

**BOURBON COUNTY
UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS**

Statutory Basis Financial Statement and
Independent Auditors' Report with
Supplemental Information and
Federal Compliance Section
For the Fiscal Year Ended June 30, 2012

**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS**

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FORT SCOTT, KANSAS**

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Diehl Banwart Bolton

Certified Public Accountants P.A.

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Unified School District #234
Fort Scott, Kansas 66701

We have audited the Summary Statement of Cash Receipts, Expenditures, and Unencumbered Cash Balances of the Bourbon County Unified School District #234, Fort Scott, Kansas, as of June 30, 2012, and for the fiscal year then ended, which comprises the basic financial statement of the District as listed in the Table of Contents. This financial statement is the responsibility of Unified School District #234 management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in **Government Auditing Standards** issued by the Comptroller General of the United States, and the **Kansas Municipal Audit Guide**. Those standards require that 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 District's policy is to prepare 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 practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these statutory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

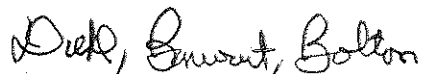
In our opinion, because of the District's policy to prepare its financial statements on the basis of accounting discussed in the preceding paragraph, the financial statement referred to in the first paragraph does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Bourbon County Unified School District #234, Fort Scott, Kansas, as of June 30, 2012, or the respective changes in financial position and cash flows, where applicable, for the fiscal year then ended.

Board of Education
Unified School District #234
Fort Scott, Kansas

In our opinion, the financial statement referred to in the first paragraph presents fairly, in all material respects, the cash and unencumbered cash balances of the Bourbon County Unified School District #234, Fort Scott, Kansas, 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.

In accordance with **Government Auditing Standards**, we have also issued reports dated September 29, 2012, on our consideration of the District's internal control structure and on its compliance with certain provisions of laws, regulations, contracts and grants. Those reports are an integral part of an audit performed in accordance with Government Auditing Standards, and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statement of the District. The accompanying supplemental schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statement. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*, and is also not a required part of the financial statement of the City. The supplemental schedules and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. This 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 taken as a whole.



DIEHL, BANWART, BOLTON, CPAs PA

September 29, 2012
Fort Scott, Kansas

**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS**

**Summary of Cash Receipts, Expenditures, and Unencumbered Cash
For the Fiscal Year Ended June 30, 2012**

Funds	Beginning Unencumbered Cash Balances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balances	Plus		Cash Balances June 30, 2011
					Encumbrances and Accounts Payable	2012	
GOVERNMENTAL TYPE FUNDS							
General Fund	\$0.05	\$11,327,903.82	\$11,327,902.99	\$0.88	\$959,229.49	\$959,230.37	\$1,028,770.19
Special Revenue Funds							
Supplemental General	104,783.60	2,763,091.39	2,688,400.00	179,474.99	358,096.18	537,571.17	288,005.63
Capital Outlay	354,353.60	224,177.96	178,428.77	400,102.79	122,992.97	523,095.76	404,440.09
At Risk 4 Year Old	101,422.25	60,000.00	80,378.52	81,043.73	9,300.03	90,343.76	108,311.77
At Risk K-12	211,156.96	1,949,340.31	1,953,404.37	207,092.90	215,112.56	422,205.46	381,021.41
Bilingual Education	5,426.83	6,670.08	5,677.35	6,419.56	-	6,419.56	5,426.83
Driver Training	16,793.52	9,742.00	9,528.27	17,007.25	39.60	17,046.85	26,793.52
Food Service	241,452.46	841,470.13	826,107.21	256,815.38	48,872.19	305,687.57	354,983.97
Professional Development	5,343.54	5,772.10	732.09	10,383.55	15.00	10,398.55	7,029.54
Special Education	524,568.88	2,083,940.80	2,096,019.35	512,490.33	237,222.82	749,713.15	762,540.65
Vocational Education	176,943.58	415,665.82	419,260.60	173,348.80	41,347.74	214,696.54	215,095.12
KPERS Retirement	-	1,247,797.76	1,247,797.76	-	-	-	-
Contingency Reserve	646,507.80	-	7,049.10	639,458.70	-	639,458.70	646,507.80
Textbook Rental	156,622.05	35,156.22	30,580.12	161,198.15	2,327.50	163,525.65	156,622.05
Title II D	-	-	-	-	-	-	209.45
21st Century Grant	(3,695.49)	3,695.49	-	-	-	(462.99)	(462.99)
Eat, Exercise and Excel Grant	10,847.25	-	10,847.25	-	1,744.68	1,744.68	10,847.25
Recreation	64,408.49	293,649.17	294,738.02	63,319.64	22,450.00	85,769.64	86,858.48
Recreation Employee Benefit	2,777.84	30,500.34	30,383.82	2,894.36	3,678.96	6,573.32	6,426.64
After School Child Care	18,545.36	37,675.26	51,897.73	4,322.89	-	4,322.89	18,545.36
Title I	(54,314.96)	661,484.00	614,587.17	(7,418.13)	28,721.31	21,303.18	14,046.60
Homeless ARRA	-	-	-	-	-	-	-
Title VI B	(20,220.19)	56,767.00	36,546.81	-	-	-	(19,102.28)
Title II A	-	119,354.00	119,354.00	-	11,493.80	11,493.80	48,217.63
Carl Perkins	-	25,531.00	25,531.00	-	2,999.63	2,999.63	2,373.03

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

**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS**

**Summary of Cash Receipts, Expenditures, and Unencumbered Cash
For the Fiscal Year Ended June 30, 2012**

Funds	Beginning Unencumbered Cash Balances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balances	Plus Encumbrances and Accounts Payable	Cash Balances	
						2012	June 30, 2011
Special Revenue Funds (Continued)							
Drug Free	(\$3,072.24)	\$5,827.00	\$2,754.76	-	-	-	(\$1,168.64)
Gate Receipts	26,536.14	70,846.31	59,499.19	37,883.26	-	37,883.26	26,536.14
School Projects	13,327.39	27,944.04	24,743.18	16,528.25	-	16,528.25	13,327.39
Debt Service Funds							
Bond and Interest	882,204.15	1,088,112.76	1,043,535.00	926,781.91	-	926,781.91	882,204.15
FIDUCIARY TYPE FUNDS							
Expendable Trusts							
Memorial	281.39	-	281.39	-	-	-	281.39
Special Gifts	193,721.81	54,048.86	59,742.26	188,028.41	733.90	188,762.31	197,489.80
Total Reporting Entity	\$3,676,722.06	\$23,446,163.62	\$23,245,708.08	\$3,877,177.60	\$2,066,378.36	\$5,943,555.96	\$5,672,177.97
Composition of Cash							
General Checking NOW Account.....						\$13,875.61	\$10,809.09
Other Checking Accounts.....						3,370.22	3,528.99
Money Market Account.....						3,299,797.44	2,825,454.01
School Activity Funds:							
Winfield Scott, NOW Checking Account.....						13,778.63	15,248.54
Eugene Ware, NOW Checking Account.....						19,524.54	14,464.07
Middle School, NOW Checking Account.....						14,694.71	12,240.01
High School, NOW Checking Account.....						193,356.92	182,842.92
Investments:							
Certificates of Deposit.....						2,575,008.30	2,795,008.98
Repurchase Agreements.....						359,000.00	366,000.00
Total Cash						6,492,406.37	6,225,596.61
Agency Funds						548,850.41	553,418.64
Total Reporting Entity						\$5,943,555.96	\$5,672,177.97

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

**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS**

**NOTES TO THE FINANCIAL STATEMENT
For the Fiscal Year Ended June 30, 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Unified School District #234, Fort Scott, Kansas (District), have been prepared in order to show compliance with the cash basis and budget laws of the State of Kansas. The Governmental Accounting Standards Board is the principal standard-setting body for establishing governmental accounting and financial reporting principles. The State of Kansas, through the Division of Accounts and Reports establishes the requirements for the statutory basis of accounting. The more significant of the District's accounting policies follow. Note 1 describes how the District's accounting policies differ from accounting principles generally accepted in the United States of America.

Reporting Entity

The District is a municipal corporation governed by an elected seven-member board. These financial statements present USD #234 (the primary government) and its component unit. The component unit is included in the District's reporting entity because of the significance of its operational and financial relationship with the District.

Blended Component Unit. The financial statements include the financial data of a blended component unit. The governing body of this component unit is appointed by the District.

Buck Run Recreation Commission

USD #234 Buck Run Recreation Commission oversees recreational activities. The recreation commission can sue and be sued, but acquisition of real property by the commission must be approved by the District. The District levies taxes for the recreation commission. Bond issuances must be approved by the District.

Basis of Presentation - Fund Accounting

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

The following types of funds comprise the financial activities of the District:

GOVERNMENTAL FUNDS

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

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

Debt Service Fund -- to account for the accumulation of resources for, and the payment of, interest and principal on general long-term debt, and the financing of special assessments, which are general obligations of the District.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - (Continued)
Basis of Presentation - Fund Accounting - (continued)

FIDUCIARY FUNDS

Trust and Agency Funds - to account for assets held by a governmental unit in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. These include Expendable Trust Funds, Non-Expendable Trust Funds and Agency Funds.

Statutory Basis of Accounting

The statutory basis of accounting, as used in the preparation of this statutory basis financial statement, 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 and include cash received as well as State aid for the current year received in the subsequent fiscal year. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure would be charged in the fund from which the transfer is made. The District has approved a resolution that is in compliance with Kansas Statutes (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.

Departures From Accounting Principles Generally Accepted in the United States of America

The basis of accounting described above results in a financial statement presentation which shows cash receipts, cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown non-cash assets such as receivables, inventories and prepaid expenses, liabilities such as deferred revenue, 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. Capital assets that account for the land, buildings, and equipment owned by the municipality are not presented in the financial statements. Also, long-term debt such as general obligation bonds, revenue bonds, capital leases, temporary notes, and compensated absences are not presented in the financial statements.

Budgetary Information

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

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

Budgetary Information (Continued)

1. Preparation of the budget for the succeeding fiscal year on or before August 1.
2. Publication in the local newspaper of the proposed budget and a notice of public hearing on the budget on or before August 5.
3. Public hearing on or before August 15, but at least ten days after the publication of a notice of hearing.
4. Adoption of the final budget on or before August 25.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no budget amendments this fiscal year. The General Fund budget was reduced to the legal maximum budget based upon final enrollment numbers lower than budgeted.

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 cash basis of accounting, modified further by the recording of accounts payable and encumbrances. Revenues are recognized when cash is received. Expenditures include cash disbursements, accounts payable and encumbrances. Encumbrances are commitments of the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

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

- Grant Funds (K.S.A. 72-8210)
- Federal Funds (K.S.A. 12-1663)
- Contingency Reserve Fund (K.S.A. 72-6426)
- Textbook Rental Fund (K.S.A. 72-8250)

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.

Compensated Absences

Employees may accrue from 10 to 12 days of sick leave and personal time off each year. There is no limit to the number of credits an employee may accumulate. Payment of accrued benefits upon termination ranges from 0% to 30% of the daily gross wage times the number of days of accumulated credits depending upon years of service with the District. Payment of accumulated benefits due to death, social security disability, or KPERS retirement ranges from 25% to 30% of the accumulated credits accrued.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - (Continued)
Compensated Absences (Continued)

Full time, twelve-month employees accrue three to four weeks of vacation each year on June 30, which is to be taken within twelve months after year end.

The District determines a liability for compensated absences when the following conditions are met:

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

In accordance with the above criteria, the District has accrued a liability for sick pay totaling \$471,962, based upon the minimum potential liability to the District if all employees were terminated at June 30, 2012. The District has recorded a vacation liability of \$71,193.

Property Taxes

In accordance with governing state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10th of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1 of the ensuing year. Consequently, for revenue recognition purposes, taxes levied during the current year are not due and receivable until the ensuing year. At December 31 such taxes are a lien on the property.

Termination and Post Employment Benefits

No termination benefits are provided to District employees when employment with the District ends except for the accrued compensated absences as discussed in Note 1 and early retirement 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 local government is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

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

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

Early Retirement

A professional certified employee is eligible for early retirement if such person: (a) is currently a professional certified employee of the District and is currently an active member of the Kansas Public Employees Retirement System (KPERs); (b) will be at least 56 years of age and not more than 64 years of age on or before June 30 of the retiring year or has a combined age and KPERs service which equals 85 "points"; (c) has 15 years or more of service credit recognized by the Kansas Public Employees Retirement System (KPERs). Early retirement is entirely voluntary and at the discretion of an eligible employee. Retirement benefits are \$5,000 each year for 5 years until age 65. The District funds these benefits on a pay as you go basis. Eighteen retired employees are receiving early retirement benefits as of June 30, 2012, with a total liability to the District of \$375,000, which includes social security and medicare taxes to be paid by the District. Twenty-eight employees were eligible but had not applied for early retirement as of June 30, 2012, resulting in a contingent liability of \$688,960.

Retirement 403(b) Plan

The District maintains an "Employer Contribution 403(b) Plan". The Plan is limited to those employees participating in the District's early retirement plan discussed in Note 1. Participating employees must contribute all of their early retirement pay into the plan. All amounts contributed are 100% vested. There are no matching contributions by the District to the Plan.

2. **STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

Compliance with Kansas Statutes

Statement 1 has been prepared in order to show compliance with the cash basis and budget laws of Kansas. As shown in Statement 1, the District was in apparent compliance with the cash basis and budget laws of Kansas. The negative cash balances in the 21st Century Grant, Title I, Title VIB, and Drug Free Funds are not actual violations due to grant money receivable at year end.

3. **CASH IN BANK AND DEPOSITORY SECURITY**

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

K.S.A. 12-1675 limits the Government's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The Government has no investment policy that would further limit its investment choices, but has limited the investments to time deposits at the local bank.

Concentration of credit risk. State statutes place no limit on the amount the Government may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

3. **CASH IN BANK AND DEPOSITORY SECURITY** (Continued)

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the Government's deposits may not be returned to it. State statutes require the Government'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 have any "peak periods" designated.

At June 30, 2012 the District's carrying amount of deposits was \$6,133,406.37 and the bank balance was \$5,208,229.51. The bank balance was held by five banks resulting in a diversification of credit risk. Of the bank balance, \$642,195.17 was covered by federal depository insurance, and the remaining \$4,566,034.34 was collateralized with securities totaling \$8,071,294.81 held by the pledging financial institutions' agents in the District's name.

The District has purchased repurchase agreements totaling \$359,000, secured by U.S. Treasury Obligations totaling \$359,000 held in a repurchase trust account for the District. The repurchase agreement matures daily.

4. **LONG-TERM DEBT OBLIGATIONS**

The District has outstanding the following long-term obligations at June 30, 2012:

	<u>PRINCIPAL</u>
<u>General Obligation Bonds</u>	
General Obligation School Building Bonds, Series 1997B, payable in annual installments of \$380,000 to \$740,000 plus interest, beginning September 1, 1999, and maturing September 1, 2016, bearing interest at 4.8% to 6.0%. The bonds are dated July 15, 1997.	\$ 425,000
General Obligation Refunding Bonds, Series 2003, payable in annual principal payments of \$445,000 to \$1,000,000, beginning September 1, 2007. Semi-annual principal and interest payments are due through maturity on September 1, 2016, at 2.25% to 4.1%.	<u>3,835,000</u>
Total General Obligation Bonds	<u>\$ 4,260,000</u>

Changes in long term debt and future maturities of long term debt are disclosed in Note 11.

5. **PENSION PLAN**

Plan Description

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

5. **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% of covered salary for employees hired from July 1, 2009 to the present. The employer collects and remits member-employee contributions according to the provisions of Section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. State law sets a limitation on annual increases in the contribution rates. For the fiscal year ending June 30, 2012, the State of Kansas contributed 9.77% of covered payroll from July 1, 2011 to March 31, 2012, and 8.77% of covered payroll from April 1, 2012 to June 30, 2012. Kansas' contributions to KPERS for school municipality employees for the years ending June 30, 2012, 2011, and 2010, was \$298,635,383, \$253,834,044, and \$248,468,186, respectively, equal to the statutory required contributions for each year. The amounts attributable to the District for years ending June 30, 2012, 2011, and 2010 were \$1,247,798, \$734,950, and \$847,494.

6. **RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees health and life; and natural disasters. The District manages these risks of loss through various insurance policies.

7. **CONTINGENCIES**

In the normal course of operations, the District participates in various federal or state grant programs from year to year. The grant programs are often subject to additional audits by agents of the granting agency, the purpose of which is to ensure compliance with the specific conditions of the grant. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

8. **INTERFUND TRANSFERS**

FROM	TO	STATUTORY AUTHORITY	AMOUNT
General	Capital Outlay	K.S.A. 72-6428	\$ 150,000.00
General	At Risk K-12	K.S.A. 72-6428	1,565,598.35
General	Special Education	K.S.A. 72-6428	1,119,201.00
Supplemental General	Special Education	K.S.A. 72-6433	502,694.66
Supplemental General	Vocational Education	K.S.A. 72-6433	415,665.82
Supplemental General	Bilingual Education	K.S.A. 72-6433	6,670.08
Supplemental General	Professional Development	K.S.A. 72-6433	5,000.00
Supplemental General	At Risk K-12	K.S.A. 72-6433	383,741.96
Supplemental General	At Risk 4 Year Old	K.S.A. 72-6433	60,000.00

9. PRIOR PERIOD ADJUSTMENT

The beginning cash balances in the General and Supplemental General Funds were increased because of a change in the statutory basis of accounting. In prior years, State aid for a current fiscal year received in the subsequent fiscal year were omitted from current year receipts. The statutory basis of accounting now requires the District to show state aid as a receipt in the current year even though it may actually be received in the subsequent fiscal year. Accordingly, cash balances at June 30, 2011 have been restated as follows:

	<u>General Fund</u>	<u>Supplemental General Fund</u>
Unencumbered Cash, June 30, 2011 (Original)	\$ (938,012.95)	\$ 21,701.60
State aid for FYE June 30, 2011 received in July, 2011	<u>938,013.00</u>	<u>83,082.00</u>
Unencumbered Cash, June 30, 2012 (Restated)	<u>\$ 0.05</u>	<u>\$ 104,783.60</u>

10. SUBSEQUENT EVENTS

Events subsequent to June 30 have been evaluated through the date of the Independent Auditors' Report as shown on page 2. There are no subsequent events recognized in these financial statements or recorded in the notes to the financial statements

11. LONG-TERM OBLIGATIONS

Details about the District's long-term obligations, changes in long term debt, and current maturities for the next five years and thereafter are recorded on the following two pages:

11. LONG TERM OBLIGATIONS (Continued)

Changes in Long Term Obligations									
Issue	Interest Rates	Date of Issue	Date of Final Maturity	Amount of Issue	Balances Beginning of Year	Additions/ New Debt	Reductions/ Principal Paid	Balances End of Year	Interest Paid
General Obligation Bonds									
General Obligation School Building Bonds Series 1997B	4.75 to 6.0%	7/15/1997	9/1/2012	\$5,850,000	\$ 825,000	\$ -	\$ 400,000	\$ 425,000	\$ 37,500
General Obligation Refunding Bonds Series 2003	2.25 to 4.1%	2/1/2003	9/1/2016	7,065,000	4,285,000	-	450,000	3,835,000	156,033
Total General Obligation Bonds					\$ 5,110,000	\$ -	\$ 850,000	\$ 4,260,000	\$ 193,533
Compensated Absences									
Accrued sick pay					\$ 506,799	\$ -	\$ 34,837	\$ 471,962	
Accrued vacation pay					87,601	-	16,408	71,193	
Accrued early retirement pay					275,000	100,000	-	375,000	
Total Compensated Absences					\$ 869,400	\$ 100,000	\$ 51,245	\$ 918,155	
Grand Totals					\$ 5,979,400	\$ 100,000	\$ 901,245	\$ 5,178,155	\$ 193,533

Statement of Maturities of Long Term Obligations - For the Fiscal Year Ending

Issue	2013	2014	2015	2016	2017	Totals
<u>Principal</u>						
<u>General Obligation Bonds</u>						
Series 1997B	\$ 425,000	\$ -	\$ -	\$ -	\$ -	\$ 425,000
Series 2003	470,000	940,000	975,000	1,000,000	450,000	3,835,000
	<u>\$ 895,000</u>	<u>\$ 940,000</u>	<u>\$ 975,000</u>	<u>\$ 1,000,000</u>	<u>\$ 450,000</u>	<u>\$ 4,260,000</u>
Total Principal	<u>\$ 895,000</u>	<u>\$ 940,000</u>	<u>\$ 975,000</u>	<u>\$ 1,000,000</u>	<u>\$ 450,000</u>	<u>\$ 4,260,000</u>
<u>Interest</u>						
<u>General Obligation Bonds</u>						
Series 1997B	\$ 12,750	\$ -	\$ -	\$ -	\$ -	\$ 12,750
Series 2003	139,698	113,913	77,219	38,450	9,228	378,508
	<u>\$ 152,448</u>	<u>\$ 113,913</u>	<u>\$ 77,219</u>	<u>\$ 38,450</u>	<u>\$ 9,228</u>	<u>\$ 391,258</u>
Total Interest	<u>\$ 152,448</u>	<u>\$ 113,913</u>	<u>\$ 77,219</u>	<u>\$ 38,450</u>	<u>\$ 9,228</u>	<u>\$ 391,258</u>
<u>Compensated Absences</u>						
Accrued sick pay	\$ 471,962	\$ -	\$ -	\$ -	\$ -	\$ 471,962
Accrued vacation pay	71,193	-	-	-	-	71,193
Accrued early retirement pay	120,000	105,000	85,000	55,000	10,000	375,000
Total Compensated Absences	<u>\$ 663,155</u>	<u>\$ 105,000</u>	<u>\$ 85,000</u>	<u>\$ 55,000</u>	<u>\$ 10,000</u>	<u>\$ 918,155</u>

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234

SUPPLEMENTAL INFORMATION

For the Fiscal Year Ended June 30, 2012

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS

Summary of Expenditures - Actual and Budget (Budgeted Funds Only)
 For the Fiscal Year Ended June 30, 2012

Funds	Certified Budget	Adjustment to Comply with Legal Maximum	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures		Variance - Favorable (Unfavorable)
					Charged to Current Year Budget		
GOVERNMENTAL TYPE FUNDS							
General Fund	\$11,256,462.00	(\$56,100.00)	\$127,540.99	\$11,327,902.99	\$11,327,902.99		-
Special Revenue Funds							
Supplemental General	2,688,400.00	-	-	2,688,400.00	2,688,400.00		-
Capital Outlay	605,500.00	-	-	605,500.00	178,428.77		427,071.23
At Risk 4 Year Old	114,763.00	-	-	114,763.00	80,378.52		34,384.48
At Risk K-12	2,285,463.00	-	-	2,285,463.00	1,953,404.37		332,058.63
Bilingual Education	12,131.00	-	-	12,131.00	5,677.35		6,453.65
Driver Training	21,792.00	-	-	21,792.00	9,528.27		12,263.73
Food Service	1,039,595.00	-	-	1,039,595.00	826,107.21		213,487.79
Professional Development	22,755.00	-	-	22,755.00	732.09		22,022.91
Special Education	2,302,508.00	-	-	2,302,508.00	2,096,019.35		206,488.65
Vocational Education	502,004.00	-	-	502,004.00	419,260.60		82,743.40
KPERS Retirement	1,337,609.00	-	-	1,337,609.00	1,247,797.76		89,811.24
Recreation	345,000.00	-	-	345,000.00	294,738.02		50,261.98
Recreation Employee Benefit	33,000.00	-	-	33,000.00	30,383.82		2,616.18
Debt Service Funds							
Bond and Interest	1,046,533.00	-	-	1,046,533.00	1,043,535.00		2,998.00
	<u>\$23,613,515.00</u>						

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
GENERAL FUND

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

	Current Year		Variance - Favorable (Unfavorable)
	Actual	Budget	
Cash Receipts			
Local Sources			
Ad valorem tax	\$1,250,177.19	\$1,167,743.00	\$82,434.19
Delinquent tax	39,580.26	52,245.00	(12,664.74)
Other	127,540.99	-	127,540.99
County Sources			
In lieu of tax	2,430.25	70.00	2,360.25
State Sources			
Mentor Teaching Program	-	-	-
Fitness grant	-	-	-
Severance tax	1,137.13	-	1,137.13
Special Education aid	1,119,201.00	1,157,280.00	(38,079.00)
General aid	8,782,316.00	8,879,124.00	(96,808.00)
Federal Sources			
Data use grant	-	-	-
ARRA Education Jobs	5,521.00	-	5,521.00
ARRA Stabilization	-	-	-
Total Cash Receipts	<u>11,327,903.82</u>	<u>\$11,256,462.00</u>	<u>\$71,441.82</u>
Expenditures			
Instruction	5,538,479.81	\$5,401,776.00	(\$136,703.81)
Support Services			
Student Support	340,126.62	376,325.00	36,198.38
Instructional Support	38,709.71	74,800.00	36,090.29
General Administration	247,811.86	243,996.00	(3,815.86)
School Administration	327,652.34	314,225.00	(13,427.34)
Operations and Maintenance	1,178,940.05	1,202,798.00	23,857.95
Transportation Services	561,018.31	532,847.00	(28,171.31)
Other Supplemental Services	260,364.94	272,685.00	12,320.06

**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
GENERAL FUND**

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

	Current Year		Variance - Favorable (Unfavorable)
	Actual	Budget	
Expenditures (Continued)			
Operating Transfers to Other Funds			
Capital Outlay	\$150,000.00	-	(\$150,000.00)
At Risk 4 Year Old	-	-	-
At Risk K - 12	1,565,598.35	1,602,881.00	37,282.65
Vocational Education	-	-	-
Bilingual Education	-	-	-
Driver Training	-	-	-
Food Service	-	76,849.00	76,849.00
Professional Development	-	-	-
Summer School	-	-	-
Special Education	1,119,201.00	1,157,280.00	38,079.00
Contingency Reserve	-	-	-
Textbook Rental	-	-	-
Subtotal Expenditures	11,327,902.99	11,256,462.00	
Adjustments to Budget			
Adjustment to Comply with Legal Maximum Budget	-	(56,100.00)	(56,100.00)
Adjustment for Mentor Teaching Grant spent in Reimbursed Expenses & Grants	-	127,540.99	127,540.99
Total Expenditures	11,327,902.99	\$11,327,902.99	-
Receipts Over (Under) Expenditures	0.83		
Unencumbered Cash, Beginning	0.05		
Unencumbered Cash, Ending	\$0.88		

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
SUPPLEMENTAL GENERAL FUND
Schedule of Cash Receipts and Expenditures - Actual and Budget
For the Fiscal Year Ended June 30, 2012

	Current Year		Variance - Favorable (Unfavorable)
	Actual	Budget	
Cash Receipts			
Local Sources			
Ad valorem tax	\$1,174,604.83	\$1,044,367.00	\$130,237.83
Delinquent tax	33,184.27	46,385.00	(13,200.73)
County Sources			
Motor vehicle tax	136,615.29	125,256.00	11,359.29
State Sources			
Severance tax	-	-	-
State aid	1,418,687.00	1,367,608.00	51,079.00
Total Cash Receipts	2,763,091.39	\$2,583,616.00	\$179,475.39
Expenditures			
Instruction	361,203.27	\$379,900.00	\$18,696.73
Support Services			
Instructional Support	34,021.05	32,000.00	(2,021.05)
General Administration	-	-	-
School Administration	577,768.48	547,063.00	(30,705.48)
Operations and Maintenance	341,634.68	400,000.00	58,365.32
Other Supplemental Services	-	93,259.00	93,259.00
Operating Transfers to Other Funds			
At Risk 4 Year Old	60,000.00	15,000.00	(45,000.00)
At Risk K - 12	383,741.96	383,445.00	(296.96)
Bilingual Education	6,670.08	7,063.00	392.92
Food Service	-	42,733.00	42,733.00
Professional Development	5,000.00	8,000.00	3,000.00
Summer School	-	-	-
Special Education	502,694.66	397,472.00	(105,222.66)
Vocational Education	415,665.82	382,465.00	(33,200.82)
Textbook Rental	-	-	-
Total Expenditures	2,688,400.00	\$2,688,400.00	-
Receipts Over (Under) Expenditures	74,691.39		
Unencumbered Cash, Beginning	104,783.60		
Unencumbered Cash, Ending	<u>\$179,474.99</u>		

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
CAPITAL OUTLAY FUND

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

	Current Year		Variance - Favorable (Unfavorable)
	Actual	Budget	
Cash Receipts			
Local Sources			
Ad valorem tax	-	-	-
Delinquent tax	5,524.90	6.00	5,518.90
Interest on idle funds	3,282.49	250,000.00	(246,717.51)
Rentals	9,217.50	-	9,217.50
Other	39,145.32	175,000.00	(135,854.68)
County Sources			
Motor vehicle tax	17,007.75	14,298.00	2,709.75
State Sources			
State aid	-	-	-
Operating Transfer from Other Funds			
General	150,000.00	-	150,000.00
Total Cash Receipts	224,177.96	\$439,304.00	(\$215,126.04)
Expenditures			
Instruction	3,512.25	\$150,000.00	\$146,487.75
Support Services	32,877.55	300,500.00	267,622.45
Facility Acquisition and Construction Services	142,038.97	155,000.00	12,961.03
Total Expenditures	178,428.77	\$605,500.00	\$427,071.23
Receipts Over (Under) Expenditures	45,749.19		
Unencumbered Cash, Beginning	354,353.60		
Unencumbered Cash, Ending	\$400,102.79		

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
AT RISK 4 YEAR OLD FUND

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

	Current Year		Variance - Favorable (Unfavorable)
	Actual	Budget	
Cash Receipts			
Local Sources			
Other	-	\$10,000.00	(\$10,000.00)
Operating Transfer from Other Funds			
General	-	-	-
Supplemental General	60,000.00	15,000.00	45,000.00
Total Cash Receipts	60,000.00	\$25,000.00	\$35,000.00
Expenditures			
Instruction	42,847.08	\$83,750.00	\$40,902.92
Support Services			
Instructional Support	159.99	-	(159.99)
Student Transport	37,371.45	31,013.00	(6,358.45)
Total Expenditures	80,378.52	\$114,763.00	\$34,384.48
Receipts Over (Under) Expenditures	(20,378.52)		
Unencumbered Cash, Beginning	101,422.25		
Unencumbered Cash, Ending	\$81,043.73		

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
AT RISK K - 12 FUND

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

	Current Year		Variance - Favorable (Unfavorable)
	Actual	Budget	
Cash Receipts			
Local Sources			
Other	-	\$150,000.00	(\$150,000.00)
Operating Transfer from Other Funds			
General	1,565,598.35	1,602,881.00	(37,282.65)
Supplemental General	383,741.96	383,445.00	296.96
Total Cash Receipts	1,949,340.31	\$2,136,326.00	(\$186,985.69)
Expenditures			
Instruction	1,910,482.73	\$2,242,113.00	\$331,630.27
Support Services	42,524.89	43,350.00	825.11
Student Transport	396.75	-	(396.75)
Supplemental-Other	-	-	-
Total Expenditures	1,953,404.37	\$2,285,463.00	\$332,058.63
Receipts Over (Under) Expenditures	(4,064.06)		
Unencumbered Cash, Beginning	211,156.96		
Unencumbered Cash, Ending	\$207,092.90		

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
BILINGUAL EDUCATION FUND
Schedule of Cash Receipts and Expenditures - Actual and Budget
For the Fiscal Year Ended June 30, 2012

	Current Year		Variance - Favorable (Unfavorable)
	Actual	Budget	
Cash Receipts			
Local Sources			
Other	-	-	-
Operating Transfer from Other Funds			
General	-	-	-
Supplemental General	6,670.08	7,063.00	(392.92)
Total Cash Receipts	6,670.08	\$7,063.00	(\$392.92)
Expenditures			
Instruction	5,677.35	\$12,131.00	\$6,453.65
Support Services			
Student Support	-	-	-
Total Expenditures	5,677.35	\$12,131.00	\$6,453.65
Receipts Over (Under) Expenditures	992.73		
Unencumbered Cash, Beginning	5,426.83		
Unencumbered Cash, Ending	\$6,419.56		

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
DRIVER TRAINING FUND

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

	Current Year		Variance -
	Actual	Budget	Favorable (Unfavorable)
Cash Receipts			
Local Sources			
Other	\$5,418.00	\$4,500.00	\$918.00
State Sources			
State aid	4,324.00	2,664.00	1,660.00
Operating Transfer from General Fund	-	-	-
Total Cash Receipts	<u>9,742.00</u>	<u>\$7,164.00</u>	<u>\$2,578.00</u>
Expenditures			
Instruction	7,840.85	\$14,744.00	\$6,903.15
Support Services	<u>1,687.42</u>	<u>7,048.00</u>	<u>5,360.58</u>
Total Expenditures	<u>9,528.27</u>	<u>\$21,792.00</u>	<u>\$12,263.73</u>
Receipts Over (Under) Expenditures	213.73		
Unencumbered Cash, Beginning	<u>16,793.52</u>		
Unencumbered Cash, Ending	<u>\$17,007.25</u>		

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
FOOD SERVICE FUND

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

	Current Year		Variance - Favorable (Unfavorable)
	Actual	Budget	
Cash Receipts			
Local Sources			
Students	\$144,367.02	\$144,328.00	\$39.02
Adults	14,157.72	48,721.00	(34,563.28)
Other	510.79	10,000.00	(9,489.21)
State Sources			
Food service aid	8,896.74	7,311.00	1,585.74
Federal Sources			
Child nutrition aid	672,097.86	617,975.00	54,122.86
ARRA Equipment grant	-	-	-
Nutrition grant	1,440.00	-	1,440.00
Operating Transfer from Other Funds			
General Fund	-	76,849.00	(76,849.00)
Supplemental General	-	42,733.00	(42,733.00)
Total Cash Receipts	<u>841,470.13</u>	<u>\$947,917.00</u>	<u>(\$106,446.87)</u>
Expenditures			
Support Services			
Operations and Maintenance	-	\$63,550.00	\$63,550.00
Operation of Non instructional Services			
Food Service Operations	<u>826,107.21</u>	<u>976,045.00</u>	<u>149,937.79</u>
Total Expenditures	<u>826,107.21</u>	<u>\$1,039,595.00</u>	<u>\$213,487.79</u>
Receipts Over (Under) Expenditures	15,362.92		
Unencumbered Cash, Beginning	<u>241,452.46</u>		
Unencumbered Cash, Ending	<u>\$256,815.38</u>		

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
PROFESSIONAL DEVELOPMENT FUND
Schedule of Cash Receipts and Expenditures - Actual and Budget
For the Fiscal Year Ended June 30, 2012

	Current Year		Variance - Favorable (Unfavorable)
	Actual	Budget	
Cash Receipts			
Local Sources			
Other	\$772.10	\$12,000.00	(\$11,227.90)
Federal Sources			
Homeless Child	-	-	-
Program Improvement	-	-	-
Operating Transfer from Other Funds			
General Fund	-	-	-
Supplemental General	5,000.00	8,000.00	(3,000.00)
Total Cash Receipts	5,772.10	\$20,000.00	(\$14,227.90)
Expenditures			
Instruction	-	-	-
Support Services	732.09	22,755.00	22,022.91
Total Expenditures	732.09	\$22,755.00	\$22,022.91
Receipts Over (Under) Expenditures	5,040.01		
Unencumbered Cash, Beginning	5,343.54		
Unencumbered Cash, Ending	\$10,383.55		

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
SPECIAL EDUCATION FUND

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

	Current Year		Variance -
	Actual	Budget	Favorable (Unfavorable)
Cash Receipts			
Local Sources			
Other	\$54,435.14	\$5,500.00	\$48,935.14
Federal Sources			
Early Childhood Flo-Thru	375,098.00	378,986.00	(3,888.00)
Early Childhood Flo-Thru Disc	16,986.00	50,000.00	(33,014.00)
Early Childhood Aid	15,526.00	34,986.00	(19,460.00)
ARRA SpED	-	-	-
Operating Transfer from other Funds			
General	1,119,201.00	1,157,280.00	(38,079.00)
Supplemental General	502,694.66	397,472.00	105,222.66
Total Cash Receipts	2,083,940.80	\$2,024,224.00	\$59,716.80
Expenditures			
Instruction	1,778,601.62	\$1,807,695.00	\$29,093.38
Support Services			
Student Support	92,660.07	125,548.00	32,887.93
Instructional Support	30,907.09	21,597.00	(9,310.09)
General Administration	105,364.79	223,655.00	118,290.21
Operations and Maintenance	9,091.42	12,966.00	3,874.58
Transportation Services	72,434.36	111,047.00	38,612.64
Other Supplemental Services	6,960.00	-	(6,960.00)
Total Expenditures	2,096,019.35	\$2,302,508.00	\$206,488.65
Receipts Over (Under) Expenditures	(12,078.55)		
Unencumbered Cash, Beginning	524,568.88		
Unencumbered Cash, Ending	\$512,490.33		

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
VOCATIONAL EDUCATION FUND
Schedule of Cash Receipts and Expenditures - Actual and Budget
For the Fiscal Year Ended June 30, 2012

	Current Year		Variance - Favorable (Unfavorable)
	Actual	Budget	
Cash Receipts			
Local Sources			
Other	-	\$5,000.00	(\$5,000.00)
Operating Transfer from Other Funds			
General Fund	-	-	-
Supplemental General	415,665.82	382,465.00	33,200.82
Total Cash Receipts	415,665.82	\$387,465.00	\$28,200.82
Expenditures			
Instruction	392,019.92	\$465,450.00	\$73,430.08
Support Services			
Instructional Support	20,195.82	30,000.00	9,804.18
Operations and Maintenance	7,044.86	6,554.00	(490.86)
Total Expenditures	419,260.60	\$502,004.00	\$82,743.40
Receipts Over (Under) Expenditures	(3,594.78)		
Unencumbered Cash, Beginning	176,943.58		
Unencumbered Cash, Ending	\$173,348.80		

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
KPERS RETIREMENT FUND

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

	Current Year		Variance - Favorable (Unfavorable)
	Actual	Budget	
Cash Receipts			
State Sources			
KPERS Contributions	\$1,247,797.76	\$1,337,609.00	(\$89,811.24)
Total Cash Receipts	<u>1,247,797.76</u>	<u>\$1,337,609.00</u>	<u>(\$89,811.24)</u>
Expenditures			
Instruction	936,472.21	\$1,003,207.00	\$66,734.79
Support Services			
Student Support	4,991.20	5,350.00	358.80
Instructional Support	-	-	-
General Administration	52,282.73	56,180.00	3,897.27
School Administration	89,841.45	96,308.00	6,466.55
Operations and Maintenance	78,985.60	84,269.00	5,283.40
Transportation Services	35,811.79	38,791.00	2,979.21
Other Support Services	8,485.01	9,363.00	877.99
Operation and Non instructional Services			
Food Service Operations	<u>40,927.77</u>	<u>44,141.00</u>	<u>3,213.23</u>
Total Expenditures	<u>1,247,797.76</u>	<u>\$1,337,609.00</u>	<u>\$89,811.24</u>
Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	-		
Unencumbered Cash, Ending	-		

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
CONTINGENCY RESERVE FUND
Schedule of Cash Receipts and Expenditures - Actual
For the Fiscal Year Ended June 30, 2012

	<div>Current</div> <div>Year</div> <div>Actual</div>
Cash Receipts	
Operating Transfers from Other Funds	
General	-
Total Cash Receipts	-
Expenditures	
Support Services	
Operations and Maintenance	7,049.10
Total Expenditures	7,049.10
Receipts Over (Under) Expenditures	(7,049.10)
Unencumbered Cash, Beginning	646,507.80
Unencumbered Cash, Ending	\$639,458.70

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
TEXTBOOK RENTAL FUND

Schedule of Cash Receipts and Expenditures - Actual
For the Fiscal Year Ended June 30, 2012

	Current Year Actual
Cash Receipts	
Local Sources	
Textbook rental	\$34,595.69
Textbook sales	560.53
Operating Transfer from Other Funds	
General	-
Supplemental General	-
Total Cash Receipts	35,156.22
Expenditures	
Instruction	30,580.12
Total Expenditures	30,580.12
Receipts Over (Under) Expenditures	4,576.10
Unencumbered Cash, Beginning	156,622.05
Unencumbered Cash, Ending	\$161,198.15

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
TITLE II D FUND

Schedule of Cash Receipts and Expenditures - Actual
For the Fiscal Year Ended June 30, 2012

	Current Year Actual
Cash Receipts	
Federal Sources	
Federal Aid	-
Federal Aid - ARRA	-
Total Cash Receipts	-
Expenditures	
Instruction	-
Support Services	-
Total Expenditures	-
Receipts Over (Under) Expenditures	-
Unencumbered Cash, Beginning	-
Unencumbered Cash, Ending	-

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
21ST CENTURY GRANT FUND
Schedule of Cash Receipts and Expenditures - Actual
For the Fiscal Year Ended June 30, 2012

	Current Year Actual
Cash Receipts	
Local Sources	
Other	\$0.49
Federal Sources	
Federal Aid	3,695.00
Total Cash Receipts	3,695.49
Expenditures	
Instruction	-
Support Services	-
Total Expenditures	-
Receipts Over (Under) Expenditures	3,695.49
Unencumbered Cash, Beginning	(3,695.49)
Unencumbered Cash, Ending	-

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
EAT, EXERCISE AND EXCEL GRANT FUND
Schedule of Cash Receipts and Expenditures - Actual
For the Fiscal Year Ended June 30, 2012

	<div>Current</div> <div>Year</div> <div>Actual</div>
Cash Receipts	
Local Sources	
Other	-
State Sources	
State grant	-
Total Cash Receipts	-
Expenditures	
Instruction	10,847.25
Support Services	-
Total Expenditures	10,847.25
Receipts Over (Under) Expenditures	(10,847.25)
Unencumbered Cash, Beginning	10,847.25
Unencumbered Cash, Ending	-

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
RECREATION FUND

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

	Current Year		Variance - Favorable (Unfavorable)
	Actual	Budget	
Cash Receipts			
Local Sources			
Ad valorem tax	\$164,123.14	\$155,825.00	\$8,298.14
Delinquent tax	5,715.93	7,133.00	(1,417.07)
Other	100,376.76	100,000.00	376.76
County Sources			
Motor vehicle tax	23,157.51	21,068.00	2,089.51
In lieu of tax	275.83	-	275.83
State Sources			
Severance tax	-	-	-
Total Cash Receipts	<u>293,649.17</u>	<u>\$284,026.00</u>	<u>\$9,623.17</u>
Expenditures			
Community Service Operations	<u>294,738.02</u>	<u>\$345,000.00</u>	<u>\$50,261.98</u>
Total Expenditures	<u>294,738.02</u>	<u>\$345,000.00</u>	<u>\$50,261.98</u>
Receipts Over (Under) Expenditures	(1,088.85)		
Unencumbered Cash, Beginning	<u>64,408.49</u>		
Unencumbered Cash, Ending	<u>\$63,319.64</u>		

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
RECREATION EMPLOYEE BENEFIT FUND
Schedule of Cash Receipts and Expenditures - Actual and Budget
For the Fiscal Year Ended June 30, 2012

	Current Year		Variance - Favorable (Unfavorable)
	Actual	Budget	
Cash Receipts			
Local Sources			
Ad valorem tax	\$26,093.22	\$24,876.00	\$1,217.22
Delinquent tax	881.30	902.00	(20.70)
Other	-	2,100.00	(2,100.00)
County Sources			
Motor vehicle tax	3,525.82	3,176.00	349.82
In lieu of tax	-	-	-
State Sources			
Severance tax	-	-	-
Total Cash Receipts	<u>30,500.34</u>	<u>\$31,054.00</u>	<u>(\$553.66)</u>
Expenditures			
Community Service Operations	<u>30,383.82</u>	<u>\$33,000.00</u>	<u>\$2,616.18</u>
Total Expenditures	<u>30,383.82</u>	<u>\$33,000.00</u>	<u>\$2,616.18</u>
Receipts Over (Under) Expenditures	116.52		
Unencumbered Cash, Beginning	<u>2,777.84</u>		
Unencumbered Cash, Ending	<u>\$2,894.36</u>		

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
AFTER SCHOOL CHILD CARE FUND
Schedule of Cash Receipts and Expenditures - Actual
For the Fiscal Year Ended June 30, 2012

	<div>Current</div> <div>Year</div> <div>Actual</div>
Cash Receipts	
Local Sources	
Student fees	\$37,675.26
Total Cash Receipts	37,675.26
Expenditures	
Instruction	49,891.19
Support Services	2,006.54
Total Expenditures	51,897.73
Receipts Over (Under) Expenditures	(14,222.47)
Unencumbered Cash, Beginning	18,545.36
Unencumbered Cash, Ending	\$4,322.89

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
TITLE I FUND

Schedule of Cash Receipts and Expenditures - Actual
For the Fiscal Year Ended June 30, 2012

	Current Year Actual
Cash Receipts	
Federal Sources	
Federal Aid	\$661,484.00
Federal Aid - ARRA	-
Total Cash Receipts	661,484.00
Expenditures	
Instruction	539,184.07
Support Services	75,403.10
Total Expenditures	614,587.17
Receipts Over (Under) Expenditures	46,896.83
Unencumbered Cash, Beginning	(54,314.96)
Unencumbered Cash, Ending	(\$7,418.13)

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
HOMELESS ARRA GRANT

Schedule of Cash Receipts and Expenditures - Actual
For the Fiscal Year Ended June 30, 2012

	Current Year Actual
Cash Receipts	
Federal Sources	
Federal aid	-
Total Cash Receipts	-
Expenditures	
Instruction	-
Support Services	-
Total Expenditures	-
Receipts Over (Under) Expenditures	-
Unencumbered Cash, Beginning	-
Unencumbered Cash, Ending	-

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
TITLE VI B FUND

Schedule of Cash Receipts and Expenditures - Actual
For the Fiscal Year Ended June 30, 2012

	Current Year Actual
Cash Receipts	
Federal Sources	
Federal aid	\$56,767.00
Total Cash Receipts	56,767.00
Expenditures	
Instruction	30,361.81
Support Services	6,185.00
Total Expenditures	36,546.81
Receipts Over (Under) Expenditures	20,220.19
Unencumbered Cash, Beginning	(20,220.19)
Unencumbered Cash, Ending	-

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
TITLE II A FUND
Schedule of Cash Receipts and Expenditures - Actual
For the Fiscal Year Ended June 30, 2012

	Current Year Actual
Cash Receipts	
Federal Sources	
Federal aid	\$119,354.00
Total Cash Receipts	119,354.00
Expenditures	
Instruction	65,727.18
Support Services	53,626.82
Total Expenditures	119,354.00
Receipts Over (Under) Expenditures	-
Unencumbered Cash, Beginning	-
Unencumbered Cash, Ending	-

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
CARL PERKINS FUND
Schedule of Cash Receipts and Expenditures - Actual
For the Fiscal Year Ended June 30, 2012

	Current Year Actual
Cash Receipts	
Federal Sources	
Federal aid	\$25,531.00
Total Cash Receipts	25,531.00
Expenditures	
Instruction	12,766.00
Support Services	12,765.00
Total Expenditures	25,531.00
Receipts Over (Under) Expenditures	-
Unencumbered Cash, Beginning	-
Unencumbered Cash, Ending	-

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
DRUG FREE FUND

Schedule of Cash Receipts and Expenditures - Actual
For the Fiscal Year Ended June 30, 2012

	Current Year Actual
Cash Receipts	
Federal Sources	
Federal aid	5,827.00
Total Cash Receipts	5,827.00
Expenditures	
Instruction	-
Support Services	2,754.76
Total Expenditures	2,754.76
Receipts Over (Under) Expenditures	3,072.24
Unencumbered Cash, Beginning	(3,072.24)
Unencumbered Cash, Ending	-

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
BOND AND INTEREST FUND

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

	Current Year		Variance - Favorable (Unfavorable)
	Actual	Budget	
Cash Receipts			
Local Sources			
Ad valorem tax	\$540,173.51	\$515,814.00	\$24,359.51
Delinquent tax	18,129.48	22,923.00	(4,793.52)
Other	-	-	-
County Sources			
Motor vehicle tax	70,654.77	64,542.00	6,112.77
State Sources			
Severance tax	-	-	-
State aid	459,155.00	459,155.00	-
Total Cash Receipts	1,088,112.76	\$1,062,434.00	\$25,678.76
Expenditures			
Debt Service			
Principal	850,000.00	\$850,000.00	-
Interest	193,532.50	193,533.00	0.50
Other	2.50	3,000.00	2,997.50
Total Expenditures	1,043,535.00	\$1,046,533.00	\$2,998.00
Receipts Over (Under) Expenditures	44,577.76		
Unencumbered Cash, Beginning	882,204.15		
Unencumbered Cash, Ending	\$926,781.91		

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
MEMORIAL FUND

Schedule of Cash Receipts and Expenditures - Actual
For the Fiscal Year Ended June 30, 2012

	Current Year Actual
Cash Receipts	
Local Sources	
Other	-
Total Cash Receipts	-
Expenditures	
Student Activities	281.39
Total Expenditures	281.39
Receipts Over (Under) Expenditures	(281.39)
Unencumbered Cash, Beginning	281.39
Unencumbered Cash, Ending	-

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
SPECIAL GIFTS FUND

Schedule of Cash Receipts and Expenditures - Actual
For the Fiscal Year Ended June 30, 2012

	Current Year Actual
Cash Receipts	
Local Sources	
Other	\$34,057.86
State Sources	
Grants	200.00
Federal Sources	
School preparedness	-
Youth risky behavior	235.00
Team Nutrition Training	-
Advance placement grant	19,556.00
Total Cash Receipts	54,048.86
Expenditures	
School Activities	10,842.50
Instructional	-
Operation and Non	
Instructional Services	48,899.76
Total Expenditures	59,742.26
Receipts Over (Under) Expenditures	(5,693.40)
Unencumbered Cash, Beginning	193,721.81
Unencumbered Cash, Ending	\$188,028.41

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
AGENCY FUNDS

Schedule of Cash Receipts and Cash Disbursements
For the Fiscal Year Ended June 30, 2012

	Beginning Cash Receipts	Cash Receipts	Cash Disbursements	Ending Cash Balance
Agency Funds				
Revolving Benefits	\$10.70	\$2,611.92	\$2,599.10	\$23.52
Sales Tax	-	12,009.40	11,973.04	36.36
Self Funded Health	369,528.99	1,922,214.88	1,929,373.65	362,370.22
Student Organizations				
High School	155,732.08	334,095.82	334,494.79	155,333.11
Middle School	10,008.37	15,743.56	13,390.40	12,361.53
Winfield Scott Grade School	12,210.29	14,604.00	15,998.93	10,815.36
Eugene Ware Grade School	5,928.21	10,072.96	8,090.86	7,910.31
	<u>\$553,418.64</u>	<u>\$2,311,352.54</u>	<u>\$2,315,920.77</u>	<u>\$548,850.41</u>

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234

FORT SCOTT, KANSAS

DISTRICT ACTIVITY FUNDS

Summary of Cash Receipts, Expenditures, and Unencumbered Cash

For the Fiscal Year Ended June 30, 2012

Funds	Beginning Unencumbered Cash Balances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balances	Plus		Cash Balances June 30, 2012
					Encumbrances and Accounts Payable	2011	
Gate Receipts							
High School	\$26,536.14	\$65,798.31	\$54,451.19	\$37,883.26	-	\$37,883.26	\$26,536.14
Middle School	-	5,048.00	5,048.00	-	-	-	-
Total Gate Receipts	26,536.14	70,846.31	59,499.19	37,883.26	-	37,883.26	26,536.14
School Projects							
Middle School	1,892.78	5,132.35	5,057.38	1,967.75	-	1,967.75	1,892.78
Winfield Scott Grade School	2,898.75	2,523.26	2,458.74	2,963.27	-	2,963.27	2,898.75
Eugene Ware Grade School	8,535.86	20,288.43	17,227.06	11,597.23	-	11,597.23	8,535.86
Total School Projects	13,327.39	27,944.04	24,743.18	16,528.25	-	16,528.25	13,327.39
Totals	\$39,863.53	\$98,790.35	\$84,242.37	\$54,411.51	-	\$54,411.51	\$39,863.53

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
HIGH SCHOOL ACTIVITY FUND
Schedule of Cash Receipts, Cash Disbursements and Cash Balances
For the Fiscal Year Ended June 30, 2012

	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
<u>Student Activity Funds</u>				
Student Organizations				
Art Club	\$568.10	\$2,705.49	\$2,938.68	\$334.91
Strategic Games	496.28	8.00	47.76	456.52
Drama Club	3,548.79	3,940.63	3,085.82	4,403.60
FBLA	1,223.19	1,338.53	1,509.16	1,052.56
FCA	901.69	225.00	417.11	709.58
FEA	92.46	1,919.15	1,492.00	519.61
Automotive Technology	857.76	3,852.12	3,951.57	758.31
FFA	9,957.51	61,999.13	59,675.09	12,281.55
FCCLA	251.77	1,464.78	1,355.23	361.32
Foreign Language	747.98	718.88	664.88	801.98
Tiger Construction	2,194.15	1,001.13	1,108.43	2,086.85
Honor Society	718.23	2,174.15	2,209.10	683.28
Key Club	369.50	4,202.74	4,178.53	393.71
J Sinn Debate	1,160.00	-	-	1,160.00
Math and Physics Club	2,975.06	1,441.03	1,575.92	2,840.17
M & F Gang	21.15	-	-	21.15
NFL Club	4,910.10	4,576.35	5,787.55	3,698.90
Thespians Club	4,061.89	7,146.89	7,608.84	3,599.94
Pride	53.71	1,046.47	1,071.66	28.52
Science Club	352.69	107.17	177.75	282.11
Quarterback Club	1,145.00	4,738.00	4,196.05	1,686.95
Student Council	2,607.49	4,618.85	3,864.77	3,361.57
Interact Club	1,764.07	155.00	335.00	1,584.07
Yearbook Scholarship	211.41	-	-	211.41
Class of '11	1,375.81	-	1,375.81	-
Class of '12	956.01	7,281.11	7,475.16	761.96
Class of '13	241.71	14,122.88	12,947.33	1,417.26
Class of '14	529.37	561.47	331.02	759.82
Class of '15	-	1,103.35	811.54	291.81
Band Boosters	4,803.61	7,789.38	6,966.30	5,626.69
Choir Club	2,952.94	2,240.30	2,561.37	2,631.87
Orchestra Fund	2,001.26	2,194.81	1,888.21	2,307.86
Cheerleaders	5,375.10	26,494.70	27,405.16	4,464.64
Dance Team	8,415.94	19,933.33	27,955.78	393.49
Spirit Plays	154.93	-	-	154.93
Drama Plays	8,257.91	18,256.83	11,446.82	15,067.92
Crimson	16,946.12	14,497.60	15,020.25	16,423.47
Tiger Times	169.00	-	136.04	32.96
Academic Team	369.90	1,616.39	1,562.69	423.60
Basketball Team	5,685.41	8,662.79	9,734.94	4,613.26

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
HIGH SCHOOL ACTIVITY FUND
Schedule of Cash Receipts, Cash Disbursements and Cash Balances
For the Fiscal Year Ended June 30, 2012

	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
<u>Student Activity Funds (Continued)</u>				
Student Organizations				
Baseball Team	\$113.55	\$11,680.88	\$9,819.36	\$1,975.07
Football Team	2,282.03	10,695.59	10,181.12	2,796.50
Golf Team	16.06	275.00	279.92	11.14
Softball Team	1,043.70	4,657.73	4,165.86	1,535.57
Tennis Team	367.35	1,518.90	1,508.56	377.69
Track Team	1,837.57	2,316.98	2,948.83	1,205.72
Volleyball Team	10,487.62	8,077.17	13,881.89	4,682.90
Wrestling Team	969.55	7,512.46	6,535.78	1,946.23
Weight Training	12.67	-	-	12.67
Girls Golf Team	1,058.69	445.36	885.00	619.05
Soccer Team	403.62	-	279.50	124.12
Girls Basketball Team	6,221.73	7,352.05	7,130.28	6,443.50
Academic Achievement	1,207.62	2,730.37	2,408.53	1,529.46
Classes Past	2,508.57	373.38	130.75	2,751.20
Madison Memorial Scholarship	198.01	-	-	198.01
Regan Memorial Scholarship	2,978.26	2,447.75	2,268.76	3,157.25
Faculty Needs	383.14	4,076.82	4,351.31	108.65
Alumni Assist	1,622.23	14.83	55.85	1,581.21
Kiwanis Student Needs	105.00	95.00	196.12	3.88
Scholarships	8,719.76	11,966.18	10,220.00	10,465.94
Activities	1,371.21	2,265.18	2,583.69	1,052.70
Learning Center	341.58	-	-	341.58
Daily Needs	621.19	-	-	621.19
Contingency	2,228.60	2,185.00	659.50	3,754.10
Concession	2,360.83	17,217.72	15,510.44	4,068.11
Technology	6,491.78	664.04	2,029.92	5,125.90
Student Agendas	355.16	-	201.50	153.66
General	-	1,393.00	1,393.00	-
Totals - Cash Basis	155,732.08	334,095.82	334,494.79	155,333.11

District Activity Funds

Gate Receipts				
Athletics	26,536.14	65,798.31	54,451.19	37,883.26

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
HIGH SCHOOL ACTIVITY FUND
Schedule of Cash Receipts, Cash Disbursements and Cash Balances
For the Fiscal Year Ended June 30, 2012

	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
<u>District Activity Funds (Continued)</u>				
Fees and User Charges				
Book rental	-	\$1,766.75	\$1,766.75	-
Drivers education	-	5,516.00	5,516.00	-
Interest on checking account	-	309.75	309.75	-
ID card fund	434.15	3,841.46	4,275.61	-
Photography	-	267.47	267.47	-
Cap & Gown	140.55	-	-	140.55
 Total - Cash Basis	 574.70	 11,701.43	 12,135.58	 140.55
 Special Revolving				
Sales Tax	-	10,095.47	10,095.47	-
Total - Cash Basis	-	10,095.47	10,095.47	-
 Grand Totals (Memorandum Only)	 \$182,842.92	 \$421,691.03	 \$411,177.03	 \$193,356.92

Notes for School Activity Funds: Student Organization Funds are Agency Funds and are reported in Schedule 3. Gate Receipts are Special Revenue Funds of the District and are reported in Schedule 4. Fee and User Charges and Special Revolving Funds are collected at the school level and turned over to the District throughout the year. Any cash in these funds at year end are included in the General Fund and are encumbered.

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
MIDDLE SCHOOL ACTIVITY FUND
Schedule of Cash Receipts, Cash Disbursements and Cash Balances
For the Fiscal Year Ended June 30, 2012

	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
<u>Student Activity Funds</u>				
Student Organizations				
Intramural Sponsors	\$200.62	\$2,550.00	\$1,776.13	\$974.49
Turkey Fund	731.10	443.03	207.00	967.13
PRIDE	371.80	176.60	196.60	351.80
Boop	192.06	-	151.60	40.46
Michigan Survey	434.06	-	-	434.06
Shauneen Miller Memorial	6.96	-	-	6.96
Band	-	3.00	3.00	-
Home Economics	0.92			0.92
Special Activity Acct.	70.89	434.93	51.03	454.79
Yearbook	716.54	3,879.00	3,176.74	1,418.80
FCA	1,489.77	225.00	82.56	1,632.21
Intramural Concessions	1,300.25	-	450.00	850.25
Student Beverage	1,616.12	749.91	928.78	1,437.25
Aluminum Recycling	84.00	-	-	84.00
6th Grade School Store	70.24	1,301.22	1,168.88	202.58
Tiger Day	285.39	277.45	267.14	295.70
Hoops for Heart	-	895.82	895.82	-
Academic Pep Rally	210.01	1,781.00	1,926.17	64.84
Cosmosphere Trip	1,721.92	2,100.00	1,983.76	1,838.16
FSMS Wellness Program	291.61	450.00	93.14	648.47
Student Incentive Program	1.73	-	-	1.73
Healthy Snacks	212.38	476.60	32.05	656.93
Total - Cash Basis	10,008.37	15,743.56	13,390.40	12,361.53
<u>District Activity Funds</u>				
Gate Receipts				
Athletics - Cash Basis	-	5,048.00	5,048.00	-
School Projects				
Indigent Student	624.84	189.15	293.50	520.49
Project Art	-	2,822.31	2,822.31	-
Book Fair	1,267.94	2,035.89	1,856.57	1,447.26
Activity Cards	-	85.00	85.00	-
Totals - Cash Basis	1,892.78	5,132.35	5,057.38	1,967.75

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
MIDDLE SCHOOL ACTIVITY FUND
Schedule of Cash Receipts, Cash Disbursements and Cash Balances
For the Fiscal Year Ended June 30, 2012

	Ending Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
<u>District Activity Funds (Continued)</u>				
Fees and User Charges				
Lost Library Books	(\$1.40)	\$202.85	\$201.45	-
Copies, Faxes and Phone Calls	-	41.00	41.00	-
Textbook Rental & Lost Books	-	844.25	844.25	-
Food Service	-	644.40	644.40	-
Agendas	-	48.00	48.00	-
Sales Tax	16.36	-	16.36	-
Paper and Pencils	316.45	755.06	711.36	360.15
Totals - Cash Basis	331.41	2,535.56	2,506.82	360.15
Special Revolving				
Interest	1.05	16.35	16.15	1.25
Sales Tax	-	671.49	671.49	-
Technology	6.40	224.00	226.37	4.03
Total - Cash Basis	7.45	911.84	914.01	5.28
Grand Totals (Memorandum Only)	\$12,240.01	\$29,371.31	\$26,916.61	\$14,694.71

Notes for School Activity Funds: See note with High School Activity Fund.

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
WINFIELD SCOTT GRADE SCHOOL ACTIVITY FUND
Schedule of Cash Receipts, Cash Disbursements and Cash Balances
For the Fiscal Year Ended June 30, 2012

	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
<u>Student Activity Funds</u>				
Student Organizations				
Student Council	\$2,694.08	\$1,443.84	\$2,648.37	\$1,489.55
Leadership Club	4,231.05	-	824.83	3,406.22
Beverage machine	443.35	1,237.18	1,295.53	385.00
Snacks	116.24	166.30	186.89	95.65
School store	1,448.36	3,167.95	3,957.20	659.11
Kindergarden	212.91	668.39	471.64	409.66
Second grade	377.89	318.39	64.58	631.70
PTO teacher funds	1,017.09	4,366.34	3,504.02	1,879.41
Media Center	1,669.32	3,235.61	3,045.87	1,859.06
Total - Cash Basis	12,210.29	14,604.00	15,998.93	10,815.36
<u>District Activity Funds</u>				
School Projects				
Interest	1.76	21.17	21.37	1.56
McDonald's Children Fund	105.53	-	-	105.53
Professionals Mothers	143.87	-	-	143.87
Kiwanis Indigent Student Fund	-	200.00	200.00	-
Pioneer Kiwanis	338.57	-	-	338.57
Bo Co Med Aux	4.40	-	-	4.40
Presbyterian Women	491.75	-	-	491.75
Music	75.00	-	-	75.00
Target	101.84	-	-	101.84
Indigent fund	98.00	115.36	115.36	98.00
First Grade Best Choice	1,035.62	396.41	-	1,432.03
PE Cans	502.41	1,255.10	1,661.03	96.48
Field trip collections	-	535.22	460.98	74.24
Totals - Cash Basis	2,898.75	2,523.26	2,458.74	2,963.27
Fees and User Charges				
Lost Library Books	-	195.03	195.03	-
Faxes	-	16.92	16.92	-
Copies	-	39.60	39.60	-
Textbook Rental	-	858.75	858.75	-
Food Service (cafeteria)	-	483.00	483.00	-
After School Child Care	139.50	20,923.92	21,063.42	-
Totals - Cash Basis	139.50	22,517.22	22,656.72	-
Special Revolving				
Sales Tax	-	363.30	363.30	-
Total - Cash Basis	-	363.30	363.30	-
 Grand Totals (Memorandum Only)	 \$15,248.54	 \$40,007.78	 \$41,477.69	 \$13,778.63

Notes for School Activity Funds: See note with High School Activity Fund.

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS
EUGENE WARE GRADE SCHOOL ACTIVITY FUND
Schedule of Cash Receipts, Cash Disbursements and Cash Balances
For the Fiscal Year Ended June 30, 2012

	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
<u>Student Activity Funds</u>				
Student Organizations				-
Student Council	\$2,149.42	\$2,877.08	\$2,384.44	\$2,642.06
Fourth Grade	9.15	-	-	9.15
Pop	495.53	1,417.28	1,091.28	821.53
School store	1,695.92	3,511.94	3,627.79	1,580.07
Box Tops	1,233.60	1,660.10	500.25	2,393.45
Can Money	78.12	58.86	-	136.98
Snack Machine	266.47	547.70	487.10	327.07
Total - Cash Basis	5,928.21	10,072.96	8,090.86	7,910.31
<u>District Activity Funds</u>				
School Projects				
Interest	-	25.79	25.79	-
Mens Kiwanis	164.80	101.07	106.87	159.00
Accelerated Reader	1,512.36	4,743.48	3,743.48	2,512.36
Field trips	2,098.62	11,518.09	10,405.17	3,211.54
Rotary	19.73	-	-	19.73
Lady Kiwanis	309.73	-	-	309.73
Class of 1949/1948	250.00	-	-	250.00
Family and Consumer Ed	50.00	-	-	50.00
Music Donations	4.50	-	-	4.50
Coins for Caring	837.25	-	-	837.25
Presbyterian Women	491.25	-	-	491.25
Other funds	2,439.85	3,900.00	2,945.75	3,394.10
Art	357.77	-	-	357.77
Totals -Cash Basis	8,535.86	20,288.43	17,227.06	11,597.23
Fees and User Charges				
Lost Library Books	-	41.95	41.95	-
Copies & Faxes	-	14.00	14.00	-
Textbook Rental	-	771.25	771.25	-
Lost Textbooks	-	2.20	2.20	-
Food Service	-	359.10	359.10	-
ID Cards	-	32.00	15.00	17.00
After School Child Care	-	16,048.66	16,048.66	-
Totals - Cash Basis	-	17,269.16	17,252.16	17.00
Special Revolving				
Sales Tax	-	430.01	430.01	-
Total - Cash Basis	-	430.01	430.01	-
 Grand Totals (Memorandum Only)	 \$14,464.07	 \$48,060.56	 \$43,000.09	 \$19,524.54

Notes for School Activity Funds: See note with High School Activity Fund.

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234

FEDERAL COMPLIANCE SECTION

For the Fiscal Year Ended June 30, 2012

BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS

Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2012

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	AMOUNT RECEIVED	AMOUNT EXPENDED
<u>U.S. Department of Agriculture</u>			
Passed Through the State of Kansas Department of Education:			
School Breakfast Program	10.553	\$179,795.22	\$179,795.22
National School Lunch Program	10.555	492,302.64	492,302.64
Team Nutrition Grant	10.574	1,440.00	1,440.00
		<u>673,537.86</u>	<u>673,537.86</u>
<u>U.S. Department of Education</u>			
Passed Through the State of Kansas Department of Education:			
Title I	84.010	661,484.00	614,587.17
Special Education Grants to States (IDEA, Part B)	84.027	392,084.00	392,084.00
Program Improvement	84.048	25,531.00	25,531.00
Early Childhood Aid	84.173	15,526.00	15,526.00
Drug Free Grant	84.186	5,827.00	2,754.76
21st Century Community Learning Grant	84.287	3,695.00	-
Advance Placement Program grant	84.330	19,556.00	19,556.00
Rural Low Income Schools Program	84.358	56,767.00	36,546.81
Title II Improving Teacher Quality Program	84.367	119,354.00	119,354.00
Education Jobs Program	84.410	5,521.00	5,521.00
		<u>1,305,345.00</u>	<u>1,231,460.74</u>
<u>U.S. Department of Health and Human Services</u>			
Passed Through the State of Kansas Department of Education:			
Youth Risky Behavior	93.938	235.00	235.00
 TOTALS		 <u>\$1,979,117.86</u>	 <u>\$1,905,233.60</u>

Diehl Banwart Bolton

Certified Public Accountants PA

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

To the Board of Education
Bourbon County Unified School District #234
Fort Scott, Kansas 66701

Compliance

We have audited the compliance of Bourbon County Unified School District #234 with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2012. The District'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 program is the responsibility of the District's management. Our responsibility is to express an opinion on the compliance of the District based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

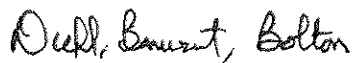
In our opinion, Bourbon County Unified School District #234 complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal program for the year ended June 30, 2012.

Internal Control Over Compliance

The management of Bourbon County Unified School District #234 is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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.

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



DIEHL, BANWART, BOLTON, CPAs PA

September 29, 2012
Fort Scott, Kansas

Diehl Banwart Bolton

Certified Public Accountants P.A.

INDEPENDENT AUDITORS' 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*

To the Board of Education
Bourbon County Unified School District #234
Fort Scott, Kansas 66701

We have audited the financial statements of Bourbon County Unified School District #234 as of the year ended June 30, 2012, and have issued our report thereon dated September 29, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency in internal control over financial reporting (2012-1). A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

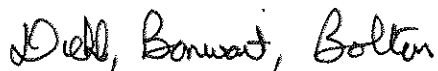
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District'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*.

We also noted matters involving internal controls that we have reported to management in a letter dated September 29, 2012.

This report is intended solely for the information and use of management, the School Board, others within the District, 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.

DIEHL, BANWART, BOLTON, CPAs PA

A handwritten signature in cursive script that reads "Diehl, Banwart, Bolton".

September 29, 2012
Fort Scott, Kansas

**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS**

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2012

SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS:

Type of auditors' report issued:

- Adverse for departures from accounting principles generally accepted in the United States of America due to preparation of financial statements in accordance with the statutory basis of accounting.
- Unqualified opinion on the statutory basis financial statements.

Internal control over financial reporting:

- Material weakness(es) identified? ___ YES X NO
- Significant deficiency(ies) identified that
are not considered to be material weaknesses? ___ YES X NO
NONE
REPORTED

Noncompliance material to financial statements noted?

___ YES X NO

FEDERAL AWARDS:

Internal control over major programs:

- Material weakness(es) identified? ___ YES X NO
- Significant deficiency (ies) identified that
are not considered to be material weaknesses? ___ YES X NO
NONE
REPORTED

Type of auditors' report issued on compliance for major programs: UNQUALIFIED

Any audit findings disclosed that are required to be reported
in accordance with Section 510(a) of Circular A-133?

___ YES X NO

IDENTIFICATION OF MAJOR PROGRAMS:

<u>CFDA #</u>	<u>NAME OF PROGRAM</u>
10.553	School Breakfast Program
10.555	School Lunch Program
84.010	Title I
84.027	Special Education
84.173	Early Childhood Aid

Auditee qualified as low-risk auditee?

X YES ___ NO

FINDINGS – FINANCIAL STATEMENTS AUDIT

Significant Deficiency 2012-1 Drafting Financial Statements

Condition: As auditors, we provide significant assistance with adjusting entries, as well as determining which disclosures are required under generally accepted accounting standards and the statutory basis of accounting.

Criteria: Internal controls should be in place that provide a reasonable assurance that the financial statements are appropriate in form and contain the required disclosures.

Cause: Relying upon the independent auditors is a significant deficiency in internal controls as they cannot be considered part of the District's internal control.

Effect: The District relies on independent auditors to determine the financial statements are in the correct form and include the proper disclosures.

Recommendation: None

Response: The District agrees with the finding. The District's response is in the attached Corrective Action Plan.

Material Weakness
None Reported.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None Reported.

**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234
FORT SCOTT, KANSAS**

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

No audit findings relative to the federal award programs.

UNIFIED SCHOOL DISTRICT #234

June 30, 2012 Financial Statements

Corrective Action Plan

Audit Finding 2012-1

USD #234 has always relied upon its auditors to provide significant assistance with adjusting entries and with determining which disclosures were required under generally accepted accounting principles and the statutory basis of accounting. While USD #234 understands that this is a significant deficiency in our internal controls, we believe it is the most cost effective manner for us to produce our financial statements. Our accounting staff concentrate on providing the reports needed for management purposes and preparing the required reports for the Kansas Department of Education. We believe it would be inefficient and cost prohibitive for our staff to attempt to stay current on all the requirements of GAAP and the statutory basis of accounting. We do not plan on making any changes at this time. However, we will monitor this situation and periodically determine if it is cost effective for us to perform these functions.