

**UNIFIED SCHOOL DISTRICT #503**  
Parsons, Kansas

Statutory Basis Financial Statements  
and Independent Auditors' Reports  
with Supplemental Information  
and Federal Compliance Section

For the Fiscal Year Ended June 30, 2012

**UNIFIED SCHOOL DISTRICT #503**  
Parsons, Kansas

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Parsons, Kansas

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**JARRED, GILMORE & PHILLIPS, PA**  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITORS' REPORT**

Board of Education  
Unified School District #503  
Parsons, Kansas

We have audited the summary of cash receipts, expenditures, and unencumbered cash balances of the Unified School District #503, Parsons, Kansas, as of and for the year ended June 30, 2012. This financial statement is the responsibility of Unified School District #503, Parsons, Kansas' management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year summarized comparative information has been derived from the District's June 30, 2011 financial statements and, in our report dated November 29, 2011, we expressed an unqualified opinion on the financial statements of the Unified School District #503, Parsons, Kansas, prepared in accordance with the statutory 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 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 opinions.

As described more fully in Note 1, the District has prepared these financial statements 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 statements of the variances between these statutory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Unified School District #503, Parsons, Kansas, as of June 30, 2012, the changes in its financial position, or where applicable, its cash flows 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 November 16, 2012, on our consideration of the Unified School District #503, Parsons, 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 that collectively comprise the Unified School District #503, Parsons, Kansas' financial statements 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 analysis and are not a required part of the statutory financial statements. 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 statements. 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 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 statement as a whole.



JARRED, GILMORE & PHILLIPS, PA  
Certified Public Accountants

November 16, 2012  
Chanute, Kansas

## UNIFIED SCHOOL DISTRICT #503

Parsons, 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 Encumbrances and Accounts Payable	Ending Cash Balances	
						2012	2011
GOVERNMENTAL TYPE FUNDS							
General Fund	\$ -	\$ 8,290,797.19	\$ 8,290,797.19	\$ -	\$ 438,259.34	\$ 438,259.34	\$ 410,151.55
Supplemental General	4,789.10	2,299,922.30	2,237,500.00	67,211.40	20,912.85	88,124.25	70,839.42
Special Revenue Funds							
4 Yr Old At-Risk	83,586.95	80,000.00	79,433.90	84,153.05	979.62	85,132.67	90,935.91
K-12 At-Risk	444,476.45	1,183,742.48	1,237,545.79	390,673.14	110,968.06	501,641.20	545,403.99
Capital Outlay	618,696.02	385,671.71	275,270.96	729,096.77	13,515.91	742,612.68	629,872.02
Driver Training	28,690.93	11,598.00	9,281.35	31,007.58	300.00	31,307.58	28,865.93
Food Service	100,210.64	736,636.50	724,642.18	112,204.96	-	112,204.96	100,210.64
Special Education	321,657.79	1,730,310.75	1,751,241.09	300,727.45	9,193.68	309,921.13	330,698.51
First Robotics	12,333.70	11,700.00	13,300.95	10,732.75	-	10,732.75	12,333.70
Vocational Education	255,847.43	450,776.39	439,750.86	266,872.96	47,419.19	314,292.15	305,557.15
Recreation Commission	-	226,287.24	226,287.24	-	-	-	-
Recreation Commission Employee Benefits	-	57,119.64	57,035.00	84.64	-	84.64	-
Title I ARRA	-	-	-	-	-	-	29,245.46
Rural Low-Income Program	-	27,356.00	27,356.00	-	-	-	-
Title I	-	492,900.00	492,900.00	-	33,436.13	33,436.13	10,948.87
Kansas 21st Century Community Learning Center	-	147,927.00	117,814.99	30,112.01	8,299.11	38,411.12	1,535.83
Gifts and Grants	9,685.85	82,007.60	49,659.41	42,034.04	8,619.20	50,653.24	9,685.85
KPERS Special Retirement Contributions	-	807,981.00	807,981.00	-	-	-	-
Contingency Reserve	1,003,816.00	53,543.71	457,359.71	600,000.00	-	600,000.00	1,003,816.00
Title II - Improving Teacher Quality	-	117,850.00	117,850.00	-	-	-	3,686.54
Title I - AVID School Improvement Grant	-	33,340.00	33,340.00	-	-	-	1,278.09

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

**UNIFIED SCHOOL DISTRICT #503**  
Parsons, 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 Encumbrances and Accounts Payable	Ending Cash Balances	
						2012	2011
Special Revenue Funds (Continued)							
Miscellaneous Grants	\$ 1,681.56	\$ -	\$ 1,681.56	\$ -	\$ -	\$ -	2,289.76
Greenbush Health Trust - Blue Cross							
Blue Shield Surplus	-	76,903.03	76,903.03	-	-	-	234.92
Title I - Middle School Improvement Grant	-	2,000.00	2,000.00	-	-	-	23,864.81
Gate Receipts	48,740.54	81,513.94	84,832.36	45,422.12	-	45,422.12	48,740.54
Special Projects	-	100,944.65	100,944.65	-	35,031.68	35,031.68	37,691.07
Debt Service Fund							
Bond and Interest	1,061,125.20	1,925,798.69	1,914,362.50	1,072,561.39	-	1,072,561.39	1,061,125.20
Total Reporting Entity	<u>\$ 3,995,338.16</u>	<u>\$ 19,414,627.82</u>	<u>\$ 19,627,071.72</u>	<u>\$ 3,782,894.26</u>	<u>\$ 726,934.77</u>	<u>\$ 4,509,829.03</u>	<u>\$ 4,759,011.76</u>
Composition of Cash							
General Checking Account.....						\$ 4,545,718.63	\$ 4,779,568.28
Activity Checking Accounts.....						95,921.22	100,558.66
Total Cash						<u>4,641,639.85</u>	<u>4,880,126.94</u>
Less Agency Funds per Schedule 3						<u>(131,810.82)</u>	<u>(121,115.18)</u>
Total Reporting Entity.....						<u>\$ 4,509,829.03</u>	<u>\$ 4,759,011.76</u>

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

**UNIFIED SCHOOL DISTRICT #503**  
Parsons, 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 #503, Parsons, 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. These financial statements present USD #503 (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 and schedules include 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 Parsons and one at-large member.

Recreation Commission - USD #503 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.

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 #503:

**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.



**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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.

**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 – Statutory Basis of Accounting**

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

**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 statement.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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 statements 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 made budget amendments during the fiscal year to the General Fund, 4 Yr Old At-Risk Fund, K-12 At-Risk Fund and Vocational Education Fund budgets. The budgets were increased based upon an increase in funding paid, as a result of an increase in the District's enrollment. The General Fund was later decreased due to the final legal maximum budget based upon the State of Kansas mandated decrease in funding paid to the District for special education state aid.

## **2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

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

All legal annual operating budgets are prepared using the 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 and Schedule 1, the District was in apparent compliance with the cash basis and budget laws of Kansas.

## **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 banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

K.S.A 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; 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 \$4,641,639.85 and the bank balance was \$4,031,945.05. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$272,827.33 was covered by FDIC insurance and \$3,759,117.72 was collateralized with securities held by the pledging financial institution's agents in the District's name.

#### 4. 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 2004-A	2.00% - 3.20%	04/01/2004	\$ 3,590,000.00	09/01/2014	\$ 2,295,000.00	\$ -	\$ 550,000.00		\$ 1,745,000.00	\$ 59,287.50
Series 2005-A	3.30% - 4.40%	07/01/2005	9,500,000.00	09/01/2020	7,725,000.00	-	440,000.00		7,285,000.00	282,135.00
Series 2006-A	3.70% - 4.15%	07/01/2006	7,000,000.00	09/01/2020	5,950,000.00	-	340,000.00		5,610,000.00	242,940.00
Capital Leases										
Energy System	3.50%	07/03/2003	825,600.00	02/01/2014	278,121.31	-	89,537.12		188,584.19	9,734.25
Qualified Zone Academy Bonds Lease Series 2004	None	01/01/2005	1,200,000.00	01/28/2015	427,656.00	-	106,914.00		320,742.00	-
Total Scheduled Long-Term Contractual Indebtedness					16,675,777.31	-	1,526,451.12		15,149,326.19	594,096.75
Other Long-Term Liabilities										
General Accrued Compensated Absences										
Vacation Pay	N/A	N/A	N/A	N/A	63,984.91			\$ (16,608.62)	47,376.29	N/A
Total Long-Term Liabilities					\$ 16,739,762.22	\$ -	\$ 1,526,451.12	\$ (16,608.62)	\$ 15,196,702.48	\$ 594,096.75

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, 2018-2021	Totals
<b>Principal</b>							
General Obligation Bonds							
Paid with Tax Levies							
Series 2004-A	\$ 565,000.00	\$ 580,000.00	\$ 600,000.00	\$ -	\$ -	\$ -	\$ 1,745,000.00
Series 2005-A	460,000.00	480,000.00	500,000.00	875,000.00	915,000.00	4,055,000.00	7,285,000.00
Series 2006-A	360,000.00	375,000.00	390,000.00	670,000.00	700,000.00	3,115,000.00	5,610,000.00
Capital Leases							
Energy System	92,670.92	95,913.27	-	-	-	-	188,584.19
Qualified Zone Academy Bonds Lease - Series 2004	106,914.00	106,914.00	106,914.00	-	-	-	320,742.00
Total Principal	1,584,584.92	1,637,827.27	1,596,914.00	1,545,000.00	1,615,000.00	7,170,000.00	15,149,326.19
<b>Interest</b>							
General Obligation Bonds							
Paid with Tax Levies							
Series 2004-A	44,368.75	27,900.00	9,600.00	-	-	-	81,868.75
Series 2005-A	266,075.00	250,325.00	233,415.00	208,915.00	176,237.50	330,665.00	1,465,632.50
Series 2006-A	226,315.00	209,327.50	192,700.00	170,440.00	141,670.00	261,545.00	1,201,997.50
Capital Leases							
Energy System	6,600.45	3,358.10	-	-	-	-	9,958.55
Qualified Zone Academy Bonds Lease - Series 2004	-	-	-	-	-	-	-
Total Interest	543,359.20	490,910.60	435,715.00	379,355.00	317,907.50	592,210.00	2,759,457.30
Total Principal and Interest	\$ 2,127,944.12	\$ 2,128,737.87	\$ 2,032,629.00	\$ 1,924,355.00	\$ 1,932,907.50	\$ 7,762,210.00	\$ 17,908,783.49

## 5. 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 a Learn.com, which has agreed to make the required private nongovernmental match of 10%, or \$120,000.00. 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 \$106,914.00 annually, into a bank trust account and will be used to pay off the principal amount of \$1,080,000.00, 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	\$ 106,914.00
2014	106,914.00
2015	<u>106,914.00</u>
Total Payments from District	320,742.00
Less: Current Maturities	<u>(106,914.00)</u>
Long-Term Capital Lease Obligations	<u>\$ 213,828.00</u>

The District has entered into a capital lease agreement in order to finance the acquisition of and installation of an energy management system. Payments are made of \$99,271.37 annually, including interest at 3.50%. Final maturity of the lease is February 1, 2014. Future minimum lease payments are as follows:

<u>Year Ended June 30</u>	<u>Totals</u>
2013	\$ 99,271.37
2014	<u>99,271.37</u>
Total Payments from District	198,542.74
Less imputed interest	<u>(9,958.55)</u>
Net Present Value of Minimum	
Lease Payments	188,584.19
Less: Current Maturities	<u>(92,670.92)</u>
Long-Term Capital Lease Obligations	<u>\$ 95,913.27</u>

## 6. OPERATING LEASES

As of June 30, 2012 the District has entered into a number of operating leases for equipment. Total payments for the year ended June 30, 2012, was \$33,372.00. Under the current lease agreements, the future minimum lease rentals are as follows:

2013	\$ 23,532.00
2014	11,980.00
2015	9,720.00
2016	9,720.00
2017	6,080.00
2018	580.00

## **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) 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. 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 \$298,635,383, \$253,834,044, and \$248,468,186, respectively, equal to the required contributions for each year.

## **8. COMPENSATED ABSENCES**

It is the policy of Unified School District #503 that licensed employees will be awarded twelve days of Paid Time Off leave per school year, prorated for part time employees and employees on extended contracts. Only the first ten days of unused Paid Time Off leave may be added to accumulated medical leave, prorated for employees on extended contracts. The maximum accumulated medical leave for persons employed nine months a year is ninety days, and for persons employed twelve months a year is one hundred eight days. At the end of a contract year, the first ten days of unused Paid Time Off leave will be reimbursed to licensed instructors at the rate of \$60 per day. After ten years of employment and upon approved resignation, accumulated unused medical leave will be paid to a licensed instructor at the rate of \$60 per day. District administrators also earn twenty vacation days that can be accumulated.

After three months of successful work, classified employees working full-time earn one sick leave day per month of employment and may accumulate a maximum of seventy unused sick leave days. After three months of successful work, classified employees working part-time earn one sick leave day per month of employment, based on the employee's standard work day hours, and may accumulate a maximum of seventy unused standard sick leave days. An adjustment in the amount of \$1.75 per hour will be made to the first check of the new contract year for accumulated days in excess of seventy. After five years of employment and upon approved resignation, accumulated unused sick leave will be paid to a classified employee at the rate of \$1.75 per hour, based on the employee's standard work day hours. After six months of successful work, classified employees can earn up to ten days of vacation each year during the first ten years of service, which can be accumulated. One additional day of vacation can be earned for each year of service in excess of ten years up to fifteen years. Salaried classified employees exempt from overtime pay, can earn up to ten days of vacation each year during the first two years of service, which can be accumulated. One additional day of vacation can be earned for every two years of service up to ten years of service.

**8. COMPENSATED ABSENCES** (Continued)

The District accrues a liability for compensated absences which meet the following criteria:

- 1) The District's obligation relating to employees' rights to receive compensation for future absences is attributed to employee's services already rendered.
- 2) The obligation relates to rights that vest or accumulate.
- 3) Payment of the compensation is probable.
- 4) The amount can be reasonably estimated.

In accordance with the above criteria, the District has accrued a liability for vacation benefits in footnote 4, and 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 staff of Unified School District #503, prior to June 30, 2004, were able to retire from the District prior to age 61. Retirement prior to age 61 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 certified employee be a full-time employee, not less than age 57 and not more than age 61 on or before August 31, 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.

The early retirement payments are 15.00% of the employee's last base salary from ages 58 to 61 and end at age 62. The retired employees will also receive post retirement health insurance benefits of \$150 per month from the time the employee retires until age 62.

The benefits terminate upon the employee's death.

Early retirement incentive payments for 2 participants included in expenditures for the year ended June 30, 2012, were \$2,520.00. As of July 1, 2012 (latest evaluation) the future early retirement incentive payments are expected to be as follows:

<u>Year Ending</u> <u>June 30</u>	<u>Retirement</u> <u>Amount</u>	<u>Health Insurance</u> <u>Amount</u>	<u>Totals</u>
2013		\$ 1,050.00	\$ 1,050.00

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

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. The American Recovery and Reinvestment Act of 2009 (ARRA) reduces the COBRA premium for the eligible employees in some cases. There is no cost to the District under the COBRA programs.

## **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	K-12 At-Risk	K.S.A. 72-6428	\$ 931,229.00
General	Contingency Reserve	K.S.A. 72-6428	53,543.71
General	Special Education	K.S.A. 72-6428	1,443,910.00
General	Food Service	K.S.A. 72-6428	50,000.00
General	Capital Outlay	K.S.A. 72-6428	360,000.00
General	Vocational Education	K.S.A. 72-6428	257,138.39
Supplemental General	Vocational Education	K.S.A. 72-6428	170,600.00
Supplemental General	4 Yr. At-Risk	K.S.A. 72-6428	80,000.00
Supplemental General	K-12 At-Risk	K.S.A. 72-6428	252,513.48
Supplemental General	Special Education	K.S.A. 72-6428	190,000.00

## **13. SUBSEQUENT EVENTS**

The District evaluated events and transactions occurring subsequent to June 30, 2012. There were no subsequent events requiring recognition in the financial statements. Additionally, there were no nonrecognized subsequent events requiring disclosure.



## **SUPPLEMENTAL INFORMATION**

**UNIFIED SCHOOL DISTRICT #503**

Parsons, Kansas

(Budgeted Funds Only)

Summary of Expenditures - Actual and Budget  
For the Fiscal Year Ended June 30, 2012

Funds	Certified Budget	Adjustments to Legal Maximum	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures		Variance - Over (Under)
					Charged to Current Year Budget		
GOVERNMENTAL TYPE FUNDS							
General Fund	\$ 8,410,122.00	\$ (175,770.00)	\$ 56,445.29	\$ 8,290,797.29	\$ 8,290,797.19	\$	(0.10)
Supplemental General	2,237,500.00	-	-	2,237,500.00	2,237,500.00		-
Special Revenue Funds							
4 Yr. Old At-Risk	86,000.00	-	-	86,000.00	79,433.90		(6,566.10)
K-12 At-Risk	1,352,768.00	-	-	1,352,768.00	1,237,545.79		(115,222.21)
Capital Outlay	426,185.00	-	-	426,185.00	275,270.96		(150,914.04)
Driver Training	38,800.00	-	-	38,800.00	9,281.35		(29,518.65)
Food Service	730,000.00	-	-	730,000.00	724,642.18		(5,357.82)
Special Education	1,929,702.00	-	-	1,929,702.00	1,751,241.09		(178,460.91)
Vocational Education	450,000.00	-	-	450,000.00	439,750.86		(10,249.14)
Recreation Commission	228,240.00	-	-	228,240.00	226,287.24		(1,952.76)
Recreation Commission Employee Benefits	57,035.00	-	-	57,035.00	57,035.00		-
KPERS Special Retirement Contributions	944,214.00	-	-	944,214.00	807,981.00		(136,233.00)
Debt Service Fund							
Bond and Interest	1,914,362.00	-	-	1,914,362.00	1,914,362.50		0.50

**UNIFIED SCHOOL DISTRICT #503**

Parsons, 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	\$ 811,201.12	\$ 809,865.33	\$ 817,656.00	\$ (7,790.67)
Delinquent Tax	27,705.39	20,543.01	3,977.00	16,566.01
County Sources				
In Lieu of Taxes IRBs	302.08	622.56	243.00	379.56
State Sources				
General State Aid	6,125,431.00	6,199,106.00	6,211,876.00	(12,770.00)
Special Education Aid	1,154,598.00	1,200,364.00	1,376,370.00	(176,006.00)
Federal Sources				
ARRA Stabilization Funds	156,435.00	-	-	-
Education Jobs Bill	273,917.00	3,851.00	-	3,851.00
Other Revenues				
Reimbursements	45,994.08	56,445.29	-	56,445.29
Total Cash Receipts	8,595,583.67	8,290,797.19	\$ 8,410,122.00	\$ (119,324.81)
Expenditures				
Instruction	3,424,573.47	3,319,715.77	\$ 3,529,500.00	\$ (209,784.23)
Support Services				
Student Support	70,625.86	343,009.22	360,440.00	(17,430.78)
Instructional Support	278,685.96	247,142.10	259,200.00	(12,057.90)
General Administration	377,071.74	308,577.74	334,000.00	(25,422.26)
School Administration	752,807.90	692,705.00	706,400.00	(13,695.00)
Vehicle Operating Services	156,469.27	177,745.08	170,000.00	7,745.08
Other Supplemental Services	104,334.53	106,081.18	102,000.00	4,081.18
Operating Transfers to:				
K-12 At-Risk Fund	1,198,070.00	931,229.00	787,212.00	144,017.00
Capital Outlay Fund	275,000.00	360,000.00	200,000.00	160,000.00
Parent Education Program Fund	21,300.00	-	-	-

**UNIFIED SCHOOL DISTRICT #503**

Parsons, 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)				
Special Education Fund	\$ 1,571,709.00	\$ 1,443,910.00	\$ 1,576,370.00	\$ (132,460.00)
4 Yr. Old At-Risk Fund	-	-	90,000.00	(90,000.00)
Contingency Fund	-	53,543.71	-	53,543.71
Food Service Fund	-	50,000.00	-	50,000.00
Vocational Education Fund	364,935.94	257,138.39	295,000.00	(37,861.61)
Total Certified Budget			8,410,122.00	(119,324.81)
Adjustments to Budget				
Adjustment to Comply with Legal Maximum Budget			(175,770.00)	175,770.00
Adjustment for Qualifying Budget Credits			56,445.29	(56,445.29)
Total Expenditures	8,595,583.67	8,290,797.19	\$ 8,290,797.29	\$ (0.10)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ -		

**UNIFIED SCHOOL DISTRICT #503**

Parsons, 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)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources				
Ad Valorem Tax	\$ 894,364.23	\$ 1,024,344.43	\$ 1,029,132.00	\$ (4,787.57)
Delinquent Tax	35,608.55	32,336.75	4,414.00	27,922.75
County Sources				
Motor Vehicle Tax	125,571.32	125,304.24	121,622.00	3,682.24
Recreational Vehicle Tax	1,126.95	936.46	1,066.00	(129.54)
In Lieu of Taxes IRBs	286.00	571.42	273.00	298.42
State Sources				
Supplemental State Aid	1,197,570.00	1,116,399.00	1,076,204.00	40,195.00
Other Revenues				
Reimbursements	-	30.00	-	30.00
Total Cash Receipts	2,254,527.05	2,299,922.30	\$ 2,232,711.00	\$ 67,211.30
Expenditures				
Instruction	94,900.38	82,764.28	\$ 90,000.00	\$ (7,235.72)
Support Services				
Student Support	286,553.81	-	-	-
Operations and Maintenance	1,293,459.47	1,266,400.09	1,329,000.00	(62,599.91)
Other Supplemental Services	183,324.95	195,222.15	197,900.00	(2,677.85)
Operating Transfers to:				
Vocational Education Fund	129,800.00	170,600.00	170,600.00	-
Special Education Fund	43,000.00	190,000.00	200,000.00	(10,000.00)
4 Yr. Old At-Risk Fund	48,911.39	80,000.00	-	80,000.00
K-12 At-Risk Fund	220,500.00	252,513.48	250,000.00	2,513.48
Total Expenditures	2,300,450.00	2,237,500.00	\$ 2,237,500.00	\$ -
Receipts Over (Under) Expenditures	(45,922.95)	62,422.30		
Unencumbered Cash, Beginning	50,712.05	4,789.10		
Unencumbered Cash, Ending	\$ 4,789.10	\$ 67,211.40		

**UNIFIED SCHOOL DISTRICT #503**

Parsons, 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)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Operating Transfers from:				
General Fund	\$ -	\$ -	\$ 90,000.00	\$ (90,000.00)
Supplemental General Fund	48,911.39	80,000.00	-	80,000.00
Total Cash Receipts	48,911.39	80,000.00	\$ 90,000.00	\$ (10,000.00)
Expenditures				
Instruction	51,709.50	79,433.90	\$ 86,000.00	\$ (6,566.10)
Total Expenditures	51,709.50	79,433.90	\$ 86,000.00	\$ (6,566.10)
Receipts Over (Under) Expenditures	(2,798.11)	566.10		
Unencumbered Cash, Beginning	86,385.06	83,586.95		
Unencumbered Cash, Ending	\$ 83,586.95	\$ 84,153.05		

**UNIFIED SCHOOL DISTRICT #503**

Parsons, 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)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Operating Transfers from:				
General Fund	\$ 1,198,070.00	\$ 931,229.00	\$ 787,212.00	\$ 144,017.00
Supplemental General Fund	220,500.00	252,513.48	250,000.00	2,513.48
Total Cash Receipts	1,418,570.00	1,183,742.48	\$ 1,037,212.00	\$ 146,530.48
Expenditures				
Instruction	1,288,681.87	1,237,545.79	\$ 1,352,768.00	\$ (115,222.21)
Total Expenditures	1,288,681.87	1,237,545.79	\$ 1,352,768.00	\$ (115,222.21)
Receipts Over (Under) Expenditures	129,888.13	(53,803.31)		
Unencumbered Cash, Beginning	314,588.32	444,476.45		
Unencumbered Cash, Ending	\$ 444,476.45	\$ 390,673.14		

**UNIFIED SCHOOL DISTRICT #503**

Parsons, 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)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources				
Ad Valorem Tax	\$ 6,716.03	\$ -	\$ -	\$ -
Delinquent Tax	7,966.41	6,325.19	-	6,325.19
Other	795.00	-	-	-
County Sources				
Motor Vehicle Tax	27,950.79	19,195.73	17,443.00	1,752.73
Recreational Vehicle Tax	251.06	150.79	153.00	(2.21)
In Lieu of Taxes IRBs	60.06	-	39.00	(39.00)
Operating Transfers from General Fund	275,000.00	360,000.00	200,000.00	160,000.00
Total Cash Receipts	318,739.35	385,671.71	\$ 217,635.00	\$ 168,036.71
Expenditures				
Instruction	46,034.25	34,800.02	\$ 100,000.00	\$ (65,199.98)
Support Services				
Operations and Maintenance	-	3,949.00	20,000.00	(16,051.00)
Transportation	-	16,986.12	-	16,986.12
Facility Acquisition and Construction Services	4,377.90	13,350.45	100,000.00	(86,649.55)
Other	206,185.37	206,185.37	206,185.00	0.37
Total Expenditures	256,597.52	275,270.96	\$ 426,185.00	\$ (150,914.04)
Receipts Over (Under) Expenditures	62,141.83	110,400.75		
Unencumbered Cash, Beginning	556,554.19	618,696.02		
Unencumbered Cash, Ending	\$ 618,696.02	\$ 729,096.77		



**UNIFIED SCHOOL DISTRICT #503**

Parsons, 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)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources				
Student Receipts	\$ 7,872.00	\$ 5,582.00	\$ 8,000.00	\$ (2,418.00)
State Sources				
State Aid	3,330.00	6,016.00	5,550.00	466.00
Total Cash Receipts	11,202.00	11,598.00	\$ 13,550.00	\$ (1,952.00)
Expenditures				
Instruction	8,213.69	8,163.64	\$ 35,800.00	\$ (27,636.36)
Support Services				
Operations and Maintenance	614.74	1,117.71	3,000.00	(1,882.29)
Total Expenditures	8,828.43	9,281.35	\$ 38,800.00	\$ (29,518.65)
Receipts Over (Under) Expenditures	2,373.57	2,316.65		
Unencumbered Cash, Beginning	26,317.36	28,690.93		
Unencumbered Cash, Ending	\$ 28,690.93	\$ 31,007.58		

**UNIFIED SCHOOL DISTRICT #503**

Parsons, 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	\$ 212,773.72	\$ 194,287.94	\$ 198,101.00	\$ (3,813.06)
State Sources				
Food Service Aid	5,675.79	5,743.27	5,452.00	291.27
Federal Sources				
Child Nutrition Aid	439,868.85	456,464.41	452,792.00	3,672.41
Team Nutrition Training Grant	750.00	-	-	-
Fresh Fruits & Vegetables Grant	21,981.31	30,140.88	20,000.00	10,140.88
Operating Transfers from:				
General Fund	-	50,000.00	-	50,000.00
Total Cash Receipts	681,049.67	736,636.50	\$ 676,345.00	\$ 60,291.50
Expenditures				
Support Services				
Operations and Maintenance	-	-	\$ 25,000.00	\$ (25,000.00)
Operation of Non- Instructional Services				
Food Service Operations	680,982.65	724,642.18	705,000.00	19,642.18
Total Expenditures	680,982.65	724,642.18	\$ 730,000.00	\$ (5,357.82)
Receipts Over (Under) Expenditures	67.02	11,994.32		
Unencumbered Cash, Beginning	100,143.62	100,210.64		
Unencumbered Cash, Ending	\$ 100,210.64	\$ 112,204.96		

**UNIFIED SCHOOL DISTRICT #503**

Parsons, 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				
Operating Transfers from General Fund	\$ 21,300.00	\$ -	\$ -	\$ -
Total Cash Receipts	21,300.00	-	\$ -	\$ -
Expenditures				
Support Services Student Support	21,300.00	-	\$ -	\$ -
Total Expenditures	21,300.00	-	\$ -	\$ -
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ -		

**UNIFIED SCHOOL DISTRICT #503**

Parsons, 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				
Local Sources				
Interest on Idle Funds	\$ 62,349.34	\$ 20,555.33	\$ 25,000.00	\$ (4,444.67)
Other	19,907.82	60,732.46	20,000.00	40,732.46
Medicaid Reimbursements	18,248.20	15,112.96	20,000.00	(4,887.04)
Operating Transfers from:				
General Fund	1,571,709.00	1,443,910.00	1,576,370.00	(132,460.00)
Supplemental General Fund	43,000.00	190,000.00	200,000.00	(10,000.00)
Total Cash Receipts	1,715,214.36	1,730,310.75	\$ 1,841,370.00	\$ (111,059.25)
Expenditures				
Instruction	1,605,193.33	1,682,343.73	\$ 1,848,702.00	\$ (166,358.27)
Support Services				
Vehicle Operating Services	78,631.07	68,897.36	81,000.00	(12,102.64)
Total Expenditures	1,683,824.40	1,751,241.09	\$ 1,929,702.00	\$ (178,460.91)
Receipts Over (Under) Expenditures	31,389.96	(20,930.34)		
Unencumbered Cash, Beginning	290,267.83	321,657.79		
Unencumbered Cash, Ending	\$ 321,657.79	\$ 300,727.45		

**UNIFIED SCHOOL DISTRICT #503**

Parsons, Kansas

**FIRST ROBOTICS 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>\$ 11,555.00</u>	<u>\$ 11,700.00</u>
Total Cash Receipts	<u>11,555.00</u>	<u>11,700.00</u>
Expenditures		
Instruction	<u>11,029.27</u>	<u>13,300.95</u>
Total Expenditures	<u>11,029.27</u>	<u>13,300.95</u>
Receipts Over (Under) Expenditures	525.73	(1,600.95)
Unencumbered Cash, Beginning	<u>11,807.97</u>	<u>12,333.70</u>
Unencumbered Cash, Ending	<u><u>\$ 12,333.70</u></u>	<u><u>\$ 10,732.75</u></u>

**UNIFIED SCHOOL DISTRICT #503**

Parsons, 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)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources				
Other	\$ -	\$ 4,000.00	\$ -	\$ 4,000.00
Federal Sources				
Special Project Aid	22,946.00	19,038.00	25,000.00	(5,962.00)
Operating Transfers from:				
General Fund	364,935.94	257,138.39	295,000.00	(37,861.61)
Supplemental General Fund	129,800.00	170,600.00	170,600.00	-
Total Cash Receipts	517,681.94	450,776.39	\$ 490,600.00	\$ (39,823.61)
Expenditures				
Instruction	461,858.44	439,750.86	\$ 450,000.00	\$ (10,249.14)
Total Expenditures	461,858.44	439,750.86	\$ 450,000.00	\$ (10,249.14)
Receipts Over (Under) Expenditures	55,823.50	11,025.53		
Unencumbered Cash, Beginning	200,023.93	255,847.43		
Unencumbered Cash, Ending	\$ 255,847.43	\$ 266,872.96		

**UNIFIED SCHOOL DISTRICT #503**

Parsons, 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	\$ 193,313.44	\$ 193,065.82	\$ 201,204.00	\$ (8,138.18)
Delinquent Tax	6,996.73	6,370.69	955.00	5,415.69
County Sources				
Motor Vehicle Tax	27,620.09	26,529.13	25,797.00	732.13
Recreational Vehicle Tax	248.10	197.96	226.00	(28.04)
In Lieu of Taxes IRBs	60.05	123.64	58.00	65.64
Total Cash Receipts	228,238.41	226,287.24	\$ 228,240.00	\$ (1,952.76)
Expenditures				
Community Service Operations	228,238.41	226,287.24	\$ 228,240.00	\$ (1,952.76)
Total Expenditures	228,238.41	226,287.24	\$ 228,240.00	\$ (1,952.76)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ -		

**UNIFIED SCHOOL DISTRICT #503**

Parsons, Kansas

**RECREATION COMMISSION EMPLOYEE BENEFITS 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	\$ 48,329.52	\$ 48,254.87	\$ 50,273.00	\$ (2,018.13)
Delinquent Tax	1,142.25	1,505.35	239.00	1,266.35
County Sources				
Motor Vehicle Tax	1,946.28	6,628.71	6,452.00	176.71
Recreational Vehicle Tax	16.76	49.51	56.00	(6.49)
In Lieu of Taxes IRBs	15.01	681.20	15.00	666.20
Total Cash Receipts	51,449.82	57,119.64	\$ 57,035.00	\$ 84.64
Expenditures				
Community Service Operations	53,664.98	57,035.00	\$ 57,035.00	\$ -
Total Expenditures	53,664.98	57,035.00	\$ 57,035.00	\$ -
Receipts Over (Under) Expenditures	(2,215.16)	84.64		
Unencumbered Cash, Beginning	2,215.16	-		
Unencumbered Cash, Ending	\$ -	\$ 84.64		



**UNIFIED SCHOOL DISTRICT #503**

Parsons, 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 Year Actual</u>	<u>Current Year Actual</u>
Federal Sources		
Federal Aid	\$ 301,094.00	\$ -
Total Cash Receipts	<u>301,094.00</u>	<u>-</u>
Expenditures		
Instruction	265,459.37	-
Support Services		
Instructional Support	<u>35,634.63</u>	<u>-</u>
Total Expenditures	<u>301,094.00</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 #503**

Parsons, Kansas

**RURAL LOW-INCOME SCHOOLS PROGRAM**

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)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources		
Federal Aid	\$ -	\$ 27,356.00
Total Cash Receipts	-	27,356.00
Expenditures		
Instruction	-	27,356.00
Total Expenditures	-	27,356.00
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

**UNIFIED SCHOOL DISTRICT #503**

Parsons, 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	<u>\$ 350,001.00</u>	<u>\$ 492,900.00</u>
Total Cash Receipts	<u>350,001.00</u>	<u>492,900.00</u>
Expenditures		
Instruction	329,433.78	471,724.06
Support Services		
Instructional Support	11,611.17	4,039.94
General Administration	<u>11,514.00</u>	<u>17,136.00</u>
Total Expenditures	<u>352,558.95</u>	<u>492,900.00</u>
Receipts Over (Under) Expenditures	(2,557.95)	-
Unencumbered Cash, Beginning	<u>2,557.95</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

**UNIFIED SCHOOL DISTRICT #503**

Parsons, Kansas

**KANSAS 21ST CENTURY COMMUNITY LEARNING CENTER 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)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources		
Federal Aid	\$ 69,466.00	\$ 147,927.00
Total Cash Receipts	69,466.00	147,927.00
Expenditures		
Instruction	57,248.67	106,590.84
Support Services		
Instructional Support	6,674.00	6,040.00
Vehicle Operating Services	5,543.33	5,184.15
Total Expenditures	69,466.00	117,814.99
Receipts Over (Under) Expenditures	-	30,112.01
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ 30,112.01

**UNIFIED SCHOOL DISTRICT #503**

Parsons, Kansas

**GIFTS AND 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		
Local Sources		
Community Gifts	\$ 29,820.57	\$ 82,007.60
Total Cash Receipts	<u>29,820.57</u>	<u>82,007.60</u>
Expenditures		
Instruction	16,744.95	39,091.62
Support Services		
Instructional Support	6,000.00	-
Food Services Operation	-	4,753.12
Operations and Maintenance	<u>-</u>	<u>5,814.67</u>
Total Expenditures	<u>22,744.95</u>	<u>49,659.41</u>
Receipts Over (Under) Expenditures	7,075.62	32,348.19
Unencumbered Cash, Beginning	<u>2,610.23</u>	<u>9,685.85</u>
Unencumbered Cash, Ending	<u>\$ 9,685.85</u>	<u>\$ 42,034.04</u>

**UNIFIED SCHOOL DISTRICT #503**

Parsons, 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)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
State Sources				
KPERS Contributions	\$ 510,386.35	\$ 807,981.00	\$ 944,214.00	\$ (136,233.00)
Total Cash Receipts	510,386.35	807,981.00	\$ 944,214.00	\$ (136,233.00)
Expenditures				
Instruction	338,896.53	533,267.45	\$ 623,181.00	\$ (89,913.55)
Support Services				
Student Support	16,842.75	32,319.24	37,769.00	(5,449.76)
Instructional Support	19,905.08	16,159.62	18,884.00	(2,724.38)
General Administration	15,821.97	16,159.62	18,884.00	(2,724.38)
School Administration	43,382.84	72,718.30	84,979.00	(12,260.70)
Other Supplemental Services	12,759.66	32,319.24	37,769.00	(5,449.76)
Operations and Maintenance	41,341.29	64,638.48	75,537.00	(10,898.52)
Food Service	21,436.23	40,399.05	47,211.00	(6,811.95)
Total Expenditures	510,386.35	807,981.00	\$ 944,214.00	\$ (136,233.00)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ -		

**UNIFIED SCHOOL DISTRICT #503**

Parsons, 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>\$ 53,543.71</u>
Total Cash Receipts	<u>-</u>	<u>53,543.71</u>
Expenditures		
Instruction	-	396,584.09
Support Services		
General Administration	-	12,981.50
Operations and Maintenance	<u>-</u>	<u>47,794.12</u>
Total Expenditures	<u>-</u>	<u>457,359.71</u>
Receipts Over (Under) Expenditures	-	(403,816.00)
Unencumbered Cash, Beginning	<u>1,003,816.00</u>	<u>1,003,816.00</u>
Unencumbered Cash, Ending	<u><u>\$ 1,003,816.00</u></u>	<u><u>\$ 600,000.00</u></u>

**UNIFIED SCHOOL DISTRICT #503**

Parsons, Kansas

**TITLE II-TECHNOLOGY LITERACY CHALLENGE 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	\$ 1,451.00	\$ -
Total Cash Receipts	<u>1,451.00</u>	<u>-</u>
Expenditures		
Instruction	<u>1,451.00</u>	<u>-</u>
Total Expenditures	<u>1,451.00</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 #503**

Parsons, Kansas

**TITLE II - IMPROVING TEACHER QUALITY 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>\$ 92,479.00</u>	<u>\$ 117,850.00</u>
Total Cash Receipts	<u>92,479.00</u>	<u>117,850.00</u>
Expenditures		
Instruction	35,492.77	34,691.50
Support Services		
Instructional Support	<u>56,986.23</u>	<u>83,158.50</u>
Total Expenditures	<u>92,479.00</u>	<u>117,850.00</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 #503**

Parsons, Kansas

**TITLE I - AVID SCHOOL IMPROVEMENT 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)

	<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	\$ 63,875.00	\$ 33,340.00
Total Cash Receipts	63,875.00	33,340.00
Expenditures		
Instruction	63,875.00	33,340.00
Total Expenditures	63,875.00	33,340.00
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

**UNIFIED SCHOOL DISTRICT #503**

Parsons, Kansas

**READING FIRST 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	\$ 50,000.00	\$ -
Total Cash Receipts	<u>50,000.00</u>	<u>-</u>
Expenditures		
Instruction	<u>50,000.00</u>	<u>-</u>
Total Expenditures	<u>50,000.00</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 #503**

Parsons, 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		
State Sources		
State Aid	\$ 5,435.00	\$ -
Federal Sources		
Federal Aid	<u>3,000.00</u>	<u>-</u>
Total Cash Receipts	<u>8,435.00</u>	<u>-</u>
Expenditures		
Instruction	1,648.44	1,351.56
Support Services		
Food Service Operation	<u>5,105.00</u>	<u>330.00</u>
Total Expenditures	<u>6,753.44</u>	<u>1,681.56</u>
Receipts Over (Under) Expenditures	1,681.56	(1,681.56)
Unencumbered Cash, Beginning	<u>-</u>	<u>1,681.56</u>
Unencumbered Cash, Ending	<u>\$ 1,681.56</u>	<u>\$ -</u>

**UNIFIED SCHOOL DISTRICT #503**

Parsons, 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)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources				
Ad Valorem Tax	\$ 1,055,295.88	\$ 1,010,384.00	\$ 1,054,512.00	\$ (44,128.00)
Delinquent Tax	34,557.52	30,535.33	5,262.00	25,273.33
County Sources				
Motor Vehicle Tax	120,862.18	118,231.87	116,686.00	1,545.87
Recreational Vehicle Tax	1,086.62	871.58	1,022.00	(150.42)
In Lieu of Taxes IRBs	243.45	30.91	263.00	(232.09)
State Sources				
State Aid	766,114.00	765,745.00	765,745.00	-
Total Cash Receipts	1,978,159.65	1,925,798.69	\$ 1,943,490.00	\$ (17,691.31)
Expenditures				
Debt Service				
Principal	1,285,000.00	1,330,000.00	\$ 1,330,000.00	\$ -
Interest	630,285.00	584,362.50	584,362.00	0.50
Total Expenditures	1,915,285.00	1,914,362.50	\$ 1,914,362.00	\$ 0.50
Receipts Over (Under) Expenditures	62,874.65	11,436.19		
Unencumbered Cash, Beginning	998,250.55	1,061,125.20		
Unencumbered Cash, Ending	\$ 1,061,125.20	\$ 1,072,561.39		

**UNIFIED SCHOOL DISTRICT #503**

Parsons, Kansas

**GREENBUSH HEALTH TRUST - BLUE CROSS BLUE SHIELD SURPLUS 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		
Other Revenue		
Reimbursements	<u>\$ 55,484.19</u>	<u>\$ 76,903.03</u>
Total Cash Receipts	<u>55,484.19</u>	<u>76,903.03</u>
Expenditures		
Support Services		
Other Support Services	<u>55,484.19</u>	<u>76,903.03</u>
Total Expenditures	<u>55,484.19</u>	<u>76,903.03</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 #503**

Parsons, Kansas

**TITLE I - MIDDLE SCHOOL IMPROVEMENT 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>\$ 169,812.00</u>	<u>\$ 2,000.00</u>
Total Cash Receipts	<u>169,812.00</u>	<u>2,000.00</u>
Expenditures		
Instruction	140,414.40	2,000.00
Support Services		
Instructional Support	<u>29,397.60</u>	<u>-</u>
Total Expenditures	<u>169,812.00</u>	<u>2,000.00</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 #503**

Parsons, 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				
Payroll Clearing	\$ 106,988.13	\$ 3,442,883.10	\$ 3,433,527.83	\$ 116,343.40
High School Clearing	-	20,104.58	20,104.58	-
Student Organizations				
High School				
Foster Care Relief Club	-	328.00	275.05	52.95
Students Against Drunk Drivers	290.13	-	61.54	228.59
Class of 2010-SR	-	72.00	72.00	-
Class of 2011-JR	295.65	15,141.21	15,178.03	258.83
Class of 2012-SO	38.03	-	-	38.03
Class of 2013-FR	260.26	-	-	260.26
Sports Club	3,877.97	696.29	801.17	3,773.09
VICA (Skills USA)	364.42	1,048.00	685.00	727.42
Student Council	1,697.79	1,584.04	2,686.10	595.73
Viking Shield	24.49	-	-	24.49
Band	29.35	1,555.53	1,544.89	39.99
Chess Club	144.25	100.00	-	244.25
Math Club	137.55	150.00	20.00	267.55
Cheerleaders	99.36	7,295.21	6,972.49	422.08
Orchestra	774.74	-	-	774.74
National Honor Society	62.72	1,120.00	597.00	585.72
Fishing Club	-	246.00	246.00	-
Printing/Photography	1,145.01	1,936.90	200.40	2,881.51
Pre Med Club	209.85	-	10.88	198.97
Home Ec (FACS4U)	116.01	-	14.63	101.38
Foreign Language Club	62.37	29.15	56.16	35.36
F.B.L.A.	441.84	-	100.00	341.84
F.C.C.L.A.	1,223.06	347.63	989.97	580.72
F.C.L.A	87.94	281.00	231.08	137.86
H.O.S.A.	1,894.83	635.00	1,836.50	693.33
Parking Fines	25.00	-	25.00	-
Auto Shop	520.81	5,019.59	4,948.77	591.63
Entrepreneurship	59.17	9,331.37	7,817.01	1,573.53
Middle School				
STUCO	244.45	-	206.88	37.57
Totals	\$ 121,115.18	\$ 3,509,904.60	\$ 3,499,208.96	\$ 131,810.82



**UNIFIED SCHOOL DISTRICT #503**  
Parsons, 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		Ending Cash Balances June 30, 2011
					Encumbrances and Accounts Payable	June 30, 2012	
Gate Receipts							
High School	\$ 42,463.34	\$ 58,898.61	\$ 64,849.78	\$ 36,512.17	\$ -	\$ 36,512.17	\$ 42,463.34
Middle School	6,277.20	22,615.33	19,982.58	8,909.95	-	8,909.95	6,277.20
Sub-Total Gate Receipts	48,740.54	81,513.94	84,832.36	45,422.12	-	45,422.12	48,740.54
School Projects							
School Activities - Garfield	-	1,779.04	1,779.04	-	14.00	14.00	364.13
School Activities - Guthridge	-	321.61	321.61	-	11.63	11.63	71.61
School Activities - Lincoln	-	1,877.20	1,877.20	-	353.02	353.02	310.90
School Activities - Middle School	-	2,899.64	2,899.64	-	1,260.92	1,260.92	1,044.95
School Activities - High School	-	2,034.00	2,034.00	-	974.24	974.24	1,263.05
Positive Reinforcement Program - High School	-	4,801.48	4,801.48	-	3,791.14	3,791.14	2,395.89
Library - Garfield	-	261.48	261.48	-	-	-	228.48
Library - Guthridge	-	824.44	824.44	-	432.43	432.43	324.44
Library - Lincoln	-	861.39	861.39	-	268.21	268.21	816.89
Library - Middle School	-	395.65	395.65	-	390.65	390.65	365.69
Library - High School	-	3,993.22	3,993.22	-	1,824.42	1,824.42	2,623.78
Industrial Arts - High School	-	3,764.52	3,764.52	-	2,824.89	2,824.89	2,713.39
Leadership Class - High School	-	-	-	-	-	-	228.23
F.A.C.S. Family and Consumer Science - Middle School	-	548.65	548.65	-	548.65	548.65	465.15
Debate - High School	-	939.91	939.91	-	614.62	614.62	618.91
Forensics - High School	-	1,185.60	1,185.60	-	796.28	796.28	794.60
Drama - High School	-	501.41	501.41	-	468.41	468.41	452.41
Writers Club - High School	-	809.36	809.36	-	582.36	582.36	289.36
Vocal Music - High School	-	3,611.40	3,611.40	-	1,497.50	1,497.50	1,735.40
Yearbooks - High School	-	16,651.48	16,651.48	-	3,515.58	3,515.58	5,214.75
CADD - High School	-	157.26	157.26	-	60.04	60.04	157.26
Ceramics - High School	-	883.73	883.73	-	37.17	37.17	6.73
Scholarship Fund - High School	-	3,973.52	3,973.52	-	1,354.62	1,354.62	2,334.54
S.E.K. League - High School	-	12,876.71	12,876.71	-	3,108.53	3,108.53	2,526.67
Video - High School	-	59.27	59.27	-	59.27	59.27	-
Viking Store - High School	-	5,398.81	5,398.81	-	673.85	673.85	609.81
Leadership Class - High School	-	228.23	228.23	-	-	-	-
Restricted Donations - Garfield	-	5,606.74	5,606.74	-	1,709.81	1,709.81	1,586.74
Restricted Donations - Lincoln	-	6,565.14	6,565.14	-	1,279.09	1,279.09	1,937.14
Restricted Donations - Guthridge	-	5,865.07	5,865.07	-	2,095.59	2,095.59	1,565.07
Restricted Donations - Middle School	-	1,808.19	1,808.19	-	964.29	964.29	1,558.19
Unrestricted Donations - Garfield	-	2,549.90	2,549.90	-	621.02	621.02	1,127.17
Unrestricted Donations - Lincoln	-	3,890.83	3,890.83	-	1,044.08	1,044.08	1,339.22
Unrestricted Donations - Guthridge	-	3,019.77	3,019.77	-	1,855.37	1,855.37	561.25
Sub-Total Special Projects	-	100,944.65	100,944.65	-	35,031.68	35,031.68	37,691.07
Total District Activity Funds	\$ 48,740.54	\$ 182,458.59	\$ 185,777.01	\$ 45,422.12	\$ 35,031.68	\$ 80,453.80	\$ 86,431.61

## **FEDERAL COMPLIANCE SECTION**

# **UNIFIED SCHOOL DISTRICT #503**

Parsons, 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
<b>U.S. DEPARTMENT OF EDUCATION</b>				
Passed through the Kansas Department of Education				
Title I Grant to Local Educational Agencies	DO503	84.010	\$ 492,900.00	\$ 492,900.00
Title I Grant Program Improvement	DO503	84.010	35,340.00	35,340.00
Title I Grant Award Reimbursement	DO503	84.010	-	1,351.56
		Total 84.010 (M)	528,240.00	529,591.56
Carl Perkins - Program Improvement	LEA503	84.048	19,038.00	19,038.00
Education Jobs Fund - Flow-Through	DO503	84.410	3,851.00	3,851.00
21st Century Grant	DO503	84.287	147,927.00	117,814.99
Improving Teacher Quality State Grants	DO503	84.367	117,850.00	117,850.00
Rural and Low-Income Schools Program	DO503	84.358	27,356.00	27,356.00
Total U.S. Department of Education			844,262.00	815,501.55
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
Passed through the Kansas Department of Education				
Child USDA Nutrition Cluster:				
National School Lunch Program	DO503	10.555	331,647.78	331,647.78
School Breakfast Program	DO503	10.553	107,157.27	107,157.27
Summer Food Service Program for Children	DO503	10.559	17,709.36	17,709.36
	Total Child USDA Nutrition Cluster (M)		456,514.41	456,514.41
Fresh Fruits & Vegetables	DO503	10.582	30,140.88	30,140.88
Total U.S. Department of Agriculture			486,655.29	486,655.29
TOTAL FEDERAL AWARDS			\$ 1,330,917.29	\$ 1,302,156.84

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 #503  
Parsons, Kansas

We have audited the financial statements of the Unified School District #503, Parsons, Kansas, as of and for the year ended June 30, 2012, which collectively comprise the Unified School District #503, Parsons, Kansas' basic financial statements and have issued our report thereon dated November 16, 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 #503, Parsons, Kansas, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Unified School District #503, Parsons, 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 #503, Parsons, Kansas' internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Unified School District #503, Parsons, 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 #503, Parsons, 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

November 16, 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 #503  
Parsons, Kansas

Compliance

We have audited Unified School District #503, Parsons, 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 #503, Parsons, Kansas' major federal programs for the year ended June 30, 2012. Unified School District #503, Parsons, 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 #503, Parsons, Kansas' management. Our responsibility is to express an opinion on Unified School District #503, Parsons, 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 #503, Parsons, 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 #503, Parsons, Kansas' compliance with those requirements.

In our opinion, Unified School District #503, Parsons, 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 #503, Parsons, 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 #503, Parsons, 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 #503, Parsons, 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

November 16, 2012  
Chanute, Kansas

**UNIFIED SCHOOL DISTRICT #503**  
Parsons, 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 #503, Parsons, 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 #503, Parsons, 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 Grant to Local Educational Agencies	CFDA No. 84.010
Title I Grant Program Improvement	CFDA No. 84.010
Title I Grant Award Reimbursement	CFDA No. 84.010

**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 #503**

Parsons, 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 Grant to Local Educational Agencies - CFDA No. 84.010

None

Title I Grant Program Improvement - CFDA No. 84.010

None

Title I Grant Award Reimbursement - 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 #503**

Parsons, Kansas

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

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None