

UNIFIED SCHOOL DISTRICT NO. 452
Johnson, Kansas
Financial Statements
July 1, 2012 to June 30, 2013

Mary E. Anderson
Certified Public Accountant
Osborne, Kansas

UNIFIED SCHOOL DISTRICT NO. 452
Johnson, Kansas
Financial Statements
July 1, 2012 to June 30, 2013
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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Unified School District No. 452
Johnson, Kansas 67855

We have audited the summary statement of cash receipt, expenditures, and unencumbered balances of Unified School District No. 452, Johnson, Kansas, as of and for the year ended June 30, 2013, as listed in the table of contents and the individual fund financial statements for the District as of and for the year ended June 30, 2013. This financial statement is the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and The Kansas Municipal Audit Guide. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. 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 more fully in Note 1 the Unified School District No. 452, Johnson, Kansas has prepared this financial statement 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 financial statement of the variance 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 statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Unified School District No. 452, Johnson, Kansas as of June 30, 2013, or the respective changes in financial position and changes in cash flows, where applicable, for the year then ended.

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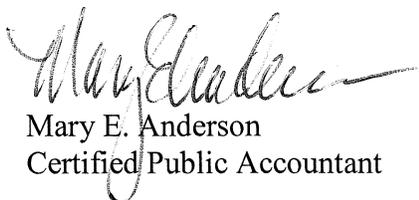
In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of Unified School District No. 452, Johnson, Kansas as of June 30, 2013, and the aggregate cash receipts and expenditures for the year then ended, on the basis of accounting described in Note 1.

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

The supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements referred to above and, in our opinion; such additional information is fairly stated in all material respects in relation to the statutory financial statement.

This report is intended solely for the use of Unified School District No. 452, Johnson, Kansas Board of Education and its management and other authorized federal and state audit agencies and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which, upon acceptance by the Unified School District No. 452 Board of Education, Johnson, Kansas, is a matter of public record.

October 17, 2013


Mary E. Anderson
Certified Public Accountant

UNIFIED SCHOOL DISTRICT NO. 452

Johnson, Kansas

Statement 1

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Summary of Cash Receipts, Expenditures and Unencumbered Cash
For the Year Ended June 30, 2013

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Cash Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
General Fund	\$ -	\$ -	\$ 3,659,729	\$ 3,659,729	\$ -	\$ 105,666	\$ 105,666
Capital Outlay Fund	1,046,297	-	361,168	542,211	865,254	10,877	876,131
Special Revenue Funds:							
Supplemental General Fund	92,842	-	1,419,238	1,224,897	287,183	204,952	492,135
Contingency Reserve Fund	386,892	-	-	-	386,892		386,892
Food Service Fund	67,350	-	411,146	294,591	183,905		183,905
Drivers Education Fund	24,805	-	4,464	893	28,376		28,376
Special Education Fund	287,967	-	300,000	391,463	196,504		196,504
KPERS Retirement Fund	-	-	193,185	193,185	-		-
Vocational Education Fund	-	-	81,000	81,000	-	16,622	16,622
Professional Development Fund	1,209	-	8,000	5,437	3,772		3,772
At Risk Funds (4-year old)	-	-	65,000	60,200	4,800	1,718	6,518
At Risk Funds (K-12)	-	-	555,000	555,000	-	169,070	169,070
Bilingual Education	-	-	250,000	250,000	-		-
Athletic Gate Receipts Fund	(3,867)	-	31,787	28,190	(270)		(270)
Student Project Funds	12,988	-	12,896	11,784	14,100		14,100
Grants	164	-	74,179	47,118	27,225	1,897	29,122
Federal Funds	(117,112)	-	342,444	225,332	-	10,402	10,402
Fiduciary Funds:							
Scholarship and Gifts Fund	4,127	-	329	591	3,865		3,865
Sales Tax Fund	-	-	5,421	5,550	(129)		(129)
Activity Fund	47,637	-	121,530	118,217	50,950		50,950
Recreation Commission	-	-	220,981	220,981	-	11,171	11,171
Rec. Commission Employee Benefits	-	-	44,376	42,615	1,761	-	1,761
Total Reporting Entity (Excluding Agency Funds, page 24)	<u>\$ 1,851,299</u>	<u>\$ -</u>	<u>\$ 8,161,873</u>	<u>\$ 7,958,984</u>	<u>\$ 2,054,188</u>	<u>\$ 532,375</u>	<u>\$ 2,586,563</u>

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

UNIFIED SCHOOL DISTRICT NO. 452
Johnson, Kansas
Summary of Cash Receipts, Expenditures, and Unencumbered Cash
For the Year Ended June 30, 2013

Composition of Cash:	First National Bank - Activity Funds	\$ 64,761
	First National Bank - Checking Account	\$ 2,506,985
	Johnson State Bank - Money Market Account	5,154
	First National Bank - Money Market Account	3,897
	First National Bank - Petty Cash Account	396
	Johnson State Bank - NOW Checking Account	-
	Johnson State Bank - NOW Account	5,350
	Johnson State Bank - Money Market Account	20
	Johnson State Bank - Checking Account	<u>-</u>
	Total Cash	<u>\$ 2,586,563</u>

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

UNIFIED SCHOOL DISTRICT NO. 452
 Johnson, Kansas
 Summary of Expenditures - Actual and Budget
 (Budgeted Funds Only)
 For the Year Ended June 30, 2013

Statement 2

Funds	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	<u>Expenditures</u> <u>Charged to</u> <u>Current Year</u>	Variance - Favorable <u>(Unfavorable)</u>
General Fund	\$ 3,815,356	\$ (233,734)	\$ 78,107	\$3,659,729	\$ 3,659,729	\$ -
Capital Outlay Fund	1,411,278	-	5,950	1,417,228	542,211	875,017
Special Revenue Funds:						
Supplemental General Fund	1,308,493	(75,083)	-	1,233,410	1,224,897	8,513
Food Service Fund	293,245	-	1,207	294,452	294,591	(139)
Drivers Education Fund	15,500	-	-	15,500	893	14,607
KPERS Retirement Fund	288,117	-	-	288,117	193,185	94,932
Special Education Fund	403,483	-	-	403,483	391,463	12,020
Vocational Education Fund	81,000	-	-	81,000	81,000	-
Professional Development Fund	9,209	-	-	9,209	5,437	3,772
Federal Funds	-	-	-	-	-	-
At Risk Funds (K-12)	555,000	-	-	555,000	555,000	-
At Risk Funds (4-year old)	60,200	-	-	60,200	60,200	-
Bilingual Education	250,000	-	-	250,000	250,000	-
Recreation Fund	226,000	-	-	226,000	220,981	5,019
Recreation Employee Benefits	42,615	-	-	42,615	42,615	-
Gifts and Grants	48,000	-	-	48,000	11,784	36,216
Activity Funds	-	-	-	-	118,217	(118,217)
	-					
Total Budgeted Funds	<u>\$ 8,807,496</u>	<u>\$ (308,817)</u>	<u>\$ 85,264</u>	<u>\$8,583,943</u>	<u>\$ 7,652,203</u>	<u>\$ 931,740</u>

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

Statutory Revenues and Expenditures - Statutory and Budget

For the Year Ended June 30, 2013

(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	Current Year		Variance - Favorable (Unfavorable)
		<u>Statutory Transactions</u>	<u>Budget</u>	
Statutory Revenues:				
Taxes and Shared Revenue:				
Ad Valorem Property Tax-Prior Year	\$ 5,211	\$ 4,908	\$ 3,865	\$ 1,043
Ad Valorem Property Tax-Current Year	1,609,202	1,651,634	1,484,302	167,332
Delinquent Tax	23,905	5,298	4,055	1,243
Mineral Production	132,871	85,431	-	85,431
State Special Education Reimbursement	279,556	272,456	290,375	(17,919)
Refunds & Reimbursement	62,189	78,107	-	78,107
General State Aid	1,568,671	1,561,895	2,037,364	(475,469)
Education Job Grant	1,823	-	-	-
Total Statutory Revenues	<u>3,683,428</u>	<u>3,659,729</u>	<u>3,819,961</u>	<u>(160,232)</u>
Expenditures and Transfers:				
Instruction-Salaries	1,587,893	1,565,829	1,648,202	82,373
Other Purchased Instruction	87,011	54,297	95,000	40,703
Instructional Support Services	-	-	-	-
Student Support Services	1,098	390	3,500	3,110
General Administration-Salaries	232,191	235,544	240,124	4,580
General Administration-Other	53,135	73,919	64,000	(9,919)
School Administration-Salaries	265,665	274,217	268,000	(6,217)
School Administration-Other	15,898	18,373	18,000	(373)
Operations and Maintenance	647,930	717,022	685,105	(31,917)
Student Transportation	296,007	182,138	255,425	73,287
Education Jobs	-	-	-	-
Operating Transfers	496,600	538,000	538,000	-
Adjustment to Comply with Legal Max	-	-	(233,734)	(233,734)
Legal General Fund Budget	<u>3,683,428</u>	<u>3,659,729</u>	<u>3,581,622</u>	<u>(78,107)</u>
Adjustment for Qualifying Budget Credits	-	-	78,107	78,107
Total Expenditures and Transfers	<u>3,683,428</u>	<u>3,659,729</u>	<u>\$ 3,659,729</u>	<u>\$ -</u>
Statutory Revenues Over (Under) Expenditures	-	-		
Modified Unencumbered Cash, Beginning	-	-		
Modified Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

K.S.A 72-6417(d) and K.S.A 72-6434(d) require the school district to record any payment of general state aid that is due to be paid during the month of June and is paid to the school district after June 30, as a receipt for the school year ending on June 30. The above statement shows the revenue as required by these Statutes. See Note 2-Cash Basis Compliance.

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

UNIFIED SCHOOL DISTRICT NO. 452
Johnson, Kansas
Capital Outlay Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2013
(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	Current Year		Variance - Favorable (Unfavorable)
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts:				
Ad Valorem Tax-Prior Year	\$ 653	\$ 930	\$ 1,343	\$ (413)
Ad Valorem Tax-Current Year	246,403	337,060	302,649	34,411
Delinquent Tax	3,452	1,093	622	471
Motor Vehicle Tax	10,297	8,043	9,859	(1,816)
RV Tax	163	-	172	(172)
Truck Tax	293	163	156	7
Interest on Idle Funds	11,123	7,929	11,500	(3,571)
Transfer from General Fund	-	-	22,141	(22,141)
Reimbursements	<u>71,073</u>	<u>5,950</u>	<u>16,814</u>	<u>(10,864)</u>
Total Cash Receipts	<u>343,457</u>	<u>361,168</u>	<u>365,256</u>	<u>(4,088)</u>
Expenditures and Transfers:				
Student Support Equipment	38,654	110,183	343,500	233,317
Support Staff	-	-	-	-
Operations and Maintenance	-	-	-	-
Building Improvements, Engineer & Site	59,312	157,028	1,067,778	910,750
Transportation	<u>-</u>	<u>275,000</u>	<u>-</u>	<u>(275,000)</u>
Legal Capital Outlay Budget	97,966	542,211	1,411,278	869,067
Adjustment for Qualifying Budget Credits	<u>-</u>	<u>-</u>	<u>5,950</u>	<u>5,950</u>
Total Expenditures & Transfers	<u>97,966</u>	<u>542,211</u>	<u>\$ 1,417,228</u>	<u>\$ 875,017</u>
Total Receipts Over (Under) Expenditures	245,491	(181,043)		
Unencumbered Cash, Beginning	<u>800,806</u>	<u>1,046,297</u>		
Unencumbered Cash, Ending	<u>\$ 1,046,297</u>	<u>\$ 865,254</u>		

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

UNIFIED SCHOOL DISTRICT NO. 452
Johnson, Kansas
Supplemental General Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2013
(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

		<u>Current Year</u>		
	Prior Year	<u>Actual</u>	<u>Budget</u>	Variance -
	<u>Actual</u>			Favorable
				(Unfavorable)
Cash Receipts:				
Taxes and Shared Revenue:				
Ad Valorem Property Tax-Prior Year	\$ 4,880	\$ 4,138	\$ 4,996	\$ (858)
Ad Valorem Property Tax-Current Year	1,096,966	1,360,112	1,163,676	196,436
Ad Valorem Property Tax-Delinquent	16,760	4,676	2,770	1,906
Motor Vehicle Tax	37,566	49,205	43,450	5,755
RV Tax	617	-	759	(759)
Truck Tax	740	1,107	-	1,107
		<u> </u>	<u> </u>	<u> </u>
				-
Total Cash Receipts	<u>1,157,529</u>	<u>1,419,238</u>	<u>1,215,651</u>	<u>203,587</u>
Expenditures and Transfers:				
Instruction	151,574	143,781	206,463	62,682
General Administration	104,500	79,530	92,530	13,000
Student Support Services	12,836	5,336	42,000	36,664
School Administration	-	-	-	-
Operations and Maintenance	242,590	107,250	228,500	121,250
Operating Transfers	638,500	889,000	739,000	(150,000)
Adjustment to Comply with Legal Max	-	-	(75,083)	(75,083)
		<u> </u>	<u> </u>	<u> </u>
Total Expenditures and Transfers	<u>1,150,000</u>	<u>1,224,897</u>	<u>\$ 1,233,410</u>	<u>\$ 8,513</u>
Receipts Over (Under) Expenditures	7,529	194,341		
Unencumbered Cash, Beginning	<u>85,313</u>	<u>92,842</u>		
Unencumbered Cash, Ending	<u>\$ 92,842</u>	<u>\$ 287,183</u>		

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

UNIFIED SCHOOL DISTRICT NO. 452
Johnson, Kansas
Contingency Reserve Fund
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended June 30, 2013
(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts:		
Transfer from General	-	-
Total Cash Receipts	-	-
Expenditures and Transfers	-	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>386,892</u>	<u>386,892</u>
Unencumbered Cash, Ending	<u>\$ 386,892</u>	<u>\$ 386,892</u>

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

UNIFIED SCHOOL DISTRICT NO. 452
Johnson, Kansas
Food Service Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2013
(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	Current Year		Variance - Favorable (Unfavorable)
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts:				
Federal Aid-National Lunch & Breakfast	\$ 146,791	\$ 149,066	\$ 157,827	\$ (8,761)
Federal Aid-Cash for Commodities	14,863	14,463	-	14,463
State Aid - School Food Assistance	2,891	2,940	2,671	269
Federal Aid-Food	823	-	-	-
Charges for Services-Student	66,334	67,353	55,339	12,014
Charges for Services-Other	7,830	8,117	13,779	(5,662)
Reimbursements	-	1,207	-	1,207
Transfer from Supplemental General	-	10,000	8,000	2,000
Transfer from General	<u>-</u>	<u>158,000</u>	<u>10,000</u>	<u>148,000</u>
Total Cash Receipts	<u>239,532</u>	<u>411,146</u>	<u>247,616</u>	<u>163,530</u>
Expenditures and Transfers:				
Food Service Costs-Salaries	126,883	142,597	134,245	(8,352)
Food Service Costs-Food & Supplies	126,537	133,519	141,000	7,481
Capital Outlay	11,601	14,542	5,000	(9,542)
Other Charges	<u>11,289</u>	<u>3,933</u>	<u>13,000</u>	<u>9,067</u>
Legal Food Service Budget	276,310	294,591	293,245	(1,346)
Adjustment for Qualifying Budget Credits	<u>-</u>	<u>-</u>	<u>1,207</u>	<u>1,207</u>
Total Expenditures and Transfers	<u>276,310</u>	<u>294,591</u>	<u>\$ 294,452</u>	<u>\$ (139)</u>
Receipts Over (Under) Expenditures	(36,778)	116,555		
Unencumbered Cash, Beginning	<u>104,128</u>	<u>67,350</u>		
Unencumbered Cash, Ending	<u>\$ 67,350</u>	<u>\$ 183,905</u>		

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

UNIFIED SCHOOL DISTRICT NO. 452
Johnson, Kansas
Drivers Education Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2013
(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	Current Year		Variance - Favorable (Unfavorable)
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts:				
Tuition	\$ -	\$ -	\$ -	\$ -
State Safety Aid	2,632	4,464	4,320	144
Transfer from Supplemental General	<u>8,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Cash Receipts	<u>10,632</u>	<u>4,464</u>	<u>4,320</u>	<u>144</u>
Expenditures and Transfers:				
Instruction	2,832	-	8,000	8,000
Student Instruction	109	88	6,000	5,912
Operations & Maintenance	<u>670</u>	<u>805</u>	<u>1,500</u>	<u>695</u>
Total Expenditures and Transfers	<u>3,611</u>	<u>893</u>	<u>\$ 15,500</u>	<u>\$ 14,607</u>
Receipts Over (Under) Expenditures	7,021	3,571		
Unencumbered Cash, Beginning	<u>17,784</u>	<u>24,805</u>		
Unencumbered Cash, Ending	<u>\$ 24,805</u>	<u>\$ 28,376</u>		

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

UNIFIED SCHOOL DISTRICT NO. 452
Johnson, Kansas
Special Education Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2013
(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

		Current Year		
	Prior Year	Actual	Budget	Variance -
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Favorable (Unfavorable)
Cash Receipts:				
Transfer from General Fund	\$ 295,000	\$ 300,000	\$ 300,000	\$ -
Transfer from Supplemental General Fund	<u> -</u>	<u> -</u>	<u> -</u>	<u> -</u>
Total Cash Receipts	<u>295,000</u>	<u>300,000</u>	<u>300,000</u>	<u> -</u>
Expenditures and Transfers:				
Student Transportation	3,754	6,638	6,483	(155)
Cooperative Special Education	362,006	383,214	395,000	11,786
Operation & Maintenance	<u>1,287</u>	<u>1,611</u>	<u>2,000</u>	<u>389</u>
Total Expenditures and Transfers	<u>367,047</u>	<u>391,463</u>	<u>\$ 403,483</u>	<u>\$ 12,020</u>
Receipts Over (Under) Expenditures	(72,047)	(91,463)		
Unencumbered Cash, Beginning	<u>360,014</u>	<u>287,967</u>		
Unencumbered Cash, Ending	<u>\$ 287,967</u>	<u>\$ 196,504</u>		

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

UNIFIED SCHOOL DISTRICT NO. 452
Johnson, Kansas
KPERs Retirement Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2013
(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	Current Year		Variance - Favorable (Unfavorable)
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts:				
State KPERs	\$ <u>311,572</u>	\$ <u>193,185</u>	\$ <u>288,117</u>	\$ <u>(94,932)</u>
Total Cash Receipts	<u>311,572</u>	<u>193,185</u>	<u>288,117</u>	<u>(94,932)</u>
Expenditures and Transfers:				
Employee Benefits-KPERs	<u>311,572</u>	<u>193,185</u>	<u>288,117</u>	<u>94,932</u>
Total Expenditures and Transfers	<u>311,572</u>	<u>193,185</u>	<u>\$ 288,117</u>	<u>\$ 94,932</u>
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

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

UNIFIED SCHOOL DISTRICT NO. 452
Johnson, Kansas
Vocational Education Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2013
(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	Current Year		Variance - Favorable (Unfavorable)
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts:				
Reimbursed Expenses	\$ -	\$ -	\$ -	\$ -
Transfer from General Fund	32,000	40,000	40,000	-
Transfer from Supplemental General Fund	<u>35,000</u>	<u>41,000</u>	<u>41,000</u>	-
Total Cash Receipts	<u>67,000</u>	<u>81,000</u>	<u>81,000</u>	-
Expenditures and Transfers:				
Instruction	53,614	50,255	59,708	9,453
Instructional Support Services	12,810	17,885	18,000	115
Capital Outlay	<u>2,539</u>	<u>12,860</u>	<u>3,292</u>	<u>(9,568)</u>
Total Expenditures and Transfers	<u>68,963</u>	<u>81,000</u>	<u>\$ 81,000</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	(1,963)	-		
Unencumbered Cash, Beginning	<u>1,963</u>	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

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

UNIFIED SCHOOL DISTRICT NO. 452
Johnson, Kansas
Professional Development Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2013
(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	Current Year		Variance - Favorable (Unfavorable)
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts:				
Transfer from General Fund	\$ 8,000	\$ 8,000	\$ 8,000	\$ -
Transfer from Supplemental General Fund	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Cash Receipts	<u>13,000</u>	<u>8,000</u>	<u>8,000</u>	<u>-</u>
Expenditures and Transfers:				
Purchased Technical Services	7,259	3,115	5,709	2,594
Instructional Supplies	<u>4,532</u>	<u>2,322</u>	<u>3,500</u>	<u>1,178</u>
Total Expenditures and Transfers	<u>11,791</u>	<u>5,437</u>	<u>\$ 9,209</u>	<u>\$ 3,772</u>
Receipts Over (Under) Expenditures	1,209	2,563		
Unencumbered Cash, Beginning	<u>-</u>	<u>1,209</u>		
Unencumbered Cash, Ending	<u>\$ 1,209</u>	<u>\$ 3,772</u>		

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

UNIFIED SCHOOL DISTRICT NO. 452
Johnson, Kansas
At Risk Funds - 4 Year Olds
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2013
(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	Current Year		Variance - Favorable (Unfavorable)
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts:				
Transfer from General Fund	\$ 40,000	\$ 50,000	\$ 15,000	\$ 35,000
Transfer from Supplemental General Fund	9,000	15,000	50,000	(35,000)
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Cash Receipts	<u>49,000</u>	<u>65,000</u>	<u>65,000</u>	<u>-</u>
Expenditures and Transfers:				
Instruction	48,584	58,037	58,200	163
Instructional Support	<u>416</u>	<u>2,163</u>	<u>2,000</u>	<u>(163)</u>
Total Expenditures	<u>49,000</u>	<u>60,200</u>	<u>\$ 60,200</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	-	4,800		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 4,800</u>		

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

UNIFIED SCHOOL DISTRICT NO. 452
Johnson, Kansas
At Risk Funds - K-12
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2013
(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	Current Year		Variance - Favorable (Unfavorable)
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts:				
Transfer from General Fund	50,000	55,000	55,000	-
Transfer from Supplemental General Fund	<u>416,500</u>	<u>500,000</u>	<u>500,000</u>	-
Total Cash Receipts	<u>466,500</u>	<u>555,000</u>	<u>555,000</u>	-
Expenditures and Transfers:				
Instruction Salaries	381,674	338,470	420,000	81,530
Purchased Professional Services	43,027	37,378	40,000	2,622
Instructional Supplies	3,307	15,891	9,822	(6,069)
Instructional - Property and Other	38,492	163,261	43,000	(120,261)
Student Support Services	<u>-</u>	<u>-</u>	<u>42,178</u>	<u>42,178</u>
Total Expenditures and Transfers	<u>466,500</u>	<u>555,000</u>	<u>\$ 555,000</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

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

UNIFIED SCHOOL DISTRICT NO. 452
Johnson, Kansas
Bilingual Education Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2013
(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	Current Year		Variance - Favorable (Unfavorable)
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts:				
Transfer from General Fund	71,600	75,000	75,000	-
Transfer from Supplemental General Fund	<u>165,000</u>	<u>175,000</u>	<u>175,000</u>	-
Total Cash Receipts	<u>236,600</u>	<u>250,000</u>	<u>250,000</u>	-
Expenditures and Transfers:				
Instruction	217,850	224,669	230,912	6,243
Purchased Professional Services	-	1,905	6,000	4,095
Instructional Supplies	16,987	22,982	10,000	(12,982)
Capital Outlay	<u>1,763</u>	<u>444</u>	<u>3,088</u>	<u>2,644</u>
Total Expenditures and Transfers	<u>236,600</u>	<u>250,000</u>	<u>\$ 250,000</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

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

Athletic Gate Receipts, School Projects and Grants
Statement of Cash Receipts, Expenditures and Balances
For the Year Ended June 30, 2013

<u>Activity</u>	<u>Beginning Unencumbered Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>
Athletic Gate Receipts:				
High School	\$ (3,867)	\$ 31,787	\$ 28,190	\$ (270)
Total-Cash Basis Totals to Statement 1	<u>\$ (3,867)</u>	<u>\$ 31,787</u>	<u>\$ 28,190</u>	<u>\$ (270)</u>
School Projects:				
Elementary Music	-	-		-
Elementary Projects	583	1,586	1,148	1,021
Middle School Projects	1,214	150	105	1,259
Tech Student Project	301	-	-	301
Stuco Grant	40	-	40	-
Box Tops-Elementary	1,294	628	431	1,491
Workbooks-Elementary	163	260	163	260
Workbooks	807	463	808	462
Shop-High School	4,402	4,364	4,682	4,084
Year Book	4,088	3,318	4,088	3,318
Staff Project-High School	69	1,981	177	1,873
Staff Project-Elementary	<u>27</u>	<u>146</u>	<u>142</u>	<u>31</u>
Total-Cash Basis Totals to Statement 1	<u>\$ 12,988</u>	<u>\$ 12,896</u>	<u>\$ 11,784</u>	<u>\$ 14,100</u>
Grants:				
Dale Dennis Excellence in Education	164	-	-	164
Reap Grant	-	33,345	33,345	-
Building Block Grant	<u>\$ -</u>	<u>40,834</u>	<u>13,773</u>	<u>\$ 27,061</u>
Total-Cash Basis Totals to Statement 1	<u>\$ 164</u>	<u>\$ 74,179</u>	<u>\$ 47,118</u>	<u>\$ 27,225</u>

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

UNIFIED SCHOOL DISTRICT NO. 452
Johnson, Kansas
Federal Funds
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended June 30, 2013

	Beginning Unencumbered <u>Cash Balance</u>	Cash <u>Receipts</u>	Cash <u>Expenditures</u>	Ending Unencumbered <u>Cash Balance</u>	Outstanding <u>Encumbrances</u>	Ending Cash <u>Balance</u>
Title I - ESEA	\$ (52,805)	\$ 157,894	\$ 105,089	\$ -	\$ 10,402	\$ 10,402
Title II-A Teacher Quality Improvement	(9,377)	28,257	18,880	-	-	-
YRBS - Special Project	-	-	-	-	-	-
Title III English Language	(7,909)	23,272	15,363	-	-	-
Title VI Migrant	<u>(47,021)</u>	<u>133,021</u>	<u>86,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals - Cash Basis Totals to Statement 1	<u>\$ (117,112)</u>	<u>\$ 342,444</u>	<u>\$ 225,332</u>	<u>\$ -</u>	<u>\$ 10,402</u>	<u>\$ 10,402</u>

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

Scholarship Funds and Gifts

Statement of Cash Receipts and Expenditures - Actual

For the Year Ended June 30, 2013

	Beginning Unencumbered <u>Cash Balance</u>	Cash <u>Receipts</u>	Cash <u>Expenditures</u>	Ending Unencumbered <u>Cash Balance</u>
<u>Scholarship Fund:</u>				
Coca-Cola Scholarship	\$ 250	\$ -	\$ -	\$ 250
Subtotal	<u>250</u>	<u>-</u>	<u>-</u>	<u>250</u>
 <u>Awards & Gifts</u>				
9-12 Awards	\$ 2,403	\$ 329	\$ 548	\$ 2,184
9-12 - CD	468	-	-	468
Gifts - Elementary	61	-	43	18
Gifts - High School	945	-	-	945
Subtotal	<u>3,877</u>	<u>329</u>	<u>591</u>	<u>3,615</u>
 Total	 <u>\$ 4,127</u>	 <u>\$ 329</u>	 <u>\$ 591</u>	 <u>\$ 3,865</u>

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

UNIFIED SCHOOL DISTRICT NO. 452
Johnson, Kansas
Sales Tax Fund
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended June 30, 2013
(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts:		
Sales Tax Collected	<u>5,756</u>	<u>5,421</u>
Total Cash Receipts	<u>5,756</u>	<u>5,421</u>
Expenditures and Transfers:		
Sales Tax Paid and Encumbered	<u>5,756</u>	<u>5,550</u>
Total Expenditures and Transfers	<u>5,756</u>	<u>5,550</u>
Receipts Over (Under) Expenditures	<u>-</u>	<u>(129)</u>
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ (129)</u>

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

UNIFIED SCHOOL DISTRICT NO. 452
Johnson, Kansas
Recreation Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2013
(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	Current Year		Variance - Favorable (Unfavorable)
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts:				
Taxes and Shared Revenue:				
Prior Year Ad Valorem Tax	\$ 817	\$ 775	\$ 977	\$ (202)
Ad Valorem Property Tax	205,333	210,658	189,156	21,502
Delinquent Tax	3,157	806	519	287
Motor Vehicle Tax	8,041	8,742	8,799	(57)
RV Tax	<u>127</u>	<u>-</u>	<u>153</u>	<u>(153)</u>
Total Cash Receipts	<u>217,475</u>	<u>220,981</u>	<u>199,604</u>	<u>21,377</u>
Expenditures and Transfers:				
Transfer to Recreation Commission	<u>217,475</u>	<u>220,981</u>	<u>226,000</u>	<u>5,019</u>
Total Expenditures	<u>217,475</u>	<u>220,981</u>	<u>226,000</u>	<u>5,019</u>
Receipts Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>\$ (26,396)</u>	<u>\$ 26,396</u>
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

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

UNIFIED SCHOOL DISTRICT NO. 452
Johnson, Kansas
Recreation Commission Employee Benefit
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2013
(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

	Prior Year <u>Actual</u>	Current Year		Variance - Favorable (Unfavorable)
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts:				
Taxes and Shared Revenue:				
Prior Year Ad Valorem Tax	\$ 209	\$ 129	\$ 146	\$ (17)
Ad Valorem Property Tax	34,085	42,132	37,106	5,026
Delinquent Tax	595	148	85	63
Motor Vehicle Tax	1,097	1,967	1,368	599
Recreational Vehicle Tax	19	-	24	(24)
Other Revenue - Local Sources	-	-	1,990	(1,990)
	<u>36,005</u>	<u>44,376</u>	<u>40,719</u>	<u>3,657</u>
Total Cash Receipts				
	<u>36,005</u>	<u>44,376</u>	<u>40,719</u>	<u>3,657</u>
Expenditures and Transfers:				
Transfer to Recreation Commission	<u>36,005</u>	<u>42,615</u>	<u>42,615</u>	-
Total Expenditures and Transfers	<u>36,005</u>	<u>42,615</u>	<u>\$ 42,615</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	-	1,761		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Restricted Ending Balance	<u>\$ -</u>	<u>\$ 1,761</u>		

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

UNIFIED SCHOOL DISTRICT NO. 452

Johnson, Kansas

School Activity Funds

Statement of Cash Receipts, Expenditures and Unencumbered Cash
For the Year Ended June 30, 2013

Statement 3
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	Beginning Unencumbered <u>Cash Balance</u>	Cash <u>Receipts</u>	Cash <u>Expenditures</u>	Ending Unencumbered <u>Cash Balance</u>
<u>Student Organization Funds</u>				
High School:				
Cheerleaders	\$ (143)	\$ 2,614	\$ 1,744	\$ 727
Student Council	(37)	30,666	33,504	(2,875)
Debate	(7)	7	-	-
Drama	1,362	179	342	1,199
FACS	(100)	100	-	-
Band	1,952	1,236	3,170	18
Vocal	-	3,110	282	2,828
Senior Class	2,022	1,434	2,297	1,159
Junior Class	3,188	11,436	12,065	2,559
Sophomore Class	5,638	5,161	4,137	6,662
Freshman Class	1,808	4,381	4,551	1,638
HALO	3,164	159	195	3,128
Golf	199	1,346	947	598
Volleyball Boosters	885	2,128	2,382	631
Basketball - Girls Boosters	13	734	609	138
Basketball - Boys Boosters	-	781	444	337
Pom Pom	(76)	2,394	1,627	691
Football Boosters	10,696	14,605	14,621	10,680
Cross Country Boosters	10,888	10,601	9,014	12,475
Special Ed/Speech	1	-	50	(49)
National Honor Society	126	2,004	1,310	820
Art	1,788	2,134	1,965	1,957
Weight Room	43	-	43	-
TSA	245	738	115	868
Softball Boosters	450	2,377	1,514	1,313
Spanish Club	159	-	159	-
Track	1	1,314	1,158	157
Athletic Pictures	-	4,711	4,704	7
Interact	-	6,223	5,900	323
FBLS	-	152	264	(112)
Sub Total	<u>44,265</u>	<u>112,725</u>	<u>109,113</u>	<u>47,877</u>
Middle School:				
Library	157	-	-	157
Volleyball Boosters	71	780	759	92
Boys Basketball Boosters	(37)	104	-	67
Basketball Boosters	(11)	11	-	-
Cheerleaders	1,312	1,231	2,223	320
Awards	1,583	-	223	1,360
Sub Total	<u>3,075</u>	<u>2,126</u>	<u>3,205</u>	<u>1,996</u>
Elementary School:				
Library Book Fair	130	6,490	5,799	821
Band	112	189	100	201
5th Grade Project	55	-	-	55
Sub Total	<u>297</u>	<u>6,679</u>	<u>5,899</u>	<u>1,077</u>
Total Activity Fund	<u>\$ 47,637</u>	<u>\$ 121,530</u>	<u>\$ 118,217</u>	<u>\$ 50,950</u>

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

UNIFIED SCHOOL DISTRICT NO. 452
Johnson, Kansas
Notes to Financial Statements
June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Unified School District No. 452, Johnson Kansas operates as a municipal corporation in accordance with the laws of the State of Kansas. The District is governed by an elected seven member Board of Education and provides the following services: education, culture and recreation. The District receives funding from local, state and federal government sources and must comply with the concomitant requirements of these funding source entities. The District is a primary government and has one component unit. The component unit is not included in the Districts' reporting entity.

Component Unit

Unified School District No. 452 board appoints the majority of Stanton County Recreation commission board.

1. Recreation Commission. Stanton County 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 Unified School District. The Unified School District levies taxes for the Recreation Commission. Bond issuances must be approved by the Unified School District. Financial statements of the recreation commission may be obtained from the Stanton County Recreation Office located in Johnson, Kansas. The Recreation Commission issues a separate Audit Report.

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. Cash disbursements are recognized when the cash balance of a fund is decreased. Expenditures include disbursements, 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 District has approved a resolution that is in compliance with K.S.A.1120a(c) waiving the requirement for application of generally accepted accounting principles which allows the District to revert to the statutory basis of accounting.

Departure from Generally Accepted Accounting Principles

The basis of accounting described above results in a financial statement presentation which shows cash receipts, cash disbursements, 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 United States of America generally accepted accounting principles, 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 United States of America generally accepted accounting principles. General fixed assets that account for the land, buildings, and equipment owned by the municipality are not presented in the financial statements. Also, general long-term debt such as general obligation bonds, capital leases, temporary notes, and compensated absences are not presented in the financial statements.

Fund Accounting – Basis of Presentation

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 District for the fiscal year ended June 30, 2013:

Governmental Funds Types:

General Fund -- to account for all unrestricted resources except those required to be accounted for in another fund, with limitation restrictions as required by the amended School District Finance and Quality Performance Act of 1992.

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

Capital Outlay Fund -- to account for financial resources segregated for the acquisition and improvement of major capital facilities and equipment.

Contingency Reserve Fund – to account for monies held in reserve to be used as designated in K.S.A. 72-6426, with carryover balance not to exceed 10% of the legal general fund budget.

Fiduciary Funds Type:

Trust and Agency Funds -- to account for assets held by the District in a trustee capacity or as an agent for individuals, other governmental units, private organizations and/or other funds. These include expendable and nonexpendable trust funds and agency funds. The student activity funds account for the receipt and disbursements of monies from student activity organizations which are under the jurisdiction of the District.

Reimbursed Expenses

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statements meet the following criteria: 1) the related disbursement was made in the current year on behalf of the payee, 2) the item paid for was directly identifiable as having been used by or provided to the payee, and 3) the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

Expenditures in the amount of \$85,264 are classified as adjustments for qualifying budget credits in the general fund and capital outlay fund and are primarily reimbursed expenses and insurance proceeds. The District records a reimbursable expenditure as an expenditure in the fund that makes the disbursement and records the resulting reimbursement as revenue to that fund. Such expenditures are exempt from the "legal maximum" budget law under K.S.A. 79-2934.

Prior Year Cancelled Encumbrances (Statements 1 and 3). When payment is made on an encumbrance (or when a related accounts payable is created), the related encumbrance should be liquidated completely. This is particularly important for prior year encumbrances in which the related disbursement is less than the encumbered amount. Any unused portion of a prior year encumbrance: 1) cannot be used as expenditure authority for any purpose other than the original purchase order or contract, and 2) must be added back to unencumbered cash as an adjustment to beginning unencumbered cash as an adjustment to beginning unencumbered cash in Statements 1 and 3.

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. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

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

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

All budgets must be filed with the County Clerk by August 25th. The County Clerk must apply the tax levy rates as determined by the amended School District Finance and Quality Performance Act of 1992. After all budgets have been received and tax rates calculated, the Clerk certifies the tax roll to the County Treasurer, who prepares tax statements and receives payment.

Taxes levied to finance the state mandated base rate of \$3,838 per pupil for budget purposes are sent to the State of Kansas as collected and are distributed by the State Treasurer to the District on a monthly basis according to the amended School District Finance and Quality Performance Act of 1992. (K.S.A.72-6410).

The statutes allow for the Board to increase the originally adopted budget for unbudgeted increases in revenue other than ad valorem property tax. 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 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 revenues and expenditures compared to legally budgeted revenues and expenditures. The certified general fund budget totaled \$3,815,356 for the year ended June 30, 2013. \$3,581,622 was the "legal max" budget as calculated by the State Board of Education, thus the District was limited to that amount, which was \$233,734 lower than the published budget.

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

A legal operating budget is not required for capital project funds, trust funds, student activity funds, textbook rental funds and contingency reserve funds.

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

K.S.A. 72-6433 as amended allows Local Option Budget (LOB) called Supplemental General Fund which may be adopted by any district and may not exceed 30% of general state financial aid. The district must first adopt a LOB resolution which must be published once in a designated newspaper. If a petition in opposition is not filed within thirty (30) days of publication, the LOB is authorized. The legal maximum supplemental general fund budget was \$1,233,410 for the year ending June 30, 2012, as calculated by the State Board of Education. The published supplemental general fund was \$1,308,443.

The District published and adopted a resolution for a capital outlay levy not to exceed four (4) mills for the purpose of construction, repair and remodeling of building and equipment purchases under authority of K.S.A. 12-1774. This levy commenced with the 2008-2009 school year and will continue through 2013-2014.

Depository Security Compliance

K.S.A. 9-1402 requires the District to obtain security in the amount of one hundred percent of deposits in excess of FDIC or FSLIC insurance coverage prior to depositing any public monies in any state bank, national bank or savings and loan institution. At year-end the carrying amount of the District's deposits, including certificates of deposit, was \$2,497,979. The bank balance was \$2,906,665. The difference between the carrying amount and the bank balance is outstanding checks and deposits in transit. Of the bank balance, \$342,700 was covered by FDIC insurance and the balance by pledged securities of \$2,563,965.

A schedule of funds on deposit compared with depository coverage at June 30, 2013 is provided on page 35. Depository security as required by K.S.A. 9-1402 was adequate on June 30, 2013.

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, 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. The District's allocation of investments as of June 30, 2013 is entirely certificates of deposit and Money Market Accounts.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. State statutes require the District’s deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated “peak periods” when required coverage is 50%. The District has not designated “peak periods.” All deposits were legally secured at June 30, 2013.

Stewardship Compliance

Checklist of compliance with other Kansas Statutes that pertain to Unified School District No. 452 is provided on page 36 and 37 of this report.

Cash Basis Compliance

The General Fund would have shown an ending unencumbered negative cash balance of \$ (55,232) for the year ending June 30, 2013 which is in compliance with Kansas Statutes Annotated 10-1113. K.S.A. 10-1116a (or 10-1116) provides that under certain situations, the fund can end the year with a negative unencumbered cash balance and therefore, be exempt from the cash basis law of the State of Kansas. The following General Fund statement shows compliance with K.S.A. 10-1113.

UNIFIED SCHOOL DISTRICT NO.452
Johnson, Kansas
General Fund
Statutory Revenues and Expenditures - Statutory and Budget
For the Year Ended June 30, 2013
(With Comparative Actual Totals for the Prior Year Ended June 30, 2012)

		<u>Current Year</u>		
	Prior Year <u>Actual</u>	<u>Statutory transactions</u>	<u>Budget</u>	Variance – Favorable (<u>Unfavorable</u>)
Statutory Revenues:				
Taxes and Shared Revenue:				
Ad Valorem Property Tax-Prior Year	\$ 5,211	\$ 4,908	\$ 3,865	\$ 1,043
Ad Valorem Property Tax-Current	1,609,202	1,651,634	1,484,302	167,332
Delinquent Tax	23,905	5,298	4,055	1,243
Mineral Production	132,871	85,431	-0-	85,431
State Special Education Reimbursement	279,556	272,456	290,375	(17,919)
Refunds & Reimbursement	62,189	78,107	-0-	78,107
General State Aid	1,562,828	1,604,257	2,037,364	(433,107)
Education Jobs Grants	<u>1,823</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Statutory Revenues	<u>3,677,585</u>	<u>3,702,091</u>	<u>\$3,819,961</u>	<u>\$ 117,870</u>

	Prior Year <u>Actual</u>	Current <u>transactions</u>	<u>Budget</u>	Variance – Favorable (Unfavorable)
Expenditures and Transfers:				
Instruction-Salaries	1,587,893	1,565,829	\$1,648,202	\$ 82,373
Other Purchased Instruction	87,011	54,297	95,000	40,703
Student Support Services	1,098	390	3,500	3,110
General Administration-Salaries	232,191	235,544	240,124	9,185
General Administration-Other	53,135	73,919	64,000	(9,919)
School Administration-Salaries	265,665	274,217	268,000	(6,217)
School Administration-Other	15,898	18,373	18,000	(373)
Operations and Maintenance	647,930	717,022	685,105	(31,917)
Student Transportation	296,007	182,138	255,425	73,287
Operating Transfers	496,600	538,000	538,000	-0-
Adjustment to Comply with Legal Max	<u>-0-</u>	<u>-0-</u>	<u>(233,734)</u>	<u>(233,734)</u>
Legal General Fund Budget	3,683,428	3,659,729	3,581,622	(78,107)
Adjustment for Qualifying Budget Credits	<u>-0-</u>	<u>-0-</u>	<u>78,107</u>	<u>78,107</u>
Total Expenditures and Transfers	<u>3,683,428</u>	<u>3,659,729</u>	<u>\$3,664,334</u>	<u>\$ -0-</u>
Statutory Revenues Over(Under) Expenditures	5,843	42,362		
Modified Unencumbered Cash, Beginning	<u>(108,574)</u>	<u>(114,417)</u>		
Modified. Unencumbered Cash, Ending	\$ <u>(114,417)</u>	\$ <u>(72,055)</u>		

3. COMPENSATED ABSENCES

Sick and Personal Leave

The District's policy allows each qualified teacher to accumulate a maximum of 72 days of sick leave at a rate of 12 days per year. This accumulated sick leave may also be used for illness of the teacher's immediate family. Personal leave days included in this leave is based on length of service in the District.

The twelve (12) days of annual allocation shall be granted at the start of each school year. If however, termination of the teacher's contract should occur, for whatever reason, during the contract year, one day of sick leave will be deducted from the total of the twelve (12) days accrued during that contract year for each twenty (20) days remaining on the contract. Should any teacher require more sick leave days in excess of the total number of days accrued in prior years, if any, plus the number of days which would have been accrued during the present contract year, less the deducted days, the teacher will have deducted from the earned salary an amount equivalent to one day's pay for each day of sick leave used beyond the total entitlement.

At the end of the school year, any teacher who accumulates over sixty days shall be eligible to receive \$75 per day for all days over the 60 of their accumulated sick leave up to a maximum payment of \$750. The cost of accumulated sick leave has not been estimated at June 30, 2013 as the amount is not material.

4. DEFINED BENEFIT PENSION PLAN

Substantially all employees of Unified School District No. 452, Johnson, Kansas participate in the Kansas Public Employees Retirement System (KPERS), a multiple-employer public employee retirement system. The payroll for employees covered by the System for the year ended was \$2,642,142; total payroll was \$2,669,765.

Plan Description

The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas, 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 4-6% of covered salary. District employees' contributions are withheld by the district and paid to KPERS according to the provisions of section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. State law sets a limitation on annual increases in the contribution rates. The State was to contribute 9.77% of covered payroll for the period July 1, 2012 to June 30, 2013. Kansas' contributions to KPERS for all public school employees for the years ending June 30, 2013, 2012 and 2011 were \$323,067,803, \$298,635,383, and \$253,834,044 respectively.

5. OTHER POST EMPLOYMENT BENEFITS

Other Post Employment Benefits (no Employer participation). As provided by K.S.A. 12-540, the local government allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the local government is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

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

6. OPERATING TRANSFERS

Recurring annual transfer between budgetary funds for the purpose of shifting resources from the fund legally required to receive revenue, to the fund authorized to expend the revenue and the statutory authority to do so are as follows:

<u>Authority</u>	<u>From</u>	<u>To</u>	<u>Amount</u>
K.S.A. 72-6428	General Fund	Special Education	\$300,000
K.S.A. 72-6428	General Fund	Professional Dev.	\$ 8,000
K.S.A. 72-6428	General Fund	Food Service	\$ 10,000
K.S.A. 72-6428	General Fund	At Risk(4 year old)	\$ 50,000
K.S.A. 72-6428	General Fund	At Risk	\$ 55,000
K.S.A. 72-6428	General Fund	Bilingual	\$ 75,000
K.S.A. 72-6428	General Fund	Vocational Ed	\$ 40,000
K.S.A. 72-6433	Supplemental General	At Risk	\$500,000
K.S.A. 72-6433	Supplemental General	Bilingual	\$175,000
K.S.A. 72-6433	Supplemental General	Food Service	\$158,000
K.S.A. 72-6433	Supplemental General	Vocational Ed	\$410,000
K.S.A. 72-6433	Supplemental General	At Risk(4 year old)	\$ 15,000

7. LONG-TERM DEBT

The District had no long-term debt liabilities at June 30, 2013.

8. CAPITAL PROJECTS

The District had no Capital Projects that were completed, or near completion on June 30, 2013.

9. LITIGATION

The District may be a party to unknown lawsuits. None would be expected to have a material financial impact on the District.

10. SELF-INSURANCE FUND

The District does not have a self-insurance fund. Insurance coverage for physical damage to assets of the District and for various types of coverage for its employees is purchased through commercial insurance companies. Settlements for incurred claims have not exceeded coverage for the years 2013 and 2012. There also has been no significant reduction of coverage provided by the District.

11. 2012 FINANCIAL DATA

The amounts shown for 2012, in the accompanying financial statements are included, where practicable, only to provide a basis for comparison with 2013 and are not intended to present all information necessary for a fair presentation in accordance with generally

accepted accounting principles. Certain amounts for 2012 may have been reclassified to conform with the presentation of similar amounts for 2013.

12. GRANT FUNDS

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants.

Intergovernmental Assistance – State of Kansas

<u>Type of Aid</u>	<u>Fund</u>	<u>Amount Received</u>
State Equalization Aid	General Fund	\$ 1,604,257
State Food Service	Food Service Fund	2,940
State Dept. of Education	State Safety	4,464
State Dept. of Education	KPERS Contribution	265,341
State Special Education	Special Education Aid	<u>292,456</u>
Total Intergovernmental Assistance		\$ <u>2,169,458</u>

Federal Financial Assistance

Federal Agency - Passed Through Kansas Department of Education

	<u>CFDA #</u>	<u>Beginning Balance</u>	<u>Amount Received</u>	<u>Amount Expended</u>	<u>Ending Balance</u>
US Department of Agriculture					
School Breakfast Program	10.553	\$ -0-	\$ 26,110	\$ 26,110	\$ -0-
National School Lunch	10.555	-0-	122,955	122,412	-0-
Cash for Commodities	10.555	-0-	14,464	14,464	-0-
ESEA Title I-Low Income	84.010	-0-	103,171	103,171	-0-
Improving Teacher Quality Title II	84.367	-0-	18,424	18,424	-0-
Migrant – Title I	84.011	-0-	88,229	88,229	-0-
English Language Acquisition	84.365	-0-	15,271	15,271	-0-
Safe & Supportive Schools	84.814	<u>-0-</u>	<u>13,493</u>	<u>13,493</u>	<u>-0-</u>
Total Federal Financial Assistance		\$ <u>-0-</u>	\$ <u>402,117</u>	\$ <u>284,282</u>	\$ <u>-0-</u>

UNIFIED SCHOOL DISTRICT NO. 452
Johnson, Kansas
Funds on Deposit Compared With Depository Coverage
June 30, 2013

<u>Financial Institution</u> <u>/Address</u>	<u>FDIC</u> <u>Coverage</u>	<u>Market</u> <u>Coverage</u>	<u>Securities Pledged</u> <u>& letter of credit</u> <u>Value</u>	<u>Coverage</u>	<u>Funds</u> <u>on</u> <u>Deposit</u>	<u>Funds</u> <u>at</u> <u>Risk</u>
First National Bank Syracuse, Kansas						
Demand deposits	\$ 250,000		-0-	250,000	69,565	-0-
Investment & Time	<u>250,000</u>		<u>3,365,064</u>	<u>3,615,604</u>	<u>2,813,965</u>	<u>-0-</u>
Total	\$ <u>500,000</u>		<u>3,365,064</u>	<u>3,865,064</u>	<u>2,883,530</u>	<u>-0-</u>
Johnson State Bank Johnson, Kansas						
Demand deposits	\$ 250,000		-0-	250,000	10,524	-0-
Investments	<u>250,000</u>		<u>-0-</u>	<u>250,000</u>	<u>12,611</u>	<u>-0-</u>
Total	\$ <u>500,000</u>		<u>-0-</u>	<u>500,000</u>	<u>23,135</u>	<u>-0-</u>

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

COMPLIANCE CHECKLIST

Unified School District No. 452

Period Ending
6-30-13

General

Remarks

- | | |
|---|-----|
| 1. Income from investments properly accounted for and credited to funds (KSA 10-131 and 12-1677, 72-6427). | Yes |
| 2. Investments made in accordance with statutory provisions (KSA 10-131, 12-1675, 12-1677 and 17-5002). | Yes |
| 3. Fixed asset accounting policies and procedures properly established (KSA 75-1120a - Waiver of GAAP requirements for year ended June 30, 2007). | Yes |
| 4. Petty cash funds limited to statutory use (KSA 72-8208). | Yes |
| 5. Depositories officially designated for all public monies (KSA 9-1401). | Yes |
| 6. Bank deposits adequately secured (KSA 9-1402). | Yes |
| 7. Budget approved by the governing body and in accordance with Kansas Budget Laws (KSA 79-2925 <u>et seq.</u>). | Yes |
| 8. Expenditures made in compliance with the budget law (KSA 79-2935) and from each fund made as appropriated in compliance with authorizing statute (KSA 79-2934). | Yes |
| 9. Expenditures made in compliance with the cash basis law (KSA 10-1113, 10-1121). (and KSA 10-1116) | No |
| 10. Written contract and sealed bid procedures followed (KSA 72-6760). | Yes |
| 11. Officials have allowed public inspection of public records as required by K.O.R.A. (KSA 45-201 <u>et seq.</u>). | Yes |
| 12. Fidelity bonds and insurance policies properly filed (KSA 72-8202d). | Yes |
| 13. The minutes contain an accurate record of the proceedings of the governing body, indexed and signed (KSA 72-8202c). | Yes |
| 14. Student activity funds incorporated as a part of this audit (KSA 75-1122a) and maintained in compliance with the <u>Guidelines for Student Activity Fund</u> , promulgated by the Kansas State Board of Education and the Department of Administration. | Yes |
| 15. Contingency reserve fund does not exceed limit and is used properly (KSA 72-6426). | Yes |

- | | |
|---|-----|
| 16. Compensation allowed officers, teachers or employees provided by either Board authorization and/or contract (KSA 72-8202, 72-5410 <u>et seq.</u>). | Yes |
| 17. Clerk exercised reasonable care in maintenance and custody of records, books and documents of the Board (KSA 72-8202c). | Yes |
| 18. Clerk maintained the required fund encumbrance records (KSA 10-1117). | Yes |
| 19. Clerk maintained an account of unencumbered budget balances by fund as required (KSA 79-2934). | Yes |
| 20. Treasurer maintained records required by statute (KSA 10-1118). | Yes |
| 21. Treasurer furnished a fidelity bond (KSA 72-8202d). | Yes |
| 22. District funds disbursed as provided by law (KSA 12-105a, 105b and 10-801, 75-6401 <u>etseq.</u>). | Yes |
| 23. The District made mandatory purchases of product and service by Kansas Industries for the Blind and Severely Disabled (KSA 75-3317 through 75-3322) | No |

Definitions of acronyms used above:
KSA Kansas Statutes Annotated