

UNIFIED SCHOOL DISTRICT NO. 218  
Elkhart, Kansas

FINANCIAL STATEMENTS  
For the fiscal year ended June 30, 2012

UNIFIED SCHOOL DISTRICT NO. 218  
Elkhart, Kansas

FINANCIAL STATEMENTS  
For the fiscal year ended June 30, 2012

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UNIFIED SCHOOL DISTRICT NO. 218  
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FINANCIAL SECTION

## INDEPENDENT AUDITOR'S REPORT

The Board of Education  
Unified School District No. 218  
Elkhart, Kansas 67950

We have audited the summary statement of cash receipts, expenditures, and unencumbered cash balances of Unified School District No. 218, as of and for the year ended June 30, 2012. This financial statement is the responsibility of the School District's management. Our responsibility is to express an opinion on the financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the *Kansas Municipal Audit Guide*; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 School District 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 variances between these statutory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial 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 Unified School District No. 218 as of June 30, 2012, or the respective changes in financial position and changes in cash flows, where applicable, for the year then ended.

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. 218 as of June 30, 2012, and the aggregate cash receipts and expenditures for the year then ended, on the basis of accounting described in Note 1.

The Board of Education  
Unified School District No. 218  
Elkhart, Kansas 67950

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In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2012 on our consideration of Unified School District No. 218's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the 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, schedule of cash receipts and expenditures-district activity funds, schedule of expenditures of federal awards (Schedules 1, 2, 3, 4 and 5 as listed in the table of contents) are presented for analysis and are not a required part of the statutory financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statement as a whole.

*Hay•Rice & Associates, Chartered*

September 28, 2012

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

The Board of Education  
Unified School District No. 218  
Elkhart, Kansas 67950

We have audited the financial statements of Unified School District No. 218, as of and for the year ended June 30, 2012, and have issued our report thereon dated September 28, 2012, which was qualified because Unified School District No. 218 prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with 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. Except as discussed in the preceding sentence, we conducted our audit in accordance with auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit Guide*; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control over financial reporting.

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



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

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Unified School District No. 218's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

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

*Hay•Rice & Associates, Chartered*

September 28, 2012

UNIFIED SCHOOL DISTRICT NO. 218  
Elkhart, Kansas

Statement 1

SUMMARY OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH

For the fiscal year ended June 30, 2012

<u>Funds</u>	<u>Beginning</u> <u>Unencumbered</u> <u>Cash</u>	<u>Cash</u> <u>Receipts</u>	<u>Expenditures</u>	<u>Ending</u> <u>Unencumbered</u> <u>Cash</u>	<u>Add</u> <u>Encumbrances</u> <u>&amp; Accounts</u> <u>Payable</u>	<u>Ending</u> <u>Cash</u> <u>Balance</u>
Governmental Type Funds:						
General Fund	\$ -	\$ 5,905,174	\$ 5,905,174	\$ -	\$ 83,805	\$ 83,805
Supplemental General	203,503	1,855,642	2,030,313	28,832	415,492	444,324
Special Revenue Funds:						
At Risk (4 Year Old)	-	50,311	50,311	-	-	-
At Risk (K-12)	-	597,240	597,240	-	-	-
Bilingual Education	-	116,046	116,046	-	368	368
Virtual Education	-	1,987,468	1,987,468	-	-	-
Capital Outlay	1,516,062	792,148	733,362	1,574,848	102,960	1,677,808
Driver Training	20,270	4,460	5,430	19,300	-	19,300
Extraordinary School Program	28,770	11,502	15,208	25,064	-	25,064
Food Service	65,809	251,265	253,271	63,803	-	63,803
Parent Education	69,446	28,177	46,286	51,337	1,704	53,041
Special Education	310,093	357,248	427,575	239,766	-	239,766
Vocational Education	-	141,163	141,163	-	-	-
KPERS Retirement Contribution	-	422,307	422,307	-	-	-
Bond and Interest	204,072	493	-	204,565	-	204,565
Youth Friends	4,302	-	-	4,302	-	4,302
Recreation Commission	3,019	199,553	200,000	2,572	-	2,572
CCLC Grant	-	60,484	56,502	3,982	1,016	4,998
Gifts and Grants	17,269	5,075	2,731	19,613	757	20,370
Contingency Reserve	546,456	40,729	-	587,185	-	587,185
Rural Ed	(24,951)	55,467	30,516	-	19,916	19,916
Migrant Summer Grant	-	-	1,318	(1,318)	95	(1,223)
Title I Low Income	-	121,163	121,163	-	5,278	5,278
Title I Migrant	-	104,320	104,320	-	2,723	2,723
Title I Even Start	-	55,000	55,000	-	2,344	2,344
Title II Improving Teacher Quality	-	22,270	22,270	-	2,099	2,099
Title III English Language Acquisition	-	11,682	11,682	-	-	-
District Activities	<u>61,402</u>	<u>190,561</u>	<u>191,412</u>	<u>60,551</u>	<u>-</u>	<u>60,551</u>
Total Reporting Entity (Excluding Agency Funds)	<u>\$3,025,522</u>	<u>\$13,386,948</u>	<u>\$13,528,068</u>	<u>\$2,884,402</u>	<u>\$638,557</u>	<u>\$3,522,959</u>

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

UNIFIED SCHOOL DISTRICT NO. 218  
Elkhart, Kansas

Statement 1  
(Continued)

SUMMARY OF CASH RECEIPTS, EXPENDITURES  
AND UNENCUMBERED CASH  
For the fiscal year ended June 30, 2012

Composition of Cash:	
Cash in Checking:	
Board account	\$3,462,408
Activity Funds:	
Elementary School	4,680
Middle School	7,202
High School	<u>95,071</u>
Total Primary Government	\$3,569,361
Agency Funds	<u>(46,402)</u>
Total Reporting Entity (Excluding Agency Funds)	<u>\$3,522,959</u>

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

UNIFIED SCHOOL DISTRICT NO. 218  
Elkhart, Kansas

NOTES TO THE FINANCIAL STATEMENTS  
June 30, 2012

Note 1: Summary of Significant Accounting Policies

Reporting Entity

Unified School District No. 218 is a municipal corporation governed by an elected seven-member board. These financial statements present only the activity of Unified School District No. 218.

Fund Accounting

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

The following types of funds comprise the financial activities of the School District for the year ended June 30, 2012:

Governmental Funds:

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

Special Revenue Funds – to account for the proceeds of special cash revenue sources (other than special assessments or major capital projects) that are restricted by law or administrative action to expenditure for specified purposes. The Capital Outlay Fund accounts for financial resources segregated for the acquisition of major capital facilities (other than those financed by Enterprise Funds).

Capital Project Funds – to account for financial resources segregated for the acquisition of major capital facilities (other than those financed by Enterprise Funds).

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

Fiduciary Funds:

Agency Funds – to account for assets held by a governmental unit as a trustee or agent for others. Included here are the Student Activity Funds.

UNIFIED SCHOOL DISTRICT NO. 218  
Elkhart, Kansas

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2012

(Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

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. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and expenditure would be charged in the fund from which the transfer is made. Cash disbursements are recognized when the cash balance of a fund is decreased. For an interfund transaction, a cash disbursement is recorded in the fund from which the cash is transferred. 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.

The municipality 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 municipality 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, 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 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 accounting principles generally accepted in the United States of America. General capital 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, revenue bonds, capital leases, temporary notes and compensated absences are not presented in the financial statements.

UNIFIED SCHOOL DISTRICT NO. 218  
Elkhart, Kansas

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2012  
(Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

Other Accounting Policies

Cash and Time Deposits

These liquid assets are shown in aggregate. K.S.A. 12-1671 and 12-1672 allow these assets to be shown in aggregate.

Time deposits are carried at cost plus accrued interest. The carrying amount of deposits is separately displayed as "cash and time deposits".

General Fixed Assets

General fixed assets purchased are recorded as expenditures at the time of purchase, except for assets acquired with federally assisted funds. Assets of the School District are not recorded in a permanent set of records.

Vouchers Payable

Vouchers payable are classified on the basis of a claim for payment resulting from legal title to property.

Bonds Payable

Bonds which are outstanding at the end of the fiscal year.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds.

In addition, encumbrances do constitute expenditures of a fund.

Unencumbered Cash Balances

The unencumbered cash balance is the unobligated resources of cash and time deposits of a fund.

UNIFIED SCHOOL DISTRICT NO. 218  
Elkhart, Kansas

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2012

(Continued)

Note 2: Transfers

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
General Fund	Capital Outlay	KSA 72-6428	\$ 479,800
	Special Education	KSA 72-6428	325,008
	Virtual Education	KSA 72-6428	1,644,316
	Contingency Reserve	KSA 72-6428	40,730
Supplemental General	Bilingual	KSA 72-6433	116,046
	Vocational Education	KSA 72-6433	141,163
	Virtual Education	KSA 72-6433	343,152
	At-Risk (4 Yr Old)	KSA 72-6433	50,311
	At-Risk (K-12)	KSA 72-6433	597,240
	Food Service	KSA 72-6433	23,000
	Special Education	KSA 72-6433	25,000

Note 3: Budgets

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 fiscal year ending June 30 on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
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.

UNIFIED SCHOOL DISTRICT NO. 218  
Elkhart, Kansas

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2012  
(Continued)

Note 3: Budgets (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 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 cash receipts and expenditures compared to legally budgeted revenues 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. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

A legal operating budget is not required for capital projects funds, trust funds and certain special revenue funds.

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

Note 4: Tax Cycle

The County Clerk must calculate the final tax levy rates necessary to finance the budget subject to any legal limitations. 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 payments.



UNIFIED SCHOOL DISTRICT NO. 218  
Elkhart, Kansas

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2012  
(Continued)

Note 4: Tax Cycle (Continued)

These taxes become a lien against all property on November 1<sup>st</sup>. Taxpayers have the option of paying in full or in two installments. The delinquency dates are December 20<sup>th</sup> and May 10<sup>th</sup>. Delinquent taxes are assessed interest at 18% per annum. This interest is retained by the County.

Taxes levied to finance the budget are made available to the School District after January 1<sup>st</sup> and are distributed by the County Treasurer approximately every month and a half. At least 50% of the taxes levied are available in January. Delinquent tax collections are distributed throughout the year.

Note 5: Reimbursed Expenses

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. Most 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.

Note 6: Defined Benefit Pension Plan

Plan Description. Unified School District No. 218 contributes to the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

UNIFIED SCHOOL DISTRICT NO. 218  
Elkhart, Kansas

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2012  
(Continued)

Note 6: Defined Benefit Pension Plan (Continued)

Funding Policy. K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary for all employees hired before July 1, 2009 and 6% for all employees hired after July 1, 2009. Member-employees' contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. Kansas currently contributes 9.77% of covered payroll. These contribution requirements are established by KPERS and are periodically revised. Kansas' contributions to KPERS for all Kansas public school employees for the years ending June 30, 2012, 2011 and 2010 were \$298,635,383, \$253,834,044 and \$140,318,394, respectively.

Note 7: Vacation and Compensated Absences

Staff may accumulate up to sixty days of sick leave, ten days of vacation and three days of personal leave. There is no compensation for unused vacation or personal days above the accrued amount. Employees are paid \$25 per day (certified employee) or \$15 (classified employee) for unused sick days above the accrual amount. There is no compensation for any unused days upon end of employment.

Note 8: Authorized Over-Encumbered Cash Balance – Federal Funds

K.S.A. 12-1664 authorizes the financing from local sources for expenditures to be reimbursed by the federal government.

Note 9: Contingent Liabilities

Unified School District No. 218 participates in a number of federally assisted grant programs. These programs are subject to program compliance audits by grantors or their representatives for audits of these programs for or including the year ending June 30, 2012. These compliance audits have not been conducted as of September 28, 2012. Accordingly, the School District's compliance with applicable grant agreements will be established at some future date. The amount of expenditures, which may be disallowed by the grantor agencies, cannot be determined at this time, although the School District expects such amounts, if any, to be immaterial.

UNIFIED SCHOOL DISTRICT NO. 218  
Elkhart, Kansas

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2012

(Continued)

Note 10: Deposits and Investments

K.S.A. 9-1401 establishes the depositories which may be used by Unified School District No. 218. The statute requires banks eligible to hold the School District's funds have a main or branch bank in the county in which Unified School District No. 218 is located and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. Unified School District No. 218 has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits Unified School District No. 218'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. Unified School District No. 218 has no investment policy that would further limit its investment choices.

Concentration of Credit Risk – State statutes place no limit on the amount Unified School District No. 218 may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, Unified School District No. 218's deposits may not be returned to it. State statutes require Unified School District No. 218'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, the Federal Home Loan Bank of Topeka, or the UMB Bank of America, except during designated "peak periods" when required coverage is 50%. Unified School District No. 218 has not designated a "peak period". All deposits were legally secured at June 30, 2012.

At June 30, 2012, Unified School District No. 218's carrying amount of deposits was \$3,569,361 and the bank balance was \$3,745,194. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$500,000 was covered by federal depository insurance, \$3,245,194 was collateralized with securities held by the pledging financial institutions' agents in Unified School District No. 218's name.

UNIFIED SCHOOL DISTRICT NO. 218  
Elkhart, Kansas

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2012

(Continued)

Note 10: Deposits and Investments (Continued)

Custodial Credit Risk – Investments – For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, Unified School District No. 218 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.

Note 11: Other Post Employment Benefits

As provided by K.S.A. 12-5040, 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 government under this program.

Note 12: Related Parties

Unified School District No. 218 purchased technology equipment and supplies from a related party during the year ended June 30, 2012. Expenditures recorded in the financial statements for the current year ended are \$30,933.

Note 13: Point Rock Academy Building Lease

Unified School District No. 218 currently leases the building that is used for the Point Rock Academy Charter School. The current lease agreement states \$1,000 per month rent is due on the first of each month and is in effect until June 30, 2012. The current year rent expense was \$17,000.

Note 14: Statutory Compliance

Contrary to the provisions of KSA 79-2935, the expenditures in the Virtual Education Fund exceeded the adopted budget.

UNIFIED SCHOOL DISTRICT NO. 218  
Elkhart, Kansas

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2012  
(Continued)

Note 15: Long-Term Debt

Changes in long-term liabilities for Unified School District No. 218 for the fiscal year ended June 30, 2012 were as follows:

<u>Issue</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Net Change</u>	<u>Balance End of Year</u>	<u>Interest Paid</u>
General Obligation Bonds: Series B-1, 2007	3.60-4.00%	5/23/07	\$680,000	9/01/11	<u>\$185,000</u>	<u>-</u>	<u>\$185,000</u>	<u>\$(185,000)</u>	<u>-</u>	<u>\$ 3,376</u>

UNIFIED SCHOOL DISTRICT NO. 218  
Elkhart, Kansas

SUPPLEMENTAL SCHEDULES

UNIFIED SCHOOL DISTRICT NO. 218  
Elkhart, Kansas

Schedule 1

SUMMARY OF EXPENDITURES – ACTUAL AND BUDGET  
(BUDGETED FUNDS ONLY)  
For the fiscal year ended June 30, 2012

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustment to Comply with Legal Max</u>	<u>Adjustment for Qualifying Budget Credit</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Favorable (Unfavor.)</u>
Governmental Type Funds:						
General Fund	\$5,990,166	\$ (118,314)	\$ 33,322	\$5,905,174	\$5,905,174	\$ -
Supplemental General	2,028,702	-	1,611	2,030,313	2,030,313	-
Special Revenue Funds:						
At Risk (4 Year Old)	50,000	-	-	50,000	50,311	(311)
At Risk (K-12)	635,040	-	-	635,040	597,240	37,800
Bilingual Education	143,640	-	-	143,640	116,046	27,594
Virtual Education	1,753,240	-	-	1,753,240	1,987,468	(234,228)
Capital Outlay	1,801,395	-	-	1,801,395	733,362	1,068,033
Driver Training	34,890	-	-	34,890	5,430	29,460
Extraordinary School Program	66,270	-	-	66,270	15,208	51,062
Food Service	317,078	-	-	317,078	253,271	63,807
Parent Education	117,498	-	-	117,498	46,286	71,212
Special Education	710,093	-	-	710,093	427,575	282,518
Vocational Education	147,900	-	-	147,900	141,163	6,737
KPERS Retirement Contribution	491,540	-	-	491,540	422,307	69,233
Bond and Interest	204,072	-	-	204,072	-	204,072
Recreation Commission	200,000	-	-	200,000	200,000	-
Gifts & Grants	42,571	-	-	42,571	2,731	39,840

UNIFIED SCHOOL DISTRICT NO. 218  
Elkhart, Kansas

Schedule 2

SCHEDULES OF CASH RECEIPTS, EXPENDITURES AND  
CHANGES IN UNENCUMBERED CASH – ACTUAL AND BUDGET  
For the fiscal year ended June 30, 2012



UNIFIED SCHOOL DISTRICT NO. 218  
Elkhart, Kansas

Schedule 2-1

GENERAL FUND  
SCHEDULE OF CASH RECEIPTS, EXPENDITURES AND  
CHANGES IN UNENCUMBERED CASH – ACTUAL AND BUDGET

For the fiscal year ended June 30, 2012  
(with comparative actual totals for the prior year ended June 30, 2011)

	<u>Current Year</u>		<u>Variance</u>	<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Favorable</u>	<u>Year</u>
<u>Cash Receipts</u>			<u>(Unfavor.)</u>	<u>Actual</u>
Taxes and Shared Revenue:				
Ad valorem property tax	\$1,296,984	\$1,260,914	\$ 36,070	\$1,232,480
Delinquent tax	6,893	3,264	3,629	5,857
Mineral production tax	62,908	55,000	7,908	78,226
In lieu of tax	-	2,196	(2,196)	2,391
State aid	4,177,379	4,115,415	61,964	3,565,185
Special Education aid	325,008	346,989	(21,981)	320,972
Federal aid – ARRA Stabilization Funds	-	-	-	90,427
Education jobs fund	2,680	-	2,680	158,337
Reimbursed expenditures	<u>33,322</u>	<u>-</u>	<u>33,322</u>	<u>26,437</u>
Total cash receipts	<u>\$5,905,174</u>	<u>\$5,783,778</u>	<u>\$ 121,396</u>	<u>\$5,480,312</u>
<u>Expenditures and Transfers</u>				
<u>Subject to Legal Max Budget</u>				
Instruction	\$2,096,823	\$2,311,742	\$ 214,919	\$2,100,230
Student support services	70,305	151,258	80,953	45,194
Instructional support staff	14,224	16,951	2,727	12,009
General Administration	235,616	257,109	21,493	240,140
School Administration	405,097	372,543	(32,554)	387,236
Central Services	38,202	33,425	(4,777)	17,540
Operations and maintenance	398,598	435,900	37,302	501,376
Other support services	4,436	12,300	7,864	3,796
Student activities	152,020	204,950	52,930	162,755
Operating transfers	2,489,853	2,193,988	(295,865)	2,020,717
Adjustment to comply with legal max	-	(118,314)	(118,314)	-
Adjustment for qualifying budget credits	<u>-</u>	<u>33,322</u>	<u>33,322</u>	<u>-</u>
Total expenditures subject to budget	<u>\$5,905,174</u>	<u>\$5,905,174</u>	<u>-</u>	<u>\$5,490,993</u>
Receipts over (under) expenditures	-			\$ (10,681)
Unencumbered Cash, Beginning	<u>-</u>			<u>10,681</u>
Unencumbered Cash, Ending	<u>-</u>			<u>-</u>

UNIFIED SCHOOL DISTRICT NO. 218  
Elkhart, Kansas

Schedule 2-2

SUPPLEMENTAL GENERAL FUND  
SCHEDULE OF CASH RECEIPTS, EXPENDITURES AND  
CHANGES IN UNENCUMBERED CASH – ACTUAL AND BUDGET

For the fiscal year ended June 30, 2012  
(with comparative actual totals for the prior year ended June 30, 2011)

	<u>Current Year</u>		<u>Variance</u>	<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Favorable</u>	<u>Year</u>
<u>Cash Receipts</u>			<u>(Unfavor.)</u>	<u>Actual</u>
Taxes and Shared Revenue:				
Ad valorem property tax	\$1,330,863	\$1,309,066	\$ 21,797	\$1,958,900
Delinquent tax	10,315	5,169	5,146	6,014
Motor vehicle tax	51,435	66,789	(15,354)	40,873
In lieu of tax	3,255	2,508	747	2,261
Supplemental State aid	458,163	441,667	16,496	-
Reimbursed expenditures	<u>1,611</u>	<u>-</u>	<u>1,611</u>	<u>19,197</u>
Total cash receipts	<u>\$1,855,642</u>	<u>\$1,825,199</u>	<u>\$ 30,443</u>	<u>\$2,027,245</u>
<u>Expenditures and Transfers</u>				
<u>Subject to Budget</u>				
Instruction	\$ 67,771	\$ 257,425	\$ 189,654	\$ 44,399
Student support services	1,458	1,530	72	1,432
Instructional support staff	18,571	3,927	(14,644)	9,305
General Administration	424,971	43,000	(381,971)	23,427
Operations and maintenance	221,630	325,600	103,970	254,921
Operating transfers	1,295,912	1,397,220	101,308	1,539,134
Adjustment for qualifying budget credits	<u>-</u>	<u>1,611</u>	<u>1,611</u>	<u>-</u>
Total expenditures and transfers subject to budget	<u>\$2,030,313</u>	<u>\$2,030,313</u>	<u>-</u>	<u>\$1,872,618</u>
Receipts over (under) expenditures	\$ (174,671)			\$ 154,627
Unencumbered Cash, Beginning	<u>203,503</u>			<u>48,876</u>
Unencumbered Cash, Ending	<u>\$ 28,832</u>			<u>\$ 203,503</u>

UNIFIED SCHOOL DISTRICT NO. 218  
Elkhart, Kansas

Schedule 2-3

AT RISK (4 YEAR OLD) FUND  
SCHEDULE OF CASH RECEIPTS, EXPENDITURES AND  
CHANGES IN UNENCUMBERED CASH – ACTUAL AND BUDGET  
For the fiscal year ended June 30, 2012  
(with comparative actual totals for the prior year ended June 30, 2011)

	<u>Current Year</u>		<u>Variance Favorable (Unfavor.)</u>	<u>Prior Year Actual</u>
	<u>Actual</u>	<u>Budget</u>		
<u>Cash Receipts</u>				
Operating transfers	\$ 50,311	\$ <u>50,000</u>	\$ <u>311</u>	\$ 48,247
<u>Expenditures and Transfers</u>				
<u>Subject to Budget</u>				
Instruction	<u>50,311</u>	\$ <u>50,000</u>	\$ <u>(311)</u>	<u>48,247</u>
Receipts over (under) expenditures	-			-
Unencumbered Cash, Beginning	<u>-</u>			<u>-</u>
Unencumbered Cash, Ending	<u>-</u>			<u>-</u>

UNIFIED SCHOOL DISTRICT NO. 218  
Elkhart, Kansas

Schedule 2-4

AT RISK (K-12) FUND  
SCHEDULE OF CASH RECEIPTS, EXPENDITURES AND  
CHANGES IN UNENCUMBERED CASH – ACTUAL AND BUDGET  
For the fiscal year ended June 30, 2012  
(with comparative actual totals for the prior year ended June 30, 2011)

	<u>Current Year</u>			<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavor.)</u>	<u>Year</u> <u>Actual</u>
<u>Cash Receipts</u>				
Operating transfers	\$597,240	<u>\$635,040</u>	<u>\$ (37,800)</u>	\$656,298
<u>Expenditures and Transfers</u>				
<u>Subject to Budget</u>				
Instruction	<u>597,240</u>	<u>\$635,040</u>	<u>\$ 37,800</u>	<u>656,298</u>
Receipts over (under) expenditures	-			-
Unencumbered Cash, Beginning	<u>-</u>			<u>-</u>
Unencumbered Cash, Ending	<u>-</u>			<u>-</u>

UNIFIED SCHOOL DISTRICT NO. 218  
Elkhart, Kansas

Schedule 2-5

BILINGUAL EDUCATION FUND  
SCHEDULE OF CASH RECEIPTS, EXPENDITURES AND  
CHANGES IN UNENCUMBERED CASH – ACTUAL AND BUDGET  
For the fiscal year ended June 30, 2012  
(with comparative actual totals for the prior year ended June 30, 2011)

	<u>Current Year</u>			<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavor.)</u>	<u>Year</u> <u>Actual</u>
<u>Cash Receipts</u>				
Operating transfers	\$116,046	<u>\$143,640</u>	<u>\$ (27,594)</u>	\$149,212
<u>Expenditures and Transfers</u>				
<u>Subject to Budget</u>				
Instruction	<u>116,046</u>	<u>\$143,640</u>	<u>\$ 27,594</u>	<u>149,212</u>
Receipts over (under) expenditures	-			-
Unencumbered Cash, Beginning	<u>-</u>			<u>-</u>
Unencumbered Cash, Ending	<u><u>-</u></u>			<u><u>-</u></u>

UNIFIED SCHOOL DISTRICT NO. 218  
Elkhart, Kansas

Schedule 2-6

VIRTUAL EDUCATION FUND  
SCHEDULE OF CASH RECEIPTS, EXPENDITURES AND  
CHANGES IN UNENCUMBERED CASH – ACTUAL AND BUDGET  
For the fiscal year ended June 30, 2012  
(with comparative actual totals for the prior year ended June 30, 2011)

	<u>Current Year</u>		<u>Variance</u>	<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Favorable</u>	<u>Year</u>
<u>Cash Receipts</u>			<u>(Unfavor.)</u>	<u>Actual</u>
Operating transfers	\$1,987,468	<u>\$1,753,240</u>	<u>\$ 234,228</u>	\$1,280,933
<u>Expenditures and Transfers</u>				
<u>Subject to Budget</u>				
Administration	<u>1,987,468</u>	<u>\$1,753,240</u>	<u>\$ (234,228)</u>	<u>1,280,933</u>
Receipts over (under) expenditures	-			-
Unencumbered Cash, Beginning	<u>-</u>			<u>-</u>
Unencumbered Cash, Ending	<u>-</u>			<u>-</u>

UNIFIED SCHOOL DISTRICT NO. 218  
Elkhart, Kansas

Schedule 2-7

CAPITAL OUTLAY FUND  
SCHEDULE OF CASH RECEIPTS, EXPENDITURES AND  
CHANGES IN UNENCUMBERED CASH – ACTUAL AND BUDGET  
For the fiscal year ended June 30, 2012  
(with comparative actual totals for the prior year ended June 30, 2011)

	<u>Current Year</u>		<u>Variance</u>	<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Favorable</u>	<u>Year</u>
			<u>(Unfavor.)</u>	<u>Actual</u>
<u>Cash Receipts</u>				
Taxes and Shared Revenue:				
Ad valorem property tax	\$ 263,887	\$ 260,868	\$ 3,019	\$ 384,387
Delinquent tax	2,625	1,013	1,612	1,980
Motor vehicle tax	12,887	17,578	(4,691)	14,118
Recreational vehicle tax	330	361	(31)	-
In lieu of tax	2,750	664	2,086	699
Interest income	7,474	3,000	4,474	3,489
Miscellaneous	22,395	10,000	12,395	17,897
Operating transfers	<u>479,800</u>	<u>-</u>	<u>479,800</u>	<u>769,566</u>
Total cash receipts	<u>\$ 792,148</u>	<u>\$ 293,484</u>	<u>\$ 498,664</u>	<u>\$1,192,136</u>
<u>Expenditures and Transfers</u>				
<u>Subject to Budget</u>				
Instruction	\$ 15,086	\$ 84,000	\$ 68,914	\$ 3,940
Operations and maintenance	128,160	100,000	(28,160)	55,958
Other support services	168,103	220,000	51,897	100,000
Land and building improvement	233,637	1,209,019	975,382	321,222
Debt service	<u>188,376</u>	<u>188,376</u>	<u>-</u>	<u>184,903</u>
Total expenditures and transfers subject to budget	<u>\$ 733,362</u>	<u>\$1,801,395</u>	<u>\$1,068,033</u>	<u>\$ 666,023</u>
Receipts over (under) expenditures	\$ 58,786			\$ 526,113
Unencumbered Cash, Beginning	<u>1,516,062</u>			<u>989,949</u>
Unencumbered Cash, Ending	<u>\$1,574,848</u>			<u>\$1,516,062</u>

UNIFIED SCHOOL DISTRICT NO. 218  
Elkhart, Kansas

Schedule 2-8

DRIVER TRAINING FUND  
SCHEDULE OF CASH RECEIPTS, EXPENDITURES AND  
CHANGES IN UNENCUMBERED CASH – ACTUAL AND BUDGET

For the fiscal year ended June 30, 2012  
(with comparative actual totals for the prior year ended June 30, 2011)

	<u>Current Year</u>			<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavor.)</u>	<u>Year</u> <u>Actual</u>
<u>Cash Receipts</u>				
State aid	\$ 4,460	\$ 4,620	\$ (160)	\$ 6,324
Operating transfers	<u>-</u>	<u>10,000</u>	<u>(10,000)</u>	<u>4,000</u>
Total cash receipts	\$ <u>4,460</u>	\$ <u>14,620</u>	\$ <u>(10,160)</u>	\$ <u>10,324</u>
<u>Expenditures and Transfers</u>				
<u>Subject to Budget</u>				
Instruction	\$ 4,844	\$ 29,890	\$ 25,046	\$ 4,848
Vehicle operations and maintenance	<u>586</u>	<u>5,000</u>	<u>4,414</u>	<u>616</u>
Total expenditures and transfers subject to budget	\$ <u>5,430</u>	\$ <u>34,890</u>	\$ <u>29,460</u>	\$ <u>5,464</u>
Receipts over (under) expenditures	\$ (970)			\$ 4,860
Unencumbered Cash, Beginning	<u>20,270</u>			<u>15,410</u>
Unencumbered Cash, Ending	\$ <u>19,300</u>			\$ <u>20,270</u>



UNIFIED SCHOOL DISTRICT NO. 218  
Elkhart, Kansas

Schedule 2-9

EXTRAORDINARY SCHOOL PROGRAM FUND  
SCHEDULE OF CASH RECEIPTS, EXPENDITURES AND  
CHANGES IN UNENCUMBERED CASH – ACTUAL AND BUDGET

For the fiscal year ended June 30, 2012  
(with comparative actual totals for the prior year ended June 30, 2011)

	<u>Current Year</u>			<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavor.)</u>	<u>Year</u> <u>Actual</u>
<u>Cash Receipts</u>				
Tuition	\$ 3,591	\$ 7,500	\$ (3,909)	\$ 9,134
Miscellaneous	<u>7,911</u>	<u>30,000</u>	<u>(22,089)</u>	<u>26,479</u>
Total cash receipts	\$ 11,502	\$ <u>37,500</u>	\$ <u>(25,998)</u>	\$ 35,613
<u>Expenditures and Transfers</u>				
<u>Subject to Budget</u>				
Instruction	<u>15,208</u>	\$ <u>66,270</u>	\$ <u>51,062</u>	<u>19,558</u>
Receipts over (under) expenditures	\$ (3,706)			\$ 16,055
Unencumbered Cash, Beginning	<u>28,770</u>			<u>12,715</u>
Unencumbered Cash, Ending	\$ <u>25,064</u>			\$ <u>28,770</u>

UNIFIED SCHOOL DISTRICT NO. 218  
Elkhart, Kansas

Schedule 2-10

FOOD SERVICE FUND  
SCHEDULE OF CASH RECEIPTS, EXPENDITURES AND  
CHANGES IN UNENCUMBERED CASH – ACTUAL AND BUDGET

For the fiscal year ended June 30, 2012  
(with comparative actual totals for the prior year ended June 30, 2011)

	<u>Current Year</u>			<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavor.)</u>	<u>Year</u> <u>Actual</u>
<u>Cash Receipts</u>				
Charges for services	\$ 66,418	\$ 73,736	\$ (7,318)	\$ 74,189
Federal aid	159,307	150,348	8,959	157,085
State aid	2,540	2,185	355	2,712
Operating transfers	<u>23,000</u>	<u>25,000</u>	<u>(2,000)</u>	<u>25,000</u>
Total cash receipts	<u>\$251,265</u>	<u>\$251,269</u>	<u>\$ (4)</u>	<u>\$258,986</u>
<u>Expenditures and Transfers</u>				
<u>Subject to Budget</u>				
Instruction	\$ 788	\$ -	\$ (788)	\$ 250
Operations and maintenance	3,184	3,000	(184)	3,388
Food service operation	<u>249,299</u>	<u>314,078</u>	<u>64,779</u>	<u>257,933</u>
Total expenditures and transfers subject to budget	<u>\$253,271</u>	<u>\$317,078</u>	<u>\$ 63,807</u>	<u>\$261,571</u>
Receipts over (under) expenditures	\$ (2,006)			\$ (2,585)
Unencumbered Cash, Beginning	<u>65,809</u>			<u>68,394</u>
Unencumbered Cash, Ending	<u>\$ 63,803</u>			<u>\$ 65,809</u>

UNIFIED SCHOOL DISTRICT NO. 218  
Elkhart, Kansas

Schedule 2-11

PARENT EDUCATION FUND  
SCHEDULE OF CASH RECEIPTS, EXPENDITURES AND  
CHANGES IN UNENCUMBERED CASH – ACTUAL AND BUDGET

For the fiscal year ended June 30, 2012  
(with comparative actual totals for the prior year ended June 30, 2011)

	<u>Current Year</u>		<u>Variance</u>	<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Favorable</u>	<u>Year</u>
			<u>(Unfavor.)</u>	<u>Actual</u>
<u>Cash Receipts</u>				
State aid	\$ 28,177	\$ 28,052	\$ 125	\$ 28,842
Operating transfers	<u>-</u>	<u>20,000</u>	<u>(20,000)</u>	<u>20,000</u>
Total cash receipts	\$ <u>28,177</u>	\$ <u>48,052</u>	\$ <u>(19,875)</u>	\$ <u>48,842</u>
<u>Expenditures and Transfers</u>				
<u>Subject to Budget</u>				
Support services student	\$ 45,062	\$116,472	\$ 71,410	\$ 48,542
Instructional support staff	<u>1,224</u>	<u>1,026</u>	<u>(198)</u>	<u>358</u>
Total expenditures and transfers subject to budget	\$ <u>46,286</u>	\$ <u>117,498</u>	\$ <u>71,212</u>	\$ <u>48,900</u>
Receipts over (under) expenditures	\$ (18,109)			\$ (58)
Unencumbered Cash, Beginning	<u>69,446</u>			<u>69,504</u>
Unencumbered Cash, Ending	\$ <u>51,337</u>			\$ <u>69,446</u>

UNIFIED SCHOOL DISTRICT NO. 218  
Elkhart, Kansas

Schedule 2-12

SPECIAL EDUCATION FUND  
SCHEDULE OF CASH RECEIPTS, EXPENDITURES AND  
CHANGES IN UNENCUMBERED CASH – ACTUAL AND BUDGET  
For the fiscal year ended June 30, 2012  
(with comparative actual totals for the prior year ended June 30, 2011)

	<u>Current Year</u>			<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavor.)</u>	<u>Year</u> <u>Actual</u>
<u>Cash Receipts</u>				
Miscellaneous	\$ 7,240	\$ -	\$ 7,240	\$ 4,737
Operating transfers	<u>350,008</u>	<u>600,000</u>	<u>(249,992)</u>	<u>427,972</u>
Total cash receipts	<u>\$357,248</u>	<u>\$600,000</u>	<u>\$ (242,752)</u>	<u>\$432,709</u>
<u>Expenditures and Transfers</u>				
<u>Subject to Budget</u>				
Instruction	\$423,615	\$487,699	\$ 64,084	\$427,826
Support services	70	211,939	211,869	-
General Administration	284	200	(84)	39
Student transportation services	<u>3,606</u>	<u>10,255</u>	<u>6,649</u>	<u>4,201</u>
Total expenditures and transfers subject to budget	<u>\$427,575</u>	<u>\$710,093</u>	<u>\$ 282,518</u>	<u>\$432,066</u>
Receipts over (under) expenditures	\$ (70,327)			\$ 643
Unencumbered Cash, Beginning	<u>310,093</u>			<u>309,450</u>
Unencumbered Cash, Ending	<u>\$239,766</u>			<u>\$310,093</u>

UNIFIED SCHOOL DISTRICT NO. 218  
Elkhart, Kansas

Schedule 2-13

VOCATIONAL EDUCATION FUND  
SCHEDULE OF CASH RECEIPTS, EXPENDITURES AND  
CHANGES IN UNENCUMBERED CASH – ACTUAL AND BUDGET  
For the fiscal year ended June 30, 2012  
(with comparative actual totals for the prior year ended June 30, 2011)

	<u>Current Year</u>			<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavor.)</u>	<u>Year</u> <u>Actual</u>
<u>Cash Receipts</u>				
Operating transfers	\$141,163	<u>\$147,900</u>	<u>\$ (6,737)</u>	\$137,782
<u>Expenditures and Transfers</u>				
<u>Subject to Budget</u>				
Instruction	<u>141,163</u>	<u>\$147,900</u>	<u>\$ 6,737</u>	<u>137,782</u>
Receipts over (under) expenditures	-			-
Unencumbered Cash, Beginning	<u>-</u>			<u>-</u>
Unencumbered Cash, Ending	<u><u>-</u></u>			<u><u>-</u></u>

UNIFIED SCHOOL DISTRICT NO. 218  
Elkhart, Kansas

Schedule 2-14

KPERS RETIREMENT CONTRIBUTION FUND  
SCHEDULE OF CASH RECEIPTS, EXPENDITURES AND  
CHANGES IN UNENCUMBERED CASH – ACTUAL AND BUDGET

For the fiscal year ended June 30, 2012  
(with comparative actual totals for the prior year ended June 30, 2011)

	<u>Current Year</u>			<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavor.)</u>	<u>Year</u> <u>Actual</u>
<u>Cash Receipts</u>				
State revenue	\$422,307	<u>\$491,540</u>	<u>\$ (69,233)</u>	\$268,601
<u>Expenditures and Transfers</u>				
<u>Subject to Budget</u>				
Employees' Benefits	<u>422,307</u>	<u>\$491,540</u>	<u>\$ 69,233</u>	<u>268,601</u>
Receipts over (under) expenditures	-			-
Unencumbered Cash, Beginning	<u>-</u>			<u>-</u>
Unencumbered Cash, Ending	<u><u>-</u></u>			<u><u>-</u></u>

UNIFIED SCHOOL DISTRICT NO. 218  
Elkhart, Kansas

Schedule 2-15

BOND AND INTEREST FUND  
SCHEDULE OF CASH RECEIPTS, EXPENDITURES AND  
CHANGES IN UNENCUMBERED CASH – ACTUAL AND BUDGET  
For the fiscal year ended June 30, 2012  
(with comparative actual totals for the prior year ended June 30, 2011)

	<u>Current Year</u>			<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavor.)</u>	<u>Year</u> <u>Actual</u>
<u>Cash Receipts</u>				
Taxes and Shared Revenue:				
Delinquent taxes	\$ 493	-	\$ 493	\$ 230
Motor vehicle tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>11</u>
Total cash receipts	\$ 493	<u>-</u>	<u>\$ 493</u>	\$ 241
<u>Expenditures and Transfers</u>				
<u>Subject to Budget</u>				
Debt service	<u>-</u>	<u>\$204,072</u>	<u>\$204,072</u>	<u>-</u>
Receipts over (under) expenditures	\$ 493			\$ 241
Unencumbered Cash, Beginning	<u>204,072</u>			<u>203,831</u>
Unencumbered Cash, Ending	<u>\$204,565</u>			<u>\$204,072</u>

UNIFIED SCHOOL DISTRICT NO. 218  
Elkhart, Kansas

Schedule 2-16

RECREATION COMMISSION FUND  
SCHEDULE OF CASH RECEIPTS, EXPENDITURES AND  
CHANGES IN UNENCUMBERED CASH – ACTUAL AND BUDGET

For the fiscal year ended June 30, 2012  
(with comparative actual totals for the prior year ended June 30, 2011)

	<u>Current Year</u>			<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavor.)</u>	<u>Year</u> <u>Actual</u>
<u>Cash Receipts</u>				
Taxes and Shared Revenue:				
Ad valorem property tax	\$191,234	\$188,381	\$ 2,853	\$192,162
Delinquent taxes	1,392	506	886	1,012
Motor vehicle tax	6,608	8,970	(2,362)	7,059
In lieu of tax	<u>319</u>	<u>333</u>	<u>(14)</u>	<u>350</u>
Total cash receipts	\$199,553	<u>\$198,190</u>	<u>\$ 1,363</u>	\$200,583
<u>Expenditures and Transfers</u>				
<u>Subject to Budget</u>				
Appropriation	<u>200,000</u>	<u>\$200,000</u>	<u>-</u>	<u>224,000</u>
Receipts over (under) expenditures	\$ (447)			\$ (23,417)
Unencumbered Cash, Beginning	<u>3,019</u>			<u>26,436</u>
Unencumbered Cash, Ending	<u>\$ 2,572</u>			<u>\$ 3,019</u>



UNIFIED SCHOOL DISTRICT NO. 218  
Elkhart, Kansas

Schedule 2-17

GIFTS AND GRANTS FUND  
SCHEDULE OF CASH RECEIPTS, EXPENDITURES AND  
CHANGES IN UNENCUMBERED CASH – ACTUAL AND BUDGET  
For the fiscal year ended June 30, 2012  
(with comparative actual totals for the prior year ended June 30, 2011)

	<u>Current Year</u>			<u>Prior</u>
	<u>Actual</u>	<u>Budget</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavor.)</u>	<u>Year</u> <u>Actual</u>
<u>Cash Receipts</u>				
Contributions/donations	\$ <u>5,075</u>	\$ <u>21,000</u>	\$ <u>(15,925)</u>	\$ <u>19,800</u>
<u>Expenditures and Transfers</u>				
<u>Subject to Budget</u>				
Instructions	\$ -	\$ 5,300	\$ 5,300	\$ -
Support services	<u>2,731</u>	<u>37,271</u>	<u>34,540</u>	<u>4,152</u>
Total expenditures and transfers subject to budget	\$ <u>2,731</u>	\$ <u>42,571</u>	\$ <u>39,840</u>	\$ <u>4,152</u>
Receipts over (under) expenditures	\$ 2,344			\$ 15,648
Unencumbered Cash, Beginning	<u>17,269</u>			<u>1,621</u>
Unencumbered Cash, Ending	\$ <u>19,613</u>			\$ <u>17,269</u>

UNIFIED SCHOOL DISTRICT NO. 218  
Elkhart, Kansas

Schedule 2

SCHEDULES OF CASH RECEIPTS, EXPENDITURES  
AND CHANGES IN UNENCUMBERED CASH – ACTUAL  
For the fiscal year ended June 30, 2012

UNIFIED SCHOOL DISTRICT NO. 218  
Elkhart, Kansas

Schedule 2-18

CONTINGENCY RESERVE FUND  
SCHEDULE OF CASH RECEIPTS, EXPENDITURES  
AND CHANGES IN UNENCUMBERED CASH – ACTUAL  
For the fiscal year ended June 30, 2012  
(with comparative actual totals for the prior year ended June 30, 2011)

	<u>Year</u>	
	<u>Current</u>	<u>Prior</u>
<u>Cash Receipts</u>		
Operating transfers	\$ 40,729	\$ 40,841
<u>Expenditures and Transfers</u>	<u>-</u>	<u>-</u>
Receipts over (under) expenditures	\$ 40,729	\$ 40,841
Unencumbered Cash, Beginning	<u>546,456</u>	<u>505,615</u>
Unencumbered Cash, Ending	<u>\$587,185</u>	<u>\$546,456</u>

UNIFIED SCHOOL DISTRICT NO. 218  
Elkhart, Kansas

Schedule 2-19

RURAL ED FUND  
SCHEDULE OF CASH RECEIPTS, EXPENDITURES  
AND CHANGES IN UNENCUMBERED CASH – ACTUAL  
For the fiscal year ended June 30, 2012  
(with comparative actual totals for the prior year ended June 30, 2011)

	<u>Year</u>	
	<u>Current</u>	<u>Prior</u>
<u>Cash Receipts</u>		
State aid	\$ 55,467	\$ 1,595
<u>Expenditures and Transfers</u>		
Instruction	<u>30,516</u>	<u>26,546</u>
Receipts over (under) expenditures	\$ 24,951	\$ (24,951)
Unencumbered Cash, Beginning	<u>(24,951)</u>	<u>-</u>
Unencumbered Cash, Ending	<u>-</u>	<u>\$ (24,951)</u>

UNIFIED SCHOOL DISTRICT NO. 218  
Elkhart, Kansas

Schedule 2-20

TITLE I LOW INCOME FUND  
SCHEDULE OF CASH RECEIPTS, EXPENDITURES  
AND CHANGES IN UNENCUMBERED CASH – ACTUAL  
For the fiscal year ended June 30, 2012  
(with comparative actual totals for the prior year ended June 30, 2011)

	<u>Year</u>	
	<u>Current</u>	<u>Prior</u>
<u>Cash Receipts</u>		
Federal aid	<u>\$121,163</u>	<u>\$112,356</u>
<u>Expenditures and Transfers</u>		
Instruction	\$120,302	\$111,035
General administration	<u>861</u>	<u>1,321</u>
Total expenditures and transfers	<u>\$121,163</u>	<u>\$112,356</u>
Receipts over (under) expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u><u>-</u></u>	<u><u>-</u></u>

UNIFIED SCHOOL DISTRICT NO. 218  
Elkhart, Kansas

Schedule 2-21

TITLE I MIGRANT FUND  
SCHEDULE OF CASH RECEIPTS, EXPENDITURES  
AND CHANGES IN UNENCUMBERED CASH – ACTUAL  
For the fiscal year ended June 30, 2012  
(with comparative actual totals for the prior year ended June 30, 2011)

	<u>Year</u>	
	<u>Current</u>	<u>Prior</u>
<u>Cash Receipts</u>		
Federal aid	\$104,320	\$138,300
<u>Expenditures and Transfers</u>		
Instruction	<u>104,320</u>	<u>138,300</u>
Receipts over (under) expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>-</u>	<u>-</u>

UNIFIED SCHOOL DISTRICT NO. 218  
Elkhart, Kansas

Schedule 2-22

TITLE I EVEN START FUND  
SCHEDULE OF CASH RECEIPTS, EXPENDITURES  
AND CHANGES IN UNENCUMBERED CASH – ACTUAL  
For the fiscal year ended June 30, 2012  
(with comparative actual totals for the prior year ended June 30, 2011)

	<u>Year</u>	
	<u>Current</u>	<u>Prior</u>
<u>Cash Receipts</u>		
Federal aid	\$ 55,000	\$ 55,000
<u>Expenditures and Transfers</u>		
Instruction	<u>55,000</u>	<u>55,000</u>
Receipts over (under) expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>-</u>	<u>-</u>

UNIFIED SCHOOL DISTRICT NO. 218  
Elkhart, Kansas

Schedule 2-23

TITLE II IMPROVING TEACHER QUALITY FUND  
SCHEDULE OF CASH RECEIPTS, EXPENDITURES  
AND CHANGES IN UNENCUMBERED CASH – ACTUAL

For the fiscal year ended June 30, 2012  
(with comparative actual totals for the prior year ended June 30, 2011)

	<u>Year</u>	
	<u>Current</u>	<u>Prior</u>
<u>Cash Receipts</u>		
Federal aid	\$ 22,270	\$ 26,057
<u>Expenditures and Transfers</u>		
Supplies and materials	<u>22,270</u>	<u>26,057</u>
Receipts over (under) expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>-</u>	<u>-</u>



UNIFIED SCHOOL DISTRICT NO. 218  
Elkhart, Kansas

Schedule 2-24

TITLE III ENGLISH LANGUAGE ACQUISITION FUND  
SCHEDULE OF CASH RECEIPTS, EXPENDITURES  
AND CHANGES IN UNENCUMBERED CASH – ACTUAL  
For the fiscal year ended June 30, 2012  
(with comparative actual totals for the prior year ended June 30, 2011)

	<u>Year</u>	
	<u>Current</u>	<u>Prior</u>
<u>Cash Receipts</u>		
Federal aid	\$ 11,682	\$ 10,594
<u>Expenditures and Transfers</u>		
Instruction	<u>11,682</u>	<u>10,594</u>
Receipts over (under) expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>-</u>	<u>-</u>

UNIFIED SCHOOL DISTRICT NO. 218  
Elkhart, Kansas

Schedule 2-25

POINT ROCK ACADEMY CHARTER SCHOOL FUND  
SCHEDULE OF CASH RECEIPTS, EXPENDITURES  
AND CHANGES IN UNENCUMBERED CASH – ACTUAL  
For the fiscal year ended June 30, 2012  
(with comparative actual totals for the prior year ended June 30, 2011)

	<u>Year</u>	
	<u>Current</u>	<u>Prior</u>
<u>Cash Receipts</u>	-	\$ -
<u>Expenditures and Transfers</u>		
Instruction	<u>-</u>	<u>4,239</u>
Receipts over (under) expenditures	-	\$ (4,239)
Unencumbered Cash, Beginning	<u>-</u>	<u>4,239</u>
Unencumbered Cash, Ending	<u>-</u>	<u>-</u>

UNIFIED SCHOOL DISTRICT NO. 218  
Elkhart, Kansas

Schedule 2-26

ARRA TITLE I LOW INCOME FUND  
SCHEDULE OF CASH RECEIPTS, EXPENDITURES  
AND CHANGES IN UNENCUMBERED CASH – ACTUAL  
For the fiscal year ended June 30, 2012  
(with comparative actual totals for the prior year ended June 30, 2011)

	<u>Year</u>	
	<u>Current</u>	<u>Prior</u>
<u>Cash Receipts</u>		
Federal aid	-	\$ 42,561
<u>Expenditures and Transfers</u>		
Instruction	<u>-</u>	<u>42,258</u>
Receipts over (under) expenditures	-	\$ 303
Unencumbered Cash, Beginning	<u>-</u>	<u>(303)</u>
Unencumbered Cash, Ending	<u>-</u>	<u>-</u>

UNIFIED SCHOOL DISTRICT NO. 218  
Elkhart, Kansas

Schedule 2-27

ARRA TITLE IID FUND  
SCHEDULE OF CASH RECEIPTS, EXPENDITURES  
AND CHANGES IN UNENCUMBERED CASH – ACTUAL  
For the fiscal year ended June 30, 2012  
(with comparative actual totals for the prior year ended June 30, 2011)

	<u>Year</u>	
	<u>Current</u>	<u>Prior</u>
<u>Cash Receipts</u>		
Federal aid	-	\$ 689
<u>Expenditures and Transfers</u>		
Instruction	<u>-</u>	<u>608</u>
Receipts over (under) expenditures	-	\$ 81
Unencumbered Cash, Beginning	<u>-</u>	<u>(81)</u>
Unencumbered Cash, Ending	<u>-</u>	<u>-</u>

UNIFIED SCHOOL DISTRICT NO. 218  
Elkhart, Kansas

Schedule 2-28

YOUTH FRIENDS FUND  
SCHEDULE OF CASH RECEIPTS, EXPENDITURES  
AND CHANGES IN UNENCUMBERED CASH – ACTUAL  
For the fiscal year ended June 30, 2012  
(with comparative actual totals for the prior year ended June 30, 2011)

	<u>Year</u>	
	<u>Current</u>	<u>Prior</u>
<u>Cash Receipts</u>		
Youth Friends revenue	-	\$ 1,500
<u>Expenditures and Transfers</u>		
Instructional support services	<u>-</u>	<u>192</u>
Receipts over (under) expenditures	\$ -	\$ 1,308
Unencumbered Cash, Beginning	<u>4,302</u>	<u>2,994</u>
Unencumbered Cash, Ending	<u>\$ 4,302</u>	<u>\$ 4,302</u>

UNIFIED SCHOOL DISTRICT NO. 218  
Elkhart, Kansas

Schedule 2-29

CCLC GRANT FUND  
SCHEDULE OF CASH RECEIPTS, EXPENDITURES  
AND CHANGES IN UNENCUMBERED CASH – ACTUAL  
For the fiscal year ended June 30, 2012  
(with comparative actual totals for the prior year ended June 30, 2011)

	<u>Year</u>	
	<u>Current</u>	<u>Prior</u>
<u>Cash Receipts</u>		
Federal aid	\$ 60,484	\$ 12,000
<u>Expenditures and Transfers</u>		
Instruction	<u>56,502</u>	<u>12,000</u>
Receipts over (under) expenditures	\$ 3,982	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ 3,982</u>	<u>-</u>

UNIFIED SCHOOL DISTRICT NO. 218  
Elkhart, Kansas

Schedule 2-30

MIGRANT SUMMER SERVICES FUND  
SCHEDULE OF CASH RECEIPTS, EXPENDITURES  
AND CHANGES IN UNENCUMBERED CASH – ACTUAL  
For the fiscal year ended June 30, 2012  
(with comparative actual totals for the prior year ended June 30, 2011)

	<u>Year</u>	
	<u>Current</u>	<u>Prior</u>
<u>Cash Receipts</u>	\$ -	-
<u>Expenditures and Transfers</u>		
Instruction	<u>1,318</u>	<u>-</u>
Receipts over (under) expenditures	\$ (1,318)	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	\$ <u>(1,318)</u>	<u>-</u>

UNIFIED SCHOOL DISTRICT NO. 218  
Elkhart, Kansas

Schedule 3

AGENCY FUNDS  
SCHEDULE OF CASH RECEIPTS AND  
CASH DISBURSEMENTS – ACTUAL



UNIFIED SCHOOL DISTRICT NO. 218  
Elkhart, Kansas

Schedule 3

AGENCY FUNDS  
SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS – ACTUAL  
For the fiscal year ended June 30, 2012

<u>Fund</u>	<u>Beginning</u> <u>Cash</u> <u>Balance</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Ending</u> <u>Cash</u> <u>Balance</u>
High School:				
Student Council	\$ 1,522	\$ 15,022	\$ 13,647	\$ 2,897
Cheerleaders	3,051	31,186	31,111	3,126
National Honor Society	2,049	1	165	1,885
Softball	638	-	283	355
Girls Basketball	263	2,753	2,685	331
Boys Basketball	179	1	-	180
Student Council Pink	-	7,921	6,206	1,715
Volleyball	-	1,025	380	645
Golf	-	240	-	240
Class of 2010	222	-	222	-
Class of 2011	1,141	1,620	2,761	-
Class of 2012	1,478	2,112	2,585	1,005
Class of 2013	3,157	8,698	10,258	1,597
Class of 2014	1,157	9,162	6,913	3,406
Class of 2015	-	928	-	928
Senior gifts	1,517	1,362	1,459	1,420
E Club	2,391	9,206	9,420	2,177
Track	-	1,152	1,152	-
Band	1,439	2,043	218	3,264
Curtain Callers	9,946	3,597	1,448	12,095
Scholars Bowl	1,226	-	-	1,226
Sales tax	-	4,650	4,650	-
Sub-total High School	<u>\$ 31,376</u>	<u>\$102,679</u>	<u>\$ 95,563</u>	<u>\$ 38,492</u>

UNIFIED SCHOOL DISTRICT NO. 218  
Elkhart, Kansas

Schedule 3  
(Continued)

AGENCY FUNDS  
SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS – ACTUAL  
For the fiscal year ended June 30, 2012

<u>Fund</u>	<u>Beginning</u> <u>Cash</u> <u>Balance</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Ending</u> <u>Cash</u> <u>Balance</u>
Middle School:				
Student Council	\$ 2,273	\$ 29,243	\$ 30,461	\$ 1,055
Cheerleaders	1,411	7,466	6,061	2,816
Concession stand	2,063	7,826	8,909	980
Sales tax	<u>-</u>	<u>2,425</u>	<u>2,425</u>	<u>-</u>
Sub-total Middle School	\$ <u>5,747</u>	\$ <u>46,960</u>	\$ <u>47,856</u>	\$ <u>4,851</u>
Elementary School:				
Book Club	\$ 365	\$ 1,860	\$ 1,780	\$ 445
G S Teachers	681	850	803	728
Memorial Fund	73	-	-	73
Community Service	407	627	600	434
Student Fundraising	1,277	-	-	1,277
Guided Reading	102	-	-	102
Child Theatre	<u>-</u>	<u>1,500</u>	<u>1,500</u>	<u>-</u>
Sub-total Elementary School	\$ <u>2,905</u>	\$ <u>4,837</u>	\$ <u>4,683</u>	\$ <u>3,059</u>
Total Agency Funds	\$ <u>40,028</u>	\$ <u>154,476</u>	\$ <u>148,102</u>	\$ <u>46,402</u>

UNIFIED SCHOOL DISTRICT NO. 218  
Elkhart, Kansas

Schedule 4

DISTRICT ACTIVITY FUNDS  
SCHEDULE OF CASH RECEIPTS, EXPENDITURES  
AND UNENCUMBERED CASH – ACTUAL

UNIFIED SCHOOL DISTRICT NO. 218  
Elkhart, Kansas

Schedule 4

DISTRICT ACTIVITY FUNDS  
SCHEDULE OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH – ACTUAL  
For the fiscal year ended June 30, 2012

<u>Fund</u>	<u>Beginning</u> <u>Unencumbered</u> <u>Cash</u> <u>Balance</u>	<u>Cash</u> <u>Receipts</u>	<u>Expenditures</u>	<u>Ending</u> <u>Unencumbered</u> <u>Cash</u> <u>Balance</u>	<u>Add</u> <u>Encumbrances</u> <u>&amp; Accounts</u> <u>Payable</u>	<u>Ending</u> <u>Cash</u> <u>Balance</u>
Gate Receipts:						
Athletics – High School	\$ 18,655	\$ 45,946	\$ 47,828	\$ 16,773	-	\$ 16,773
Athletics – Middle School	<u>86</u>	<u>5,699</u>	<u>5,785</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal Gate Receipts	\$ <u>18,741</u>	\$ <u>51,645</u>	\$ <u>53,613</u>	\$ <u>16,773</u>	<u>-</u>	\$ <u>16,773</u>
School Projects:						
High School:						
Clearing account	\$ -	\$ 168	\$ 168	\$ -	-	\$ -
General Club	6,360	8,190	8,612	5,938	-	5,938
English	-	1,640	930	710	-	710
Lunch	-	9,798	9,798	-	-	-
FFA	8,692	32,665	33,328	8,029	-	8,029
Shop	5	60	18	47	-	47
Home Economics Club	874	1,441	1,855	460	-	460
Art	4,483	2,237	2,658	4,062	-	4,062
Music	591	1,187	1,351	427	-	427
Key Club	3,211	7,073	6,200	4,084	-	4,084
Yearbook	11,763	8,327	7,775	12,315	-	12,315

UNIFIED SCHOOL DISTRICT NO. 218  
Elkhart, Kansas

Schedule 4  
(Continued)

DISTRICT ACTIVITY FUNDS  
SCHEDULE OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH – ACTUAL  
For the fiscal year ended June 30, 2012

<u>Fund</u>	<u>Beginning</u> <u>Unencumbered</u> <u>Cash</u> <u>Balance</u>	<u>Cash</u> <u>Receipts</u>	<u>Expenditures</u>	<u>Ending</u> <u>Unencumbered</u> <u>Cash</u> <u>Balance</u>	<u>Add</u> <u>Encumbrances</u> <u>&amp; Accounts</u> <u>Payable</u>	<u>Ending</u> <u>Cash</u> <u>Balance</u>
School Projects (Continued):						
High School (Continued):						
Library	815	1,458	1,888	385	-	385
PRA Activity	2,796	2,965	3,763	1,998	-	1,998
Business	738	222	7	953	-	953
School Climate	70	-	-	70	-	70
Special Education	-	328	-	328	-	328
Middle School:						
General Fund	655	4,725	3,029	2,351	-	2,351
Lunch	-	23,620	23,620	-	-	-
Elementary School:						
General Fund	1,608	2,349	2,336	1,621	-	1,621
Lunch	-	30,463	30,463	-	-	-
Subtotal School Projects	\$ 42,661	\$138,916	\$137,799	\$ 43,778	-	\$ 43,778
Total District Activity Funds	\$ 61,402	\$190,561	\$191,412	\$ 60,551	-	\$ 60,551

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

The Board of Education  
Unified School District No. 218  
Elkhart, Kansas 67950

**Compliance**

We have audited Unified School District No. 218’s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Unified School District No. 218’s major federal programs for the year ended June 30, 2012. Unified School District No. 218's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the School District’s management. Our responsibility is to express an opinion on Unified School District No. 218's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the *Kansas Municipal Audit Guide*; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Unified School District No. 218's compliance with those requirements.

In our opinion, Unified School District No. 218 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

### **Internal Control Over Compliance**

Management of Unified School District No. 218 is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the School District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Unified School District No. 218's internal control over compliance.

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

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

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

*Hay•Rice & Associates, Chartered*

September 28, 2012

UNIFIED SCHOOL DISTRICT NO. 218  
Elkhart, Kansas

Schedule 5

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the fiscal year ended June 30, 2012

<u>Federal Grantor/Pass Through Grantor</u> <u>Program Title</u>	<u>Federal</u> <u>CFDA</u> <u>Number</u>	<u>Expenditures</u>
U. S. Department of Education – Pass		
Through Kansas Department of Education:		
Title I Low Income	84.010	\$121,163
Title I Migrant Education	84.011	159,320
Title II Improving Teacher Quality	84.367	22,270
Title III English Language Acquisition	84.365	11,682
Title IV 21 <sup>st</sup> Century	84.287	56,502
Education Jobs Fund	84.410	<u>2,680</u>
Total Department of Education		<u>\$373,617</u>
U. S. Department of Agriculture – Pass		
Through Kansas Department of Education:		
School Breakfast	10.553	\$ 28,638
School Lunch	10.555	116,772
Team Nutrition Grant	10.574	840
Cash for Commodities	10.555	<u>13,057</u>
Total Food Service Cluster		<u>\$159,307</u>
Total Federal Awards Expended		<u>\$532,924</u>



UNIFIED SCHOOL DISTRICT NO. 218  
Elkhart, Kansas

NOTE TO SCHEDULE 5  
June 30, 2012

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Unified School District No. 218 under programs of the federal government for the year ended June 30, 2012. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Because the Schedule presents only a selected portion of the operations of Unified School District No. 218, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Unified School District No. 218.

Expenditures are prepared on a cash disbursement basis adjusted for beginning and ending payables and encumbrances.

UNIFIED SCHOOL DISTRICT NO. 218  
Elkhart, Kansas

Schedule 6

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
June 30, 2012

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the statutory basis financial statements of Unified School District No. 218.
2. There were no significant deficiencies in internal control disclosed by the audit of the financial statements that were considered material weaknesses.
3. No instances of noncompliance material to the financial statements of Unified School District No. 218 were disclosed during the audit.
4. There were no significant deficiencies relating to the audit of the major federal awards that were considered material weaknesses.
5. The auditor's report on compliance for the major federal award programs for Unified School District No. 218 expresses an unqualified opinion.
6. There were no audit findings relative to the major federal award programs for Unified School District No. 218 as reported in Part C. of this schedule.
7. The programs tested as major programs include:
  - Title I Migrant Education CFDA #84.011
  - Food Service Cluster CFDA #10.553, 10.555, 10.574
8. The threshold for determining type A and B programs was:
  - Type A – the larger of \$300,000 or 3% of total federal awards expended
  - Type B – any programs that do not meet type A criteria specified above
9. Unified School District No. 218 was not determined to be a low-risk auditee.

UNIFIED SCHOOL DISTRICT NO. 218  
Elkhart, Kansas

Schedule 6  
(Continued)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2012  
(Continued)

B. FINDINGS – FINANCIAL STATEMENTS

None.

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

None.

UNIFIED SCHOOL DISTRICT NO. 218  
Elkhart, Kansas

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
For the fiscal year ended June 30, 2012

There were no audit findings relating to federal award programs in the prior years audit.