

UNIFIED SCHOOL DISTRICT #445
Coffeyville, Kansas

Regulatory Basis Financial Statement and
Independent Auditors' Reports with
Supplemental Information and
Federal Compliance Section

For the Fiscal Year Ended June 30, 2012

UNIFIED SCHOOL DISTRICT #445
Coffeyville, Kansas

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Coffeyville, Kansas

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JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Board of Education
Unified School District #445
Coffeyville, Kansas

We have audited the summary of cash receipts, expenditures, and unencumbered cash balances of the Unified School District #445, Coffeyville, Kansas, as of and for the year ended June 30, 2012. This financial statement is the responsibility of Unified School District #445, Coffeyville, Kansas' management. Our responsibility is to express an opinion on the financial statement based on our audit. The prior year summarized comparative information has been derived from the District's June 30, 2011 financial statement and, in our report dated September 23, 2011, we expressed an unqualified opinion on the financial statement of the Unified School District #445, Coffeyville, Kansas, prepared in accordance with the regulatory basis of accounting.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the guidance in the *Kansas Municipal Audit 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 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the District has prepared this financial statement in conformity with the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statement 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.

The financial statements, referred to above, do not include financial data of the Coffeyville Public Schools Foundation, a component unit, which should be included in order to conform with accounting principles generally accepted in the United States of America. The effects on the financial statement for the omission of the component unit, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matters discussed in the preceding paragraphs, 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 the Unified School District #445, Coffeyville, Kansas, as of June 30, 2012, or the respective changes in financial position and changes in cash flows, where applicable, for the fiscal year then ended.

Also, in our opinion, except for the July 2012 receipt of the final state aid payment for the fiscal year ended June 30, 2012, being recorded in June 2012, the financial statements referred above present fairly, in all material respects, the cash and unencumbered cash balances of the District, as of June 30, 2012, and its cash receipts and expenditures, and budget to actual comparisons for the fiscal year then ended, taken as a whole, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27, 2012, on our consideration of the Unified School District #445, Coffeyville, Kansas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statement as a whole. The summary of expenditures-actual and budget, individual fund schedules of cash receipts and expenditures-actual and budget, schedule of cash receipts and cash disbursements-agency funds, schedule of cash receipts, expenditures, and unencumbered cash-district activity funds (Schedules 1, 2, 3, and 4 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the regulatory financial statement. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statement as a whole.



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

December 27, 2012
Chanute, Kansas

UNIFIED SCHOOL DISTRICT #445
Coffeyville, Kansas

Summary of Cash Receipts, Expenditures, and Unencumbered Cash
For the Fiscal Year Ended June 30, 2012

Funds	Beginning Unencumbered Cash Balances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balances	Plus		Cash Balances June 30,
					Encumbrances and Accounts Payable		
						2012	2011
GOVERNMENTAL TYPE FUNDS							
General	\$ -	\$ 11,731,234.76	\$ 11,731,234.76	\$ -	\$ 1,500,430.83	\$ 1,500,430.83	\$ 1,697,519.24
Supplemental General	1,340,693.86	3,325,307.65	3,964,624.00	701,377.51	391,145.34	1,092,522.85	1,981,815.10
Special Revenue Funds							
4 Year Old At-Risk	56,760.70	109,068.88	109,068.46	56,761.12	15,309.10	72,070.22	72,522.38
K-12 At-Risk	220,476.26	2,416,010.00	2,416,300.05	220,186.21	227,349.07	447,535.28	450,989.72
Bilingual Education	11,793.55	10,000.00	10,000.00	11,793.55	-	11,793.55	11,793.55
Vocational Education	130,556.22	735,223.00	734,869.67	130,909.55	110,908.46	241,818.01	205,434.98
Special Education	364,167.09	2,292,994.00	2,292,993.70	364,167.39	92,469.84	456,637.23	508,639.78
Parent Education	65,779.52	153,977.00	154,538.69	65,217.83	180.00	65,397.83	69,026.00
Title IX Indian Education	-	104,277.00	104,277.00	-	20,218.70	20,218.70	7,542.18
Driver Training	33,352.35	17,515.00	17,773.75	33,093.60	-	33,093.60	33,352.35
Food Service	238,469.32	1,171,534.62	1,165,385.49	244,618.45	119,640.83	364,259.28	341,725.08
Capital Outlay	1,812,410.18	1,600,116.42	1,010,783.89	2,401,742.71	352,018.22	2,753,760.93	1,916,537.47
Professional Development	25,651.84	23,598.00	23,822.60	25,427.24	4,698.60	30,125.84	26,999.02
Contingency Reserve	509,020.33	-	-	509,020.33	-	509,020.33	509,020.33
Text Book Rental	35,799.03	944,224.97	944,224.97	27,501.07	-	27,501.07	35,948.97
KPERS Special Retirement Contributions	-	7,450.00	7,450.00	-	-	-	-
Johnson O'Malley	-	828,276.68	842,779.86	-	-	-	-
Recreation Commission	14,503.18						14,503.18
Recreation Commission Employee Benefits and Special Liability	8,570.91	32,301.03	38,724.00	2,147.94	-	2,147.94	8,570.91
Title I	-	590,800.00	590,800.00	-	123,648.30	123,648.30	88,363.43
Title I-C Migrant	-	48,480.00	48,480.00	-	7,012.66	7,012.66	-
Title II-A	-	146,121.00	146,121.00	-	20,384.10	20,384.10	56,870.00
21st CCLC Grant	-	-	27,600.06	(27,600.06)	9,383.14	(18,216.92)	-
FKHS Community Pool	11,787.64	12,000.00	5,454.64	18,333.00	-	18,333.00	11,787.64
Gear Up/PAT Grant	-	28,552.53	54,188.95	(25,636.42)	7,486.16	(18,150.26)	-

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

UNIFIED SCHOOL DISTRICT #445
Coffeyville, Kansas

Summary of Cash Receipts, Expenditures, and Unencumbered Cash
For the Fiscal Year Ended June 30, 2012

Funds	Beginning Unencumbered Cash Balances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balances	Plus		Cash Balances June 30,
					Encumbrances and Accounts Payable		
						2012	2011
Special Revenue Funds (Continued)							
DLC Early Childhood	\$ (48,169.00)	\$ 189,341.00	\$ 187,100.00	\$ (45,928.00)	\$ 20,654.16	\$ (25,273.84)	\$ (29,523.56)
Math and Science Grant	-	141,679.00	141,679.41	(0.41)	36,087.50	36,087.09	1,350.59
Miscellaneous Grants	1,288.49	178,954.00	181,370.58	(1,128.09)	30,162.02	29,033.93	29,337.31
Gate Receipts	38,061.12	219,088.24	215,328.97	41,820.39	13,051.36	54,871.75	38,061.12
Debt Service Fund							
Bond and Interest	1,153,745.65	2,117,340.86	1,831,532.50	1,439,554.01	-	1,439,554.01	1,153,745.65
Capital Projects Funds							
Qualified Zone Academic Bond Project	858,109.20	58.46	460,051.94	398,115.72	360,572.75	758,688.47	1,026,299.12
Total Reporting Entity	\$ 6,882,827.44	\$ 29,201,459.93	\$ 29,492,792.73	\$ 6,591,494.64	\$ 3,462,811.14	\$ 10,054,305.78	\$ 10,268,231.54
Composition of Cash							
Checking and Money Market Account.....						\$ 9,394,773.81	\$ 9,258,462.45
Activity Checking Accounts.....						63,939.75	91,637.53
Certificates of Deposit.....						95,000.00	95,000.00
QZAB Escrow Account.....						713,957.53	980,043.06
Total Cash						10,267,671.09	10,425,143.04
Less Agency Funds per Schedule 3						(213,365.31)	(156,911.50)
Total Reporting Entity.....						\$ 10,054,305.78	\$ 10,268,231.54

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

UNIFIED SCHOOL DISTRICT #445
Coffeyville, Kansas

Notes to the Financial Statement
For the Fiscal Year Ended June 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statement and schedules of Unified School District #445 (the 'District'), Coffeyville, Kansas, have been prepared in order to show compliance with the cash basis and budget laws of the State of Kansas. The Governmental Accounting Standards Board is the principal standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies follow. Note 1 describes how the District's accounting policies differ from accounting principles generally accepted in the United States of America.

Reporting Entity

The District is a municipal corporation governed by an elected seven-member board. This financial statement presents USD #445 (the primary government) and its component unit. The component unit is included in the USD's reporting entity because of the significance of its operational and financial relationship with the USD.

Jointly Governed Component Unit. The financial statement includes the following financial data of a jointly governed component unit. Two members of the governing body of this component unit are appointed by the USD. Other members of the governing body include two members appointed by the City of Coffeyville and one at-large member.

Recreation Commission - USD #445 Recreation Commission oversees recreational activities. The recreation commission can sue and be sued, but acquisition of real property by the commission must be approved by the USD. The USD levies taxes for the recreation commission. Bond issuances must be approved by the USD. The Recreation Commission funds in these financial statements only include tax levy money collected by the USD and distributed to the Commission. Financial statements are available at the Commission.

Discretely Presented Component Units: Component units should be included in the district's reporting entity because of the significance of their operational or financial relationships with the district. These component units should be reported separately to emphasize that they are legally separate from the district. Based upon the application of this criterion, the following is a brief review of potential component units:

Coffeyville Public Schools Foundation - The economic resources received or held by the component unit are held almost entirely for the direct benefit of the District. The Coffeyville Public Schools Foundation was formed to promote and foster the educational purposes of the District, and to create a fund to be used for any program, project or enterprise undertaken in the interest of the District. The Foundation acts largely as a fundraising organization, soliciting, receiving, managing and disbursing contributions on behalf of the District. Most of the contributions received are designated by the donors to be used for specific purposes or by specific departments. In these instances, the Foundation serves essentially as a conduit. Contributions that are not designated are used where the need is considered greatest, as determined by the Foundation board of directors. The Foundation can sue and be sued, and can buy, sell, or lease real property. The Foundation's financial statements should be included with the District's financial statements. Separate financial statements are not prepared. The Foundation is considered a component unit.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation - Fund Accounting

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The following types of funds comprise the financial activities of the Unified School District #445:

GOVERNMENTAL FUNDS

General Fund – The General Fund is the principal fund of the District which accounts for all financial transactions not accounted for in other funds. The majority of current operating expenditures of the District, other than proprietary fund activities, are financed through revenues received by the General Fund.

Special Revenue Funds – These funds are used to account for revenues derived from specific taxes, governmental grants or other revenue sources which are designated to finance particular functions or activities of the District.

Debt Service Fund – The Bond and Interest Fund is used to account for payment of principal and interest on the District's general obligation bonds which are recorded in the general long-term debt group of accounts. Revenues for this purpose include ad valorem property taxes, special assessment taxes, and investment interest income.

Capital Project Funds – The Capital Project Funds account for capital improvements (except for those financed by proprietary funds) which are financed from the District's general obligation bond issues, special assessments, certain federal grants and other specific receipts.

FIDUCIARY FUNDS

Agency Funds - to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds.

Expendable Trust Funds – These funds account for funds held in trust for others. The funds are accounted for in essentially the same manner as governmental funds.

Basis of Presentation – Regulatory Basis of Accounting

The regulatory basis of accounting, as used in preparation of these regulatory basis financial statement and schedules, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving the cash from another fund, and an expenditure would be charged in the fund from which the transfer is made. The District has chosen to follow K.S.A. 72-6417 and K.S.A. 72-6434, which requires the District to record any payment of general state aid that is due to be paid during the month of June, and is paid to the school district after June 30, as a receipt for the school year ending June 30, 2012.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation – Regulatory Basis of Accounting (Continued)

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 regulatory basis of accounting.

Departures 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 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.

Property Taxes

In accordance with governing state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1 of the ensuing year. Consequently, for revenue recognition purposes, taxes levied during the current year are not due and receivable until the ensuing year. At December 31 such taxes are a lien on the property.

Reimbursed Expenses

K.S.A. 79-2934 provides that reimbursed expenditures, in excess of those budgeted, should be recorded as reductions in expenditures rather than as revenues. In the financial statement and budget comparison schedules presented in this report, reimbursements and refunds are recorded as revenues. The reimbursements are recorded as cash receipts when received by the District Treasurer and are often difficult to identify the exact expenditure which they are reimbursing. In funds showing expenditures in excess of the original adopted budget, reimbursements are added to the adopted budget as budget credits for comparison with the actual expenditures.

Pension Plan

Substantially all full-time District employees are members of the State of Kansas Public Employees Retirement System which is a multi-employer state-wide pension plan. The District's policy is the State of Kansas will fund all pension costs accrued; such costs to be funded are actuarially determined annually by the State.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

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

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. The District amended the Bilingual Education Fund budget and the General Fund budget was decreased to the legal maximum budget based upon final enrollment numbers lower than originally budgeted.

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 cash basis of accounting, modified further by the recording of accounts payable and encumbrances. Revenues are recognized when cash is received. Expenditures include cash disbursements, accounts payable and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments of the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for fiduciary funds and certain special revenue 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.

Compliance with Kansas Statutes

Statement 1 and Schedule 1 have been prepared in order to show compliance with the cash basis and budget laws of Kansas. As shown in Statement 1, the District was in apparent violation of K.S.A. 10-1113. The District has obligated expenditures in excess of available monies in the 21st CCLC Fund, Gear Up/PAT Grant Fund, DLC Early Childhood Fund, Math and Science Grant Fund, and Miscellaneous Grants Fund. However, K.S.A 10-1116 provides that under certain situations, a fund can end the year with a negative unencumbered cash balance and therefore, exempt from the cash basis laws of the State of Kansas. The 21st CCLC Fund, Gear Up/PAT Grant Fund, DLC Early Childhood Fund, Math and Science Grant Fund, and Miscellaneous Grants Fund met the criteria under the statutes and therefore, is not deemed to be in violation of the Kansas cash basis laws. As shown in Schedule 1, the District was in apparent compliance with Kansas budget laws.

3. DEPOSITS AND INVESTMENTS

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

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

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

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at June 30, 2012.

At year-end, the District's carrying amount of deposits was \$10,267,671.09 and the bank balance was \$10,392,028.42. The bank balance was held by four banks resulting in a concentration of credit risk. Of the bank balance, \$833,980.50 was covered by FDIC insurance, \$8,844,090.39 was collateralized with securities held by the pledging financial institutions' agents in the District's name, and the remaining \$713,957.53 was considered self-securing at year end.

4. CAPITAL LEASE OBLIGATIONS

The District has entered into a capital lease agreement in order to finance the renovation, repair, and improvement to existing school facilities under the Federal Qualified Academy Zone Bonds program. The District has partnered with Learn.com, which has agreed to make the required private nongovernmental match of 10%, or \$100,000.00. A local bank has entered into an agreement with the District and has agreed to take a tax credit (as defined by the Internal Revenue Service) instead of an interest check under the capital lease agreement. Payments are made of \$92,563.00 annually, into a bank trust account and will be used to pay off the principal amount of \$1,000,000.00, upon maturity. Final maturity of the lease is January 28, 2015. Future minimum lease payments are as follows:

<u>Year Ended June 30</u>	<u>Totals</u>
2013	\$ 92,563.00
2014	92,563.00
2015	<u>92,563.00</u>
Total Payments from District	277,689.00
Less: Current Maturities	<u>(92,563.00)</u>
Long-Term Capital Lease Obligations	<u>\$ 185,126.00</u>

4. CAPITAL LEASE OBLIGATIONS (Continued)

The District has entered into a capital lease agreement in order to finance the renovation, repair, and improvement to existing school facilities and equipment under the Federal Qualified Academy Zone Bonds program. The District has partnered with US Bank National Association, which has agreed to make the required private nongovernmental match of 10%, or \$45,000.00. A local bank has entered into an agreement with the District and has agreed to take a tax credit (as defined by the Internal Revenue Service) instead of an interest check under the capital lease agreement. Payments are made of \$40,615.70 annually, into a bank trust account and will be used to pay off the principal amount of \$450,000.00, upon maturity. Final maturity of the lease is January 24, 2017. Future minimum lease payments are as follows:

<u>Year Ended June 30</u>	<u>Totals</u>
2013	\$ 40,615.70
2014	40,615.70
2015	40,615.70
2016	40,615.70
2017	<u>40,615.70</u>
Total Payments from District	203,078.50
Less: Current Maturities	<u>(40,615.70)</u>
Long-Term Capital Lease Obligations	<u>\$ 162,462.80</u>

The District has entered into a capital lease agreement in order to finance the equipping, repairing, and improving to existing school facilities under the Federal Qualified Academy Zone Bonds program. The District has partnered with LaSalle Bank National Association, which has agreed to make the required private nongovernmental match of 10%, or \$80,000.00. A local bank has entered into an agreement with the District and has agreed to take a tax credit (as defined by the Internal Revenue Service) for 6.10% of the interest due, with the district paying a supplemental interest rate of 1.63%. Payments are made into a bank trust account and will be used to pay off the principal amount of \$800,000.00, upon maturity. Final maturity of the lease is July 16, 2017. Future minimum lease payments are as follows:

<u>Year Ended June 30</u>	<u>Totals</u>
2013	\$ 86,520.00
2014	85,216.00
2015	83,912.00
2016	82,608.00
2017	<u>81,304.00</u>
Total Payments from District	419,560.00
Less: Imputed Interest	<u>(19,560.00)</u>
Net Present Value of Capital Lease	400,000.00
Less: Current Maturities	<u>(80,000.00)</u>
Long-Term Capital Lease Obligations	<u>\$ 320,000.00</u>

4. CAPITAL LEASE OBLIGATIONS (Continued)

The District has entered into a capital lease agreement in order to finance the equipping, repairing, and improving to existing school facilities under the Federal Qualified Academy Zone Bonds program. The District has partnered with Bank of Kansas City, N.A., which has agreed to make the required private nongovernmental match of 10%, or \$100,000.00. A local bank has entered into an agreement with the District and has agreed to take a tax credit (as defined by the Internal Revenue Service) instead of an interest check under the capital lease agreement. Payments are made of \$100,000.00 annually, into a bank trust account and will be used to pay off the principal amount of \$1,000,000.00, upon maturity. Final maturity of the lease is December 1, 2020. Future minimum lease payments are as follows:

<u>Year Ended June 30</u>	<u>Totals</u>
2013	\$ 135,000.00
2014	100,000.00
2015	100,000.00
2016	100,000.00
2017	100,000.00
2018-2021	<u>400,000.00</u>
Total Payments from District	935,000.00
Less: Current Maturities	<u>(135,000.00)</u>
Long-Term Capital Lease Obligations	<u>\$ 800,000.00</u>

5. OPERATING LEASES

As of June 30, 2012 the District has entered into a number of operating leases for various pieces of office equipment. Total payments for the year ended June 30, 2012 was \$40,242.88. Under the current lease agreements, the future minimum lease rentals are as follows:

2013	\$ 8,260.60
2014	7,785.60
2015	7,785.60
2016	7,785.60
2017	875.40

6. LONG-TERM LIABILITIES

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	Balances Beginning of Year	Additions/ New Debt	Reductions/ Principal Paid	Net Change	Balances End of Year	Interest Paid
General Obligation Bonds										
Series 2010	2.00% - 3.80%	04/01/2010	16,620,000.00	04/01/2024	\$ 16,400,000.00	\$ -	\$ 220,000.00		\$ 16,180,000.00	\$ 479,970.00
Capital Leases										
Qualified Zone Academy Bonds Lease - Series 2005	None	01/28/2005	1,000,000.00	01/28/2015	370,252.00	-	92,563.00		277,689.00	-
Qualified Zone Academy Bonds Lease - Series 2006	None	01/24/2007	450,000.00	01/24/2017	243,694.20	-	40,615.70		203,078.50	-
Qualified Zone Academy Bonds Lease - Series 2007	1.63%	07/1/2007	800,000.00	07/19/2017	480,000.00	-	80,000.00		400,000.00	7,824.00
Qualified Zone Academy Bonds Lease - Series 2010	None	12/1/2010	1,000,000.00	12/1/2020	1,000,000.00	-	65,000.00		935,000.00	-
Total Scheduled Long-Term Contractual Indebtedness					18,493,946.20	-	498,178.70		17,995,767.50	487,794.00
Other Long-Term Liabilities										
General Accrued Compensated Absences	N/A	N/A	N/A	N/A	40,780.17			\$ (40,780.17)	-	N/A
Vacation Pay					\$ 18,534,726.37	\$ -	\$ 498,178.70	\$ (40,780.17)	\$ 17,995,767.50	\$ 487,794.00
Total Long-Term Liabilities										

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

Issue	June 30, 2013	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018-2022	June 30, 2023-2024	Totals
Principal								
General Obligation Bonds								
Paid with Tax Levies								
Series 2010	\$ 1,350,000.00	\$ 1,385,000.00	\$ 1,430,000.00	\$ 1,465,000.00	\$ 1,515,000.00	\$ 7,720,000.00	\$ 1,315,000.00	\$ 16,180,000.00
Capital Leases								
Qualified Zone Academy Bonds Leases:								
Series 2005	92,563.00	92,563.00	92,563.00	-	-	-	-	277,689.00
Series 2006	40,615.70	40,615.70	40,615.70	40,615.70	40,615.70	-	-	203,078.50
Series 2007	80,000.00	80,000.00	80,000.00	80,000.00	80,000.00	-	-	400,000.00
Series 2010B	135,000.00	100,000.00	100,000.00	100,000.00	100,000.00	400,000.00	-	935,000.00
Total Principal	1,698,178.70	1,698,178.70	1,743,178.70	1,685,615.70	1,735,615.70	8,120,000.00	1,315,000.00	17,995,767.50
Interest								
General Obligation Bonds								
Paid with Tax Levies								
Series 2010	475,570.00	448,570.00	420,870.00	388,695.00	352,070.00	1,026,312.50	69,525.00	3,181,612.50
Capital Leases								
Qualified Zone Academy Bonds Leases:								
Series 2005	-	-	-	-	-	-	-	-
Series 2006	-	-	-	-	-	-	-	-
Series 2007	6,520.00	5,216.00	3,912.00	2,608.00	1,304.00	-	-	19,560.00
Series 2010	-	-	-	-	-	-	-	-
Total Interest	482,090.00	453,786.00	424,782.00	391,303.00	353,374.00	1,026,312.50	69,525.00	3,201,172.50
Total Principal and Interest	\$ 2,180,268.70	\$ 2,151,964.70	\$ 2,167,960.70	\$ 2,076,918.70	\$ 2,088,989.70	\$ 9,146,312.50	\$ 1,384,525.00	\$ 21,196,940.00

7. 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% or 6% 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. State law sets a limitation on annual increases in the employer contribution rates. As of June 30, 2012, the State of Kansas contributes 9.77% of covered payroll. Kansas' contributions to KPERS for school municipality 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 statutory required contributions for each year.

8. COMPENSATED ABSENCES

Vacation

All twelve month classified employees are eligible for vacation. Earned vacation days are awarded every July 1 for continuous twelve month employment based on following schedule:

Less than 1 year	Prorated based on 3 days
1 year	8 days
2-7 years	13 days
8-13 years	18 days
14-24 years	23 days
25 years and over	28 days

Employees may not carryover awarded vacation days into the next fiscal year. Vacation days awarded July 1 should be taken by the following June 30. Unused vacation days will be forfeited without pay at the end of the fiscal year in which they are awarded.

Sick Leave

Each classified employee shall be entitled to sick leave with full pay to be accumulated at a rate of one day per month of employment. Sick leave may accumulate to 80 days maximum. If, at the end of June in the fiscal year, an employee has accumulated an excess of seventy sick days, certified staff will be paid at the teachers' negotiated rate; all other employees will be paid \$30.00 for every sick day over seventy days. Sick leave is lost upon termination.

In accordance with the above criteria, the District has not accrued a liability for sick pay which has been earned, but not taken by District employees, inasmuch as the amount cannot be reasonably estimated.

9. OTHER POST EMPLOYMENT BENEFITS

Certified Employees

Certified staff of the District may retire from the District prior to age 65. Retirement prior to age 65 is voluntary for the employee. As an incentive to early retirement the District shall pay early retirement benefits to qualified employees.

9. OTHER POST EMPLOYMENT BENEFITS (Continued)

Qualification for early retirement is that the certified employee be a full-time employee; not less than age 57 and not more than age 65, or has met Kansas Public Retirement System unreduced retirement benefits of age plus service is equal to or greater than 85; and have completed 10 consecutive years of employment with the District including the year of application. For employees retiring, the early retirement payments are a maximum of 15% annually of the last negotiated salary, for a maximum retirement benefit of 120%.

Other Employees

Employees of the District may retire from the District prior to age 62. Retirement prior to age 62 is voluntary for the employee. As an incentive to early retirement the District shall pay early retirement benefits to qualified employees. Qualification for early retirement is that the employee be a full-time employee, not less than age 53 and not more than age 62, and has completed 15 consecutive years of employment with the District including the year of application. For employees retiring, the early retirement payments are one-third of the total of the most previous twelve months' gross salary, up to a maximum benefit of \$10,000.00.

Early retirement incentive payments included in expenditures for the year ended June 30, 2012, were \$126,304.44. As of June 30, 2012 the future early retirement incentive payments are expected to be as follows:

<u>Year Ending June 30</u>	<u>Amount</u>	<u>Number of Participants</u>
2013	143,628.00	23
2014	123,050.00	19
2015	82,352.00	15
2016	68,489.00	11
2017	61,091.00	11
2018-2021	98,953.00	Various

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 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 district under this program.

10. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disasters. The District manages these risks of loss through the purchase of various insurance policies.

11. CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government and state grantors. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

12. INTERFUND TRANSFERS

Operating transfers were as follows:

<u>From Fund:</u>	<u>To Fund:</u>	<u>Statutory Authority</u>	<u>Amount</u>
General	Special Education	K.S.A. 72-6428	\$ 1,567,566.00
General	Food Service	K.S.A. 72-6428	62,000.00
General	Professional Development	K.S.A. 72-6428	8,598.00
General	Parent Education	K.S.A. 72-6428	45,945.00
General	4 Year Old At-Risk	K.S.A. 72-6428	27,576.00
General	K-12 At-Risk	K.S.A. 72-6428	1,933,746.00
General	Vocational Education	K.S.A. 72-6428	408,745.00
General	Bilingual Education	K.S.A. 72-6428	10,000.00
Supplemental General	4 Year Old At-Risk	K.S.A. 72-6428	70,840.00
Supplemental General	K-12 At-Risk	K.S.A. 72-6428	481,504.00
Supplemental General	Vocational Education	K.S.A. 72-6428	224,000.00
Supplemental General	Special Education	K.S.A. 72-6428	725,428.00
Supplemental General	Parent Education	K.S.A. 72-6428	15,000.00
Supplemental General	Driver Training	K.S.A. 72-6428	6,665.00
Supplemental General	Food Service	K.S.A. 72-6428	65,000.00
Supplemental General	Professional Development	K.S.A. 72-6428	15,000.00

13. SUBSEQUENT EVENTS

During the year ended June 30, 2008, a major taxpayer filed an appeal over their assessed valuation. If this appeal is won, the District would be required to return collected taxes to the county for their share of the appeal. The District has estimated the amount of payback due to the appeal to be \$15,082,355.00 through June 30, 2012 of which \$6,131,586.00 is from the General Fund, which by state statute is required to be spent out each year. Since the General Fund is spent out based on current statutes, the District is working with the state on a solution. To date, the Kansas Board of Tax Appeals has not set a date for the appeal.

SUPPLEMENTAL INFORMATION

UNIFIED SCHOOL DISTRICT #445
Coffeyville, Kansas
(Budgeted Funds Only)
Summary of Expenditures - Actual and Budget
For the Fiscal Year Ended June 30, 2012

Funds	Certified Budget	Adjustments to Comply with Legal Maximum	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures		Variance - Over (Under)
					Charged to Current Year Budget		
GOVERNMENTAL TYPE FUNDS							
General	\$ 11,788,308.00	\$ (209,034.00)	\$ 151,960.62	\$ 11,731,234.62	\$ 11,731,234.76	\$	0.14
Supplemental General	3,964,624.00	-	-	3,964,624.00	3,964,624.00		-
Special Revenue Funds							
4 Year Old At-Risk	117,000.00	-	-	117,000.00	109,068.46		(7,931.54)
K-12 At-Risk	2,550,000.00	-	-	2,550,000.00	2,416,300.05		(133,699.95)
Bilingual Education	10,000.00	-	-	10,000.00	10,000.00		-
Vocational Education	920,000.00	-	-	920,000.00	734,869.67		(185,130.33)
Special Education	2,565,448.00	-	-	2,565,448.00	2,292,993.70		(272,454.30)
Parent Education	210,000.00	-	-	210,000.00	154,538.69		(55,461.31)
Driver Training	37,000.00	-	-	37,000.00	17,773.75		(19,226.25)
Food Service	1,200,000.00	-	-	1,200,000.00	1,165,385.49		(34,614.51)
Capital Outlay	2,610,565.00	-	-	2,610,565.00	1,010,783.89		(1,599,781.11)
Professional Development	30,000.00	-	-	30,000.00	23,822.60		(6,177.40)
KPERS Special Retirement Contributions	1,124,531.00	-	-	1,124,531.00	-		(1,124,531.00)
Recreation Commission	854,972.00	-	-	854,972.00	842,779.86		(12,192.14)
Recreation Commission Employee Benefits and Special Liability	38,724.00	-	-	38,724.00	38,724.00		-
Debt Service Fund	1,831,632.00	-	-	1,831,632.00	1,831,532.50		(99.50)
Bond and Interest							

UNIFIED SCHOOL DISTRICT #445

Coffeyville, Kansas

GENERAL FUND

Schedule of Cash Receipts and Expenditures - Actual and Budget

For the Fiscal Year Ended June 30, 2012

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources				
Ad Valorem Tax	\$ 3,662,879.95	\$ 3,652,013.54	\$ 2,960,752.00	\$ 691,261.54
Delinquent Tax	48,313.07	38,464.84	24,019.00	14,445.84
Other	241,050.25	151,960.62	-	151,960.62
County Sources				
In Lieu of Taxes IRBs	19,860.85	14,681.40	18,622.00	(3,940.60)
State Sources				
General State Aid	6,036,321.00	6,300,997.00	6,944,895.00	(643,898.00)
Mineral Production Tax	1,344.22	3,505.36	-	3,505.36
Special Education Aid	1,478,842.00	1,564,220.00	1,840,020.00	(275,800.00)
Federal Sources				
ARRA Stabilization	212,827.00	-	-	-
Education Jobs Grant	372,659.00	5,392.00	-	5,392.00
Total Cash Receipts	12,074,097.34	11,731,234.76	\$ 11,788,308.00	\$ (57,073.24)
Expenditures				
Instruction	3,679,742.23	3,714,093.93	\$ 3,476,919.00	\$ 237,174.93
Support Services				
Student Support	650,227.58	563,624.86	622,973.00	(59,348.14)
Instructional Support	284,132.67	257,068.40	277,064.00	(19,995.60)
General Administration	405,359.83	427,641.55	387,419.00	40,222.55
School Administration	821,971.95	774,937.05	802,517.00	(27,579.95)
Other Supplemental Services	238,698.67	177,166.83	233,050.00	(55,883.17)
Operations and Maintenance	1,245,365.42	1,180,862.12	1,062,480.00	118,382.12
Student Transportation Services				
Vehicle Operating Services	529,702.57	571,664.02	517,166.00	54,498.02
Operating Transfers to:				
Special Education Fund	1,488,896.42	1,567,566.00	1,840,020.00	(272,454.00)
Food Service Fund	50,000.00	62,000.00	75,000.00	(13,000.00)
Professional Development Fund	-	8,598.00	10,000.00	(1,402.00)

UNIFIED SCHOOL DISTRICT #445

Coffeyville, Kansas

GENERAL FUND

Schedule of Cash Receipts and Expenditures - Actual and Budget

For the Fiscal Year Ended June 30, 2012

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Expenditures (Continued)				
Operating Transfers to: (Continued)				
Parent Education Fund	\$ 46,000.00	\$ 45,945.00	\$ 40,000.00	\$ 5,945.00
4 Year Old At-Risk Fund	10,000.00	27,576.00	35,000.00	(7,424.00)
K-12 At-Risk Fund	2,042,000.00	1,933,746.00	1,850,000.00	83,746.00
Vocational Education Fund	573,000.00	408,745.00	550,000.00	(141,255.00)
Bilingual Education Fund	9,000.00	10,000.00	8,700.00	1,300.00
Total Certified Budget			11,788,308.00	(57,073.24)
Adjustments to Budget				
Adjustment to Comply with Legal Maximum Budget			(209,034.00)	209,034.00
Adjustment for Qualifying Budget Credits			151,960.62	(151,960.62)
Total Expenditures	12,074,097.34	11,731,234.76	\$ 11,731,234.62	\$ 0.14
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ -		

UNIFIED SCHOOL DISTRICT #445

Coffeyville, Kansas

SUPPLEMENTAL GENERAL FUND

Schedule of Cash Receipts and Expenditures - Actual and Budget

For the Fiscal Year Ended June 30, 2012

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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Local Sources				
Ad Valorem Tax	\$ 3,108,540.10	\$ 3,096,458.39	\$ 3,472,293.00	\$ (375,834.61)
Delinquent Tax	65,800.71	50,917.06	20,486.00	30,431.06
County Sources				
Motor Vehicle Tax	207,776.85	163,887.51	176,816.00	(12,928.49)
Recreational Vehicle Tax	2,742.74	2,287.64	2,277.00	10.64
In Lieu of Taxes IRBs	15,940.33	11,757.05	15,943.00	(4,185.95)
State Sources				
Supplemental State Aid	117,358.00	-	-	-
Total Cash Receipts	3,518,158.73	3,325,307.65	\$ 3,687,815.00	\$ (362,507.35)
Expenditures				
Instruction	1,904,950.45	1,855,075.67	\$ 1,906,103.00	\$ (51,027.33)
Support Services				
General Administration	7,033.77	13,055.83	-	13,055.83
Operations and Maintenance	473,066.34	493,055.50	416,257.00	76,798.50
Student Transportation Services				
Vehicle Operating Services	45,465.44	-	45,492.00	(45,492.00)
Operating Transfers to:				
4 Year Old At-Risk Fund	113,000.00	70,840.00	70,840.00	-
K-12 At-Risk Fund	388,000.00	481,504.00	481,504.00	-
Vocational Education Fund	137,000.00	224,000.00	224,000.00	-
Special Education Fund	784,714.00	725,428.00	725,428.00	-
Parent Education Fund	15,000.00	15,000.00	15,000.00	-
Driver Training Fund	15,000.00	6,665.00	-	6,665.00
Food Service Fund	65,000.00	65,000.00	65,000.00	-
Professional Development Fund	14,000.00	15,000.00	15,000.00	-
Total Expenditures	3,962,230.00	3,964,624.00	\$ 3,964,624.00	\$ -
Receipts Over (Under) Expenditures	(444,071.27)	(639,316.35)		
Unencumbered Cash, Beginning	1,784,765.13	1,340,693.86		
Unencumbered Cash, Ending	\$ 1,340,693.86	\$ 701,377.51		

UNIFIED SCHOOL DISTRICT #445

Coffeyville, Kansas

4 YEAR OLD AT-RISK FUND

Schedule of Cash Receipts and Expenditures - Actual and Budget

For the Fiscal Year Ended June 30, 2012

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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Local Sources				
Interest on Idle Funds	\$ -	\$ -	\$ 399.00	\$ (399.00)
Other	-	10,652.88	-	10,652.88
Operating Transfers from:				
General Fund	10,000.00	27,576.00	35,000.00	(7,424.00)
Supplemental General Fund	113,000.00	70,840.00	70,840.00	-
Total Cash Receipts	123,000.00	109,068.88	\$ 106,239.00	\$ 2,829.88
Expenditures				
Instruction	108,006.95	103,068.46	\$ 111,370.00	\$ (8,301.54)
Support Services				
School Administration	6,000.00	6,000.00	5,630.00	370.00
Total Expenditures	114,006.95	109,068.46	\$ 117,000.00	\$ (7,931.54)
Receipts Over (Under) Expenditures	8,993.05	0.42		
Unencumbered Cash, Beginning	47,767.65	56,760.70		
Unencumbered Cash, Ending	\$ 56,760.70	\$ 56,761.12		

UNIFIED SCHOOL DISTRICT #445

Coffeyville, Kansas

K-12 AT-RISK FUND

Schedule of Cash Receipts and Expenditures - Actual and Budget

For the Fiscal Year Ended June 30, 2012

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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Local Sources				
Interest on Idle Funds	\$ -	\$ -	\$ 20.00	\$ (20.00)
Other	11,619.07	760.00	-	760.00
Operating Transfers from:				
General Fund	2,042,000.00	1,933,746.00	1,850,000.00	83,746.00
Supplemental General Fund	388,000.00	481,504.00	481,504.00	-
Total Cash Receipts	2,441,619.07	2,416,010.00	\$ 2,331,524.00	\$ 84,486.00
Expenditures				
Instruction	2,435,690.32	2,416,300.05	\$ 2,550,000.00	\$ (133,699.95)
Total Expenditures	2,435,690.32	2,416,300.05	\$ 2,550,000.00	\$ (133,699.95)
Receipts Over (Under) Expenditures	5,928.75	(290.05)		
Unencumbered Cash, Beginning	214,547.51	220,476.26		
Unencumbered Cash, Ending	\$ 220,476.26	\$ 220,186.21		

UNIFIED SCHOOL DISTRICT #445

Coffeyville, Kansas

BILINGUAL EDUCATION FUND

Schedule of Cash Receipts and Expenditures - Actual and Budget

For the Fiscal Year Ended June 30, 2012

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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Local Sources				
Interest on Idle Funds	\$ -	\$ -	\$ 6.00	\$ (6.00)
Operating Transfer from General Fund	9,000.00	10,000.00	8,700.00	1,300.00
Total Cash Receipts	9,000.00	10,000.00	\$ 8,706.00	\$ 1,294.00
Expenditures				
Instruction	8,200.00	10,000.00	\$ 10,000.00	\$ -
Total Expenditures	8,200.00	10,000.00	\$ 10,000.00	\$ -
Receipts Over (Under) Expenditures	800.00	-		
Unencumbered Cash, Beginning	10,993.55	11,793.55		
Unencumbered Cash, Ending	\$ 11,793.55	\$ 11,793.55		

UNIFIED SCHOOL DISTRICT #445

Coffeyville, Kansas

VOCATIONAL EDUCATION FUND

Schedule of Cash Receipts and Expenditures - Actual and Budget

For the Fiscal Year Ended June 30, 2012

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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Local Sources				
Interest on Idle Funds	\$ -	\$ -	\$ 55.00	\$ (55.00)
Federal Sources				
Program Improvement	30,536.00	102,478.00	102,889.00	(411.00)
Operating Transfers from:				
General Fund	573,000.00	408,745.00	550,000.00	(141,255.00)
Supplemental General Fund	137,000.00	224,000.00	224,000.00	-
Total Cash Receipts	740,536.00	735,223.00	\$ 876,944.00	\$ (141,721.00)
Expenditures				
Instruction	676,738.46	734,178.05	\$ 837,435.00	\$ (103,256.95)
Support Services				
Student Support	-	691.62	-	691.62
School Administration	66,721.38	-	82,565.00	(82,565.00)
Total Expenditures	743,459.84	734,869.67	\$ 920,000.00	\$ (185,130.33)
Receipts Over (Under) Expenditures	(2,923.84)	353.33		
Unencumbered Cash, Beginning	133,480.06	130,556.22		
Unencumbered Cash, Ending	\$ 130,556.22	\$ 130,909.55		

UNIFIED SCHOOL DISTRICT #445

Coffeyville, Kansas

SPECIAL EDUCATION FUND

Schedule of Cash Receipts and Expenditures - Actual and Budget

For the Fiscal Year Ended June 30, 2012

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Operating Transfers from:				
General Fund	\$ 1,488,896.42	\$ 1,567,566.00	\$ 1,840,020.00	\$ (272,454.00)
Supplemental General Fund	784,714.00	725,428.00	725,428.00	-
Total Cash Receipts	<u>2,273,610.42</u>	<u>2,292,994.00</u>	<u>\$ 2,565,448.00</u>	<u>\$ (272,454.00)</u>
Expenditures				
Instruction	1,999,400.67	2,035,315.16	\$ 2,270,448.00	\$ (235,132.84)
Student Transportation Services				
Vehicle Operating Services	<u>275,612.88</u>	<u>257,678.54</u>	<u>295,000.00</u>	<u>(37,321.46)</u>
Total Expenditures	<u>2,275,013.55</u>	<u>2,292,993.70</u>	<u>\$ 2,565,448.00</u>	<u>\$ (272,454.30)</u>
Receipts Over (Under) Expenditures	(1,403.13)	0.30		
Unencumbered Cash, Beginning	<u>365,570.22</u>	<u>364,167.09</u>		
Unencumbered Cash, Ending	<u>\$ 364,167.09</u>	<u>\$ 364,167.39</u>		

UNIFIED SCHOOL DISTRICT #445

Coffeyville, Kansas

PARENT EDUCATION FUND

Schedule of Cash Receipts and Expenditures - Actual and Budget

For the Fiscal Year Ended June 30, 2012

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources				
Interest on Idle Funds	\$ -	\$ -	\$ 4.00	\$ (4.00)
Other	-	-	50,000.00	(50,000.00)
State Sources				
Parent Education Aid	86,857.00	84,478.00	84,478.00	-
PAT Block Grant	6,144.00	8,554.00	-	8,554.00
Operating Transfers from:				
General Fund	46,000.00	45,945.00	40,000.00	5,945.00
Supplemental General Fund	15,000.00	15,000.00	15,000.00	-
Total Cash Receipts	154,001.00	153,977.00	<u>\$ 189,482.00</u>	<u>\$ (35,505.00)</u>
Expenditures				
Support Serviced				
Student Support Services	153,822.00	154,538.69	\$ 210,000.00	\$ (55,461.31)
Total Expenditures	153,822.00	154,538.69	<u>\$ 210,000.00</u>	<u>\$ (55,461.31)</u>
Receipts Over (Under) Expenditures	179.00	(561.69)		
Unencumbered Cash, Beginning	65,600.52	65,779.52		
Unencumbered Cash, Ending	<u>\$ 65,779.52</u>	<u>\$ 65,217.83</u>		

UNIFIED SCHOOL DISTRICT #445

Coffeyville, Kansas

TITLE IX INDIAN EDUCATION FUND

Schedule of Cash Receipts and Expenditures - Actual

For the Fiscal Year Ended June 30, 2012

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

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Federal Sources		
Special Project Aid	<u>\$ 103,291.00</u>	<u>\$ 104,277.00</u>
Total Cash Receipts	<u>103,291.00</u>	<u>104,277.00</u>
Expenditures		
Instruction	47,282.00	45,362.96
Support Services		
School Administration	<u>56,009.00</u>	<u>58,914.04</u>
Total Expenditures	<u>103,291.00</u>	<u>104,277.00</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

UNIFIED SCHOOL DISTRICT #445

Coffeyville, Kansas

DRIVER TRAINING FUND

Schedule of Cash Receipts and Expenditures - Actual and Budget

For the Fiscal Year Ended June 30, 2012

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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Local Sources				
Student Receipts	\$ 6,745.00	\$ 6,150.00	\$ 6,228.00	\$ (78.00)
State Sources				
State Aid	3,404.00	4,700.00	5,920.00	(1,220.00)
Operating Transfer from Supplemental General Fund	15,000.00	6,665.00	-	6,665.00
Total Cash Receipts	25,149.00	17,515.00	\$ 12,148.00	\$ 5,367.00
Expenditures				
Instruction	11,424.82	11,571.56	\$ 35,291.00	\$ (23,719.44)
Support Services				
Operations & Maintenance	553.10	6,202.19	1,709.00	4,493.19
Total Expenditures	11,977.92	17,773.75	\$ 37,000.00	\$ (19,226.25)
Receipts Over (Under) Expenditures	13,171.08	(258.75)		
Unencumbered Cash, Beginning	20,181.27	33,352.35		
Unencumbered Cash, Ending	\$ 33,352.35	\$ 33,093.60		

UNIFIED SCHOOL DISTRICT #445

Coffeyville, Kansas

FOOD SERVICE FUND

Schedule of Cash Receipts and Expenditures - Actual and Budget

For the Fiscal Year Ended June 30, 2012

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

		Current Year		Variance -
	Prior Year Actual	Actual	Budget	Over Under
Cash Receipts				
Local Sources				
Food Service Sales	\$ 188,570.75	\$ 171,298.61	\$ 233,787.00	\$ (62,488.39)
Interst on Idle Funds	-	-	154.00	(154.00)
Other	44,715.28	62,285.05	27,545.00	34,740.05
State Sources				
Food Service Aid	10,097.72	10,623.27	8,135.00	2,488.27
Federal Sources				
Child Nutrition Aid	758,898.20	800,327.69	699,348.00	100,979.69
Operating Transfers from:				
General Fund	50,000.00	62,000.00	75,000.00	(13,000.00)
Supplemental General Fund	65,000.00	65,000.00	65,000.00	-
Total Cash Receipts	1,117,281.95	1,171,534.62	\$ 1,108,969.00	\$ 62,565.62
Expenditures				
Support Services				
Operations and Maintenance	37,274.58	36,449.47	\$ 41,952.00	\$ (5,502.53)
Operation of Non-Instructional Services				
Food Service Operations	1,028,922.16	1,128,936.02	1,158,048.00	(29,111.98)
Total Expenditures	1,066,196.74	1,165,385.49	\$ 1,200,000.00	\$ (34,614.51)
Receipts Over (Under) Expenditures	51,085.21	6,149.13		
Unencumbered Cash, Beginning	187,384.11	238,469.32		
Unencumbered Cash, Ending	\$ 238,469.32	\$ 244,618.45		

UNIFIED SCHOOL DISTRICT #445

Coffeyville, Kansas

CAPITAL OUTLAY FUND

Schedule of Cash Receipts and Expenditures - Actual and Budget

For the Fiscal Year Ended June 30, 2012

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

		Current Year		Variance -
	Prior			Over
	Year			
	Actual	Actual	Budget	(Under)
Cash Receipts				
Local Sources				
Ad Valorem Tax	\$ 963,165.85	\$ 875,816.91	\$ 724,617.00	\$ 151,199.91
Delinquent Tax	15,745.63	14,280.13	6,345.00	7,935.13
Interest on Idle Funds	12,717.77	7,573.77	5,410.00	2,163.77
Sale of Property & Materials	10,110.00	28,688.80	-	28,688.80
Other	10,500.00	617,646.67	-	617,646.67
County Sources				
Motor Vehicle Tax	42,549.66	52,042.66	56,009.00	(3,966.34)
Recreational Vehicle Tax	548.26	725.90	721.00	4.90
In Lieu of Taxes IRBs	4,936.43	3,341.58	5,053.00	(1,711.42)
Total Cash Receipts	1,060,273.60	1,600,116.42	\$ 798,155.00	\$ 801,961.42
Expenditures				
Instruction	37,543.26	35,781.77	\$ 179,178.00	\$ (143,396.23)
Support Services				
Operations and Maintenance	36,432.54	113,303.04	173,881.00	(60,577.96)
Facility Acquisition				
and Construction Services				
Architectural and				
Engineering Services	33,468.50	412.00	159,735.00	(159,323.00)
New Building Acquisition and				
Construction	-	47,425.38	-	47,425.38
Site Improvement	-	2,389.93	-	2,389.93
Building Improvement	439,543.65	811,471.77	2,097,771.00	(1,286,299.23)
Total Expenditures	546,987.95	1,010,783.89	\$ 2,610,565.00	\$ (1,599,781.11)
Receipts Over (Under) Expenditures	513,285.65	589,332.53		
Unencumbered Cash, Beginning	1,299,124.53	1,812,410.18		
Unencumbered Cash, Ending	\$ 1,812,410.18	\$ 2,401,742.71		

UNIFIED SCHOOL DISTRICT #445

Coffeyville, Kansas

PROFESSIONAL DEVELOPMENT FUND

Schedule of Cash Receipts and Expenditures - Actual and Budget

For the Fiscal Year Ended June 30, 2012

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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Local Sources				
Interest on Idle Funds	\$ -	\$ -	\$ 92.00	\$ (92.00)
Operating Transfers from:				
General Fund	-	8,598.00	10,000.00	(1,402.00)
Supplemental General Fund	14,000.00	15,000.00	15,000.00	-
Total Cash Receipts	14,000.00	23,598.00	\$ 25,092.00	\$ (1,494.00)
Expenditures				
Support Services				
Student Support	-	8.04	\$ -	\$ 8.04
Instructional Support	12,584.42	23,403.05	29,285.00	(5,881.95)
Other Supplemental Services	311.70	411.51	715.00	(303.49)
Total Expenditures	12,896.12	23,822.60	\$ 30,000.00	\$ (6,177.40)
Receipts Over (Under) Expenditures	1,103.88	(224.60)		
Unencumbered Cash, Beginning	24,547.96	25,651.84		
Unencumbered Cash, Ending	\$ 25,651.84	\$ 25,427.24		

UNIFIED SCHOOL DISTRICT #445

Coffeyville, Kansas

CONTINGENCY RESERVE FUND

Schedule of Cash Receipts and Expenditures - Actual

For the Fiscal Year Ended June 30, 2012

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

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Operating Transfers from General Fund	<u>\$ -</u>	<u>\$ -</u>
Total Cash Receipts	<u>-</u>	<u>-</u>
Expenditures		
Support Services Operations and Maintenance	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>509,020.33</u>	<u>509,020.33</u>
Unencumbered Cash, Ending	<u><u>\$ 509,020.33</u></u>	<u><u>\$ 509,020.33</u></u>

UNIFIED SCHOOL DISTRICT #445

Coffeyville, Kansas

TEXT BOOK RENTAL FUND

Schedule of Cash Receipts and Expenditures - Actual

For the Fiscal Year Ended June 30, 2012

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

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Local Sources		
Book Rental Charges	\$ 29,399.76	\$ 25,935.83
Total Cash Receipts	<u>29,399.76</u>	<u>25,935.83</u>
Expenditures		
Instruction	<u>7,756.38</u>	<u>34,233.79</u>
Total Expenditures	<u>7,756.38</u>	<u>34,233.79</u>
Receipts Over (Under) Expenditures	21,643.38	(8,297.96)
Unencumbered Cash, Beginning	<u>14,155.65</u>	<u>35,799.03</u>
Unencumbered Cash, Ending	<u>\$ 35,799.03</u>	<u>\$ 27,501.07</u>

UNIFIED SCHOOL DISTRICT #445

Coffeyville, Kansas

KPERS SPECIAL RETIREMENT CONTRIBUTIONS FUND

Schedule of Cash Receipts and Expenditures - Actual and Budget

For the Fiscal Year Ended June 30, 2012

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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
State Sources				
KPERS Contributions	\$ 576,683.18	\$ 944,224.97	\$ 1,124,531.00	\$ (180,306.03)
Total Cash Receipts	576,683.18	944,224.97	\$ 1,124,531.00	\$ (180,306.03)
Expenditures				
Instruction	391,221.87	640,562.22	\$ 762,882.00	(122,319.78)
Support Services				
Student Support	28,199.81	46,172.59	54,990.00	(8,817.41)
Instructional Support	9,399.94	15,390.87	18,330.00	(2,939.13)
General Administration	34,024.30	55,709.27	66,347.00	(10,637.73)
School Administration	50,229.10	82,242.00	97,946.00	(15,704.00)
Operations and Maintenance	36,100.36	16,146.24	19,229.00	(3,082.76)
Other Supplemental Services	9,861.28	59,108.49	70,395.00	(11,286.51)
Student Transportation Services	173.01	283.27	338.00	(54.73)
Food Service	17,473.51	28,610.02	34,074.00	(5,463.98)
Total Expenditures	576,683.18	944,224.97	\$ 1,124,531.00	\$ (180,306.03)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ -		

UNIFIED SCHOOL DISTRICT #445

Coffeyville, Kansas

JOHNSON O'MALLEY FUND

Schedule of Cash Receipts and Expenditures - Actual

For the Fiscal Year Ended June 30, 2012

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

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Local Sources		
Community Gifts	<u>\$ 8,100.00</u>	<u>\$ 7,450.00</u>
Total Cash Receipts	<u>8,100.00</u>	<u>7,450.00</u>
Expenditures		
Support Services		
Student Services	<u>8,100.00</u>	<u>7,450.00</u>
Total Expenditures	<u>8,100.00</u>	<u>7,450.00</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

UNIFIED SCHOOL DISTRICT #445

Coffeyville, Kansas

RECREATION COMMISSION FUND

Schedule of Cash Receipts and Expenditures - Actual and Budget

For the Fiscal Year Ended June 30, 2012

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources				
Ad Valorem Tax	\$ 770,530.11	\$ 771,032.78	\$ 639,647.00	\$ 131,385.78
Delinquent Tax	14,593.32	12,106.07	5,076.00	7,030.07
Other	-	-	146,300.00	(146,300.00)
County Sources				
Motor Vehicle Tax	43,051.78	41,630.13	44,828.00	(3,197.87)
Recreational Vehicle Tax	562.63	580.69	577.00	3.69
In Lieu of Taxes IRBs	3,949.34	2,927.01	4,041.00	(1,113.99)
Total Cash Receipts	832,687.18	828,276.68	\$ 840,469.00	\$ (12,192.32)
Expenditures				
Community Service Operations	818,184.00	842,779.86	\$ 854,972.00	\$ (12,192.14)
Total Expenditures	818,184.00	842,779.86	\$ 854,972.00	\$ (12,192.14)
Receipts Over (Under) Expenditures	14,503.18	(14,503.18)		
Unencumbered Cash, Beginning	-	14,503.18		
Unencumbered Cash, Ending	\$ 14,503.18	\$ -		

UNIFIED SCHOOL DISTRICT #445

Coffeyville, Kansas

RECREATION COMMISSION EMPLOYEE BENEFITS AND SPECIAL LIABILITY FUND

Schedule of Cash Receipts and Expenditures - Actual and Budget

For the Fiscal Year Ended June 30, 2012

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources				
Ad Valorem Tax	\$ 42,551.48	\$ 28,252.53	\$ 21,648.00	\$ 6,604.53
Delinquent Tax	2,244.39	1,147.75	279.00	868.75
Other Revenue	-	-	4,994.00	(4,994.00)
County Sources				
Motor Vehicle Tax	8,443.54	2,752.88	2,931.00	(178.12)
Recreational Vehicle Tax	114.04	38.24	37.00	1.24
In Lieu of Taxes IRBs	217.46	109.63	264.00	(154.37)
Total Cash Receipts	53,570.91	32,301.03	\$ 30,153.00	\$ 2,148.03
Expenditures				
Community Service Operations	45,000.00	38,724.00	\$ 38,724.00	\$ -
Total Expenditures	45,000.00	38,724.00	\$ 38,724.00	\$ -
Receipts Over (Under) Expenditures	8,570.91	(6,422.97)		
Unencumbered Cash, Beginning	-	8,570.91		
Unencumbered Cash, Ending	\$ 8,570.91	\$ 2,147.94		

UNIFIED SCHOOL DISTRICT #445

Coffeyville, Kansas

TITLE I FUND

Schedule of Cash Receipts and Expenditures - Actual

For the Fiscal Year Ended June 30, 2012

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

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Federal Sources		
Federal Aid	\$ 549,731.00	\$ 590,800.00
Total Cash Receipts	<u>549,731.00</u>	<u>590,800.00</u>
Expenditures		
Instruction	532,870.87	570,947.93
Support Services		
Student Support	5,238.13	7,478.07
General Administration	8,622.00	9,374.00
School Administration	<u>3,000.00</u>	<u>3,000.00</u>
Total Expenditures	<u>549,731.00</u>	<u>590,800.00</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

UNIFIED SCHOOL DISTRICT #445

Coffeyville, Kansas

TITLE I-C MIGRANT FUND

Schedule of Cash Receipts and Expenditures - Actual

For the Fiscal Year Ended June 30, 2012

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

	<div> <div>Prior</div> <div>Year</div> <div>Actual</div> </div>	<div> <div>Current</div> <div>Year</div> <div>Actual</div> </div>
Cash Receipts		
Federal Sources		
Federal Aid	\$ -	\$ 48,480.00
Total Cash Receipts	-	48,480.00
Expenditures		
Instruction	-	47,228.00
Support Services		
General Administration	-	1,252.00
Total Expenditures	-	48,480.00
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

UNIFIED SCHOOL DISTRICT #445

Coffeyville, Kansas

TITLE I ARRA FUND

Schedule of Cash Receipts and Expenditures - Actual

For the Fiscal Year Ended June 30, 2012

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

	<u>Prior</u> <u>Year</u> <u>Actual</u>	<u>Current</u> <u>Year</u> <u>Actual</u>
Cash Receipts		
Federal Sources		
Federal Aid	\$ 58,570.00	\$ -
Total Cash Receipts	<u>58,570.00</u>	<u>-</u>
Expenditures		
Instruction	<u>58,570.00</u>	<u>-</u>
Total Expenditures	<u>58,570.00</u>	<u>-</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

UNIFIED SCHOOL DISTRICT #445

Coffeyville, Kansas

TITLE II-A FUND

Schedule of Cash Receipts and Expenditures - Actual

For the Fiscal Year Ended June 30, 2012

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

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Federal Sources		
Federal Aid	<u>\$ 156,456.00</u>	<u>\$ 146,121.00</u>
Total Cash Receipts	<u>156,456.00</u>	<u>146,121.00</u>
Expenditures		
Instruction	151,646.00	142,120.00
Support Services		
Instructional Support	2,023.00	1,172.00
General Administration	<u>2,787.00</u>	<u>2,829.00</u>
Total Expenditures	<u>156,456.00</u>	<u>146,121.00</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

UNIFIED SCHOOL DISTRICT #445

Coffeyville, Kansas

TITLE II-D FUND

Schedule of Cash Receipts and Expenditures - Actual

For the Fiscal Year Ended June 30, 2012

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

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Federal Sources		
Federal Aid	<u>\$ 1,766.00</u>	<u>\$ -</u>
Total Cash Receipts	<u>1,766.00</u>	<u>-</u>
Expenditures		
Instruction	1,324.00	-
Support Services		
Instructional Support	<u>442.00</u>	<u>-</u>
Total Expenditures	<u>1,766.00</u>	<u>-</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

UNIFIED SCHOOL DISTRICT #445

Coffeyville, Kansas

21ST CCLC GRANT FUND

Schedule of Cash Receipts and Expenditures - Actual

For the Fiscal Year Ended June 30, 2012

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

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Federal Sources		
Federal Aid	<u>\$ -</u>	<u>\$ -</u>
Total Cash Receipts	<u>-</u>	<u>-</u>
Expenditures		
Instruction	-	13,852.86
Support Services		
General Administration	<u>-</u>	<u>13,747.20</u>
Total Expenditures	<u>-</u>	<u>27,600.06</u>
Receipts Over (Under) Expenditures	-	(27,600.06)
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u><u>\$ -</u></u>	<u><u>\$ (27,600.06)</u></u>

UNIFIED SCHOOL DISTRICT #445

Coffeyville, Kansas

FKHS COMMUNITY POOL FUND

Schedule of Cash Receipts and Expenditures - Actual

For the Fiscal Year Ended June 30, 2012

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

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Local Sources		
Community Support Payments	\$ 6,000.00	\$ 12,000.00
Total Cash Receipts	<u>6,000.00</u>	<u>12,000.00</u>
Expenditures		
Support Services		
General Administration	2,600.00	2,600.00
Operations and Maintenance	<u>-</u>	<u>2,854.64</u>
Total Expenditures	<u>2,600.00</u>	<u>5,454.64</u>
Receipts Over (Under) Expenditures	3,400.00	6,545.36
Unencumbered Cash, Beginning	<u>8,387.64</u>	<u>11,787.64</u>
Unencumbered Cash, Ending	<u>\$ 11,787.64</u>	<u>\$ 18,333.00</u>

UNIFIED SCHOOL DISTRICT #445

Coffeyville, Kansas

GEAR UP/PAT GRANT FUND

Schedule of Cash Receipts and Expenditures - Actual

For the Fiscal Year Ended June 30, 2012

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

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
State Sources		
PAT Grant	\$ -	\$ 28,552.53
Total Cash Receipts	-	28,552.53
Expenditures		
Support Services		
Student Support	-	54,188.95
Total Expenditures	-	54,188.95
Receipts Over (Under) Expenditures	-	(25,636.42)
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ (25,636.42)</u>

UNIFIED SCHOOL DISTRICT #445

Coffeyville, Kansas

DLC EARLY CHILDHOOD FUND

Schedule of Cash Receipts and Expenditures - Actual

For the Fiscal Year Ended June 30, 2012

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

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Local Sources		
Grants	\$ 215,809.00	\$ 189,341.00
Total Cash Receipts	<u>215,809.00</u>	<u>189,341.00</u>
Expenditures		
Instruction	177,305.00	179,758.00
Support Services		
General Administration	6,795.00	4,342.00
School Administration	<u>3,000.00</u>	<u>3,000.00</u>
Total Expenditures	<u>187,100.00</u>	<u>187,100.00</u>
Receipts Over (Under) Expenditures	28,709.00	2,241.00
Unencumbered Cash, Beginning	<u>(76,878.00)</u>	<u>(48,169.00)</u>
Unencumbered Cash, Ending	<u>\$ (48,169.00)</u>	<u>\$ (45,928.00)</u>

UNIFIED SCHOOL DISTRICT #445

Coffeyville, Kansas

MATH AND SCIENCE GRANT FUND

Schedule of Cash Receipts and Expenditures - Actual

For the Fiscal Year Ended June 30, 2012

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

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Federal Grants		
Federal Aid	<u>\$ 173,413.00</u>	<u>\$ 141,679.00</u>
Total Cash Receipts	<u>173,413.00</u>	<u>141,679.00</u>
Expenditures		
Instruction	170,414.00	130,667.91
Support Services		
Other Supplemental Services	<u>2,999.00</u>	<u>11,011.50</u>
Total Expenditures	<u>173,413.00</u>	<u>141,679.41</u>
Receipts Over (Under) Expenditures	-	(0.41)
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u><u>\$ -</u></u>	<u><u>\$ (0.41)</u></u>

UNIFIED SCHOOL DISTRICT #445

Coffeyville, Kansas

MISCELLANEOUS GRANTS FUND

Schedule of Cash Receipts and Expenditures - Actual

For the Fiscal Year Ended June 30, 2012

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

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Federal Sources		
Federal Aid	\$ 222,504.00	\$ 175,737.00
Local Sources		
Other	-	3,217.00
Total Cash Receipts	<u>222,504.00</u>	<u>178,954.00</u>
Expenditures		
Instruction	225,109.65	148,237.58
Support Services		
Student Support	-	32,333.00
Instructional Support	3,000.00	800.00
Facility Acquisition and Construction Services		
Site Improvement	<u>2,510.00</u>	<u>-</u>
Total Expenditures	<u>230,619.65</u>	<u>181,370.58</u>
Receipts Over (Under) Expenditures	(8,115.65)	(2,416.58)
Unencumbered Cash, Beginning	<u>9,404.14</u>	<u>1,288.49</u>
Unencumbered Cash, Ending	<u>\$ 1,288.49</u>	<u>\$ (1,128.09)</u>

UNIFIED SCHOOL DISTRICT #445

Coffeyville, Kansas

BOND AND INTEREST FUND

Schedule of Cash Receipts and Expenditures - Actual and Budget

For the Fiscal Year Ended June 30, 2012

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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Local Sources				
Ad Valorem Tax	\$ 732,102.58	\$ 808,370.17	\$ 662,497.00	\$ 145,873.17
Delinquent Tax	7,437.73	9,538.49	4,822.00	4,716.49
City Sales Tax	1,175,811.00	1,256,273.00	1,083,007.00	173,266.00
County Sources				
Motor Vehicle Tax	12,296.70	39,551.57	42,556.00	(3,004.43)
Recreational Vehicle Tax	140.97	551.70	546.00	5.70
In Lieu of Taxes IRBs	3,751.72	3,055.93	3,837.00	(781.07)
Total Cash Receipts	1,931,540.70	2,117,340.86	\$ 1,797,265.00	\$ 320,075.86
Expenditures				
Debt Service				
Principal	855,000.00	1,285,000.00	\$ 1,285,000.00	\$ -
Interest	576,332.50	546,532.50	546,532.00	0.50
Commission and Postage	-	-	100.00	(100.00)
Total Expenditures	1,431,332.50	1,831,532.50	\$ 1,831,632.00	\$ (99.50)
Receipts Over (Under) Expenditures	500,208.20	285,808.36		
Unencumbered Cash, Beginning	653,537.45	1,153,745.65		
Unencumbered Cash, Ending	\$ 1,153,745.65	\$ 1,439,554.01		

UNIFIED SCHOOL DISTRICT #445

Coffeyville, Kansas

QUALIFIED ZONE ACADEMIC BOND PROJECT FUND

Schedule of Cash Receipts and Expenditures - Actual

For the Fiscal Year Ended June 30, 2012

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

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Local Sources		
Interest on Idle Funds	\$ 57.04	\$ 58.46
Use of Money and Property		
Bond Proceeds	<u>1,000,000.00</u>	<u>-</u>
Total Cash Receipts	<u>1,000,057.04</u>	<u>58.46</u>
Expenditures		
Instruction	52,745.00	40,981.25
Facility Acquisition and Construction Services		
Architectural and Engineering Services	185,070.12	419,070.69
Debt Service		
Bond Issuance Costs	<u>20,000.00</u>	<u>-</u>
Total Expenditures	<u>257,815.12</u>	<u>460,051.94</u>
Receipts Over (Under) Expenditures	742,241.92	(459,993.48)
Unencumbered Cash, Beginning	<u>115,867.28</u>	<u>858,109.20</u>
Unencumbered Cash, Ending	<u>\$ 858,109.20</u>	<u>\$ 398,115.72</u>

UNIFIED SCHOOL DISTRICT #445

Coffeyville, Kansas

AGENCY FUNDS

Schedule of Cash Receipts and Cash Disbursements

For the Fiscal Year Ended June 30, 2012

	Beginning Cash Balances	Cash Receipts	Cash Disbursements	Ending Cash Balances
Agency Funds				
District Programs				
Boys and Girls Club	\$ 103,335.09	\$ 102,967.31	\$ 38,504.58	\$ 167,797.82
Student Organizations				
Community Elementary School				
Building Fund	14.25	336.23	325.48	25.00
Wal-Mart for Equipment	72.77	17.68	90.45	0.00
Library/Book Fees	454.52	1,165.58	1,253.61	366.49
World Courtyard	200.00	-	-	200.00
4th Reading Program	662.50	-	247.75	414.75
4th Grade A/R	54.38	-	38.26	16.12
Kindergarten Tree	258.15	-	-	258.15
Lost ID Money	30.78	30.78	30.78	30.78
Bingo Money	406.91	1,284.58	1,691.49	-
Kindergarten Earth Day	457.04	-	-	457.04
3rd Grade Field Trip	2.22	-	-	2.22
Music/Band Money	2,596.33	2,988.86	4,497.67	1,087.52
Family Reading	100.00	-	35.56	64.44
Marcy Mitchell Donation	100.00	-	-	100.00
Cookout Fund	142.94	-	142.94	-
MC Teacher Night	607.00	584.78	1,084.78	107.00
5th Multicultural	287.96	556.02	843.98	-
Christmas Party Fund	-	619.00	619.00	-
Books Are Fun	-	500.26	413.62	86.64
Middle School				
CJ Crane	1,107.80	-	236.78	871.02
Spirit Squad	329.59	-	-	329.59
Officials	-	4,251.00	3,351.00	900.00
Sales Tax	20.02	190.51	188.64	21.89
Yearbook	212.27	2,689.83	2,649.75	252.35
Donations	-	55.00	-	55.00
Pre Voc. Ed	587.29	-	-	587.29
St. Vending	358.06	25.81	5.00	378.87
STUCO	95.49	338.00	400.00	33.49
Booster	2,501.16	70.95	175.45	2,396.66
Football	69.72	-	-	69.72

UNIFIED SCHOOL DISTRICT #445

Coffeyville, Kansas

AGENCY FUNDS

Schedule of Cash Receipts and Cash Disbursements

For the Fiscal Year Ended June 30, 2012

	Beginning Cash Balances	Cash Receipts	Cash Disbursements	Ending Cash Balances
Agency Funds				
Student Organizations				
Middle School (Continued)				
Functional Class	\$ 421.04	\$ -	\$ 180.50	\$ 240.54
Band	405.58	570.68	976.26	-
Track and Field	105.95	105.00	6.50	204.45
Sewing Club	0.08	-	-	0.08
Gentlemen's Club	151.71	2,181.95	1,934.34	399.32
Science Club	171.16	-	-	171.16
Student Tech	544.21	453.00	107.72	889.49
Library	268.97	544.40	406.98	406.39
Pride	3,801.58	597.99	-	4,399.57
Vocal Music	6.50	380.50	380.50	6.50
Ladies Club	355.59	5,660.50	5,319.97	696.12
High School				
Principal	676.10	3,074.83	3,568.00	182.93
ID Badges	23.40	5.00	-	28.40
Fall/Spring Plays	2,960.40	-	2,960.40	-
Art Club	1,278.12	-	-	1,278.12
Class Plaques	726.54	-	600.00	126.54
Drama Club	85.74	-	-	85.74
IBC Ads	-	425.32	108.76	316.56
ACTS Ads	40.62	-	-	40.62
Chess Club	25.84	-	-	25.84
After Prom	-	6,134.78	5,433.83	700.95
Band	2,146.22	1,590.80	3,207.69	529.33
Juniors' Prom	2,185.61	4,718.33	5,401.53	1,502.41
Native American	794.99	1,250.00	968.98	1,076.01
NFL	1,708.56	7,290.76	5,081.54	3,917.78
French/German	43.00	4,781.15	4,658.45	165.70
FCA	69.81	300.00	277.53	92.28
DECA	899.09	2,737.48	2,196.53	1,440.04
FACS	115.38	-	-	115.38
Leadership #1	148.21	115.00	260.30	2.91
NHS	687.02	2,040.75	2,117.43	610.34
Sales Tax	1,280.77	1,793.57	3,023.16	51.18
Spanish Club	353.44	3,762.45	3,461.39	654.50
Heritage Club	10.37	1,983.26	1,076.00	917.63

UNIFIED SCHOOL DISTRICT #445

Coffeyville, Kansas

AGENCY FUNDS

Schedule of Cash Receipts and Cash Disbursements

For the Fiscal Year Ended June 30, 2012

	Beginning Cash Balances	Cash Receipts	Cash Disbursements	Ending Cash Balances
Agency Funds				
Student Organizations				
High School (Continued)				
STUCO	\$ 418.76	\$ 1,864.11	\$ 2,049.35	\$ 233.52
Tornado Times	615.58	50.00	-	665.58
Yearbook	9,648.97	8,653.80	12,408.36	5,894.41
Photography	375.41	-	-	375.41
Vocal Music	89.59	1,349.73	950.46	488.86
Program Train	-	929.56	929.56	-
Key Club	401.88	295.00	-	696.88
SADD	119.00	-	-	119.00
Library Acct	753.65	451.63	728.79	476.49
Foods	1,543.89	2,384.59	1,197.05	2,731.43
Health Occupation	94.00	25.00	-	119.00
FBLA	61.63	1.37	63.00	-
School Store	713.79	53.25	96.38	670.66
Central Store	41.14	-	-	41.14
Safe School AMB	78.66	-	45.96	32.70
P E Activities	472.42	991.85	1,464.27	-
FFA	3,665.27	36,863.11	38,331.31	2,197.07
FCCLA	262.02	357.48	181.00	438.50
RMS Building Fee	-	5.95	5.95	-
Totals	\$ 156,911.50	\$ 225,446.11	\$ 168,992.30	\$ 213,365.31

UNIFIED SCHOOL DISTRICT #445

Coffeyville, Kansas

DISTRICT ACTIVITY FUNDS

Summary of Cash Receipts, Expenditures, and Unencumbered Cash

For the Fiscal Year Ended June 30, 2012

Funds	Beginning Unencumbered Cash Balances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balances	Plus		Cash Balances June 30,
					Encumbrances and Accounts Payable	2012	2011
Gate Receipts							
High School	\$ 34,384.27	\$ 194,535.39	\$ 197,135.80	\$ 31,783.86	\$ 3,638.80	\$ 35,422.66	\$ 34,384.27
Middle School	3,676.85	24,552.85	18,193.17	10,036.53	9,412.56	19,449.09	3,676.85
Total District Activity Funds	\$ 38,061.12	\$ 219,088.24	\$ 215,328.97	\$ 41,820.39	\$ 13,051.36	\$ 54,871.75	\$ 38,061.12

FEDERAL COMPLIANCE SECTION

UNIFIED SCHOOL DISTRICT #445
Coffeyville, Kansas
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012

Federal Grantor / Pass Through Grantor / Program Title	Pass-Through Entity Identifying Number	Federal CFDA Number	Cash Receipts	Disbursements/ Expenditures
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Direct Grant				
Title IX Indian Education	N/A	84.060	\$ 104,277.00	\$ 104,277.00
Passed through the Kansas Department of Education				
Title I Grant to Local Educational Agencies	DO445-10	84.010	15,002.00	15,002.00
Title I Grant to Local Educational Agencies	DO445-11	84.010	575,798.00	575,798.00
Title I Grant to Local Educational Agencies - School Improvement	DO445	84.010	100,000.00	100,000.00
		Total 84.010 (M)	690,800.00	690,800.00
Vocational Education - Basic Grants to States - Program Imp.	DO445	84.048	23,889.00	23,889.00
Vocational Education - Basic Grants to States - Reserve Fund	DO445	84.048	78,589.00	78,889.00
Vocational Education - Basic Grants to States - Reserve Fund Mini	DO445	84.048	-	18,634.00
		Total 84.048	102,478.00	121,412.00
Migrant Education	DO445	84.011	48,480.00	48,480.00
Migrant Education - Summer Services	DO445	84.011	-	888.58
		Total 84.011	48,480.00	49,368.58
Advance Placement Program	DO445	84.330	13,087.00	11,446.35
Rural Low Income Schools Program	DO445	84.358	33,952.00	33,952.00
Mathematics and Science Partnerships Grant	DO445	84.366	141,679.00	141,679.41
Improving Teacher Quality State Grants	DO445-10	84.367	31,431.00	31,431.00
Improving Teacher Quality State Grants	DO445-11	84.367	114,690.00	114,690.00
		Total 84.367	146,121.00	146,121.00
Education Jobs Fund - ARRA	DO445	84.410	5,392.00	5,392.00
Passed through Save the Children Federation, Inc.				
21st Century Community Learning Centers	840KS1202	84.287	-	27,600.06
Total U.S. Department of Education			1,286,266.00	1,332,048.40

UNIFIED SCHOOL DISTRICT #445
Coffeyville, Kansas
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012

Federal Grantor / Pass Through Grantor / Program Title	Pass-Through Entity Identifying Number	Federal CFDA Number	Cash Receipts	Disbursements/ Expenditures
<u>U.S. DEPARTMENT OF JUSTICE</u>				
Passed through the Boys and Girls Club of America				
Juvenile Mentoring Program	OJP 2010-19407	16.726	\$ 20,000.00	\$ 1,000.00
Total U.S. Department of Justice			20,000.00	1,000.00
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Passed through the Kansas Department of Education				
Child USDA Nutrition Cluster:				
National School Lunch Program	DO445	10.555	589,310.70	589,310.70
School Breakfast Program	DO445	10.553	149,634.81	149,634.81
Summer Food Service Program for Children	DO445	10.559	29,866.72	29,866.72
Total Child USDA Nutrition Cluster: (M)			768,812.23	768,812.23
State Administrative Expenses for Child Nutrition	DO445	10.560	50.00	50.00
Fresh Fruits and Vegetables	DO445	10.582	31,515.46	31,515.46
Total U.S. Department of Agriculture			800,377.69	800,377.69
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>				
Passed through the Kansas Department of Education				
Americorps	DO445	94.006	28,698.00	32,302.00
Total Corporation for National and Community Service			28,698.00	32,302.00
TOTAL FEDERAL AWARDS			\$ 2,135,341.69	\$ 2,165,728.09

Note to the Schedule of Expenditures of Federal Awards:

Federal expenditures are recorded on the accrual basis of accounting, which records expenses when the goods or services are received, and not necessarily when paid.
(M) = Major Program

JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

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

Board of Education
Unified School District #445
Coffeyville, Kansas

We have audited the financial statements of the Unified School District #445, Coffeyville, Kansas, as of and for the year ended June 30, 2012, which collectively comprise the Unified School District #445, Coffeyville, Kansas' basic financial statements and have issued our report thereon dated December 27, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of Unified School District #445, Coffeyville, Kansas, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Unified School District #445, Coffeyville, Kansas' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Unified School District #445, Coffeyville, Kansas' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Unified School District #445, Coffeyville, Kansas' internal control over financial reporting.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Unified School District #445, Coffeyville, Kansas' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

A handwritten signature in cursive script that reads "Jarred, Gilmore & Phillips, PA".

JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

December 27, 2012
Chanute, Kansas

JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

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

Board of Education
Unified School District #445
Coffeyville, Kansas

Compliance

We have audited Unified School District #445, Coffeyville, Kansas' compliance with the types of compliance requirements described in the OMB Circular A-133 Compliance Supplement that could have a direct and material effect on each of Unified School District #445, Coffeyville, Kansas' major federal programs for the year ended June 30, 2012. Unified School District #445, Coffeyville, Kansas' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Unified School District #445, Coffeyville, Kansas' management. Our responsibility is to express an opinion on Unified School District #445, Coffeyville, Kansas' compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Unified School District #445, Coffeyville, Kansas' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Unified School District #445, Coffeyville, Kansas' compliance with those requirements.

In our opinion, Unified School District #445, Coffeyville, Kansas, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control over Compliance

Management of Unified School District #445, Coffeyville, Kansas, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Unified School District #445, Coffeyville, Kansas' internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Unified School District #445, Coffeyville, Kansas' internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

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

A handwritten signature in cursive script that reads "Jarred, Gilmore & Phillips, PA".

JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

December 27, 2012
Chanute, Kansas

UNIFIED SCHOOL DISTRICT #445
Coffeyville, Kansas

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

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

The auditors' report expresses a qualified opinion on the basic financial statements of Unified School District #445, Coffeyville, Kansas.

Internal Control over Financial Reporting:

Material weakness(es) identified?	_____	Yes	_____X_____	No
Significant deficiencies identified that are not considered to be a material weaknesses?	_____	Yes	_____X_____	No
Noncompliance or other matters required to be reported under <i>Government Auditing Standards</i>	_____	Yes	_____X_____	No

Federal Awards:

Internal control over major programs:				
Material weakness(es) identified?	_____	Yes	_____X_____	No
Significant deficiencies identified that are not considered to be a material weaknesses?	_____	Yes	_____X_____	No

The auditors' report on compliance for the major federal award programs for Unified School District #445, Coffeyville, Kansas expresses an unqualified opinion.

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?	_____	Yes	_____X_____	No
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Identification of major programs:

U.S. DEPARTMENT OF EDUCATION

Title I Grants to Local Educational Agencies	CFDA No. 84.010
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U.S. DEPARTMENT OF AGRICULTURE

Child USDA Nutrition Cluster:	
National School Lunch Program	CFDA No. 10.555
School Breakfast Program	CFDA No. 10.553
Summer Food Service Program for Children	CFDA No. 10.559

The threshold for distinguishing Types A and B programs was \$300,000.00.

Auditee qualified as a low risk auditee?	_____X_____	Yes	_____	No
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II. FINDINGS – FINANCIAL STATEMENT AUDIT

NONE

UNIFIED SCHOOL DISTRICT #445
Coffeyville, Kansas

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

III. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

NONE

Questioned
Costs

U.S. DEPARTMENT OF EDUCATION

Title I Grants to Local Educational Agencies – CFDA No. 84.010

None

U.S. DEPARTMENT OF AGRICULTURE

Child USDA Nutrition Cluster:

National School Lunch Program – CFDA No. 10.555

None

School Breakfast Program – CFDA No. 10.553

None

Summer Food Service Program for Children – CFDA No. 10.559

None

UNIFIED SCHOOL DISTRICT #445
Coffeyville, Kansas

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2012

None