employees Retirement System (KPERS) on behalf of the District's employees. For the year ended June 30, 2012, the State made contributions of \$125,735. These contributions are recorded in the KPERS Contribution Fund as receipts and expenditures.

ARGONIA UNIFIED SCHOOL DISTRICT NO. 359
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2012

Note 4 - Deposits:

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

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

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

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the Government's deposits may be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at June 30, 2012.

At June 30, 2012, the District's carrying amount of deposits was \$869,409 and the bank balance was \$948,318. The bank balance is held by one bank. Of the bank balance, \$500,000 was covered by depository insurance, and the remaining \$448,318 was collateralized with securities held by the pledging financial institution's agent in the District's name.

Note 5 - Interfund Transactions:

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

	Transfer to:								Total
	At Risk (4 Year Old)	At Risk (K-12)	Capital Outlay	Driver Training	Food Service	Special Education	Vocational Education	Textbook and Student Material Revolving	
Transfer from:									
General Fund	\$ 742	\$ 68,976	\$ 59,960	\$ 63	\$ 36	\$ 246,550	\$ 50,086	\$ 0	\$ 426,413
Supplemental General Fund	0	0	0	0	20,000	5,500	0	17,969	43,469
	<u>\$ 742</u>	<u>\$ 68,976</u>	<u>\$ 59,960</u>	<u>\$ 63</u>	<u>\$ 20,036</u>	<u>\$ 252,050</u>	<u>\$ 50,086</u>	<u>\$ 17,969</u>	<u>\$ 469,882</u>

ARGONIA UNIFIED SCHOOL DISTRICT NO. 359
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2012

Note 6 - Postemployment Benefits:

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

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

Note 7 - Defined Benefit Pension Plan:

Plan Description

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

Funding Policy

K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at a minimum of 4% of covered salary. Member-employees' contributions are withheld by their employer and paid to KPERS according to the provisions of section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. Kansas contributed 9.77% of covered payroll for the year ended June 30, 2012. These contribution requirements are established by KPERS and are periodically revised. Kansas contributions to KPERS for all Kansas public school employees for the years ending June 30, 2012, 2011 and 2010 were \$298,635,383, \$253,834,044 and \$248,468,186 respectively, equal to the required contributions for each year.

Note 8 - Reimbursed Expenses:

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

ARGONIA UNIFIED SCHOOL DISTRICT NO. 359
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2012

Note 9 - Contingencies:

Grant Programs

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

Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District carries commercial insurance for all risks of loss. Settled claims resulting from these risks have not materially exceeded commercial insurance coverage in any of the past three years.

Note 10 - Subsequent Events:

The District has evaluated subsequent events through September 6, 2012, the date which the financial statements were available to be issued.

Note 11 - Beginning Unencumbered Cash:

For prior periods K.S.A. 72-6417(d) and 72-6434(d) required the school district to record any payment of general state aid that was due to be paid during the month of June and was paid to the school district after June 30, as a receipt for the school year ending June 30. The previous statutory basis of accounting required the payment to be recorded when received. For years ending on or after June 30, 2012, the current regulatory basis includes such payments as received for the school year ending June 30. Beginning unencumbered cash has been restated to reflect such payments for June 30, 2011. The following reconciles the balances previously reported with the restated amounts:

	6/30/2011		6/30/2011
	Balance		Balance
	Previously	July State Aid	Balance
	Reported	Payment	Restated
General Fund	\$ (90,274)	\$ 90,274	\$ 0
Supplemental General Fund	10,272	6,041	16,313
	<u>\$ (80,002)</u>	<u>\$ 96,315</u>	<u>\$ 16,313</u>

SUPPLEMENTARY INFORMATION

ARGONIA UNIFIED SCHOOL DISTRICT NO. 359
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2012

Fund	Certified Budget	Adjustment to		Adjustment for		Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Favorable (Unfavorable)
		Comply with Legal Max	Legal Max	Qualifying Budget Credits	Budget Credits			
General Fund	\$ 1,608,768	\$ (20,790)	\$ (20,790)	\$ 34,716	\$ 34,716	\$ 1,622,694	\$ 1,622,694	\$ 0
Special Purpose Funds								
Supplemental General	390,550	0	0	0	0	390,550	390,550	0
At Risk (4 Year Old)	7,560	0	0	0	0	7,560	742	6,818
At Risk (K-12)	68,976	0	0	0	0	68,976	68,976	0
Capital Outlay	467,534	0	0	0	0	467,534	19,751	447,783
Driver Training	6,650	0	0	0	0	6,650	2,321	4,329
Food Service	105,170	0	0	0	0	105,170	86,340	18,830
Special Education	350,000	0	0	0	0	350,000	335,842	14,158
Vocational Education	84,190	0	0	0	0	84,190	50,086	34,104
KPERS Contribution	136,195	0	0	0	0	136,195	125,735	10,460
Federal Funds	XXXXXXX	XXXXXXX	XXXXXXX	XXXXXXX	XXXXXXX	XXXXXXX	53,143	XXXXXXX
Gifts and Grants	XXXXXXX	XXXXXXX	XXXXXXX	XXXXXXX	XXXXXXX	XXXXXXX	57	XXXXXXX
Contingency Reserve	XXXXXXX	XXXXXXX	XXXXXXX	XXXXXXX	XXXXXXX	XXXXXXX	0	XXXXXXX
Textbook and Student Material								
Revolving	XXXXXXX	XXXXXXX	XXXXXXX	XXXXXXX	XXXXXXX	XXXXXXX	16,683	XXXXXXX
District Activity Funds	XXXXXXX	XXXXXXX	XXXXXXX	XXXXXXX	XXXXXXX	XXXXXXX	20,650	XXXXXXX
Related Municipal Entity								
Recreation Commission	98,025	0	0	0	0	98,025	29,091	68,934
	\$ 3,225,593	\$ (20,790)	\$ (20,790)	\$ 34,716	\$ 34,716	\$ 3,239,519	\$ 2,793,570	\$ 536,482

ARGONIA UNIFIED SCHOOL DISTRICT NO. 359
STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

<u>General Fund</u>	<u>Current Year</u>			Variance - Favorable (Unfavorable)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 294,113	\$ 251,407	\$ 229,911	\$ 21,496
State Sources	1,330,487	1,364,815	1,378,857	(14,042)
Federal Sources	86,666	6,472	0	6,472
	<u>1,711,266</u>	<u>1,622,694</u>	<u>\$ 1,608,768</u>	<u>\$ 13,926</u>
Expenditures				
Instruction	762,206	729,329	\$ 723,664	\$ (5,665)
Student Support Services	48,907	47,527	52,270	4,743
Instructional Support Staff	23,807	24,023	23,797	(226)
General Administration	126,672	130,193	126,904	(3,289)
School Administration	134,178	139,057	143,899	4,842
Operations & Maintenance	74,184	106	0	(106)
Student Transportation Services	74,430	90,411	75,119	(15,292)
Other Supplemental Services	44,301	35,635	37,877	2,242
Transfers	422,581	426,413	425,238	(1,175)
Adjustment to Comply With Legal Max	0	0	(20,790)	(20,790)
Adjustment for Qualifying Budget Credits	0	0	34,716	34,716
	<u>1,711,266</u>	<u>1,622,694</u>	<u>\$ 1,622,694</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>		

ARGONIA UNIFIED SCHOOL DISTRICT NO. 359
STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

<u>Supplemental General Fund</u>	<u>Current Year</u>			Variance - Favorable (Unfavorable)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 250,784	\$ 260,453	\$ 249,413	\$ 11,040
County Sources	24,383	23,216	24,238	(1,022)
State Sources	101,678	104,343	100,586	3,757
	<u>376,845</u>	<u>388,012</u>	<u>\$ 374,237</u>	<u>\$ 13,775</u>
Expenditures				
Instruction	138,237	117,245	\$ 111,485	\$ (5,760)
Operations & Maintenance	111,062	198,405	231,584	33,179
Student Transportation Services	22,042	31,431	45,000	13,569
Transfers	93,279	43,469	2,481	(40,988)
	<u>364,620</u>	<u>390,550</u>	<u>\$ 390,550</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	12,225	(2,538)		
Unencumbered Cash, Beginning	4,088	16,313		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 16,313</u>	<u>\$ 13,775</u>		

ARGONIA UNIFIED SCHOOL DISTRICT NO. 359
STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

<u>At Risk Fund (4 Year Old)</u>	<u>Current Year</u>			Variance - Favorable (Unfavorable)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Transfers	\$ 2,611	\$ 742	\$ 7,560	\$ (6,818)
	<u>2,611</u>	<u>742</u>	<u>\$ 7,560</u>	<u>\$ (6,818)</u>
Expenditures				
Instruction	2,611	742	\$ 7,560	\$ 6,818
	<u>2,611</u>	<u>742</u>	<u>\$ 7,560</u>	<u>\$ 6,818</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>		

ARGONIA UNIFIED SCHOOL DISTRICT NO. 359
STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

<u>At Risk Fund (K-12)</u>	<u>Current Year</u>			Variance - Favorable (Unfavorable)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Transfers	\$ 67,356	\$ 68,976	\$ 68,976	\$ 0
	<u>67,356</u>	<u>68,976</u>	<u>\$ 68,976</u>	<u>\$ 0</u>
Expenditures				
Instruction	67,356	68,976	\$ 68,976	\$ 0
	<u>67,356</u>	<u>68,976</u>	<u>\$ 68,976</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>		

ARGONIA UNIFIED SCHOOL DISTRICT NO. 359
STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

<u>Capital Outlay Fund</u>	<u>Current Year</u>			Variance -
	Prior Year			Favorable
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	(Unfavorable)
Cash Receipts				
Local Sources	\$ 38,891	\$ 37,444	\$ 38,618	\$ (1,174)
County Sources	5,505	4,679	4,444	235
Transfers	<u>49,933</u>	<u>59,960</u>	<u>0</u>	<u>59,960</u>
	<u>94,329</u>	<u>102,083</u>	<u>\$ 43,062</u>	<u>\$ 59,021</u>
Expenditures				
Instruction	4,182	19,751	\$ 80,000	\$ 60,249
Operations & Maintenance	0	0	20,000	20,000
Transportation	54,000	0	150,000	150,000
Other Support Services	0	0	10,000	10,000
Facility Acquisition & Construction Services	<u>0</u>	<u>0</u>	<u>207,534</u>	<u>207,534</u>
	<u>58,182</u>	<u>19,751</u>	<u>\$ 467,534</u>	<u>\$ 447,783</u>
Receipts Over (Under) Expenditures	36,147	82,332		
Unencumbered Cash, Beginning	388,325	424,472		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	\$ 424,472	\$ 506,804		

ARGONIA UNIFIED SCHOOL DISTRICT NO. 359
STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

<u>Driver Training Fund</u>	<u>Current Year</u>			Variance - Favorable (Unfavorable)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 0	\$ 1,600	\$ 0	\$ 1,600
State Sources	666	0	1,480	(1,480)
Transfers	0	63	4,512	(4,449)
	<u>666</u>	<u>1,663</u>	<u>\$ 5,992</u>	<u>\$ (4,329)</u>
Expenditures				
Instruction	8	2,321	\$ 6,450	\$ 4,129
Vehicle Operations, Maintenance Services	<u>0</u>	<u>0</u>	<u>200</u>	<u>200</u>
	<u>8</u>	<u>2,321</u>	<u>\$ 6,650</u>	<u>\$ 4,329</u>
Receipts Over (Under) Expenditures	658	(658)		
Unencumbered Cash, Beginning	0	658		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 658</u>	<u>\$ 0</u>		

ARGONIA UNIFIED SCHOOL DISTRICT NO. 359
STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

<u>Food Service Fund</u>	<u>Current Year</u>			Variance - Favorable (Unfavorable)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 37,825	\$ 32,484	\$ 36,872	\$ (4,388)
State Sources	906	797	834	(37)
Federal Sources	27,963	31,829	36,807	(4,978)
Transfers	19,825	20,036	2,481	17,555
	<u>86,519</u>	<u>85,146</u>	<u>\$ 76,994</u>	<u>\$ 8,152</u>
Expenditures				
Operations & Maintenance	14	14	\$ 0	\$ (14)
Food Service Operations	86,466	86,326	105,170	18,844
	<u>86,480</u>	<u>86,340</u>	<u>\$ 105,170</u>	<u>\$ 18,830</u>
Receipts Over (Under) Expenditures	39	(1,194)		
Unencumbered Cash, Beginning	28,137	28,176		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 28,176</u>	<u>\$ 26,982</u>		

ARGONIA UNIFIED SCHOOL DISTRICT NO. 359
STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

<u>Special Education Fund</u>	<u>Current Year</u>			Variance - Favorable (Unfavorable)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 26,654	\$ 32,306	\$ 25,000	\$ 7,306
Transfers	<u>316,881</u>	<u>252,050</u>	<u>260,000</u>	<u>(7,950)</u>
	<u>343,535</u>	<u>284,356</u>	<u>\$ 285,000</u>	<u>\$ (644)</u>
Expenditures				
Instruction	<u>330,682</u>	<u>335,842</u>	<u>\$ 350,000</u>	<u>\$ 14,158</u>
	<u>330,682</u>	<u>335,842</u>	<u>\$ 350,000</u>	<u>\$ 14,158</u>
Receipts Over (Under) Expenditures	12,853	(51,486)		
Unencumbered Cash, Beginning	174,586	187,439		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 187,439</u>	<u>\$ 135,953</u>		

ARGONIA UNIFIED SCHOOL DISTRICT NO. 359
STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

<u>Vocational Education Fund</u>	<u>Current Year</u>			Variance - Favorable (Unfavorable)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Transfers	\$ 45,975	\$ 50,086	\$ 84,190	\$ (34,104)
	<u>45,975</u>	<u>50,086</u>	<u>\$ 84,190</u>	<u>\$ (34,104)</u>
Expenditures				
Instruction	<u>45,975</u>	<u>50,086</u>	<u>\$ 84,190</u>	<u>\$ 34,104</u>
	<u>45,975</u>	<u>50,086</u>	<u>\$ 84,190</u>	<u>\$ 34,104</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>		

ARGONIA UNIFIED SCHOOL DISTRICT NO. 359
STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

<u>KPERS Contribution Fund</u>	<u>Current Year</u>			Variance - Favorable (Unfavorable)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
State Sources	\$ 72,637	\$ 125,735	\$ 136,195	\$ (10,460)
	<u>72,637</u>	<u>125,735</u>	<u>\$ 136,195</u>	<u>\$ (10,460)</u>
Expenditures				
Instruction	45,761	79,213	\$ 85,805	\$ 6,592
Student Support Services	2,179	3,772	4,085	313
Instructional Support Staff	1,453	2,515	2,725	210
General Administration	3,632	6,287	6,810	523
School Administration	8,716	15,088	16,340	1,252
Other Supplemental Services	1,453	2,515	2,725	210
Operations and Maintenance	4,358	7,544	8,170	626
Student Transportation Services	2,906	5,805	5,450	(355)
Food Service	2,179	2,996	4,085	1,089
	<u>72,637</u>	<u>125,735</u>	<u>\$ 136,195</u>	<u>\$ 10,460</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>		

ARGONIA UNIFIED SCHOOL DISTRICT NO. 359
STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

<u>Federal Funds</u>			
		Prior Year Actual	Current Year Actual
Cash Receipts			
Federal Sources		\$ 71,931	\$ 53,143
		<u>71,931</u>	<u>53,143</u>
Expenditures			
Instruction		71,931	53,143
		<u>71,931</u>	<u>53,143</u>
Receipts Over (Under) Expenditures		0	0
Unencumbered Cash, Beginning		0	0
Prior Year Canceled Encumbrances		<u>0</u>	<u>0</u>
Unencumbered Cash, Ending		<u>\$ 0</u>	<u>\$ 0</u>

ARGONIA UNIFIED SCHOOL DISTRICT NO. 359
STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

Gifts and Grants

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	\$ 0	\$ 0
	<u>0</u>	<u>0</u>
Expenditures		
Instruction	1,209	57
	<u>1,209</u>	<u>57</u>
Receipts Over (Under) Expenditures	(1,209)	(57)
Unencumbered Cash, Beginning	1,266	57
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 57</u>	<u>\$ 0</u>

ARGONIA UNIFIED SCHOOL DISTRICT NO. 359
STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

Contingency Reserve Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers	\$ 0	\$ 0
	<u>0</u>	<u>0</u>
Expenditures	<u>0</u>	<u>0</u>
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash, Beginning	110,000	110,000
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 110,000</u>	<u>\$ 110,000</u>

ARGONIA UNIFIED SCHOOL DISTRICT NO. 359
STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

Textbook and Student Material Revolving Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	\$ 9,598	\$ 9,761
Transfers	<u>13,279</u>	<u>17,969</u>
	<u>22,877</u>	<u>27,730</u>
Expenditures		
Instruction	<u>10,507</u>	<u>16,683</u>
	<u>10,507</u>	<u>16,683</u>
Receipts Over (Under) Expenditures	12,370	11,047
Unencumbered Cash, Beginning	34,411	46,781
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 46,781</u>	<u>\$ 57,828</u>

ARGONIA UNIFIED SCHOOL DISTRICT NO. 359
AGENCY FUNDS
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2012

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
High School				
Class of 2011	\$ 505	\$ 0	\$ 505	\$ 0
Class of 2012	1,413	1,570	2,983	0
Class of 2013	1,123	7,964	6,827	2,260
Class of 2014	789	1,287	219	1,857
Class of 2015	0	1,148	326	822
Concessions	2,185	10,952	10,823	2,314
Yearbook	293	5,836	6,063	66
Drama Club	562	1,285	986	861
Stuco	765	3,740	3,857	648
Cheerleaders	90	2,323	2,413	0
Music Club	917	504	984	437
Jr. High Cheerleaders	343	65	39	369
Football Club	503	3,088	3,366	225
Math Club	465	140	315	290
National Honor Society	309	1,872	1,500	681
FACS	1,562	1,805	1,577	1,790
	<u>11,824</u>	<u>43,579</u>	<u>42,783</u>	<u>12,620</u>
Argonia Community Scholarship	<u>2,600</u>	<u>57</u>	<u>0</u>	<u>2,657</u>
Total Agency Funds	<u>\$ 14,424</u>	<u>\$ 43,636</u>	<u>\$ 42,783</u>	<u>\$ 15,277</u>

ARGONIA UNIFIED SCHOOL DISTRICT NO. 359
DISTRICT ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2012

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add	
						Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
High School							
Gate Receipts	\$ 254	\$ 0	\$ 23,184	\$ 20,650	\$ 2,788	\$ 0	\$ 2,788
	<u>254</u>	<u>0</u>	<u>23,184</u>	<u>20,650</u>	<u>2,788</u>	<u>0</u>	<u>2,788</u>
Elementary School							
School Projects	2	0	0	0	2	0	2
	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>2</u>
Total District Activity Funds	\$ 256	\$ 0	\$ 23,184	\$ 20,650	\$ 2,790	\$ 0	\$ 2,790

**ARGONIA UNIFIED SCHOOL DISTRICT NO. 359
RELATED MUNICIPAL ENTITY
RECREATION COMMISSION
STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)**

<u>General Fund</u>	<u>Current Year</u>			Variance - Favorable (Unfavorable)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 31,586	\$ 32,026	\$ 32,173	\$ (147)
County Sources	3,760	3,075	3,031	44
	<u>35,346</u>	<u>35,101</u>	<u>\$ 35,204</u>	<u>\$ (103)</u>
Expenditures				
Community Service Operations	<u>17,420</u>	<u>29,091</u>	<u>\$ 98,025</u>	<u>\$ 68,934</u>
	<u>17,420</u>	<u>29,091</u>	<u>\$ 98,025</u>	<u>\$ 68,934</u>
Receipts Over (Under) Expenditures	17,926	6,010		
Unencumbered Cash, Beginning	64,426	82,352		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 82,352</u>	<u>\$ 88,362</u>		

FEDERAL AWARD INFORMATION

ARGONIA UNIFIED SCHOOL DISTRICT NO. 359
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

Grant Title	Federal CFDA No.	Program Amount	Unencumbered Cash 7-1-11	Receipts	Expenditures	Unencumbered Cash 6-30-12
Department of Education						
Rural Education Achievement Program (Passes Through Kansas Department of Education)	84.358	\$ 13,713	\$ 0	\$ 13,713	\$ 13,713	\$ 0
Department of Agriculture						
School Breakfast Program	10.553	5,170				
National School Lunch Program	10.555	26,659				
		31,829	0	31,829	31,829	0
Department of Education						
Title I Low Income	84.010	24,607	0	24,607	24,607	0
Title II	84.367	13,455	0	13,455	13,455	0
Education Jobs Fund	84.410	730	0	730	730	0
		38,792	0	38,792	38,792	0
(Passes Through Kansas SRS)						
Department of Health and Human Services						
Medicaid	93.778	5,742	0	5,742	5,742	0
(Passes Through South Central Kansas Education Service Center)						
Department of Education						
Carl Perkins	84.048	1,368	0	1,368	1,368	0
Total Federal Awards		\$ 91,444	\$ 0	\$ 91,444	\$ 91,444	\$ 0