

**UNIFIED SCHOOL DISTRICT NO. 494 SYRACUSE, KANSAS**

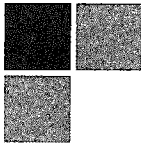
Financial Statements With Independent Auditors' Report

For the Year Ended June 30, 2012

**UNIFIED SCHOOL DISTRICT NO. 494 SYRACUSE, KANSAS**  
 Financial Statements With Independent Auditors' Report  
 For the Year Ended June 30, 2012

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Certified  
Public  
Accountants

## INDEPENDENT AUDITORS' REPORT

To the Board of Education  
**Unified School District No. 494 Syracuse, Kansas**  
Syracuse, Kansas

We have audited the accompanying financial statements of **Unified School District No. 494 Syracuse, Kansas**, as of and for the year ended June 30, 2012, as listed in the table of contents. These financial statements are the responsibility of **Unified School District No. 494 Syracuse, Kansas'** management. Our responsibility is to express opinions 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*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described more fully in Note 1, **Unified School District No. 494 Syracuse, Kansas** has prepared these financial statements using accounting practices prescribed or permitted by the State of Kansas, whose practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

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 **Unified School District No. 494 Syracuse, Kansas**, as of June 30, 2012, or the changes in its financial position for the year then ended.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of each fund of **Unified School District No. 494 Syracuse, Kansas**, as of June 30, 2012, and their respective cash receipts and disbursements and budgetary results for the year then ended, on the basis of accounting described in Note 1.

**ADAMS, BROWN, BERAN & BALL, CHTD.**  
Certified Public Accountants

December 10, 2012

**UNIFIED SCHOOL DISTRICT NO. 494 SYRACUSE, KANSAS**  
 Summary of Cash Receipts, Expenditures and Unencumbered Cash  
 For the Year Ended June 30, 2012

Funds	Beginning Unencumbered Cash Balance	Prior Period Adjustments	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
<b>Governmental Fund Categories</b>								
<b>General Funds</b>								
General Fund	\$ (263,259)	263,259	7	3,710,548	3,710,548	7	3,164	3,171
Supplemental General Fund	59,601	-	43	1,214,879	1,196,123	78,400	39,068	117,468
<b>Special Revenue Funds</b>								
Bilingual Education Fund	171,429	-	-	400,462	355,543	216,348	-	216,348
Capital Outlay Fund	883,043	-	834	390,564	171,182	1,103,259	18,936	1,122,195
Driver Training Fund	1,087	-	-	3,684	3,746	1,025	-	1,025
Food Service Fund	106,125	-	-	367,032	380,893	92,264	-	92,264
Professional Development Fund	-	-	-	733	732	1	400	401
Special Education Fund	453,273	-	51	344,603	391,656	406,271	11,806	418,077
Vocational Education Fund	11,679	-	-	130,275	125,239	16,715	140	16,855
KPERS Special Retirement Contribution Fund	-	-	-	318,882	318,882	-	-	-
Contingency Reserve Fund	400,758	-	-	44,981	74,704	371,035	-	371,035
At Risk (4 Year Old) Fund	25,009	-	223	57,800	77,796	5,236	50	5,286
At Risk (K-12) Fund	337,201	-	-	767,823	764,028	340,996	10,275	351,271
Textbook and Student Material Revolving Fund	117,775	-	40	18,853	8,469	128,199	-	128,199
Title I Fund	16,098	-	292	106,418	85,738	37,070	319	37,389
Migrant Fund	35,541	-	594	118,720	68,529	86,326	2,910	89,236
Title III - ELL Fund	4,410	-	-	15,998	16,607	3,801	-	3,801
Title II - Teacher Quality Fund	5,567	-	375	20,776	14,298	12,420	515	12,935
Federal REAP Fund	-	-	-	34,777	34,777	-	-	-
District Activity Funds	37,722	-	-	67,764	70,820	34,666	-	34,666
<b>Debt Service Fund</b>								
Bond and Interest Fund	1,034,237	-	-	766,067	743,375	1,056,929	-	1,056,929
<b>Total Reporting Entity (Excluding Agency Funds)</b>	<b>\$ 3,437,296</b>	<b>263,259</b>	<b>2,459</b>	<b>8,901,639</b>	<b>8,613,685</b>	<b>3,990,968</b>	<b>87,583</b>	<b>4,078,551</b>
<b>Composition of Cash</b>								
								\$ 3,109,082
								1,000,000
								4,109,082
								(30,531)
								\$ 4,078,551

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

**UNIFIED SCHOOL DISTRICT NO. 494 SYRACUSE, KANSAS**  
 Summary of Expenditures - Actual and Budget  
 For the Year Ended June 30, 2012

Funds	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
<b>Governmental Fund Categories</b>						
<b>General Funds</b>						
General Fund	\$ 3,758,076	(47,628)	100	3,710,548	3,710,548	-
Supplemental General Fund	1,187,926	-	8,197	1,196,123	1,196,123	-
<b>Special Revenue Funds</b>						
Bilingual Education Fund	405,683	-	-	405,683	355,543	(50,140)
Capital Outlay Fund	1,078,227	-	-	1,078,227	171,182	(907,045)
Driver Training Fund	4,771	-	-	4,771	3,746	(1,025)
Food Service Fund	457,458	-	-	457,458	380,893	(76,565)
Professional Development Fund	12,000	-	-	12,000	732	(11,268)
Special Education Fund	804,799	-	-	804,799	391,656	(413,143)
Vocational Education Fund	131,954	-	-	131,954	125,239	(6,715)
KPERS Special Retirement Contribution Fund	349,398	-	-	349,398	318,882	(30,516)
At Risk (4 Year Old) Fund	82,802	-	-	82,802	77,796	(5,006)
At Risk (K-12) Fund	537,138	-	-	537,138	764,028	226,890
<b>Debt Service Fund</b>						
Bond and Interest Fund	743,375	-	-	743,375	743,375	-

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

**UNIFIED SCHOOL DISTRICT NO. 494 SYRACUSE, KANSAS**  
**General Fund**

Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended June 30, 2012

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
Taxes and Shared Revenues				
Ad Valorem Tax	\$ 854,723	870,686	846,083	24,603
Delinquent Tax	12,440	37,858	8,788	29,070
Mineral Production Tax	23,268	24,401	-	24,401
Intergovernmental Revenues				
Mentor Teacher Program Grant	900	-	-	-
Special Education Aid	258,461	274,064	274,064	-
Federal Aid - ARRA	75,189	-	-	-
Federal Aid - Education Jobs	131,656	1,932	-	1,932
Equalization Aid	2,612,759	2,501,507	2,581,513	(80,006)
Reimbursements	-	100	-	100
<b>Total Cash Receipts</b>	<b>3,969,396</b>	<b>3,710,548</b>	<b>3,710,448</b>	<b>100</b>
<b>Expenditures</b>				
Instruction	1,187,639	1,102,333	1,301,915	(199,582)
Student Support Services	106,094	118,466	109,189	9,277
Instructional Support Services	68,525	187	193,429	(193,242)
General Administration	162,689	147,269	158,544	(11,275)
School Administration	233,006	231,257	239,211	(7,954)
Operations and Maintenance	257,715	277,302	268,585	8,717
Transportation	332,259	298,123	311,502	(13,379)
Other Support Services	83,936	98,940	87,265	11,675
Transfers Out	1,537,533	1,436,671	1,088,436	348,235
Adjustment to Comply with Legal Max	-	-	(47,628)	47,628
Legal General Fund Budget	3,969,396	3,710,548	3,710,448	100
(a) Adjustment for Qualifying Budget Credit	-	-	100	(100)
<b>Total Expenditures</b>	<b>3,969,396</b>	<b>3,710,548</b>	<b>3,710,548</b>	<b>-</b>
<b>Cash Receipts Over (Under) Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Unencumbered Cash - Beginning</b>				
As Previously Stated	-	(263,259)		
Prior Period Adjustment	-	263,259		
Prior Year Cancelled Encumbrances	-	7		
<b>Unencumbered Cash - Ending</b>	<b>\$ -</b>	<b>7</b>		
<b>(a) Adjustment for Qualifying Budget Credit</b>				
Reimbursements Over Amount Budgeted			\$ 100	

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

**UNIFIED SCHOOL DISTRICT NO. 494 SYRACUSE, KANSAS**  
**Supplemental General Fund**  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended June 30, 2012  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
Taxes and Shared Revenues				
Ad Valorem Tax	\$ 1,035,709	1,047,714	1,007,592	40,122
Delinquent Tax	10,812	36,874	10,733	26,141
Motor Vehicle Tax	47,030	53,179	43,316	9,863
Recreational Vehicle Tax	748	796	1,018	(222)
Intergovernmental Revenue				
Equalization Aid	-	68,119	65,666	2,453
State Reimbursement	190	8,197	-	8,197
<b>Total Cash Receipts</b>	<b>1,094,489</b>	<b>1,214,879</b>	<b>1,128,325</b>	<b>86,554</b>
<b>Expenditures</b>				
Instruction	79,707	117,420	361,698	(244,278)
Student Support Services	9,445	9,513	12,450	(2,937)
Instructional Support Staff	3,985	185	5,000	(4,815)
General Administration	99,859	106,055	130,097	(24,042)
School Administration	1,881	4,097	2,500	1,597
Operations and Maintenance	384,487	378,569	440,933	(62,364)
Transportation	-	-	200	(200)
Transfers Out	527,400	580,284	235,048	345,236
(a) Adjustment for Qualifying Budget Credit	-	-	8,197	(8,197)
<b>Total Expenditures</b>	<b>1,106,764</b>	<b>1,196,123</b>	<b>1,196,123</b>	<b>-</b>
<b>Cash Receipts Over (Under) Expenditures</b>	<b>(12,275)</b>	<b>18,756</b>		
<b>Unencumbered Cash - Beginning</b>	<b>71,876</b>	<b>59,601</b>		
<b>Prior Year Cancelled Encumbrances</b>	<b>-</b>	<b>43</b>		
<b>Unencumbered Cash - Ending</b>	<b>\$ 59,601</b>	<b>78,400</b>		
(a) Adjustment for Qualifying Budget Credit Reimbursements Over Amount Budgeted			\$ 8,197	

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

**UNIFIED SCHOOL DISTRICT NO. 494 SYRACUSE, KANSAS**  
**Bilingual Education Fund**  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended June 30, 2012  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
Transfers In	\$ 366,365	<b>400,462</b>	<u>234,254</u>	<u>166,208</u>
<b>Expenditures</b>				
Instruction	365,407	<b>355,543</b>	<u>405,683</u>	<u>(50,140)</u>
<b>Cash Receipts Over (Under) Expenditures</b>	958	<b>44,919</b>		
<b>Unencumbered Cash - Beginning</b>	<u>170,471</u>	<u>171,429</u>		
<b>Unencumbered Cash - Ending</b>	\$ <u>171,429</u>	<u>216,348</u>		

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



**UNIFIED SCHOOL DISTRICT NO. 494 SYRACUSE, KANSAS**  
**Capital Outlay Fund**  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended June 30, 2012  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
Taxes and Shared Revenues				
Ad Valorem Tax	\$ 178,907	181,961	178,390	3,571
Delinquent Tax	2,842	8,075	1,846	6,229
Motor Vehicle Tax	12,366	12,039	10,084	1,955
Recreational Vehicle Tax	196	181	237	(56)
Intergovernmental Revenue				
State Aid	-	10,000	-	10,000
Rent/Rental Fees	4,752	7,700	-	7,700
Interest	21,884	19,340	-	19,340
Miscellaneous Income	400	1,275	-	1,275
Transfers In	153,006	149,993	-	149,993
<b>Total Cash Receipts</b>	<b>374,353</b>	<b>390,564</b>	<b>190,557</b>	<b>200,007</b>
<b>Expenditures</b>				
Instruction	22,602	23,584	25,500	(1,916)
General Administration	32,047	16,847	25,700	(8,853)
Operations and Maintenance	-	597	-	597
Transportation	105,590	-	-	-
Other Support Services	769	-	1,500	(1,500)
Facility Acquisition and Construction Services	398,864	130,154	1,025,527	(895,373)
<b>Total Expenditures</b>	<b>559,872</b>	<b>171,182</b>	<b>1,078,227</b>	<b>(907,045)</b>
<b>Cash Receipts Over (Under) Expenditures</b>	<b>(185,519)</b>	<b>219,382</b>		
<b>Unencumbered Cash - Beginning</b>	<b>1,068,562</b>	<b>883,043</b>		
<b>Prior Year Cancelled Encumbrances</b>	<b>-</b>	<b>834</b>		
<b>Unencumbered Cash - Ending</b>	<b>\$ 883,043</b>	<b>1,103,259</b>		

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

UNIFIED SCHOOL DISTRICT NO. 494 SYRACUSE, KANSAS  
 Driver Training Fund  
 Statement of Cash Receipts and Expenditures - Actual and Budget  
 For the Year Ended June 30, 2012  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
Intergovernmental Revenue				
State Aid	\$ 1,184	1,222	1,184	38
Reimbursed Expense	1,600	1,076	-	1,076
Transfers In	2,500	1,386	2,500	(1,114)
<b>Total Cash Receipts</b>	5,284	3,684	3,684	-
<b>Expenditures</b>				
Instruction	4,288	3,746	4,771	(1,025)
<b>Cash Receipts Over (Under) Expenditures</b>	996	(62)		
<b>Unencumbered Cash - Beginning</b>	91	1,087		
<b>Unencumbered Cash - Ending</b>	\$ 1,087	1,025		

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

**UNIFIED SCHOOL DISTRICT NO. 494 SYRACUSE, KANSAS**  
**Food Service Fund**  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended June 30, 2012  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
Intergovernmental Revenues				
State Aid	\$ 2,816	2,779	2,271	508
Federal Aid	176,627	177,717	154,905	22,812
Charges for Services	67,050	67,637	69,157	(1,520)
Transfers In	81,220	118,899	125,000	(6,101)
<b>Total Cash Receipts</b>	<u>327,713</u>	<u>367,032</u>	<u>351,333</u>	<u>15,699</u>
<b>Expenditures</b>				
Operations and Maintenance	621	496	750	(254)
Food Service Operation	317,751	380,397	456,708	(76,311)
<b>Total Expenditures</b>	<u>318,372</u>	<u>380,893</u>	<u>457,458</u>	<u>(76,565)</u>
<b>Cash Receipts Over (Under) Expenditures</b>	9,341	(13,861)		
<b>Unencumbered Cash - Beginning</b>	<u>96,784</u>	<u>106,125</u>		
<b>Unencumbered Cash - Ending</b>	\$ <u>106,125</u>	<u>92,264</u>		

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

**UNIFIED SCHOOL DISTRICT NO. 494 SYRACUSE, KANSAS**  
**Professional Development Fund**  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended June 30, 2012  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
Transfers In	\$ 11,680	733	12,000	(11,267)
<b>Expenditures</b>				
Supplemental Services	11,680	732	12,000	(11,268)
<b>Cash Receipts Over (Under) Expenditures</b>	-	1		
<b>Unencumbered Cash - Beginning</b>	-	-		
<b>Unencumbered Cash - Ending</b>	\$ -	1		

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

**UNIFIED SCHOOL DISTRICT NO. 494 SYRACUSE, KANSAS**  
**Special Education Fund**  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended June 30, 2012  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
Transfers In	\$ 440,587	<b>344,603</b>	<u>351,525</u>	<u>(6,922)</u>
<b>Expenditures</b>				
Instruction	<u>366,196</u>	<u><b>391,656</b></u>	<u>804,799</u>	<u>(413,143)</u>
<b>Cash Receipts Over (Under) Expenditures</b>	74,391	<b>(47,053)</b>		
<b>Unencumbered Cash - Beginning</b>	378,882	<b>453,273</b>		
<b>Prior Year Cancelled Encumbrances</b>	<u>-</u>	<u>51</u>		
<b>Unencumbered Cash - Ending</b>	\$ <u>453,273</u>	<u><b>406,271</b></u>		

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

**UNIFIED SCHOOL DISTRICT NO. 494 SYRACUSE, KANSAS**  
**Vocational Education Fund**  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended June 30, 2012  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
Transfers In	\$ 127,273	<b>130,275</b>	<u>120,275</u>	<u>10,000</u>
<b>Expenditures</b>				
Instruction	120,578	<b>125,239</b>	<u>131,954</u>	<u>(6,715)</u>
<b>Cash Receipts Over (Under) Expenditures</b>	6,695	<b>5,036</b>		
<b>Unencumbered Cash - Beginning</b>	4,984	<b>11,679</b>		
<b>Unencumbered Cash - Ending</b>	\$ <u>11,679</u>	<u><b>16,715</b></u>		

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

UNIFIED SCHOOL DISTRICT NO. 494 SYRACUSE, KANSAS  
 KPERS Special Retirement Contribution Fund  
 Statement of Cash Receipts and Expenditures - Actual and Budget  
 For the Year Ended June 30, 2012  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
Intergovernmental Revenue				
State Aid	\$ 188,864	318,882	349,398	(30,516)
<b>Expenditures</b>				
Instruction	117,634	198,613	217,605	(18,992)
Student Support Services	6,416	10,833	11,880	(1,047)
Instructional Support Services	4,621	7,803	8,560	(757)
General Administration	9,628	16,257	17,819	(1,562)
School Administration	12,792	21,598	23,654	(2,056)
Other Supplemental Services	4,161	7,026	7,687	(661)
Operations and Maintenance	13,223	22,326	24,458	(2,132)
Student Transportation Services	9,160	15,467	16,946	(1,479)
Food Service	11,229	18,959	20,789	(1,830)
<b>Total Expenditures</b>	188,864	318,882	349,398	(30,516)
<b>Cash Receipts Over (Under) Expenditures</b>	-	-		
<b>Unencumbered Cash - Beginning</b>	-	-		
<b>Unencumbered Cash - Ending</b>	\$ -	-		

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

**UNIFIED SCHOOL DISTRICT NO. 494 SYRACUSE, KANSAS**  
**Contingency Reserve Fund**  
 Statement of Cash Receipts and Expenditures  
 For the Year Ended June 30, 2012  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
<b>Receipts</b>		
Transfers In	\$ -	44,981
<b>Expenditures</b>		
Instruction	-	74,704
<b>Cash Receipts Over (Under) Expenditures</b>	-	(29,723)
<b>Unencumbered Cash - Beginning</b>	400,758	400,758
<b>Unencumbered Cash - Ending</b>	\$ 400,758	371,035

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



**UNIFIED SCHOOL DISTRICT NO. 494 SYRACUSE, KANSAS**  
**At Risk (4 Year Old) Fund**  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended June 30, 2012  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
Transfers In	\$ 77,800	57,800	57,800	-
<b>Expenditures</b>				
Instruction	65,364	77,796	82,802	(5,006)
<b>Cash Receipts Over (Under) Expenditures</b>	12,436	(19,996)		
<b>Unencumbered Cash - Beginning</b>	12,573	25,009		
<b>Prior Year Cancelled Encumbrances</b>	-	223		
<b>Unencumbered Cash - Ending</b>	\$ 25,009	5,236		

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

**UNIFIED SCHOOL DISTRICT NO. 494 SYRACUSE, KANSAS**  
**At Risk (K-12) Fund**  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended June 30, 2012  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
Transfers In	\$ 754,502	<b>767,823</b>	<u>410,130</u>	<u>357,693</u>
<b>Expenditures</b>				
Instruction	617,995	<b>764,028</b>	<u>537,138</u>	<u>226,890</u>
<b>Cash Receipts Over (Under) Expenditures</b>	136,507	<b>3,795</b>		
<b>Unencumbered Cash - Beginning</b>	200,694	<b>337,201</b>		
<b>Unencumbered Cash - Ending</b>	\$ <u>337,201</u>	<u><b>340,996</b></u>		

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

**UNIFIED SCHOOL DISTRICT NO. 494 SYRACUSE, KANSAS**  
**Textbook and Student Material Revolving Fund**  
Statement of Cash Receipts and Expenditures  
For the Year Ended June 30, 2012  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
<b>Cash Receipts</b>		
Book Rental Fees	\$ 16,820	18,668
Miscellaneous Income	363	185
Transfers In	50,000	-
<b>Total Cash Receipts</b>	<b>67,183</b>	<b>18,853</b>
<b>Expenditures</b>		
Instruction	21,830	8,469
<b>Cash Receipts Over (Under) Expenditures</b>	<b>45,353</b>	<b>10,384</b>
<b>Unencumbered Cash - Beginning</b>	<b>72,422</b>	<b>117,775</b>
<b>Prior Year Cancelled Encumbrances</b>	<b>-</b>	<b>40</b>
<b>Unencumbered Cash - Ending</b>	<b>\$ 117,775</b>	<b>128,199</b>

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

**UNIFIED SCHOOL DISTRICT NO. 494 SYRACUSE, KANSAS**  
**Title I Fund**  
Statement of Cash Receipts and Expenditures  
For the Year Ended June 30, 2012  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
<b>Cash Receipts</b>		
Intergovernmental Revenues		
Federal Aid	\$ 107,450	106,418
Federal Aid - ARRA	37,320	-
<b>Total Cash Receipts</b>	144,770	106,418
<b>Expenditures</b>		
Instruction	142,728	85,738
<b>Cash Receipts Over (Under) Expenditures</b>	2,042	20,680
<b>Unencumbered Cash - Beginning</b>	14,056	16,098
<b>Prior Year Cancelled Encumbrances</b>	-	292
<b>Unencumbered Cash - Ending</b>	\$ 16,098	37,070

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

**UNIFIED SCHOOL DISTRICT NO. 494 SYRACUSE, KANSAS**  
**Migrant Fund**  
Statement of Cash Receipts and Expenditures  
For the Year Ended June 30, 2012  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
<b>Cash Receipts</b>		
Intergovernmental Revenue		
Federal Aid	\$ 124,800	118,720
<b>Expenditures</b>		
Instruction	89,259	68,529
<b>Cash Receipts Over (Under) Expenditures</b>	35,541	50,191
<b>Unencumbered Cash - Beginning</b>	-	35,541
<b>Prior Year Cancelled Encumbrances</b>	-	594
<b>Unencumbered Cash - Ending</b>	\$ 35,541	86,326

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

**UNIFIED SCHOOL DISTRICT NO. 494 SYRACUSE, KANSAS**  
**Title III - ELL Fund**  
Statement of Cash Receipts and Expenditures  
For the Year Ended June 30, 2012  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
<b>Cash Receipts</b>		
Federal Aid	\$ 17,656	15,998
<b>Expenditures</b>		
Instruction	15,038	16,607
<b>Cash Receipts Over (Under) Expenditures</b>	2,618	(609)
<b>Unencumbered Cash - Beginning</b>	1,792	4,410
<b>Unencumbered Cash - Ending</b>	\$ 4,410	3,801

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

**UNIFIED SCHOOL DISTRICT NO. 494 SYRACUSE, KANSAS**  
**Title II - Teacher Quality Fund**  
 Statement of Cash Receipts and Expenditures  
 For the Year Ended June 30, 2012  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
<b>Cash Receipts</b>		
Intergovernmental Revenue		
Federal Aid	\$ 24,859	20,776
<b>Expenditures</b>		
Instruction	25,481	14,298
<b>Cash Receipts Over (Under) Expenditures</b>	(622)	6,478
<b>Unencumbered Cash - Beginning</b>	6,189	5,567
<b>Prior Year Cancelled Encumbrances</b>	-	375
<b>Unencumbered Cash - Ending</b>	\$ 5,567	12,420

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

**UNIFIED SCHOOL DISTRICT NO. 494 SYRACUSE, KANSAS**  
**Federal REAP Fund**  
 Statement of Cash Receipts and Expenditures  
 For the Year Ended June 30, 2012  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
<b>Cash Receipts</b>		
Intergovernmental Revenue		
Federal Aid	\$ 26,336	34,777
<b>Expenditures</b>		
Instruction	26,336	34,777
<b>Cash Receipts Over (Under) Expenditures</b>	-	-
<b>Unencumbered Cash - Beginning</b>	-	-
<b>Unencumbered Cash - Ending</b>	\$ -	-

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



**UNIFIED SCHOOL DISTRICT NO. 494 SYRACUSE, KANSAS**  
**Bond and Interest Fund**  
Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended June 30, 2012  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Cash Receipts</b>				
Taxes and Shared Revenues				
Ad Valorem Tax	\$ 545,549	702,248	686,849	15,399
Delinquent Tax	8,569	25,481	5,626	19,855
Motor Vehicle Tax	39,751	37,769	31,706	6,063
Recreational Vehicle Tax	632	569	745	(176)
<b>Total Cash Receipts</b>	<u>594,501</u>	<u>766,067</u>	<u>724,926</u>	<u>41,141</u>
<b>Expenditures</b>				
Principal	640,000	660,000	660,000	-
Interest	103,534	83,375	83,375	-
<b>Total Expenditures</b>	<u>743,534</u>	<u>743,375</u>	<u>743,375</u>	<u>-</u>
<b>Cash Receipts Over (Under) Expenditures</b>	(149,033)	22,692		
<b>Unencumbered Cash - Beginning</b>	<u>1,183,270</u>	<u>1,034,237</u>		
<b>Unencumbered Cash - Ending</b>	\$ <u>1,034,237</u>	<u>1,056,929</u>		

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

## UNIFIED SCHOOL DISTRICT NO. 494 SYRACUSE, KANSAS

## Agency Funds

## Summary of Cash Receipts and Cash Disbursements

For the Year Ended June 30, 2012

	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
<b>Student Organizations</b>				
Class of 2012	\$ 1,882	463	2,345	-
Class of 2013	1,492	10,881	11,390	983
Class of 2014	670	254	-	924
Class of 2015	122	25	-	147
Class of 2016	86	3,067	2,359	794
Class of 2017	-	48	-	48
Drama Club	233	3,273	3,506	-
FCCLA	307	3,416	2,298	1,425
Industrial Arts Club	1,085	3,107	807	3,385
National Honor Society	72	201	233	40
S.A.D.D.	422	-	422	-
High School Pep Club	2,979	5,057	5,792	2,244
Jr. High School Pep Club	2,266	4,365	4,368	2,263
Student Council	1,796	3,608	3,913	1,491
St. Alumni Club	8,808	6,408	7,191	8,025
St. Clearing Club	-	2,305	2,305	-
Weightlifting Club	274	3,444	2,211	1,507
Film Fund	757	1,242	952	1,047
Foreign Language Club	575	3,122	3,269	428
<b>Total Student Organizations</b>	<b>23,826</b>	<b>54,286</b>	<b>53,361</b>	<b>24,751</b>
<b>Non Student Organizations</b>				
Payroll Deduction	-	8,925	3,145	5,780
<b>Total Agency Funds</b>	<b>\$ 23,826</b>	<b>63,211</b>	<b>56,506</b>	<b>30,531</b>

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

**UNIFIED SCHOOL DISTRICT NO. 494 SYRACUSE, KANSAS**  
**District Activity Funds**  
*Summary of Cash Receipts, Expenditures and Unencumbered Cash*  
For the Year Ended June 30, 2012

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
<b>Gate Receipts</b>							
Athletics	\$ 25,318	-	31,062	32,825	23,555	-	23,555
Concessions	6,000	-	14,198	14,239	5,959	-	5,959
<b>Total Gate Receipts</b>	<u>31,318</u>	<u>-</u>	<u>45,260</u>	<u>47,064</u>	<u>29,514</u>	<u>-</u>	<u>29,514</u>
<b>School Projects</b>							
High School							
Annual	4,954	-	14,423	14,857	4,520	-	4,520
Grade School							
General	1,450	-	8,081	8,899	632	-	632
<b>Total School Projects</b>	<u>6,404</u>	<u>-</u>	<u>22,504</u>	<u>23,756</u>	<u>5,152</u>	<u>-</u>	<u>5,152</u>
<b>Total District Activity Funds</b>	<u>\$ 37,722</u>	<u>-</u>	<u>67,764</u>	<u>70,820</u>	<u>34,666</u>	<u>-</u>	<u>34,666</u>

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

UNIFIED SCHOOL DISTRICT NO. 494 SYRACUSE, KANSAS

Notes to Financial Statements

June 30, 2012

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Unified School District No. 494 Syracuse, Kansas** has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. The accompanying financial statements are presented to conform to the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The following is a summary of such significant policies.

**Reporting Entity**

The District is a municipal corporation governed by an elected seven-member board. The financial statements of the District consist of all the funds of the District that are considered to be controlled by or dependent on the District. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing board. The District has no component units.

**Use of Estimates**

The preparation of financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas requires management to make estimates and assumptions that affect the reported amount of unencumbered cash balances and accounts payable during the reporting period. Actual results could differ from these estimates.

**Basis of Presentation – Fund Accounting**

The accounts of the District are organized and operated on the basis of funds. In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The following categories of funds comprise the financial activities of the District for the year ended June 30, 2012.

**Governmental Fund Categories**

**General Fund** – to account for all financial resources except those required to be reported in another fund.

**Special Revenue Funds** – to account for the proceeds of specific revenue sources that are legally restricted to expenditure for a specified purpose.

**District Activity Funds** – a special revenue fund that accounts for the receipts and disbursements of monies from District activities. These organizations exist with the explicit approval of and are subject to revocation by the District's Board of Education. The students participate in the activities, but the board of education has control of the expenditures. This accounting reflects the District's agency relationship with the student activity organizations.

**Debt Service Funds** – to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

**Fiduciary Fund Categories**

**Agency Funds** – to account for assets held by the District as trustee or agent for others.

UNIFIED SCHOOL DISTRICT NO. 494 SYRACUSE, KANSAS

Notes to Financial Statements

June 30, 2012

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Student Activity Funds** – an agency fund that accounts for the receipts and disbursements of monies from student activity organizations in which the students participate and are involved in the management of the organization's activities. These organizations exist with the explicit approval of and are subject to revocation by the District's Board of Education. The student organization approves the expenditure, not the Board of Education. This accounting reflects the District's agency relationship with the student activity organizations.

**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. Expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure would be charged in the fund from which the transfer is made.

The 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.

**Departure From Accounting Principles Generally Accepted in the United States of America**

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

**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.

- a. Preparation of the budget for the succeeding calendar year on or before August 1st.
- b. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
- c. Public hearing on or before August 15th, but at least 10 days after publication of notice of hearing.
- d. Adoption of the final budget on or before August 25th.

UNIFIED SCHOOL DISTRICT NO. 494 SYRACUSE, KANSAS

Notes to Financial Statements

June 30, 2012

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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 10 days after publication the hearing may be held and the governing body may amend the budget at that time. There was one budget amendment for this year for the At Risk (K-12) Fund.

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

All legal annual operating budgets are prepared using the statutory basis of accounting, in which, revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's 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, fiduciary funds, permanent funds, and the following special revenue funds: Contingency Reserve Fund, Textbook and Student Material Revolving Fund, Title I Fund, Migrant Fund, Title III – ELL Fund, Title II Teacher Quality Fund, Federal REAP Fund, and District Activity 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.

**Deposits and Investments**

The District follows the practice of pooling cash and investments of all funds. Each fund's portion of total cash and investments is summarized by fund category in the summary of cash receipts, expenditures, and unencumbered cash.

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 investments 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 K.S.A. 9-1405.

UNIFIED SCHOOL DISTRICT NO. 494 SYRACUSE, KANSAS

Notes to Financial Statements

June 30, 2012

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**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 does not use "peak periods". All deposits were legally secured at June 30, 2012.

At June 30, 2012, the District's carrying amount of deposits was \$4,109,082 and the bank balance was \$4,463,360. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$561,948 was covered by federal depository insurance and \$3,901,412 was collateralized with securities held by pledging financial institutions' agents in the District's name.

**Custodial Credit Risk – Investments**

For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured. The District had no investments at June 30, 2012.

**Compensated Absences**

**Vacation and Sick Leave**

The District's policy with regard to vacation does not provide for accumulation or carryover of benefits from one year to the next. Certified employees are credited with 15 days of sick leave per year, accumulative to 110 days. On approved KPERS retirement, the employee shall be paid for unused sick leave up to a maximum of 110 days at \$10 per day. Termination of employment other than by retirement shall void all accumulated sick leave. The balance of compensated absences as shown in Note 9, Long-Term Debt, reflects the accumulation of sick leave vested and payable at year-end.

**Deferred Compensation Plan**

The District sponsors a deferred compensation plan under Internal Revenue Code Section 403(b). The employee is responsible for the amount of deferred compensation to be contributed. The District makes contributions using a formula based on the eligible employees' final salary. Employees eligible for the employer contribution shall be licensed teachers who have reached KPERS eligibility for normal retirement benefits and have retired under KPERS with 15 years or more in a permanent position with the employer, and have attained the age of 55 within the plan year immediately prior to the plan year in which he or she retires. During the year ended June 30, 2012, four employees were participating in the plan and the District made \$54,559 in contributions to the plan.

**Defined Benefit Pension Plan**

**Plan Description**

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

UNIFIED SCHOOL DISTRICT NO. 494 SYRACUSE, KANSAS

Notes to Financial Statements

June 30, 2012

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**NOTE 1-- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Funding Policy**

K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% and 6% (if hired on or after July 1, 2009) 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. The State currently contributes 9.77% of covered payroll and 22.96% for licensed KPERS retirees. These contribution requirements are established by KPERS and are periodically revised. The State of 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 as set forth by the legislature. The amounts attributable to the District for the years ending June 30, 2012, 2011, and 2010 were \$318,882, \$188,864 and, \$214,453, respectively.

**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. There is no cost to the District under this program.

**Property Tax Calendar**

Collection of current year property tax by the County Treasurer is not completed, apportioned nor distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes. Property taxes are collected and remitted to the County Treasurer. Taxes levied annually on November 1st are due one-half by December 20th and one-half by May 10th. Major tax distributions are made in the months of December through July. Lien dates for personal property are in March and August and lien dates for real property are in September. Taxes are recognized as revenue in the year received. Delinquent tax payments are recognized as revenue in the year received.

**Restricted Assets**

Restricted cash balances are reported in various funds that are legally restricted for specified uses such as the payment of debt service and fiscal fees on long-term debt and for expenditures approved in federal and state grant contracts. Also, cash is restricted in the agency funds of the District for special purposes.

**Reimbursements**

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

**NOTE 2 – INTERFUND TRANSFERS**

Interfund transfers within the reporting entity are substantially for the purpose of subsidizing operating functions, funding capital projects and asset acquisitions or maintaining debt service on a routine basis as authorized by Kansas statutes. **Unified School District No. 494 Syracuse, Kansas'** interfund transfers



**UNIFIED SCHOOL DISTRICT NO. 494 SYRACUSE, KANSAS**

Notes to Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2012

**NOTE 2 – INTERFUND TRANSFERS (continued)**

and statutory authority for the year ended June 30, 2012 were as follows:

From	To	Statutory Authority	Amount
General Fund	Capital Outlay Fund	K.S.A. 72-6428	\$ 149,993
General Fund	Driver Training Fund	K.S.A. 72-6428	1,386
General Fund	Professional Development Fund	K.S.A. 72-6428	733
General Fund	Special Education Fund	K.S.A. 72-6428	274,064
General Fund	Vocational Education Fund	K.S.A. 72-6428	110,275
General Fund	Contingency Reserve Fund	K.S.A. 72-6428	44,981
General Fund	Bilingual Education Fund	K.S.A. 72-6428	220,790
General Fund	At Risk (4 Year Old) Fund	K.S.A. 72-6428	52,800
General Fund	At Risk (K-12) Fund	K.S.A. 72-6428	581,649
Supplemental General Fund	Special Education Fund	K.S.A. 72-6433	70,539
Supplemental General Fund	Food Service Fund	K.S.A. 72-6433	118,899
Supplemental General Fund	Vocational Education Fund	K.S.A. 72-6433	20,000
Supplemental General Fund	Bilingual Education Fund	K.S.A. 72-6433	179,672
Supplemental General Fund	At Risk (4 Year Old) Fund	K.S.A. 72-6433	5,000
Supplemental General Fund	At Risk (K-12) Fund	K.S.A. 72-6433	186,174

**NOTE 3 – LITIGATION**

**Unified School District No. 494 Syracuse, Kansas** is party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material adverse impact on the affected funds of the District.

**NOTE 4 – RISK MANAGEMENT**

**Unified School District No. 494 Syracuse, Kansas** carries commercial insurance for risks of loss, including property, general liability, inland marine, crime, automobile, linebacker, workers compensation and employee dishonesty. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**NOTE 5 – GRANTS AND SHARED REVENUES**

**Unified School District No. 494 Syracuse, Kansas** participates in numerous state and federal grant programs, which are governed by various rules and regulations for 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, any liability for reimbursement, which may arise as the result of the audit, is not believed to be material.

**NOTE 6 – COMPARATIVE DATA**

Comparative data for the prior year has been presented in Statement 3 in the accompanying financial statements in order to provide an understanding of changes in **Unified School District No. 494 Syracuse, Kansas'** cash and unencumbered cash balances. However, complete comparative data (presentation of prior year totals in Statement 1) has not been presented since their inclusion would make the statement unduly complex and difficult to read.

**UNIFIED SCHOOL DISTRICT NO. 494 SYRACUSE, KANSAS**

Notes to Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2012

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**NOTE 7 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

Expenditures exceeded budgeted amounts in the following fund, which is a violation of K.S.A. 79-2935.

At Risk (K-12) Fund	\$ 226,890
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One of the interest payments on the general obligation bond was not made at least 20 days prior to the date the payment was due, which is a violation of KSA 10-130.

**NOTE 8 – IN-SUBSTANCE RECEIPT IN TRANSIT**

The District received \$213,384 subsequent to June 30, 2012 and as required by K.S.A. 72-6417 and 72-6434, the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2012.

**NOTE 9 – OPERATING LEASES**

**Unified School District No. 494 Syracuse, Kansas** entered into a lease agreement with 1<sup>st</sup> Bank for the use of a Bobcat plus skid steer loader for one year. The District made one payment in the amount of \$3,610 for the year ended June 30, 2012. The District had the option to purchase this equipment at the end of the year; however, they opted to return the equipment and lease a newer machine during fiscal year 2013.

**NOTE 10 – PRIOR PERIOD ADJUSTMENT**

The General Fund Unencumbered Cash has been restated to \$0 to be in conformity with the regulatory basis of accounting as of July 1, 2011.

**NOTE 11 – LONG-TERM DEBT**

**Unified School District No. 494 Syracuse, Kansas** has the following types of long-term debt.

**General Obligation Bond**

On May 1, 2005, the District issued \$4,760,000 in Series 2005 Refunding Bonds for the purpose of refunding \$4,540,000 in Series 1999 Bonds.

UNIFIED SCHOOL DISTRICT NO. 494 SYRACUSE, KANSAS  
Notes to Financial Statements  
June 30, 2012

**NOTE 9 - LONG-TERM DEBT (continued)**

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	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
<b>General Obligation Bonds</b>										
Refunding Bonds - 2005 Series	3.00 - 3.50%	5/1/05	\$ 4,760,000	9/01/14	\$ 2,800,000	-	660,000		2,140,000	83,375
<b>Compensated Absences</b>					3,143	-	-	(2,073)	1,070	-
<b>Total Long-Term Debt</b>					<b>\$ 2,803,143</b>	<b>-</b>	<b>660,000</b>	<b>(2,073)</b>	<b>2,141,070</b>	<b>83,375</b>

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

	YEAR			Total
	2013	2014	2015	
<b>Principal</b>				
GO Refunding Bonds - 2005 Series	\$ 685,000	715,000	740,000	2,140,000
<b>Interest</b>				
GO Refunding Bonds - 2005 Series	61,513	38,055	12,950	112,518
<b>Total Principal and Interest</b>	<b>\$ 746,513</b>	<b>753,055</b>	<b>752,950</b>	<b>2,252,518</b>