

UNIFIED SCHOOL DISTRICT NO. 447
CHERRYVALE, KANSAS
REPORT
June 30, 2012

UNIFIED SCHOOL DISTRICT NO. 447
CHERRYVALE, KANSAS

June 30, 2012

TABLE OF CONTENTS

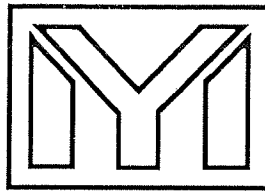
	<u>Page Number</u>
<u>INTRODUCTORY SECTION</u>	
Title Page	
Table of Contents	
<u>FINANCIAL SECTION</u>	
Independent Auditor's Report	1 -2
STATEMENT 1	
Summary of Cash Receipts, Expenditures and Unencumbered Cash	3 - 4
STATEMENT 2	
Summary of Expenditures - Actual and Budget	5
STATEMENT 3	
Statement of Cash Receipts and Expenditures	
General Fund	6
Supplemental General Fund	7
Vocational Education Fund	8
Special Education Fund	9
4 Yr. Old At Risk Fund	10
K-12 At Risk Fund	11
Driver Training Fund	12
Food Service Fund	13
Capital Outlay Fund	14
Inservice Education Fund	15
Virtual School Fund	16
Small Grants Fund	17
KPERS Retirement Fund	18
Contingency Reserve Fund	19
Textbook Rental Fund	20
Recreation Commission Fund	21
Abernathy Grant Fund	22
Rural/Low Income Fund	23
Title I – 2009/2010 Fund	24
ARRA Title I - 2009/2010 Fund	25
Title I – 2010/2011 Fund	26
Title I – 2011/2012 Fund	27
Title II A – 2010/2011 Fund	28
Bond and Interest Fund	29

UNIFIED SCHOOL DISTRICT NO. 447
CHERRYVALE, KANSAS

June 30, 2012

TABLE OF CONTENTS

	<u>Page Number</u>
STATEMENT 4 Summary of Cash Receipts, Expenditures and Unencumbered Cash Agency Funds	30
STATEMENT 5 Summary of Cash Receipts, Expenditures and Unencumbered Cash District Activity Funds	31
STATEMENT 6 Statement of Cash Receipts and Expenditures- Actual and Budget Recreation Commission - General Fund	32
NOTES TO THE FINANCIAL STATEMENTS	33 - 43
<u>SUPPLEMENTAL INFORMATION</u>	
Report of Independent Certified Public Accountants on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	44 - 45
Report of Independent Certified Public Accountants 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	46 - 47
Schedule of Expenditures of Federal Awards	48
Schedule of Findings and Questioned Costs	49- 50
Summary Schedule of Prior Audit Findings	51



YERKES & MICHELS, CPA, LLC

CERTIFIED PUBLIC ACCOUNTANTS

John D. Carroll, CPA
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American Institute of Certified Public Accountants
Kansas Society of Certified Public Accountants
An Independent C.P.A. Firm

INDEPENDENT AUDITOR'S REPORT

Board of Education
Unified School District No. 447
Cherryvale, Kansas 67335

We have audited the accompanying statutory basis financial statements of the individual funds of the Unified School District No. 447, Cherryvale, Kansas, as of and for the year ended June 30, 2012, as listed in the table of contents. These statutory basis financial statements are the responsibility of the School District's management. Our responsibility is to express an opinion on these statutory basis financial statements based on our audit.

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

As described in Note A-3, the School District prepared these statutory basis financial statements using 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 statutory basis financial statements of the differences between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the statutory basis financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District No. 447, Cherryvale, Kansas, as of June 30, 2012, or changes in financial position or cash flows thereof for the year then ended.

Also, in our opinion, the statutory basis financial statements referred to in the first paragraph present fairly, in all material respects, the cash and unencumbered cash balances of each of the various funds of Unified School District No. 447, Cherryvale, Kansas, as of June 30, 2012, and their respective cash receipts and expenditures and budgetary results for such funds for the year then ended on the basis of accounting described in Note A-3.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2013 on our consideration of the District's 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 the 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 statutory basis financial statements of Unified School District No. 447 taken as a whole. 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 not a required part of the statutory basis financial statements. The Schedule of Findings and Questioned Costs and Summary Schedule of Prior Audit Findings are presented for the purpose of additional analysis and are not a required part of the statutory basis financial statements. The information has been subjected to the auditing procedures applied in the audit of the statutory basis financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements of the District taken as a whole, on the basis of accounting described in Note A-3.


YERKES & MICHELS, CPA, LLC

February 5, 2013

UNIFIED SCHOOL DISTRICT NO. 447
CHERRYVALE, KANSAS

SUMMARY OF CASH RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH

For the Year Ended June 30, 2012

Fund	Beginning Unencumbered Cash Balance July 1, 2011	Prior Year Cancelled Encumbrances	Cash		Expenditures	Ending Unencumbered Cash Balance June 30, 2012		Outstanding Encumbrances and Accounts Payable	Ending Cash Balance June 30, 2012		Fund
			Receipts								
General	\$ 0.68	\$ -	\$ 6,295,967.71	\$ 6,295,968.00	\$ 0.39	\$ 43,944.79	\$ 43,945.18				General
Supplemental General Fund	565.48	-	1,568,638.51	1,500,000.00	69,203.99	229,351.94	298,555.93				Supplemental General Fund
Special Revenue Funds:											Special Revenue Funds:
Vocational Education Fund	54,957.63	-	257,780.00	259,777.53	52,960.10	14,331.70	67,291.80				Vocational Education Fund
Special Education Fund	177,075.36	-	958,255.14	954,736.66	180,593.84	473.44	181,067.28				Special Education Fund
4 Yr. Old At Risk Fund	5,362.00	-	49,722.00	49,722.00	5,362.00		5,362.00				4 Yr. Old At Risk Fund
K-12 At Risk Fund	100,637.00	-	858,700.00	863,691.87	95,645.13	3,243.74	98,888.87				K-12 At Risk Fund
Driver Training Fund	42,245.51	-	15,318.00	17,984.76	39,598.75	1,422.48	41,021.23				Driver Training Fund
Food Service Fund	134,303.88	-	597,298.45	593,190.00	138,412.33	6,518.63	144,930.96				Food Service Fund
Capital Outlay Fund	1,403,579.32	-	332,192.31	381,073.65	1,354,697.98	254,722.44	1,609,420.42				Capital Outlay Fund
Inservise Education Fund	83,907.06	-	20,165.51	77,984.28	26,088.29	3,460.00	29,548.29				Inservise Education Fund
Virtual School Fund	61,156.51	-	266,100.00	270,108.95	57,147.56	7,894.55	65,042.11				Virtual School Fund
Small Grants Fund	5,318.51	-	209.79	750.00	4,778.30		4,778.30				Small Grants Fund
KPERS Retirement Fund	-	-	528,346.16	528,346.16	-		-				KPERS Retirement Fund
Contingency Reserve Fund	493,556.25	-	15,926.42	165.00	493,556.25		493,556.25				Contingency Reserve Fund
Textbook Rental Fund	92,496.40	-	53,776.12	53,776.12	108,257.82		108,257.82				Textbook Rental Fund
Recreation Commission Fund	-	-	-	-	-		-				Recreation Commission Fund
Abernathy Grant Fund	723.78	-	23,797.00	554.73	169.05	2,247.12	169.05				Abernathy Grant Fund
Rural/Low Income Fund	-	-	-	(0.09)	-		2,247.12				Rural/Low Income Fund
Title I - 2009/2010 Fund	0.76	-	-	(0.33)	0.85		0.85				Title I - 2009/2010 Fund
ARRA Title I - 2009/2010 Fund	(14.33)	-	14.00	(0.33)	(0.00)		(0.00)				ARRA Title I - 2009/2010 Fund
Title I - 2010/2011 Fund	(3,630.74)	-	35,049.00	31,418.26	0.00		0.00				Title I - 2010/2011 Fund
Title I - 2011/2012 Fund	-	-	218,639.00	227,161.70	(8,522.70)	25,644.10	17,121.40				Title I - 2011/2012 Fund
Title II A - 2010/2011 Fund	-	-	27,552.00	27,552.00	-		-				Title II A - 2010/2011 Fund
District Activity Funds	25,933.70	-	55,179.05	63,787.58	17,325.17		17,325.17				District Activity Funds
Debt Service Fund:											Debt Service Fund:
Bond and Interest Fund	254,275.61	-	288,927.32	280,080.00	263,122.93		263,122.93				Bond and Interest Fund
TOTAL PRIMARY GOVERNMENT	\$ 2,932,450.37	\$ -	\$ 12,467,553.49	\$ 12,501,605.83	\$ 2,898,398.03	\$ 593,254.93	\$ 3,491,652.96				TOTAL PRIMARY GOVERNMENT

2932450.37

UNIFIED SCHOOL DISTRICT NO. 447
CHERRYVALE, KANSAS

SUMMARY OF CASH RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH

For the Year Ended June 30, 2012

Fund	Beginning Unencumbered Cash Balance July 1, 2011	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance June 30, 2012	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance June 30, 2012	COMPONENT UNIT: Recreation Board - General Fund
	44,026.86	-	67,295.13	55,961.91	55,360.08	-	55,360.08	
	\$ 44,026.86	\$ -	\$ 67,295.13	\$ 55,961.91	\$ 55,360.08	\$ -	\$ 55,360.08	
TOTAL COMPONENT UNITS	\$ 2,976,477.23	\$ -	\$ 12,534,848.62	\$ 12,557,567.74	\$ 2,953,758.11	\$ 593,254.93	\$ 3,547,013.04	
TOTAL REPORTING ENTITY (Excluding Agency Funds)								

COMPOSITION OF CASH:

Community National Bank, Cherryvale, Kansas	
Checking Account No. 0810002728 - Board Office	\$ 971,463.52
Checking Account No. 0810002744 - High School	52,375.13
Checking Account No. 0810002736 - Board Office	500.00
Checking Account No. 93095002 - High School	500.00
Checking Account No. 93095006 - Lincoln School	200.00
Checking Account No. 93095009 - Lincoln School	4,971.08
Checking Account No. 810002078 - Thayer Learning Center	200.00
Certificate of Deposit No. 52626	1,000,000.00
Certificate of Deposit No. 51074	750,000.00
Certificate of Deposit No. 51778	750,000.00
Certificate of Deposit No. 51357	1,664.27
	\$ 3,531,874.00
First State Bank, Thayer, Kansas	
Checking Account No. 110272 - Thayer Learning Center	16,803.82
	\$ 3,548,677.82
Less : Agency Funds - STATEMENT # 4	(57,024.86)
TOTAL PRIMARY GOVERNMENT	\$ 3,491,652.96
COMPONENT UNIT	
Community National Bank, Cherryvale, Kansas	
Checking Account No. 22037201	55,360.08
TOTAL REPORTING ENTITY (Excluding Agency Funds)	\$ 3,547,013.04

UNIFIED SCHOOL DISTRICT NO. 447
CHERRYVALE, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2012

<u>Fund</u>	<u>Certified Budget</u>	<u>Adjustment to Comply With Legal Max</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance (Over) Under</u>	<u>Fund</u>
General	\$ 6,371,568.00	\$ (75,600.00)	\$ -	\$ 6,295,968.00	\$ 6,295,968.00	\$ -	General
Supplemental General Fund	1,500,000.00	-	-	1,500,000.00	1,500,000.00	-	Supplemental General Fund
Special Revenue Funds:							Special Revenue Funds:
Vocational Education Fund	301,425.00	-	-	301,425.00	259,777.53	41,647.47	Vocational Education Fund
Special Education Fund	1,066,915.00	-	-	1,066,915.00	954,736.66	112,178.34	Special Education Fund
4 Yr. Old At Risk Fund	65,362.00	-	-	65,362.00	49,722.00	15,640.00	4 Yr. Old At Risk Fund
K-12 At Risk Fund	873,705.00	-	-	873,705.00	863,691.87	10,013.13	K-12 At Risk Fund
Driver Training Fund	20,900.00	-	-	20,900.00	17,964.76	2,935.24	Driver Training Fund
Food Service Fund	656,319.00	-	-	656,319.00	593,190.00	63,129.00	Food Service Fund
Capital Outlay Fund	715,000.00	-	-	715,000.00	381,073.65	333,926.35	Capital Outlay Fund
Inservice Education Fund	84,575.00	-	-	84,575.00	77,984.28	6,590.72	Inservice Education Fund
Virtual School Fund	361,157.00	-	-	361,157.00	270,108.95	91,048.05	Virtual School Fund
Small Grants Fund	56,102.00	-	-	56,102.00	750.00	55,352.00	Small Grants Fund
KPERS Retirement Fund	530,400.00	-	-	530,400.00	528,346.16	2,053.84	KPERS Retirement Fund
Recreation Commission Fund	62,000.00	-	-	62,000.00	53,776.12	8,223.88	Recreation Commission Fund
Debt Service Fund:							Debt Service Fund:
Bond and Interest Fund	280,130.00	-	-	280,130.00	280,080.00	50.00	Bond and Interest Fund
COMPONENT UNIT:							COMPONENT UNIT:
Recreation Board - General Fund	107,170.00	-	-	107,170.00	55,961.91	51,208.09	Recreation Board - General Fund

UNIFIED SCHOOL DISTRICT NO. 447
CHERRYVALE, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET

For the Year Ended June 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR THE YEAR ENDED JUNE 30, 2011)

GENERAL FUND				
	Prior Year Actual	CURRENT YEAR		Variance Over (Under)
		Actual	Budget	
CASH RECEIPTS				
Ad Valorem Tax	\$ 354,786.96	\$ 370,593.26	\$ 354,813.00	\$ 15,780.26
Delinquent Tax	8,264.89	17,765.76	9,569.00	8,196.76
Other County Taxes	8,296.41	7,378.69	143.00	7,235.69
State Aid	5,125,925.00	5,273,862.00	5,308,251.00	(34,389.00)
State Aid – Special Ed	553,281.00	623,339.00	698,792.00	(75,453.00)
ARRA Stabilization Funds	116,287.00	-	-	-
Education Jobs Grant	203,619.00	3,029.00	-	3,029.00
TOTAL CASH RECEIPTS	\$ 6,370,460.26	\$ 6,295,967.71	\$ 6,371,568.00	\$ (75,600.29)
EXPENDITURES				
Instruction	\$ 2,639,087.54	\$ 2,760,181.67	\$ 2,861,805.00	\$ (101,623.33)
ARRA Salaries	116,287.00	-	-	-
Student Support Services	118,168.21	118,044.21	120,150.00	(2,105.79)
Instructional Support Staff	63,900.64	141,114.42	119,870.00	21,244.42
General Administration	262,824.27	244,162.51	261,479.00	(17,316.49)
School Administration	457,780.00	443,330.70	449,978.00	(6,647.30)
Business Office	42,827.54	34,732.27	48,560.00	(13,827.73)
Operations and Maintenance	457,240.03	450,973.02	454,000.00	(3,026.98)
Transportation	219,240.96	191,084.07	221,152.00	(30,067.93)
Transfers	2,020,101.66	1,971,943.91	1,834,574.00	137,369.91
Reimbursements	(26,997.85)	(59,598.78)	-	(59,598.78)
Adjustments to comply with Legal Max	-	-	(75,600.00)	75,600.00
TOTAL EXPENDITURES	\$ 6,370,460.00	\$ 6,295,968.00	\$ 6,295,968.00	\$ -
CASH RECEIPTS OVER (UNDER) EXPENDITURES	\$ 0.26	\$ (0.29)		
UNENCUMBERED CASH, BEGINNING	\$ 0.42	\$ 0.68		
UNENCUMBERED CASH, ENDING	\$ 0.68	\$ 0.39		

UNIFIED SCHOOL DISTRICT NO. 447
CHERRYVALE, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET

For the Year Ended June 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR THE YEAR ENDED JUNE 30, 2011)

SUPPLEMENTAL GENERAL FUND

	Prior Year <u>Actual</u>	<u>CURRENT YEAR</u>		Variance Over (Under)
		<u>Actual</u>	<u>Budget</u>	
CASH RECEIPTS				
Ad Valorem Tax	\$ 453,435.24	\$ 475,889.60	\$ 444,942.00	\$ 30,947.60
Delinquent Tax	11,658.73	24,677.33	12,365.00	12,312.33
Motor Vehicle Tax	66,063.01	71,535.31	80,522.00	(8,986.69)
Other County Taxes	876.36	789.27	1,711.00	(921.73)
ARRA Stabilization Funds	-	-	-	-
State of Kansas	949,920.00	995,747.00	959,895.00	35,852.00
TOTAL CASH RECEIPTS	<u>\$ 1,481,953.34</u>	<u>\$ 1,568,638.51</u>	<u>\$ 1,499,435.00</u>	<u>\$ 69,203.51</u>
EXPENDITURES				
Instruction	\$ 446,936.91	\$ 357,071.45	\$ 294,000.00	\$ 63,071.45
ARRA Salaries	-	-	-	-
Student Support Services	331.78	280.38	-	280.38
Instructional Support	-	-	-	-
General Administration	15,816.99	26,248.30	30,000.00	(3,751.70)
School Administration	6,946.82	6,877.71	14,500.00	(7,622.29)
Operations and Maintenance	373,145.98	385,269.73	371,500.00	13,769.73
Transportation	50,884.35	55,086.92	40,000.00	15,086.92
Transfers	605,937.17	669,165.51	750,000.00	(80,834.49)
TOTAL EXPENDITURES	<u>\$ 1,500,000.00</u>	<u>\$ 1,500,000.00</u>	<u>\$ 1,500,000.00</u>	<u>\$ -</u>
CASH RECEIPTS OVER (UNDER) EXPENDITURES	\$ (18,046.66)	\$ 68,638.51		
UNENCUMBERED CASH, BEGINNING	<u>18,612.14</u>	<u>565.48</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 565.48</u>	<u>\$ 69,203.99</u>		

UNIFIED SCHOOL DISTRICT NO. 447
CHERRYVALE, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET

For the Year Ended June 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR THE YEAR ENDED JUNE 30, 2011)

VOCATIONAL EDUCATION FUND

	Prior Year Actual	CURRENT YEAR		Variance Over (Under)
		Actual	Budget	
CASH RECEIPTS				
Transfers	\$ 255,500.00	\$ 253,500.00	\$ 250,000.00	\$ 3,500.00
Carl Perkins Grant	501.03	4,280.00	8,000.00	(3,720.00)
TOTAL CASH RECEIPTS	<u>\$ 256,001.03</u>	<u>\$ 257,780.00</u>	<u>\$ 258,000.00</u>	<u>\$ (220.00)</u>
EXPENDITURES				
Instruction	\$ 255,699.75	\$ 259,777.53	\$ 301,425.00	\$ (41,647.47)
TOTAL EXPENDITURES	<u>\$ 255,699.75</u>	<u>\$ 259,777.53</u>	<u>\$ 301,425.00</u>	<u>\$ (41,647.47)</u>
CASH RECEIPTS OVER (UNDER) EXPENDITURES	\$ 301.28	\$ (1,997.53)		
UNENCUMBERED CASH , BEGINNING	<u>54,656.35</u>	<u>54,957.63</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 54,957.63</u>	<u>\$ 52,960.10</u>		

UNIFIED SCHOOL DISTRICT NO. 447
CHERRYVALE, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET

For the Year Ended June 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR THE YEAR ENDED JUNE 30, 2011)

SPECIAL EDUCATION FUND

	Prior Year Actual	CURRENT YEAR		Variance Over (Under)
		Actual	Budget	
CASH RECEIPTS				
Transfers	\$ 843,281.00	\$ 958,255.14	\$ 998,792.00	\$ (40,536.86)
Other	-	-	-	-
TOTAL CASH RECEIPTS	\$ 843,281.00	\$ 958,255.14	\$ 998,792.00	\$ (40,536.86)
EXPENDITURES				
Instruction	\$ 825,550.09	\$ 954,736.66	\$ 1,066,915.00	\$ (112,178.34)
TOTAL EXPENDITURES	\$ 825,550.09	\$ 954,736.66	\$ 1,066,915.00	\$ (112,178.34)
CASH RECEIPTS OVER (UNDER) EXPENDITURES	\$ 17,730.91	\$ 3,518.48		
UNENCUMBERED CASH , BEGINNING	159,344.45	177,075.36		
UNENCUMBERED CASH, ENDING	\$ 177,075.36	\$ 180,593.84		

UNIFIED SCHOOL DISTRICT NO. 447
CHERRYVALE, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET

For the Year Ended June 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR THE YEAR ENDED JUNE 30, 2011)

4 YR. OLD AT RISK FUND

	Prior Year <u>Actual</u>	<u>CURRENT YEAR</u>		Variance Over (Under)
		<u>Actual</u>	<u>Budget</u>	
CASH RECEIPTS				
Transfer	\$ 49,500.00	\$ 49,722.00	\$ 60,000.00	\$ (10,278.00)
Miscellaneous	-	-	-	-
TOTAL CASH RECEIPTS	<u>\$ 49,500.00</u>	<u>\$ 49,722.00</u>	<u>\$ 60,000.00</u>	<u>\$ (10,278.00)</u>
EXPENDITURES				
Contracted Services	\$ 48,732.00	\$ 49,722.00	\$ 65,362.00	\$ (15,640.00)
Operations and Maintenance	-	-	-	-
TOTAL EXPENDITURES	<u>\$ 48,732.00</u>	<u>\$ 49,722.00</u>	<u>\$ 65,362.00</u>	<u>\$ (15,640.00)</u>
CASH RECEIPTS OVER (UNDER) EXPENDITURES	\$ 768.00	\$ -		
UNENCUMBERED CASH , BEGINNING	<u>4,594.00</u>	<u>5,362.00</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 5,362.00</u>	<u>\$ 5,362.00</u>		

UNIFIED SCHOOL DISTRICT NO. 447
CHERRYVALE, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET

For the Year Ended June 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR THE YEAR ENDED JUNE 30, 2011)

K-12 AT RISK FUND

	Prior Year <u>Actual</u>	<u>CURRENT YEAR</u>		Variance Over (Under)
		<u>Actual</u>	<u>Budget</u>	
CASH RECEIPTS				
Transfers	\$ 800,500.00	\$ 858,700.00	\$ 845,782.00	\$ 12,918.00
Miscellaneous	-	-	-	-
TOTAL CASH RECEIPTS	<u>\$ 800,500.00</u>	<u>\$ 858,700.00</u>	<u>\$ 845,782.00</u>	<u>\$ 12,918.00</u>
EXPENDITURES				
Instruction	\$ 802,500.74	\$ 863,691.87	\$ 873,705.00	\$ (10,013.13)
TOTAL EXPENDITURES	<u>\$ 802,500.74</u>	<u>\$ 863,691.87</u>	<u>\$ 873,705.00</u>	<u>\$ (10,013.13)</u>
CASH RECEIPTS OVER (UNDER) EXPENDITURES	\$ (2,000.74)	\$ (4,991.87)		
UNENCUMBERED CASH , BEGINNING	<u>102,637.74</u>	<u>100,637.00</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 100,637.00</u>	<u>\$ 95,645.13</u>		

UNIFIED SCHOOL DISTRICT NO. 447
CHERRYVALE, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET

For the Year Ended June 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR THE YEAR ENDED JUNE 30, 2011)

DRIVER TRAINING FUND

	Prior Year Actual	CURRENT YEAR		Variance Over (Under)
		Actual	Budget	(Under)
CASH RECEIPTS				
State of Kansas	\$ 3,552.00	\$ 3,290.00	\$ 3,700.00	\$ (410.00)
Miscellaneous	3,675.00	6,028.00	-	6,028.00
Transfer	4,937.17	6,000.00	-	6,000.00
TOTAL CASH RECEIPTS	<u>\$ 12,164.17</u>	<u>\$ 15,318.00</u>	<u>\$ 3,700.00</u>	<u>\$ 11,618.00</u>
EXPENDITURES				
Instruction	\$ -	\$ -	\$ 18,900.00	\$ (18,900.00)
Operations and Maintenance	11,479.88	17,964.76	2,000.00	15,964.76
TOTAL EXPENDITURES	<u>\$ 11,479.88</u>	<u>\$ 17,964.76</u>	<u>\$ 20,900.00</u>	<u>\$ (2,935.24)</u>
CASH RECEIPTS OVER (UNDER) EXPENDITURES	\$ 684.29	\$ (2,646.76)		
UNENCUMBERED CASH , BEGINNING	<u>41,561.22</u>	<u>42,245.51</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 42,245.51</u>	<u>\$ 39,598.75</u>		

UNIFIED SCHOOL DISTRICT NO. 447
CHERRYVALE, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET

For the Year Ended June 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR THE YEAR ENDED JUNE 30, 2011)

FOOD SERVICE FUND

	Prior Year Actual	CURRENT YEAR		Variance Over (Under)
		Actual	Budget	
CASH RECEIPTS				
State of Kansas	\$ 3,631.09	\$ 4,791.79	\$ 3,631.00	\$ 1,160.79
Federal Funds	338,941.19	379,255.26	268,394.00	110,861.26
Food Service	111,828.04	112,512.34	127,319.00	(14,806.66)
Miscellaneous	6,974.68	10,739.06		10,739.06
Transfers	101,000.00	90,000.00	125,000.00	(35,000.00)
TOTAL CASH RECEIPTS	<u>\$ 562,375.00</u>	<u>\$ 597,298.45</u>	<u>\$ 524,344.00</u>	<u>\$ 72,954.45</u>
EXPENDITURES				
Food Service Operation	\$ 562,301.62	\$ 593,190.00	\$ 656,319.00	\$ (63,129.00)
	<u>\$ 562,301.62</u>	<u>\$ 593,190.00</u>	<u>\$ 656,319.00</u>	<u>\$ (63,129.00)</u>
CASH RECEIPTS OVER (UNDER) EXPENDITURES	\$ 73.38	\$ 4,108.45		
UNENCUMBERED CASH , BEGINNING	<u>134,230.50</u>	<u>134,303.88</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 134,303.88</u>	<u>\$ 138,412.33</u>		

UNIFIED SCHOOL DISTRICT NO. 447
CHERRYVALE, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET

For the Year Ended June 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR THE YEAR ENDED JUNE 30, 2011)

CAPITAL OUTLAY FUND

	Prior Year <u>Actual</u>	<u>CURRENT YEAR</u>		Variance Over (Under)
		<u>Actual</u>	<u>Budget</u>	
CASH RECEIPTS				
Interest on Investments	\$ 4,814.09	\$ 6,288.12		\$ 6,288.12
County Taxes	37.86	4.66		4.66
Miscellaneous & Reimbursements	48,347.00	187,232.76		187,232.76
Transfers	233,320.66	138,666.77		138,666.77
TOTAL CASH RECEIPTS	<u>\$ 286,519.61</u>	<u>\$ 332,192.31</u>	<u>\$ -</u>	<u>\$ 332,192.31</u>
EXPENDITURES				
Equipment and Furnishings	\$ 20,327.04	\$ 63,905.03	\$ 200,000.00	\$ (136,094.97)
Architect	6,000.00	990.00	15,000.00	(14,010.00)
Repair and Remodeling-Buildings	101,706.70	288,179.62	-	288,179.62
Site Improvement	-	27,999.00	500,000.00	(472,001.00)
TOTAL EXPENDITURES	<u>\$ 128,033.74</u>	<u>\$ 381,073.65</u>	<u>\$ 715,000.00</u>	<u>\$ (333,926.35)</u>
CASH RECEIPTS OVER (UNDER) EXPENDITURES	\$ 158,485.87	\$ (48,881.34)		
UNENCUMBERED CASH , BEGINNING	<u>1,245,093.45</u>	<u>1,403,579.32</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 1,403,579.32</u>	<u>\$ 1,354,697.98</u>		

UNIFIED SCHOOL DISTRICT NO. 447
CHERRYVALE, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET

For the Year Ended June 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR THE YEAR ENDED JUNE 30, 2011)

INSERVICE EDUCATION FUND

	Prior Year Actual	CURRENT YEAR		Variance Over (Under)
		Actual	Budget	
CASH RECEIPTS				
State of Kansas	\$ -	\$ -	\$ -	\$ -
Transfers	<u>60,000.00</u>	<u>20,165.51</u>	<u>5,000.00</u>	<u>15,165.51</u>
TOTAL CASH RECEIPTS	<u>\$ 60,000.00</u>	<u>\$ 20,165.51</u>	<u>\$ 5,000.00</u>	<u>\$ 15,165.51</u>
EXPENDITURES				
Instruction	<u>\$ 34,269.08</u>	<u>\$ 77,984.28</u>	<u>\$ 84,575.00</u>	<u>\$ (6,590.72)</u>
TOTAL EXPENDITURES	<u>\$ 34,269.08</u>	<u>\$ 77,984.28</u>	<u>\$ 84,575.00</u>	<u>\$ (6,590.72)</u>
CASH RECEIPTS OVER (UNDER) EXPENDITURES	\$ 25,730.92	\$ (57,818.77)		
UNENCUMBERED CASH , BEGINNING	<u>58,176.14</u>	<u>83,907.06</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 83,907.06</u>	<u>\$ 26,088.29</u>		

UNIFIED SCHOOL DISTRICT NO. 447
CHERRYVALE, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET

For the Year Ended June 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR THE YEAR ENDED JUNE 30, 2011)

VIRTUAL SCHOOL FUND

	Prior Year Actual	CURRENT YEAR		Variance Over (Under)
		Actual	Budget	
CASH RECEIPTS				
Transfers	\$ 278,000.00	\$ 266,100.00	\$ 300,000.00	\$ (33,900.00)
Miscellaneous	-	-	-	-
TOTAL CASH RECEIPTS	\$ 278,000.00	\$ 266,100.00	\$ 300,000.00	\$ (33,900.00)
EXPENDITURES				
Instruction	\$ 274,302.15	\$ 270,108.95	\$ 361,157.00	\$ (91,048.05)
TOTAL EXPENDITURES	\$ 274,302.15	\$ 270,108.95	\$ 361,157.00	\$ (91,048.05)
CASH RECEIPTS OVER (UNDER) EXPENDITURES	\$ 3,697.85	\$ (4,008.95)		
UNENCUMBERED CASH , BEGINNING	57,458.66	61,156.51		
UNENCUMBERED CASH, ENDING	\$ 61,156.51	\$ 57,147.56		

UNIFIED SCHOOL DISTRICT NO. 447
CHERRYVALE, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET

For the Year Ended June 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR THE YEAR ENDED JUNE 30, 2011)

SMALL GRANTS FUND

	Prior Year <u>Actual</u>	<u>CURRENT YEAR</u>		Variance Over (Under)
		<u>Actual</u>	<u>Budget</u>	
CASH RECEIPTS				
State of Kansas	\$ -	\$ -	\$ -	\$ -
Miscellaneous	211.05	209.79	50,000.00	(49,790.21)
TOTAL CASH RECEIPTS	\$ 211.05	\$ 209.79	\$ 50,000.00	\$ (49,790.21)
EXPENDITURES				
Miscellaneous	\$ 993.86	\$ 750.00	\$ 56,102.00	\$ (55,352.00)
TOTAL EXPENDITURES	\$ 993.86	\$ 750.00	\$ 56,102.00	\$ (55,352.00)
CASH RECEIPTS OVER (UNDER) EXPENDITURES	\$ (782.81)	\$ (540.21)		
UNENCUMBERED CASH , BEGINNING	6,101.32	5,318.51		
UNENCUMBERED CASH, ENDING	\$ 5,318.51	\$ 4,778.30		

UNIFIED SCHOOL DISTRICT NO. 447
CHERRYVALE, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET

For the Year Ended June 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR THE YEAR ENDED JUNE 30, 2011)

KPERS RETIREMENT FUND

	Prior Year <u>Actual</u>	<u>CURRENT YEAR</u>		Variance Over (Under)
		<u>Actual</u>	<u>Budget</u>	
CASH RECEIPTS				
State of Kansas	\$ 303,115.17	\$ 528,346.16	\$ 530,400.00	\$ (2,053.84)
TOTAL CASH RECEIPTS	\$ 303,115.17	\$ 528,346.16	\$ 530,400.00	\$ (2,053.84)
EXPENDITURES				
KPERS Contributions	\$ 303,115.17	\$ 528,346.16	\$ 530,400.00	\$ (2,053.84)
TOTAL EXPENDITURES	\$ 303,115.17	\$ 528,346.16	\$ 530,400.00	\$ (2,053.84)
CASH RECEIPTS OVER (UNDER) EXPENDITURES	\$ -	\$ -		
UNENCUMBERED CASH , BEGINNING	-	-		
UNENCUMBERED CASH, ENDING	\$ -	\$ -		

UNIFIED SCHOOL DISTRICT NO. 447
CHERRYVALE, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES

For the Year Ended June 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR THE YEAR ENDED JUNE 30, 2011)

CONTINGENCY RESERVE FUND

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
CASH RECEIPTS		
Transfer	\$ -	\$ -
TOTAL CASH RECEIPTS	\$ -	\$ -
EXPENDITURES		
Operation and Maintenance	\$ -	\$ -
TOTAL EXPENDITURES	\$ -	\$ -
CASH RECEIPTS OVER (UNDER) EXPENDITURES	\$ -	\$ -
UNENCUMBERED CASH , BEGINNING	<u>493,556.25</u>	<u>493,556.25</u>
UNENCUMBERED CASH, ENDING	<u>\$ 493,556.25</u>	<u>\$ 493,556.25</u>

UNIFIED SCHOOL DISTRICT NO. 447
CHERRYVALE, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES

For the Year Ended June 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR THE YEAR ENDED JUNE 30, 2011)

TEXTBOOK RENTAL FUND

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
CASH RECEIPTS		
Fees	\$ 17,762.81	\$ 15,926.42
TOTAL CASH RECEIPTS	\$ 17,762.81	\$ 15,926.42
EXPENDITURES		
Commodities	\$ 221.94	\$ 165.00
TOTAL EXPENDITURES	\$ 221.94	\$ 165.00
CASH RECEIPTS OVER (UNDER) EXPENDITURES	\$ 17,540.87	\$ 15,761.42
UNENCUMBERED CASH , BEGINNING	74,955.53	92,496.40
UNENCUMBERED CASH, ENDING	\$ 92,496.40	\$ 108,257.82

UNIFIED SCHOOL DISTRICT NO. 447
CHERRYVALE, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET

For the Year Ended June 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR THE YEAR ENDED JUNE 30, 2011)

RECREATION COMMISSION FUND

	Prior Year <u>Actual</u>	<u>CURRENT YEAR</u>		Variance Over (Under)
		<u>Actual</u>	<u>Budget</u>	
CASH RECEIPTS				
Ad Valorem Tax	\$ 41,386.43	\$ 43,526.23	\$ 42,735.00	\$ 791.23
Delinquent Tax	1,333.56	2,541.74	1,125.00	1,416.74
Motor Vehicle Tax	11,194.14	5,265.69	8,493.00	(3,227.31)
Other County Taxes	197.60	2,442.46	180.00	2,262.46
Miscellaneous	-	-	9,500.00	(9,500.00)
			-	
TOTAL CASH RECEIPTS	\$ 54,111.73	\$ 53,776.12	\$ 62,033.00	\$ (8,256.88)
EXPENDITURES				
Community Service Operations	\$ 54,111.73	\$ 53,776.12	\$ 62,000.00	\$ (8,223.88)
TOTAL EXPENDITURES	\$ 54,111.73	\$ 53,776.12	\$ 62,000.00	\$ (8,223.88)
CASH RECEIPTS OVER (UNDER) EXPENDITURES	\$ -	\$ -		
UNENCUMBERED CASH , BEGINNING	-	-		
UNENCUMBERED CASH, ENDING	\$ -	\$ -		

UNIFIED SCHOOL DISTRICT NO. 447
CHERRYVALE, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES

For the Year Ended June 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR THE YEAR ENDED JUNE 30, 2011)

ABERNATHY GRANT FUND

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
CASH RECEIPTS		
None	\$ -	\$ -
TOTAL CASH RECEIPTS	\$ -	\$ -
EXPENDITURES		
Instruction	\$ -	\$ 554.73
TOTAL EXPENDITURES	\$ -	\$ 554.73
CASH RECEIPTS OVER (UNDER) EXPENDITURES	\$ -	\$ (554.73)
UNENCUMBERED CASH , BEGINNING	723.78	723.78
UNENCUMBERED CASH, ENDING	<u>\$ 723.78</u>	<u>\$ 169.05</u>

UNIFIED SCHOOL DISTRICT NO. 447
CHERRYVALE, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES

For the Year Ended June 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR THE YEAR ENDED JUNE 30, 2011)

RURAL/LOW INCOME FUND

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
CASH RECEIPTS		
Federal Funds	\$ 25,395.00	\$ 23,797.00
TOTAL CASH RECEIPTS	<u>\$ 25,395.00</u>	<u>\$ 23,797.00</u>
EXPENDITURES		
Instruction	\$ 25,395.00	\$ -
Commodities		16,798.57
Contracted Services	<u>-</u>	<u>6,998.43</u>
TOTAL EXPENDITURES	<u>\$ 25,395.00</u>	<u>\$ 23,797.00</u>
CASH 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 NO. 447
CHERRYVALE, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES

For the Year Ended June 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR THE YEAR ENDED JUNE 30, 2011)

TITLE I - 2009/2010 FUND

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
CASH RECEIPTS		
Federal Funds	\$ 113,210.00	\$ -
TOTAL CASH RECEIPTS	<u>\$ 113,210.00</u>	<u>\$ -</u>
 EXPENDITURES		
Personnel	\$ 64,014.00	\$ -
Cancelled Purchase Order	<u>-</u>	<u>(0.09)</u>
TOTAL EXPENDITURES	<u>\$ 64,014.00</u>	<u>\$ (0.09)</u>
CASH RECEIPTS OVER (UNDER) EXPENDITURES	\$ 49,196.00	\$ 0.09
UNENCUMBERED CASH , BEGINNING	<u>(49,195.24)</u>	<u>0.76</u>
UNENCUMBERED CASH, ENDING	<u><u>\$ 0.76</u></u>	<u><u>\$ 0.85</u></u>

UNIFIED SCHOOL DISTRICT NO. 447
CHERRYVALE, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES

For the Year Ended June 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR THE YEAR ENDED JUNE 30, 2011)

ARRA TITLE I - 2009/2010 FUND

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
CASH RECEIPTS		
Federal Funds - ARRA	\$ 34,635.00	\$ 14.00
TOTAL CASH RECEIPTS	<u>\$ 34,635.00</u>	<u>\$ 14.00</u>
EXPENDITURES		
Instruction	\$ 24,496.00	\$ -
Cancelled Purchase Order	<u>-</u>	<u>(0.33)</u>
TOTAL EXPENDITURES	<u>\$ 24,496.00</u>	<u>\$ (0.33)</u>
CASH RECEIPTS OVER (UNDER) EXPENDITURES	\$ 10,139.00	\$ 14.33
UNENCUMBERED CASH , BEGINNING	<u>(10,153.33)</u>	<u>(14.33)</u>
UNENCUMBERED CASH, ENDING	<u><u>\$ (14.33)</u></u>	<u><u>\$ 0.00</u></u>

UNIFIED SCHOOL DISTRICT NO. 447
CHERRYVALE, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES

For the Year Ended June 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR THE YEAR ENDED JUNE 30, 2011)

TITLE I - 2010-2011 FUND

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
CASH RECEIPTS		
Federal Funds	\$ 195,484.00	\$ 35,049.00
TOTAL CASH RECEIPTS	<u>\$ 195,484.00</u>	<u>\$ 35,049.00</u>
EXPENDITURES		
Instruction	\$ 199,114.74	\$ 31,418.26
Other		-
TOTAL EXPENDITURES	<u>\$ 199,114.74</u>	<u>\$ 31,418.26</u>
CASH RECEIPTS OVER (UNDER) EXPENDITURES	\$ (3,630.74)	\$ 3,630.74
UNENCUMBERED CASH , BEGINNING	<u>-</u>	<u>(3,630.74)</u>
UNENCUMBERED CASH, ENDING	<u><u>\$ (3,630.74)</u></u>	<u><u>\$ 0.00</u></u>

UNIFIED SCHOOL DISTRICT NO. 447
CHERRYVALE, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES

For the Year Ended June 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR THE YEAR ENDED JUNE 30, 2011)

TITLE I - 2011-2012 FUND

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
CASH RECEIPTS		
Federal Funds	\$ -	\$ 218,639.00
TOTAL CASH RECEIPTS	<u>\$ -</u>	<u>\$ 218,639.00</u>
EXPENDITURES		
Instruction	\$ -	\$ 227,161.70
Other		-
TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 227,161.70</u>
CASH RECEIPTS OVER (UNDER) EXPENDITURES	\$ -	\$ (8,522.70)
UNENCUMBERED CASH , BEGINNING	<u>-</u>	<u>-</u>
UNENCUMBERED CASH, ENDING	<u><u>\$ -</u></u>	<u><u>\$ (8,522.70)</u></u>

UNIFIED SCHOOL DISTRICT NO. 447
CHERRYVALE, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES

For the Year Ended June 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR THE YEAR ENDED JUNE 30, 2011)

TITLE II A - 2010-2011 FUND

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
CASH RECEIPTS		
Federal Funds	\$ 34,697.00	\$ 27,552.00
TOTAL CASH RECEIPTS	<u>\$ 34,697.00</u>	<u>\$ 27,552.00</u>
EXPENDITURES		
Instruction	\$ 34,697.00	\$ 27,552.00
Other	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>\$ 34,697.00</u>	<u>\$ 27,552.00</u>
CASH 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 NO. 447
CHERRYVALE, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET

For the Year Ended June 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR THE YEAR ENDED JUNE 30, 2011)

BOND AND INTEREST FUND

	Prior Year Actual	CURRENT YEAR		Variance Over (Under)
		Actual	Budget	
CASH RECEIPTS				
Ad Valorem Tax	\$ 91,716.68	\$ 91,013.38	\$ 90,161.00	\$ 852.38
Delinquent Tax	3,633.13	6,340.58	2,514.00	3,826.58
Motor Vehicle Tax	16,485.67	14,902.74	17,122.00	(2,219.26)
Other County Taxes	214.78	220.62	363.00	(142.38)
Miscellaneous	-	-	-	-
State of Kansas	163,490.00	176,450.00	176,450.00	-
TOTAL CASH RECEIPTS	\$ 275,540.26	\$ 288,927.32	\$ 286,610.00	\$ 2,317.32
EXPENDITURES				
Bond Principal	\$ 215,000.00	\$ 220,000.00	\$ 220,000.00	\$ -
Bond Interest	66,880.00	60,080.00	60,080.00	-
Other	-	-	50.00	(50.00)
TOTAL EXPENDITURES	\$ 281,880.00	\$ 280,080.00	\$ 280,130.00	\$ (50.00)
CASH RECEIPTS OVER (UNDER) EXPENDITURES	\$ (6,339.74)	\$ 8,847.32		
UNENCUMBERED CASH , BEGINNING	260,615.35	254,275.61		
UNENCUMBERED CASH, ENDING	\$ 254,275.61	\$ 263,122.93		

UNIFIED SCHOOL DISTRICT NO. 447
CHERRYVALE, KANSAS

AGENCY FUNDS

SUMMARY OF CASH RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH

For the Year Ended June 30, 2012

Fund	Beginning Unencumbered Cash Balance July 1, 2011	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance June 30, 2012	Outstanding Encumbrances and Accounts	Ending Cash Balance June 30, 2012	
HIGH SCHOOL AND MIDDLE SCHOOL								HIGH SCHOOL AND MIDDLE SCHOOL
Annual - High School	\$ 3.68	\$ -	\$ 6,323.40	\$ 6,327.08	\$ -	\$ -	\$ -	Annual - High School
Cheerleaders	1,758.10	-	6,264.33	7,693.35	329.08	-	329.08	Cheerleaders
Class of 2011	202.26	-	-	202.26	-	-	-	Class of 2011
Class of 2012	2,155.74	-	17,246.33	19,402.07	9,283.30	-	9,283.30	Class of 2012
Class of 2013	4,132.69	-	24,613.15	19,462.54	4,396.40	-	4,396.40	Class of 2013
Class of 2014	2,138.40	-	2,258.00	-	2,138.00	-	2,138.00	Class of 2014
Class of 2015	-	-	2,138.00	-	4,767.10	-	4,767.10	Class of 2015
F.F.A.	4,648.59	-	54,584.11	54,465.60	195.25	-	195.25	F.F.A.
F.C.C.L.A.	306.91	-	3,314.19	3,425.85	372.14	-	372.14	F.C.C.L.A.
Library	372.14	-	-	-	14.19	-	14.19	Library
Multi-Media Club	14.19	-	-	-	3,068.99	-	3,068.99	Multi-Media Club
IHP-IN House	1,785.43	-	1,283.56	-	1,196.97	-	1,196.97	IHP-IN House
Student Council - High School	1,357.69	-	2,004.72	2,165.44	613.03	-	613.03	Student Council - High School
Band Booster	54.88	-	2,345.65	1,787.50	55.61	-	55.61	Band Booster
F.B.L.A.	358.42	-	2,902.15	3,204.96	110.00	-	110.00	F.B.L.A.
Concert Choir	110.00	-	-	-	276.72	-	276.72	Concert Choir
Fine Arts	276.72	-	-	-	131.29	-	131.29	Fine Arts
Chargers in Lat	1,362.23	-	923.00	2,153.94	2,023.86	-	2,023.86	Chargers in Lat
Special Ed - Middle School	1,626.64	-	2,804.03	2,406.81	162.63	-	162.63	Special Ed - Middle School
SNV	162.63	-	-	-	660.39	-	660.39	SNV
Spirit Squad - Middle School	405.21	-	3,027.18	2,772.00	2,938.13	-	2,938.13	Spirit Squad - Middle School
Student Council - Middle School	3,351.24	-	2,150.80	2,563.91	24.82	-	24.82	Student Council - Middle School
Sales Tax	332.05	-	12,336.35	12,643.58	2,292.06	-	2,292.06	Sales Tax
Yearbook - Middle School	1,861.22	-	2,859.24	2,428.40	-	-	-	Yearbook - Middle School
Sub-Total High School and Middle School	\$ 28,777.06	\$ -	\$ 149,378.19	\$ 143,105.29	\$ 35,049.96	\$ -	\$ 35,049.96	Sub-Total High School & M.S.
ELEMENTARY SCHOOL								ELEMENTARY SCHOOL
Student Activity Fund	5,217.18	-	1,796.60	2,042.70	4,971.08	-	4,971.08	Student Activity Fund
THAYER LEARNING CENTER								THAYER LEARNING CENTER
Student Activity Fund	17,320.04	-	43,577.35	43,893.57	17,003.82	-	17,003.82	Student Activity Fund
TOTAL STUDENT ORGANIZATION FUNDS	\$ 51,314.28	\$ -	\$ 194,752.14	\$ 189,041.56	\$ 57,024.86	\$ -	\$ 57,024.86	TOTAL STUDENT ORGANIZATION FUNDS

UNIFIED SCHOOL DISTRICT NO. 447
CHERRYVALE, KANSAS

STATEMENT OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH

For the Year Ended June 30, 2012

DISTRICT ACTIVITY FUNDS

<u>Fund</u>	<u>Beginning Unencumbered Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add Outstanding Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>	<u>Fund</u>
Gate Receipts							Gate Receipts
Athletics	\$ 22,025.42	\$ 44,001.94	\$ 49,480.38	\$ 16,546.98	\$ -	\$ 16,546.98	Athletics
Baseball	0.49	3,002.29	2,812.18	190.60		190.60	Baseball
Basketball - HSB	36.64			36.64		36.64	Basketball - HSB
Basketball - CMS	-	254.75	254.75	-		-	Basketball - CMS
Football - CHS	3,371.39	5,497.05	8,820.47	47.97		47.97	Football - CHS
Volleyball - CHS	115.06	698.98	687.50	126.54		126.54	Volleyball - CHS
Volleyball - CMS	2.81			2.81		2.81	Volleyball - CMS
Women Basketball - CHS	239.15	897.75	932.50	204.40		204.40	Women Basketball - CHS
Wrestling - HS	142.74	826.29	799.80	169.23		169.23	Wrestling - HS
Total District Activity Funds	\$ 25,933.70	\$ 55,179.05	\$ 63,787.58	\$ 17,325.17	\$ -	\$ 17,325.17	Total District Activity Funds

UNIFIED SCHOOL DISTRICT NO. 447
CHERRYVALE, KANSAS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET

For the Year Ended June 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR THE YEAR ENDED JUNE 30, 2012)

RECREATION COMMISSION - GENERAL FUND

	Prior Year <u>Actual</u>	<u>CURRENT YEAR</u>		Variance Over Under
		<u>Actual</u>	<u>Budget</u>	
CASH RECEIPTS				
Appropriations	\$ 54,111.73	\$ 53,776.12	\$ 62,000.00	\$ (8,223.88)
Fees	5,070.05	3,353.34	3,000.00	353.34
Insurance Reimbursement		10,105.65		10,105.65
Interest	191.54	60.02	100.00	(39.98)
TOTAL CASH RECEIPTS	<u>\$ 59,373.32</u>	<u>\$ 67,295.13</u>	<u>\$ 65,100.00</u>	<u>\$ 2,195.13</u>
EXPENDITURES				
General	\$ 46,391.22	\$ 35,908.31	\$ 47,000.00	\$ (11,091.69)
Maintenance	4,028.67	1,486.24	10,000.00	(8,513.76)
Director	4,804.80	4,802.40	4,850.00	(47.60)
Groundskeeper	3,716.22	2,255.15	3,500.00	(1,244.85)
Utilities	2,442.06	2,281.17	2,650.00	(368.83)
Athletic Activities	6,465.00	6,402.00	13,500.00	(7,098.00)
Insurance	2,296.00	2,287.00	3,000.00	(713.00)
Payroll Taxes	651.22	539.64	670.00	(130.36)
Capital Outlay	-	-	22,000.00	(22,000.00)
TOTAL EXPENDITURES	<u>\$ 70,795.19</u>	<u>\$ 55,961.91</u>	<u>\$ 107,170.00</u>	<u>\$ (51,208.09)</u>
CASH RECEIPTS OVER (UNDER) EXPENDITURES	\$ (11,421.87)	\$ 11,333.22		
UNENCUMBERED CASH , BEGINNING	<u>55,448.73</u>	<u>44,026.86</u>		
UNENCUMBERED CASH, ENDING	<u>\$ 44,026.86</u>	<u>\$ 55,360.08</u>		

**UNIFIED SCHOOL DISTRICT NO. 447
CHERRYVALE, KANSAS**

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. REPORTING ENTITY

Unified School District No. 447 is a municipal corporation governed by an elected seven-member board. These financial statements present USD No. 447 (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 District.

The District's summary of cash receipts, cash disbursements and unencumbered cash includes the accounts of all District operations. The District's major operations include primary and secondary education of young people in the Cherryvale, Kansas and Thayer, Kansas areas. The scope of the entity for financial reporting purposes is designed as those funds for which the District has oversight responsibility and is primarily accountable. Oversight responsibility includes budgetary authority and fiscal management responsibility. Budgetary authority is defined as authority for final approval of budgetary appropriations and revisions. Fiscal management responsibility is control of the collection and disbursement of funds.

Discretely presented component unit. The component unit section of the financial statements includes the financial data of the discretely presented component unit. This component unit is reported separately to emphasize that it is legally separate from the school district. The governing body of this component unit is appointed by the school district's Board of Education.

- a. Recreation Commission. USD No. 447 Recreation Commission oversees recreational activities. The Recreation Commission operates as a separate governing body but the school district levies the taxes for the Recreation Commission and the Recreation Commission has only the powers granted by Statute K.S.A. 12-1928. The Recreation Commission cannot purchase real property, but can acquire real property by gift.

2. 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 Unified School District 447, Cherryvale, Kansas, for the year ended June 30, 2012.

**UNIFIED SCHOOL DISTRICT NO. 447
CHERRYVALE, KANSAS**

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental Funds:

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

Special Revenue Fund--to account for the proceeds of specific revenue sources (other than special assessments or major capital projects) that are restricted by law or administrative action to expenditure for specified purposes.

Debt Service Funds--to account for the accumulation of resources for, and the payment of, interest and principal on general long-term debt, and the financing of special assessments which are general obligation of Unified School District 447, Cherryvale, Kansas.

Fiduciary Funds:

Trust and 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. These include (a) Expendable Trust Funds, (b) Nonexpendable Trust Funds, (c) Pension Trust Funds, and (d) Agency Funds.

3. BASIS OF ACCOUNTING

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

The Kansas Legislature passed a law requiring all school districts to record, as received by June 30 of each fiscal year, all required state aid distributions for that year made by the Kansas Department of Education regardless of when received by the School District. Therefore, the State of Kansas did not make its final state aid distribution until July 6, 2012 in the amount of \$752,480.00, and the District recorded this as a June 30, 2012 receipt. Under accounting practices prescribed by the State of Kansas to demonstrate compliance with the

**UNIFIED SCHOOL DISTRICT NO. 447
CHERRYVALE, KANSAS**

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

cash basis and budget laws of the State of Kansas, this money should have been receipted in the fiscal year ended June 30, 2013.

The District passed a resolution dated July 11, 2011, to waive the annual requirement of generally accepted accounting principles and fixed asset accounting for the year ended June 30, 2012, in conformity with K.S.A. 75-1120a (c) (1), and allowing the municipality to use the statutory basis of accounting.

4. DEPARTURE FROM GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

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 municipality 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.

NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

1. BUDGETARY INFORMATION

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

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.

**UNIFIED SCHOOL DISTRICT NO. 447
CHERRYVALE, KANSAS**

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The budgets for the General Fund and KPERS Retirement Fund were amended for fiscal year June 30, 2012.

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

All legal annual operating budgets are prepared using the statutory basis of accounting. Revenues are recognized when cash is received except as described in Footnote A-3. Expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for the following special revenue funds:

Contingency Reserve Fund
Textbook Rental Fund
Abernathy Grant Fund
Rural/Low Income Schools Fund
Title I – 2009/2010 Fund
ARRA Title I – 2009/2010 Fund
Title I – 2010/2011 Fund
Title II – 2011/2012 Fund
Title II A – 2010/2011 Fund
District Activity Fund

**UNIFIED SCHOOL DISTRICT NO. 447
CHERRYVALE, KANSAS**

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

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.

**2. COMPLIANCE WITH KANSAS STATUTES AND OTHER FINANCE RELATED
LEGAL MATTERS**

Management is not aware of any violations of compliance with Kansas Statutes or violations of other finance related legal matters.

NOTE C - DEPOSITS AND INVESTMENTS

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

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificate 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 Districts' deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at June 30, 2012.

**UNIFIED SCHOOL DISTRICT NO. 447
CHERRYVALE, KANSAS**

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

At year-end the carrying amount of the District's deposits, including certificates of deposit, was \$3,548,677.82. The bank balance was \$3,672,463.97. The difference between the carrying amount and the bank balance is outstanding checks and deposits in transit. The bank balance was held by two banks, resulting in a concentration of credit risk. Of the bank balance \$267,388.82 was covered by FDIC insurance, and \$3,405,075.15 was collateralized by guarantee bonds and pledged securities held by the pledging financial institution's agents in the District's name.

At year-end the carrying amount of the Recreation Commission's deposits was \$55,360.08. The bank balance was \$38,378.15. The difference between the carrying amount and the bank balance is outstanding checks and deposits in transit. The bank balance was held by one bank, resulting in a concentration of credit risk. The bank balance of \$38,378.15 was covered by FDIC insurance.

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

At June 30, 2012, the District had no investments.

NOTE D - INTERFUND TRANSFERS

Operating Transfers were as follows:

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
General	Vocational Education	K.S.A. 72-6428	\$253,500.00
General	Special Education	K.S.A. 72-6428	638,255.14
General	Virtual School Fund	K.S.A. 72-6428	166,100.00
General	4 Yr. Old At Risk	K.S.A. 72-6428	49,722.00
General	K-12 At Risk	K.S.A. 72-6428	720,700.00
General	Capital Outlay	K.S.A. 72-6428	138,666.77
General	Inservice Education	K.S.A. 72-6428	5,000.00
Supplemental General	Special Education	K.S.A. 72-6428	320,000.00
Supplemental General	Drivers Training	K.S.A. 72-6428	6,000.00
Supplemental General	Food Service	K.S.A. 72-6428	90,000.00
Supplemental General	K-12 At Risk	K.S.A. 72-6428	138,000.00
Supplemental General	Virtual School	K.S.A. 72-6428	100,000.00
Supplemental General	Inservice Education	K.S.A. 72-6428	15,165.51

**UNIFIED SCHOOL DISTRICT NO. 447
CHERRYVALE, KANSAS**

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE E – LONG-TERM DEBT

See Pages 42 – 43 for Schedules of Long-Term Debt.

NOTE F- RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. Settlements of claims have not exceeded coverage during the past three fiscal years.

NOTE G - DEFINED BENEFIT PENSION PLAN

Plan description. The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. KPERS provide 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. Topeka Avenue, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Funding Policy. K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary. Member-employees' contributions are withheld by their employer and paid to KPERS according to provisions of section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. Kansas currently contributes 9.77% of covered payroll. These contribution requirements are established by KPERS and are periodically revised. Kansas' contributions to KPERS for all Kansas public school employees for the years ending June 30, 2012, 2011, and 2010 were \$298,653,383, \$253,834,044, and \$248,468,186, respectively, equal to the required contributions as set forth by the State legislature each year. The amounts attributable to the District for the years ending June 30, 2012, 2011 and 2010 were \$528,346, \$303,115, and \$346,833.

NOTE H – OTHER POST EMPLOYMENT BENEFITS

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to 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.

**UNIFIED SCHOOL DISTRICT NO. 447
CHERRYVALE, KANSAS**

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE H – OTHER POST EMPLOYMENT BENEFITS (Continued)

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.

NOTE I - COMPENSATED ABSENCES - EMPLOYEE VACATION AND SICK PAY

Twelve month classified personnel are granted two weeks (10 working days) vacation annually. An employee must have been employed a minimum of one year for two weeks vacation. Employees having been employed less than one year but at least one-half year, qualify for one week vacation.

Twelve month classified personnel are granted three weeks (15 working days) vacation annually after completing five (5) years of employment tenure. In some instances unused vacation may be accumulated. The Superintendent receives twenty (20) days vacation annually, which is non-accumulative.

All full time employees are granted 11 days sick leave at the beginning of the school year. Ten days are granted to the employee and one day is included in the sick leave pot. Unused sick leave shall accumulate. Sick leave may also be used in the event of serious illness in the immediate family.

Sick leave shall also be used to cover absences to attend funerals of family or friends.

Any certified employee leaving the District after twelve (12) consecutive years of service or upon retirement (as defined by KPERS) shall receive \$40.00 per day for each unused day of accumulated sick leave. Classified employees receive \$25.00 per day for each unused day of accumulated sick leave.

The liability for accrued vacation and sick pay is not reflected on the financial statements. Neither the actual or estimated liability could be reasonably estimated at June 30, 2012. The cost of vacation and sick pay are recognized as expenditures when paid.

**UNIFIED SCHOOL DISTRICT NO. 447
CHERRYVALE, KANSAS**

NOTES TO FINANCIAL STATEMENTS

June 30, 2012

NOTE J – FLEXIBLE BENEFIT PLAN (I.R.C. SECTION 125)

The Board adopted a salary-reduction flexible benefit plan under Section 125 of the Internal Revenue Code. All full-time employees of the District are eligible to participate in the plan beginning the first day of the month following employment. Each employee may elect to reduce his or her salary to purchase benefits through the plan. Currently benefits offered through the plan involve health insurance premiums, medical expense reimbursement, and child care.

NOTE K – USE OF ESTIMATES

The preparation of statutory basis financial statements required management to make estimates and assumptions that affect the reported amounts of expenditures during the audit period, encumbrances outstanding and disclosure of contingencies at the end of the audit period. Actual results could differ from the estimates.

UNIFIED SCHOOL DISTRICT NO. 447
CHERRYVALE, KANSAS

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2012

NOTE E - Long Term Debt

Changes in long-term debt during fiscal year ended June 30, 2012:

<u>Issue</u>	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Net Change</u>	<u>Balance End of Year</u>	<u>Interest Paid</u>
GENERAL OBLIGATION BONDS										
Refunding Bonds	6.0-2.4%	4/1/04	2,535,000.00	9/1/17	1,730,000.00	-	220,000.00	\$ (220,000.00)	\$ 1,510,000.00	60,080.00
					<u>\$ 1,730,000.00</u>	<u>\$ -</u>	<u>\$ 220,000.00</u>	<u>\$ (220,000.00)</u>	<u>\$ 1,510,000.00</u>	<u>\$ 60,080.00</u>

UNIFIED SCHOOL DISTRICT NO. 447
CHERRYVALE, KANSAS

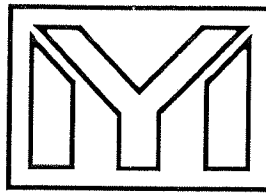
NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 2012

NOTE E - Long Term Debt (Continued)

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

	Year 6/30 2013	Year 6/30 2014	Year 6/30 2015	Year 6/30 2016	Year 6/30 2017	Year 6/30 2018	TOTAL
PRINCIPAL							
Building Refunding Bonds	\$ 240,000.00	\$ 250,000.00	\$ 260,000.00	\$ 275,000.00	\$ 295,000.00	\$ 190,000.00	\$ 1,510,000.00
TOTAL PRINCIPAL	\$ 240,000.00	\$ 250,000.00	\$ 260,000.00	\$ 275,000.00	\$ 295,000.00	\$ 190,000.00	\$ 1,510,000.00
INTEREST							
Building Refunding Bonds	\$ 52,425.00	\$ 43,907.50	\$ 34,660.00	\$ 24,625.00	\$ 13,500.00	\$ 3,800.00	\$ 172,917.50
TOTAL INTEREST	\$ 52,425.00	\$ 43,907.50	\$ 34,660.00	\$ 24,625.00	\$ 13,500.00	\$ 3,800.00	\$ 172,917.50
TOTAL PRINCIPAL AND INTEREST	\$ 292,425.00	\$ 293,907.50	\$ 294,660.00	\$ 299,625.00	\$ 308,500.00	\$ 193,800.00	\$ 1,682,917.50



YERKES & MICHELS, CPA, LLC

CERTIFIED PUBLIC ACCOUNTANTS

John D. Carroll, CPA
Carmen R. Duroni, CPA

Randy Hoffman

American Institute of Certified Public Accountants
Kansas Society of Certified Public Accountants
An Independent C.P.A. Firm

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS 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 No. 447
Cherryvale, KS 67335

We have audited the statutory basis financial statements of Unified School District No. 447, Cherryvale, Kansas, as of and for the year ended June 30, 2012, and have issued our report thereon dated February 5, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Kansas Municipal Audit Guide*.

Internal Control Over Financial Reporting

Management of Unified School District No. 447, Cherryvale, Kansas, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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

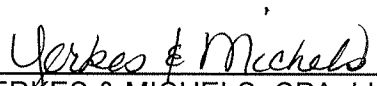
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses.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

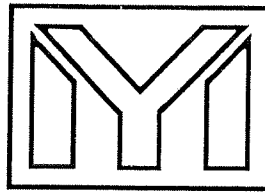
As part of obtaining reasonable assurance about whether the District's statutory basis financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct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

We noted certain other matters that we reported to management of the District in a separate letter dated February 5, 2013.

This report is intended solely for the information and use of the Board of Education of the Unified School District No. 447, Cherryvale, Kansas, management, federal awarding agencies and pass through entities and for filing with the State of Kansas, Division of Accounts and Reports and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.


YERKES & MICHELS, CPA, LLC

February 5, 2013



YERKES & MICHELS, CPA, LLC

CERTIFIED PUBLIC ACCOUNTANTS

John D. Carroll, CPA
Carmen R. Duron, CPA

Randy Hoffman

American Institute of Certified Public Accountants
Kansas Society of Certified Public Accountants
An Independent C.P.A. Firm

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS 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

Independent Auditor's Report

Board of Education
Unified School District No. 447
Cherryvale, KS 67335

Compliance

We have audited Unified School District No. 447, Cherryvale, Kansas's 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 the District's major federal program for the year ended June 30, 2012. The District's major federal program is 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 its major federal program is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the *Kansas Municipal Audit Guide*. 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 the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, Unified School District No. 447, Cherryvale, Kansas, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2012.

Internal Control Over Compliance

The management of Unified School District No. 447, Cherryvale, Kansas, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with 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 the District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be 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 the Board of Education of Unified School District No. 447, Cherryvale, Kansas, management, and federal awarding agencies and pass-through entities and for filing with the State of Kansas, Division of Accounts and Reports and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.


YERKES & MICHELS, CPA, LLC

February 5, 2013

UNIFIED SCHOOL DISTRICT NO. 447
CHERRYVALE, KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2012

<u>Agency:</u>	<u>CFDA #</u>	<u>Expenditures</u> <u>(Statutory Basis)</u>
U.S. Department of Education		
Passed through Southeast Kansas Educational Service Center:		
Career and Technical Education - Perkins IV	84.048	\$ 4,280
Passed through the Kansas Dept. of Education:		
Title I Cluster		
Title I, Part A Grants to LEA's	84.010	258,580
Total Title I Cluster		258,580
Character Education Initiative	84.215	422
Rural Low Income Schools Program	84.358	23,797
Title IIa Improving Teacher Quality	84.367	27,552
Education Jobs Fund	84.410	3,029
 TOTAL U.S. DEPARTMENT OF EDUCATION		 \$ 317,660
U.S. Department of Agriculture		
Passed through the Kansas Dept. of Education:		
Child Nutrition Cluster:		
School Breakfast Program	10.553	\$ 84,095
National School Lunch Program/ Cash for Commodities	10.555	237,156
Summer Food Service Program for Children	10.559	31,916
Total Child Nutrition Cluster		353,167
Fresh Fruits and Vegetables	10.582	26,088
 TOTAL U.S. DEPARTMENT OF AGRICULTURE		 \$ 379,255
 TOTAL EXPENDITURES OF FEDERAL AWARDS		 \$ 696,915

NOTE: This schedule is presented on a basis of accounting which demonstrates compliance with the cash basis and budget laws of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Cash disbursements are recognized when the cash balance of a fund is decreased. Expenditures include disbursements, accounts payable and encumbrances.

UNIFIED SCHOOL DISTRICT NO. 447
CHERRYVALE, KANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2012

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified? ☐ yes ☒ no

Noncompliance material to financial statements noted? ☐ yes ☒ no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified? ☐ yes ☒ no

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? ☐ yes ☒ no

Identification of major program:

CFDA Numbers

Name of Federal Program or Cluster

84.389 and 84.010

Title I Cluster

Dollar Threshold used to distinguish between Type A and Type B programs: \$ 300,000

Auditee qualified as low risk auditee? ☒ yes ☐ no

UNIFIED SCHOOL DISTRICT NO. 447
CHERRYVALE, KANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2012

Section II – Financial Statement Findings

No matters reported.

Section III – Federal Award Findings and Questioned Costs

84.389 and 84.010 – Title I Cluster

No matters reported.

UNIFIED SCHOOL DISTRICT NO. 447

CHERRYVALE, KANSAS

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended June 30, 2012

There were no unresolved prior audit findings.