

**UNIFIED SCHOOL DISTRICT #235  
UNIONTOWN, KANSAS**

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

# Diehl Banwart Bolton

*Certified Public Accountants PA*

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November 3, 2012

Unified School District #235  
Attention: Randy Rockhold, Superintendent  
401 E. 5<sup>th</sup> St.  
Uniontown, Kansas 66779

Dear Randy:

Enclosed are nineteen copies of the audited financial statements of USD No. 235, Uniontown, Kansas, as of and for the fiscal year ended June 30, 2012. Please review these statements and distribute at the next school board meeting. You will need to file copies of the audited financial statements as follows:

One copy of the audited financial statement should be remitted to the following address along with the required annual fee of \$75:

Municipal Accounting Section  
Division of Accounts and Reports  
900 Jackson Street, Room 351S  
Landon State Office Building  
Topeka, Kansas 66612-1248

The District is required to send two copies of the audited financial statements to the State Department of Education. The KSDE requests that you send a PDF copy of the audit to [lwallis@ksde.org](mailto:lwallis@ksde.org). However, you may mail copies to KSDE as you have in the past.

Thank you for your help in connection with the audit fieldwork. Please review the audited statements and let me know if you have any questions. It has been my pleasure to provide this service to the District. I look forward to working with you again in the future.

Very truly yours,  
DIEHL, BANWART, BOLTON, CPAs PA



Terence L. Sercer  
Certified Public Accountant

TLS/gns  
Enclosure

**UNIFIED SCHOOL DISTRICT #235  
UNIONTOWN, KANSAS**

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# Diehl Banwart Bolton

*Certified Public Accountants P.A.*

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October 30, 2012

## **COMMUNICATIONS WITH MANAGEMENT**

The Board of Education  
Unified School District #235  
Uniontown, Kansas 66779

We are pleased to present this report related to our audit of the statutory basis financial statement of Unified School District #235, Uniontown, Kansas as of and for the fiscal year ended June 30, 2012. This report summarizes certain matters required by professional auditing standards to be communicated to you in your oversight responsibility for the District's financial reporting process.

This report is intended for the information and use of the Board of Education and management and is not intended to be and should not be used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have regarding this report.

## **COMMUNICATION OF INTERNAL CONTROL ISSUES**

In planning and performing our audit of the financial statement of Unified School District #235 as of and for the fiscal year ended June 30, 2012, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above. However, as discussed below, we identified a deficiency in internal control over financial reporting that we consider a significant deficiency in internal control over financial reporting as described in the following paragraph.

#### PREPARATION OF FINANCIAL STATEMENTS

It is the responsibility of management of the District to prepare the District's financial statements and the related notes to the financial statements. It is not uncommon for our firm to assist entities in the preparation of their financial statements. We often prepare significant adjustments as well as assist the District to determine which disclosures are required. As is the case with many entities of your size, your accounting staff does not have the skills and training necessary to prepare a complete set of financial statements, including footnote disclosures, in accordance with the statutory basis of accounting. Under our professional auditing standards, we are allowed to perform these services as part of our audit. However, we are required to report this as a significant deficiency in internal control.

It is important to note that relying on us, as your auditor, to identify material misstatements in your financial statements and correct them before the audited financial statements are issued, does not eliminate a significant deficiency or material weakness. Simply stated, if you are unable to prepare the financial statements and all the required disclosures without auditor assistance we are required to report this under our professional standards.

The following internal control issues are not serious enough to be called significant deficiencies or material weaknesses, but do merit the attention of the governing board and management:

#### SEPARATION OF DUTIES

An internal control structure is, quite simply, the procedures in effect to insure that funds are properly received, disbursed, and recorded in the accounting record. The essential control feature in a well designed internal control structure is to provide for adequate separation of duties. This means that, to the extent possible, the following functions should be performed by separate individuals:

- Authorization of transactions
- Recording or accounting for transactions
- Custody of or control over the assets
- Reconciliation or review of the work performed

A weakness in the control structure occurs when one person is or can potentially be involved in all of the accounting activities such as preparation of bills, maintenance of accounting records, and receipts of cash. In the case of Unified School District #235, the Clerk is involved in all of these accounting functions, resulting in a weakness in internal controls. The Clerk prepares the bank reconciliation for the District. There are mitigating controls used at the District to improve controls, such as involvement by the Superintendent and Accounts Payable Clerk, and thus we believe that this weakness is not a material weakness or significant deficiency. However, we do make the following recommendations to the Board to strengthen internal controls:

- All expense checks should be approved by the Superintendent and prepared by the Accounts Payable Clerk. The Clerk should not be able to write expense checks without the direct involvement of a second person.
- All payroll checks should be closely reviewed by a second person each payroll.
- The Clerk can continue to prepare the monthly bank reconciliations, but there, again, should be a close review of the reconciliation by the Treasurer or a second person.

Although I believe that these actions are currently taking place, we want to emphasize the importance of having a second person involved in the preceding accounting areas.

I want to point out that we noticed no evidence of any improper activity by the Clerk in connection with our audit. In fact, the accounting records were maintained very well. We believe that it is important to have strong internal controls in place to ensure continued good accounting records, and to have procedures in place in the unlikely event that the Clerk or any other person involved in the accounting process is replaced due to a job change, illness, or even death.

#### SCHOOL ACTIVITY FUNDS

The Kansas Department of Education has issued "Guidelines for School Activities Funds" which discuss the use of activity funds at a school and the accounting procedures and internal controls that should be in effect. The Board of Education is responsible for adopting and enforcing policies within the directive of these guidelines. We feel that it is necessary to comment on certain items in these guidelines relating to activity funds.

As discussed earlier under "Separation of Duties", a weakness in internal controls occurs when one person is involved in all aspects of the accounting process, such as receipt of cash, preparing bank deposits, reconciling the bank account to the ledger books, and preparing cash payments. Usually the Activity Fund Treasurer is involved in all aspects of the accounting process for activity funds. Accordingly, there is a weakness in accounting controls over Activity Funds. This is a continuing issue at your school District and all school Districts audited by our firm. Accordingly, we annually make the following suggestions to the school Board:

Due to this weakness, adequate oversight of the activity funds is essential. The Board should continue to emphasize the importance of the oversight of the Activity Funds by the School Principal as well as the teacher sponsors of the various student organizations. The School Principal should closely review the monthly financial statement prepared by the Activity Fund Treasurer. All purchase orders to be paid by Activity Funds should be reviewed by the School Principal. The Activity Fund Treasurer should also provide a copy of the monthly financial statement to the teacher sponsors of each student organization. The various teacher sponsors should place emphasis on the review of the statements. Teacher sponsors should keep copies of receipts for money turned into the Treasurer and money expended during the month, and should compare these numbers to the amounts shown in the monthly Activity Fund Report. Any questions by the teacher sponsors should be directed to the Principal and the Activity Fund Treasurer. The general rule is that the more people involved in the oversight of the Activity Funds, the less of the chance of any accounting improprieties to occur.

The Activity Fund Treasurer should also be provided a copy of the "Guidelines for School Activities Funds" issued by the Kansas Department of Education. The Treasurer should be told each year to review the "Guidelines" and follow the internal controls mentioned, such as the use of pre-numbered receipts, all receipts should be deposited intact, and expenses should be supported by invoices detailing the items purchased. The Board should also ensure that the Activity Fund Treasurers are adequately bonded. That is, if money is deemed to be missing in the Activity Funds, insurance should be adequate to cover any amounts missing. It is our understanding that the Activity Fund Treasurers are covered by the District's insurance. I am sure that your insurance agent would be glad to review each Activity Fund to determine if insurance coverage is adequate.

We would like to point out that preceding comments are not unique to Unified School District #235 or to most School Activity Funds, which we audit. In our audits of various schools, we frequently observe a lack of strict compliance with the guidelines for School Activity Funds as well as weaknesses in internal controls in this area. There was no evidence of wrongdoing or misappropriation of activity funds for the School District. We believe that we should annually inform the schools which we audit the inherent weakness in internal controls over activity funds.

#### **OTHER REQUIRED COMMUNICATIONS**

Statement on Auditing Standards No. 114 requires the auditor to communicate certain matters to keep those charged with governance adequately informed about matters related to the financial statement audit that are, in our professional judgment, significant and relevant to the responsibilities of those charged with governance in overseeing the financial reporting process. The following summarizes these communications.

##### **Auditors' Responsibility under Professional Standards**

Our responsibility under auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit Guide* has been described to you in our engagement letter dated October 31, 2011.

##### **Accounting Policies**

Management has the ultimate responsibility for the appropriateness of the accounting policies used by the District. The District did not adopt any new significant accounting policies nor have there been any changes in existing significant accounting policies during the current period. The District's significant accounting policies are discussed in Note 1 to the financial statements.

##### **Significant or Unusual Transactions**

We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

##### **Alternative Treatments Discussed with Management**

We did not discuss with management any alternative treatments within generally accepted accounting principles for accounting policies and practices related to material items during the current audit year.

Management's Judgments and Accounting Estimates

Accounting estimates normally are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. There are no significant accounting estimates by the District due to the simple accounting method with the statutory basis of accounting.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There are no sensitive disclosures in these financial statements.

Difficulties Encountered in Performing the Audit

We are pleased to inform you that we encountered no significant difficulties in dealing with management and in performing or completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We are pleased to tell you that we did not make any significant adjustments to the accounting records maintained by the Clerk and board office except for the normal adjustments made every year: to include accounting activity from the scholarship and activity funds, and to add back to cash and record a related payable amount for July and August payroll checks written but unissued at June 30.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 30, 2012.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.



To The Superintendent and  
The Board of Education  
Unified School District #235  
Uniontown, Kansas 66779

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Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principle and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This report is intended solely for the information and use of the Board of Education and management and is not intended to be and should not be used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have regarding this report. We appreciate the opportunity to continue to be of service to Unified School District #235.

Very truly yours,  
DIEHL, BANWART, BOLTON, CPAs PA

A handwritten signature in black ink, appearing to read 'Terence L. Sercer', is written over the printed name.

Terence L. Sercer  
Certified Public Accountant

# Diehl Banwart Bolton

*Certified Public Accountants P.A.*

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## INDEPENDENT AUDITORS' REPORT

To the Board of Education  
Unified School District #235  
Uniontown, Kansas 66779

We have audited the Summary Statement of Cash Receipts, Expenditures, and Unencumbered Cash Balances of the Unified School District #235, Uniontown, 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 #235 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, and the **Kansas Municipal Audit Guide**. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the District prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of Kansas, which practices differ from the 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 practices 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 statements referred to in the first paragraph do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District #235 Uniontown, Kansas, as of June 30, 2012, or the results of its operations, for the fiscal year then ended. Further, the District has not presented management's discussion and analysis that has been determined under accounting principles generally accepted in the United States as necessary to supplement, although not required to be a part of, the basic financial statements.

Board of Education  
Unified School District #235  
Uniontown, 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 Unified School District #235, 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.

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 supplemental schedules 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 statements 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

October 30, 2012  
Fort Scott, Kansas

**UNIFIED SCHOOL DISTRICT #235  
UNIONTOWN, 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	Add Encumbrances and Accounts Payable	Cash Balances	
						2012	2011
GOVERNMENTAL TYPE FUNDS							
General Fund	\$0.89	\$3,678,020.10	\$3,677,940.00	\$80.99	\$221,607.03	\$221,688.02	\$226,282.07
Special Revenue Funds							
Supplemental General	9,524.58	773,206.52	737,000.00	45,731.10	95,630.85	141,361.95	29,985.81
4 Year Old At Risk	8,045.31	47,100.00	38,406.82	16,738.49	6,106.87	22,845.36	14,134.00
K - 12 At Risk	116,400.16	403,900.00	445,250.85	75,049.31	63,571.98	138,621.29	180,128.14
Bilingual Education	1,433.62	12,000.00	9,730.76	3,702.86	1,577.15	5,280.01	3,001.42
Special Capital Outlay	297,660.21	49,446.78	130,273.42	216,833.57	-	216,833.57	297,660.21
Driver Training	10,003.25	3,642.00	5,047.26	8,597.99	-	8,597.99	10,003.25
Food Service	68,639.21	251,503.84	246,702.49	73,440.56	15,069.89	88,510.45	83,377.82
Professional Development	3,438.87	-	2,062.55	1,376.32	-	1,376.32	3,438.87
Special Education	107,874.20	617,155.78	557,265.78	167,764.20	3,744.69	171,508.89	111,640.12
Vocational Education	19,514.60	121,200.00	111,494.75	29,219.85	8,023.49	37,243.34	27,565.58
Gifts and Grants	83,697.55	72,787.75	51,225.64	105,259.66	11,000.00	116,259.66	83,697.55
KPERS Retirement	-	343,173.43	343,173.43	-	-	-	-
Contingency Reserve	291,615.81	25,299.00	67,000.00	249,914.81	-	249,914.81	291,615.81
Title IID	-	-	-	-	-	-	67.86
Title I	-	127,844.00	124,418.47	3,425.53	10,181.25	13,606.78	18,458.64
Title IV - Drug Free Schools	-	-	-	-	4,927.60	4,927.60	5,626.00
Title II A Teacher Quality	-	29,997.00	29,997.00	-	-	-	-
Gate Receipts	2,053.53	34,968.42	38,298.54	(1,276.59)	-	(1,276.59)	2,053.53
Debt Service Fund							
Bond and Interest	103,888.42	183,776.45	154,770.00	132,894.87	-	132,894.87	103,888.42
FIDUCIARY TYPE FUNDS							
Unexpendable Trust Funds							
Bennett Memorial Scholarship	63,095.16	582.45	1,000.00	62,677.61	-	62,677.61	63,095.16
Total Reporting Entity							
	\$1,186,885.37	\$6,775,603.52	\$6,771,057.76	\$1,191,431.13	\$441,440.80	\$1,632,871.93	\$1,555,720.26

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

## UNIFIED SCHOOL DISTRICT #235

## UNIONTOWN, KANSAS

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

	Cash Balances	
	June 30, 2012	2011
Composition of Cash		
Board Checking Account .....	\$1,369,370.91	\$1,288,471.57
Activity Checking Accounts .....	31,591.20	34,690.72
Memorial Accounts .....	62,677.61	63,095.16
Petty cash .....	2,100.00	2,100.00
Certificates of Deposit .....	200,000.00	200,000.00
Total Cash	1,665,739.72	1,588,357.45
Agency Funds	(32,867.79)	(32,637.19)
Total Reporting Entity	<u>\$1,632,871.93</u>	<u>\$1,555,720.26</u>

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

**UNIFIED SCHOOL DISTRICT #235  
UNIONTOWN, KANSAS**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of Unified School District #235, Uniontown, Kansas, have been prepared in order to show compliance with the cash basis and budget laws of the State of Kansas. The Governmental Accounting Standards Board is the principal standard-setting body for establishing governmental accounting and financial reporting principles. The State of Kansas through the Division of Accounts and Reports establishes the reporting requirements of 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 represent Unified School District #235 (the primary government). The District has developed criteria to determine whether outside agencies, with activities which benefit the members of the District, should be included within its financial reporting entity. The criteria include, but are not limited to, whether the District exercises financial accountability, selection of governing authority, designation of management, ability to significantly influence operations, scope of public service and special financing relationships. Based on the above criteria, the District has determined that no outside agency meets the criteria; therefore, no outside agency has been included as a component unit in these financial statements.

**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 Unified School District #235:

**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 Funds** - 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, Unexpendable Trust Funds, and Agency Funds.

Basis of Presentation - Statutory Basis Financial Statements

These financial statements are presented on a basis of accounting which demonstrates 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 applicable to the current budget year even if received in the succeeding 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 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 presentation 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. The General Fixed Assets Account Group that accounts for the land, buildings and equipment owned by the Unified School District #235 is not recorded 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. 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.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - (Continued)  
**Budgetary Information** (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 General Fund was amended during the fiscal year. The District decreased the General Fund budget to the legal maximum budget in accordance with Kansas Statutes due to final enrollment lower than the amount 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 District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for fiduciary funds, capital project funds, or the following special revenue funds:

Contingency Reserve Fund	K.S.A. 72-6426
Federal Grants Fund	K.S.A. 12-1663
Title II D Fund	K.S.A. 12-1663
Gifts and Grants Fund	K.S.A. 12-1663
Title I Fund	K.S.A. 12-1663
Title IV Drug Free Schools Fund	K.S.A. 12-1663
Title II A Teacher Quality Fund	K.S.A. 12-1663

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.

**Cash and Investments**

Cash and investments include money market checking accounts and certificates of deposit. Kansas statutes permit investment in money market checking accounts, savings accounts, certificates of deposit, repurchase agreements, and obligations of the U.S. Treasury.



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

**Compensated Absences**

All regular full-time non-certified employees are eligible for vacation benefits. Employees are not allowed to accumulate and carry forward vacation benefits past their anniversary date.

Employees accrue sick leave at the rate of 8 days per year to a maximum of ninety days. Certified, full-time employees will be paid for accumulated sick leave upon separation from the District, which will include retirement, disability, reduction in force, or death. Certified employees payment will be at \$35.00 per day. Classified employees will be reimbursed for unused sick leave days upon KPERS retirement or death. Classified employees payment will be at \$12.50 per day.

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

1. The District's obligation relating to the employee's right 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 this criteria, the District has accrued a liability for sick pay totaling \$18,640 which has been earned but not taken by District employees.

**Termination and Post Employment Benefits**

The District maintains a 403(b) retirement plan for eligible employees. The District makes up to \$300 in matching contributions for employees that defer salary. In addition the District makes contributions ranging from \$200 to \$450 for certified staff. These contributions are based on the number of years of service. For the year ended June 30, 2012, \$38,600 was contributed under the plan. As of June 30, 2012, eligible employees had accumulated sick days valued at \$18,640.

**Participation in Group Health Insurance Plan**

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

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

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

**Property Taxes**

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

**Reimbursements and Other Qualifying Budget Credits**

Reimbursements are included in Other Receipts in the financial statement, and include payments from one fund to reimburse the fund as well as payments from outside sources to reimburse the District for expenditures incurred. Reimbursements include such receipts as certain non-budgeted grants, gifts and donations. Reimbursements allow the District to extend the certified budget; that is, to spend more than the legal budget to the extent that the reimbursements exceed the amounts budgeted.

2. **STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Compliance with Kansas Statutes**

Statement 1 has been prepared in order to show compliance with the cash basis laws of Kansas. As shown in Statement 1, the District was apparently in compliance with the cash basis laws of Kansas.

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 District 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 District has no other policies that would further limit interest rate risk.

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

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

### 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 District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at June 30, 2012.

At June 30, 2012 the District's carrying amount of deposits was \$1,665,739.72 and the bank balance was \$1,402,172.37. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$256,651.46 was covered by federal depository insurance, \$1,145,520.91 was collateralized with securities held by the pledging financial institutions' agents in the District's name. The fair value of the pledged securities was \$1,495,971.46.

### 4. **PENSION PLAN**

#### Plan Description

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

#### Funding Policy

*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 \$343,173, \$203,698 and \$235,447.

### 5. **RELATED PARTIES**

The District's demand and time deposits are at the only bank in the District. The District's treasurer is also president of the bank.

## 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 continues to carry commercial insurance for these risks. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

## 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

<u>FROM</u>	<u>TO</u>	<u>STATUTORY AUTHORITY</u>	<u>AMOUNT</u>
General	Four Year Old At Risk	K.S.A.72-414b	\$ 37,100.00
General	K-12 At Risk	K.S.A.72-414a	329,000.00
General	Bilingual Education	K.S.A. 72-6428	5,000.00
General	Special Capital Outlay	K.S.A. 72-6428	28,089.00
General	Food Service	K.S.A. 72-6428	2,450.00
General	Special Education	K.S.A. 72-6428	469,344.07
General	Vocational Education	K.S.A. 72-6428	60,200.00
General	Contingency Reserve	K.S.A. 72-6426	25,299.00
Supplemental General	Four Year Old At Risk	K.S.A. 72-6433	10,000.00
Supplemental General	K-12 At Risk	K.S.A. 72-6433	74,900.00
Supplemental General	Bilingual Education	K.S.A. 72-6433	7,000.00
Supplemental General	Special Education	K.S.A. 72-6433	142,432.39
Supplemental General	Vocational Education	K.S.A. 72-6433	61,000.00

## 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)	\$ (348,022.11)	\$ (18,164.42)
State aid for FYE June 30, 2011 received in July, 2011	348,023.00	27,689.00
Unencumbered Cash, June 30, 2011 (Restated)	<u>\$ 0.89</u>	<u>\$ 9,524.58</u>

# **10. SUBSEQUENT EVENTS**

Subsequent events have been evaluated through the date of the Independent Auditors' Report as shown on page 2 of these financial statements. There are no subsequent events that need to be recognized in these financial statements or disclosed in the notes to the financial statements.

# **11. BUDGET AMENDMENTS**

The General Fund Budget was amended due to enrollment figures higher than the amount originally budgeted as follows:

	<u>Original Budget</u>	<u>Amended Budget</u>
Cash Receipts		
Local Sources	\$ 204,533	\$ 204,533
State Sources	3,429,936	3,507,048
Federal Sources	-	-
Total Receipts	<u>3,634,469</u>	<u>3,711,581</u>
Beginning Cash	<u>-</u>	<u>-</u>
Resources Available	<u>\$ 3,634,469</u>	<u>\$ 3,711,581</u>
Expenses		
Instruction	\$ 1,870,628	\$ 1,843,928
Support Services	925,062	957,704
Operating Transfers		
Special Capital Outlay	-	33,700
All Other Funds	838,780	876,250
Total Expenditures and Transfers	<u>\$ 3,634,470</u>	<u>\$ 3,711,582</u>

## 12. LONG TERM OBLIGATIONS

The schedules below detail changes in the District's long term obligations and their maturity schedules.

### Schedule of Changes in Long-Term Obligations

	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>	<u>Balances</u>		<u>Additions / New Debt</u>	<u>Reductions / Principal Paid</u>	<u>Balances End of Year</u>	<u>Interest Paid</u>
					<u>Beginning of Year</u>	<u>Year</u>				
General Obligation Bonds School Building Bonds Series 2008	4.10-5.00%	5/12/2008	\$1,420,000	9/1/2019	\$1,215,000	\$	-	\$ 110,000	\$1,105,000	\$ 44,770
QZAB Bonds	0.00%	1/1/2005	842,000	1/28/2015	311,756		-	77,939	233,817	N/A
Lease Purchases										
Apple Computer	9.520%	10/18/2010	35,429	2/1/2013	23,152		-	11,052	12,100	2,204
Toyota Vehicle	0.00%	8/13/2010	22,189	8/13/2013	17,258		-	7,396	9,862	-
Compensated Absences Sick and Vacation	N/A	N/A	N/A	N/A	17,347		1,293	-	18,640	N/A
					<u>\$1,584,514</u>	<u>\$</u>	<u>1,293</u>	<u>\$ 206,387</u>	<u>\$1,379,420</u>	<u>\$ 46,974</u>

12. **LONG TERM OBLIGATIONS** (Continued)

**Schedule of Maturities of Long-Term Obligations**

Issue	2012	2013	2014	2015	2016	2017-2020	Totals
<b>Principal Payments</b>							
General Obligation Bonds							
School Building Bonds							
Series 2008	\$ 120,000	\$ 125,000	\$ 130,000	\$ 135,000	\$ 140,000	\$ 455,000	\$ 1,105,000
QZAB Bonds	77,939	77,939	77,939	-	-	-	233,817
Lease Purchases							
Apple Computer	12,100	-	-	-	-	-	12,100
Toyota Vehicle	7,396	2,465	-	-	-	-	9,861
<b>Total Principal Payments</b>	<b>\$ 217,435</b>	<b>\$ 205,404</b>	<b>\$ 207,939</b>	<b>\$ 135,000</b>	<b>\$ 140,000</b>	<b>\$ 455,000</b>	<b>\$ 1,360,778</b>
<b>Interest Payments</b>							
General Obligation Bonds							
School Building Bonds							
Series 2008	\$ 40,170	\$ 35,270	\$ 30,430	\$ 25,660	\$ 20,570	\$ 27,755	\$ 179,855
QZAB Bonds	-	-	-	-	-	-	-
Lease Purchases							
Apple Computer	2,204	1,156	-	-	-	-	3,360
Toyota Vehicle	-	-	-	-	-	-	-
<b>Total Interest Payments</b>	<b>42,374</b>	<b>36,426</b>	<b>30,430</b>	<b>25,660</b>	<b>20,570</b>	<b>27,755</b>	<b>183,215</b>
<b>Total Payments</b>	<b>\$ 259,809</b>	<b>\$ 241,830</b>	<b>\$ 238,369</b>	<b>\$ 160,660</b>	<b>\$ 160,570</b>	<b>\$ 482,755</b>	<b>\$ 1,543,993</b>

**UNIFIED SCHOOL DISTRICT #235  
UNIONTOWN, KANSAS**

**SUPPLEMENTAL INFORMATION**  
For the Fiscal Year Ended June 30, 2012



**UNIFIED SCHOOL DISTRICT #235**  
**UNIONTOWN, 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	Budget	
<b>GOVERNMENTAL TYPE FUNDS</b>							
General Fund	\$3,711,582.00	(\$33,642.00)	\$1,743.00	\$3,679,683.00	\$3,677,940.00		\$1,743.00
Special Revenue Funds							
Supplemental General (LOB)	737,000.00	-	-	737,000.00	737,000.00		-
4 Year Old At Risk	48,145.00	-	-	48,145.00	38,406.82		9,738.18
K - 12 At Risk	499,402.00	-	-	499,402.00	445,250.85		54,151.15
Bilingual Education	19,944.00	-	-	19,944.00	9,730.76		10,213.24
Special Capital Outlay	292,573.00	-	-	292,573.00	130,273.42		162,299.58
Driver Training	14,079.00	-	-	14,079.00	5,047.26		9,031.74
Food Service	332,856.00	-	-	332,856.00	246,702.49		86,153.51
Professional Development	3,439.00	-	-	3,439.00	2,062.55		1,376.45
Special Education	721,474.00	-	-	721,474.00	557,265.78		164,208.22
Vocational Education	135,915.00	-	-	135,915.00	111,494.75		24,420.25
KPERS Contribution	366,656.00	-	-	366,656.00	343,173.43		23,482.57
Debt Service Fund							
Bond and Interest	154,770.00	-	-	154,770.00	154,770.00		-
	<u>\$7,037,835.00</u>			<u>\$7,005,936.00</u>	<u>\$6,459,118.11</u>		

UNIFIED SCHOOL DISTRICT #235  
UNIONTOWN, 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 property tax	\$217,005.28	\$195,891.00	\$21,114.28
Delinquent tax	6,274.82	8,642.00	(2,367.18)
Other	-	-	-
County Sources			
Severance tax	-	-	-
State Sources			
General aid	3,051,001.00	3,071,564.00	(20,563.00)
Special Education	401,996.00	435,484.00	(33,488.00)
Mentor Teacher grant	-	-	-
Federal Sources			
Federal Education Jobs	1,743.00	-	1,743.00
Federal Stabilization	-	-	-
Total Cash Receipts	<u>3,678,020.10</u>	<u>\$3,711,581.00</u>	<u>\$18,747.10</u>
Expenditures			
Instruction	1,802,751.40	\$1,843,928.00	\$41,176.60
Support Services			
Student Support	21,784.52	29,783.00	7,998.48
Instructional Support	6,534.89	11,450.00	4,915.11
General Administration	107,760.93	118,250.00	10,489.07
School Administration	211,073.48	213,291.00	2,217.52
Operations and Maintenance	274,360.66	283,836.00	9,475.34
Transportation	249,348.06	255,744.00	6,395.94
Other Supplemental Service	47,843.99	45,350.00	(2,493.99)

**UNIFIED SCHOOL DISTRICT #235  
UNIONTOWN, 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			
4 Year Old At Risk	\$37,100.00	37,100.00	-
K - 12 At Risk	329,000.00	329,000.00	-
Bilingual Education	5,000.00	5,000.00	-
Special Capital Outlay	28,089.00	33,700.00	5,611.00
Food Service	2,450.00	4,450.00	2,000.00
Special Education	469,344.07	440,500.00	(28,844.07)
Vocational Education	60,200.00	60,200.00	-
Contingency Reserve	25,299.00	-	(25,299.00)
Subtotal Expenditures	<u>3,677,940.00</u>	<u>3,711,582.00</u>	
Adjustments to Budget For:			
Legal Max Budget Adjustment	-	(33,642.00)	(33,642.00)
Adjustment for Grants and Reimbursed Expenditures	<u>-</u>	<u>1,743.00</u>	<u>1,743.00</u>
Total Expenditures	<u>3,677,940.00</u>	<u>\$3,679,683.00</u>	<u>\$1,743.00</u>
Receipts Over (Under) Expenditures	80.10		
Unencumbered Cash, Beginning	<u>0.89</u>		
Unencumbered Cash, Ending	<u>\$80.99</u>		

**UNIFIED SCHOOL DISTRICT #235**  
**UNIONTOWN, 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 property tax	\$268,369.51	\$270,662.00	\$2,292.49
Delinquent tax	6,838.49	9,873.00	3,034.51
County Sources			
Motor vehicle tax	37,754.52	38,157.00	402.48
State Sources			
General aid	460,244.00	443,673.00	(16,571.00)
ARRA Stabilization	-	-	-
Total Cash Receipts	<u>\$773,206.52</u>	<u>\$762,365.00</u>	<u>(\$10,841.52)</u>
Expenditures			
Instruction	\$13,658.71	\$38,300.00	\$24,641.29
Support Services			
Student Support	70,067.20	70,618.00	550.80
Instructional Support	93,657.09	59,550.00	(34,107.09)
General Administration	49,980.05	48,700.00	(1,280.05)
Operations and Maintenance	139,266.56	173,200.00	33,933.44
Transportation	75,038.00	-	(75,038.00)
Operating Transfers to Other Funds			
4 Year Old At Risk	10,000.00	11,000.00	1,000.00
K - 12 At Risk	74,900.00	72,532.00	(2,368.00)
Bilingual Education	7,000.00	10,000.00	3,000.00
Food Service	-	13,800.00	13,800.00
Special Education	142,432.39	178,100.00	35,667.61
Vocational	61,000.00	61,200.00	200.00
Total Expenditures	<u>\$737,000.00</u>	<u>\$737,000.00</u>	<u>-</u>
Receipts Over (Under) Expenditures	36,206.52		
Unencumbered Cash, Beginning	<u>9,524.58</u>		
Unencumbered Cash, Ending	<u>\$45,731.10</u>		

**UNIFIED SCHOOL DISTRICT #235**  
**UNIONTOWN, KANSAS**  
**4 YEAR OLD AT RISK 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			
Operating Transfer from			
General Fund	\$37,100.00	\$29,100.00	\$8,000.00
Supplemental General Fund	10,000.00	11,000.00	(1,000.00)
Total Cash Receipts	47,100.00	\$40,100.00	\$7,000.00
Expenditures			
Instruction	38,406.82	\$48,145.00	\$9,738.18
Total Expenditures	38,406.82	\$48,145.00	\$9,738.18
Receipts Over (Under) Expenditures	8,693.18		
Unencumbered Cash, Beginning	8,045.31		
Unencumbered Cash, Ending	\$16,738.49		

UNIFIED SCHOOL DISTRICT #235  
UNIONTOWN, KANSAS  
K - 12 AT RISK 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			
Operating Transfer from General Fund	\$329,000.00	\$310,470.00	\$18,530.00
Supplemental General Fund	74,900.00	72,532.00	2,368.00
Total Cash Receipts	403,900.00	\$383,002.00	\$20,898.00
Expenditures			
Instruction	387,867.71	\$441,282.00	\$53,414.29
Student Support Services	57,383.14	58,120.00	736.86
Total Expenditures	445,250.85	\$499,402.00	\$54,151.15
Receipts Over (Under) Expenditures	(41,350.85)		
Unencumbered Cash, Beginning	116,400.16		
Unencumbered Cash, Ending	\$75,049.31		

**UNIFIED SCHOOL DISTRICT #235**  
**UNIONTOWN, 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			
Operating Transfer from General Fund	\$5,000.00	\$8,510.00	(\$3,510.00)
Supplemental General Fund	7,000.00	10,000.00	(3,000.00)
Total Cash Receipts	12,000.00	\$18,510.00	(\$6,510.00)
Expenditures			
Instruction	9,730.76	\$19,944.00	\$10,213.24
Total Expenditures	9,730.76	\$19,944.00	\$10,213.24
Receipts Over (Under) Expenditures	2,269.24		
Unencumbered Cash, Beginning	1,433.62		
Unencumbered Cash, Ending	\$3,702.86		

**UNIFIED SCHOOL DISTRICT #235**  
**UNIONTOWN, KANSAS**  
**SPECIAL 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			
Interest	\$2,252.79	-	\$2,252.79
Other	19,104.99	-	19,104.99
Operating Transfer from General Fund	28,089.00	-	28,089.00
Total Cash Receipts	49,446.78	-	\$49,446.78
Expenditures			
Instruction	74,689.28	\$27,287.00	(\$47,402.28)
Support Services	13,376.15	125,000.00	111,623.85
Facility Acquisition and Construction Repair and Remodeling	42,207.99	140,286.00	98,078.01
Total Expenditures	130,273.42	\$292,573.00	\$162,299.58
Receipts Over (Under) Expenditures	(80,826.64)		
Unencumbered Cash, Beginning	297,660.21		
Unencumbered Cash, Ending	\$216,833.57		



**UNIFIED SCHOOL DISTRICT #235**  
**UNIONTOWN, KANSAS**  
**DRIVER TRAINING 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	\$1,950.00	\$2,300.00	(\$350.00)
State Sources			
State safety aid	1,692.00	1,776.00	(84.00)
Total Cash Receipts	<u>3,642.00</u>	<u>\$4,076.00</u>	<u>(\$434.00)</u>
Expenditures			
Instruction	4,362.95	\$9,200.00	\$4,837.05
Vehicle Operating Services	684.31	4,879.00	4,194.69
Total Expenditures	<u>5,047.26</u>	<u>\$14,079.00</u>	<u>\$9,031.74</u>
Receipts Over (Under) Expenditures	(1,405.26)		
Unencumbered Cash, Beginning	<u>10,003.25</u>		
Unencumbered Cash, Ending	<u>\$8,597.99</u>		

UNIFIED SCHOOL DISTRICT #235  
UNIONTOWN, 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			
Sales of food	\$70,719.73	\$71,994.00	(\$1,274.27)
Other	652.50	30,000.00	(29,347.50)
State Sources			
State aid	2,637.89	2,089.00	548.89
Federal Sources			
School lunch and breakfast program	163,517.66	147,523.00	15,994.66
Other Federal grants	11,526.06	-	11,526.06
Operating Transfer from			
General Fund	2,450.00	-	2,450.00
Supplemental General Fund	-	13,800.00	(13,800.00)
Total Cash Receipts	<u>251,503.84</u>	<u>\$265,406.00</u>	<u>(\$13,902.16)</u>
Expenditures			
Food Service Operations	<u>246,702.49</u>	<u>332,856.00</u>	<u>86,153.51</u>
Total Expenditures	<u>246,702.49</u>	<u>\$332,856.00</u>	<u>\$86,153.51</u>
Receipts Over (Under) Expenditures	4,801.35		
Unencumbered Cash, Beginning	<u>68,639.21</u>		
Unencumbered Cash, Ending	<u>\$73,440.56</u>		

**UNIFIED SCHOOL DISTRICT #235**  
**UNIONTOWN, 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			
State Sources			
State aid	-	-	-
Total Cash Receipts	-	-	-
Expenditures			
Instructional Support	2,062.55	\$3,439.00	\$1,376.45
Total Expenditures	2,062.55	\$3,439.00	\$1,376.45
Receipts Over (Under) Expenditures	(2,062.55)		
Unencumbered Cash, Beginning	3,438.87		
Unencumbered Cash, Ending	<u>\$1,376.32</u>		

UNIFIED SCHOOL DISTRICT #235  
UNIONTOWN, KANSAS  
SPECIAL 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	\$5,379.32	-	\$5,379.32
Operating Transfer from Other Funds			
General Fund	469,344.07	435,500.00	33,844.07
Supplemental General Fund	142,432.39	178,100.00	(35,667.61)
Total Cash Receipts	617,155.78	\$613,600.00	\$3,555.78
Expenditures			
Instruction	531,965.06	\$682,224.00	\$150,258.94
Student Transportation Services	25,300.72	39,250.00	13,949.28
Total Expenditures	557,265.78	\$721,474.00	\$164,208.22
Receipts Over (Under) Expenditures	59,890.00		
Unencumbered Cash, Beginning	107,874.20		
Unencumbered Cash, Ending	\$167,764.20		

**UNIFIED SCHOOL DISTRICT #235**  
**UNIONTOWN, 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			
Operating Transfer from Other Funds			
General Fund	\$60,200.00	\$55,200.00	\$5,000.00
Supplement General Fund	61,000.00	61,200.00	(200.00)
Total Cash Receipts	121,200.00	\$116,400.00	\$4,800.00
Expenditures			
Instruction	111,494.75	\$135,915.00	\$24,420.25
Total Expenditures	111,494.75	\$135,915.00	\$24,420.25
Receipts Over (Under) Expenditures	9,705.25		
Unencumbered Cash, Beginning	19,514.60		
Unencumbered Cash, Ending	\$29,219.85		

**UNIFIED SCHOOL DISTRICT #235**  
**UNIONTOWN, KANSAS**  
**GIFTS AND GRANTS FUND**  
Schedule of Cash Receipts and Expenditures - Actual  
For the Fiscal Year Ended June 30, 2012

	<u>Current Year Actual</u>
Cash Receipts	
Local Sources	
Other	\$53,221.80
Federal Sources	
REAP Grant	19,565.95
	<u>72,787.75</u>
Total Cash Receipts	
Expenditures	
Instruction	51,225.64
Support Services	-
Other	-
Transfers to Other Operating Funds	
K - 12 At Risk	<u>-</u>
	<u>51,225.64</u>
Total Expenditures	
Receipts Over (Under) Expenditures	21,562.11
Unencumbered Cash, Beginning	<u>83,697.55</u>
Unencumbered Cash, Ending	<u><u>\$105,259.66</u></u>

UNIFIED SCHOOL DISTRICT #235  
UNIONTOWN, 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 aid	\$343,173.43	\$366,656.00	(\$23,482.57)
Total Cash Receipts	343,173.43	\$366,656.00	(\$23,482.57)
Expenditures			
Instruction	241,937.28	\$258,456.00	\$16,518.72
Support Services			
Student Support	15,785.98	16,830.00	1,044.02
Instructional Support	2,745.38	2,933.00	187.62
General Administration	17,501.85	18,699.00	1,197.15
School Administration	27,110.70	28,929.00	1,818.30
Operations and Maintenance	13,383.76	14,263.00	879.24
Transportation	15,442.82	16,463.00	1,020.18
Food Service	9,265.66	10,083.00	\$817.34
Total Expenditures	343,173.43	\$366,656.00	\$23,482.57
Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	-		
Unencumbered Cash, Ending	-		

**UNIFIED SCHOOL DISTRICT #235**  
**UNIONTOWN, KANSAS**  
**CONTINGENCY RESERVE FUND**  
Schedule of Cash Receipts and Expenditures - Actual  
For the Fiscal Year Ended June 30, 2012

	<u>Current Year Actual</u>
Cash Receipts	
Operating Transfer from General Fund	<u>\$25,299.00</u>
Total Cash Receipts	<u>25,299.00</u>
Expenditures	
Support Services	<u>67,000.00</u>
Total Expenditures	<u>67,000.00</u>
Receipts Over (Under) Expenditures	(41,701.00)
Unencumbered Cash, Beginning	<u>291,615.81</u>
Unencumbered Cash, Ending	<u><u>\$249,914.81</u></u>



UNIFIED SCHOOL DISTRICT #235  
UNIONTOWN, KANSAS  
TITLE II D FUND

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

	<u>Current Year Actual</u>
Cash Receipts	
Federal Sources	
Federal aid	-
Federal aid ARRA	-
	<u>-</u>
Total Cash Receipts	<u>-</u>
Expenditures	
Instruction	-
	<u>-</u>
Total Expenditures	<u>-</u>
Receipts Over (Under) Expenditures	-
Unencumbered Cash, Beginning	<u>-</u>
Unencumbered Cash, Ending	<u><u>-</u></u>

UNIFIED SCHOOL DISTRICT #235  
UNIONTOWN, 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	\$127,844.00
Federal aid ARRA	-
Total Cash Receipts	127,844.00
Expenditures	
Instruction	124,418.47
Total Expenditures	124,418.47
Receipts Over (Under) Expenditures	3,425.53
Unencumbered Cash, Beginning	-
Unencumbered Cash, Ending	\$3,425.53

UNIFIED SCHOOL DISTRICT #235  
UNIONTOWN, KANSAS  
TITLE IV - DRUG FREE SCHOOLS 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	-
Total Cash Receipts	-
Expenditures	
Instruction	-
Total Expenditures	-
Receipts Over (Under) Expenditures	-
Unencumbered Cash, Beginning	-
Unencumbered Cash, Ending	-

**UNIFIED SCHOOL DISTRICT #235**  
**UNIONTOWN, KANSAS**  
**TITLE II A TEACHER QUALITY 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	\$29,997.00
Total Cash Receipts	29,997.00
Expenditures	
Instruction	29,997.00
Total Expenditures	29,997.00
Receipts Over (Under) Expenditures	-
Unencumbered Cash, Beginning	-
Unencumbered Cash, Ending	-

**UNIFIED SCHOOL DISTRICT #235**  
**UNIONTOWN, 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 property tax	\$39,349.01	\$34,910.00	\$4,439.01
Delinquent tax	1,733.92	1,825.00	(91.08)
Interest	212.08	-	212.08
Other	50,000.00	-	50,000.00
County Sources			
Motor vehicle tax	7,357.44	7,313.00	44.44
State Sources			
State aid	85,124.00	85,124.00	-
Total Cash Receipts	<u>183,776.45</u>	<u>\$129,172.00</u>	<u>\$54,604.45</u>
Expenditures			
Debt Service			
Principal	110,000.00	\$110,000.00	-
Interest	44,770.00	44,770.00	-
Other	-	-	-
Total Expenditures	<u>154,770.00</u>	<u>\$154,770.00</u>	<u>-</u>
Receipts Over (Under) Expenditures	29,006.45		
Unencumbered Cash, Beginning	<u>103,888.42</u>		
Unencumbered Cash, Ending	<u>\$132,894.87</u>		

**UNIFIED SCHOOL DISTRICT #235**  
**UNIONTOWN, KANSAS**  
**BENNETT MEMORIAL SCHOLARSHIP FUND**  
Schedule of Cash Receipts and Expenditures - Actual  
For the Fiscal Year Ended June 30, 2012

	<u>Current Year Actual</u>
Cash Receipts	
Local Sources	
Interest	<u>\$582.45</u>
Total Cash Receipts	<u>582.45</u>
Expenditures	
Scholarships	<u>1,000.00</u>
Total Expenditures	<u>1,000.00</u>
Receipts Over (Under) Expenditures	(417.55)
Unencumbered Cash, Beginning	<u>63,095.16</u>
Unencumbered Cash, Ending	<u><u>\$62,677.61</u></u>

**UNIFIED SCHOOL DISTRICT #235**  
**UNIONTOWN, KANSAS**  
**AGENCY FUNDS**

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

	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Agency Funds				
Student Organizations				
High School	\$23,189.99	\$117,190.30	\$112,040.01	\$28,340.28
Elementary School	9,447.20	27,273.34	32,193.03	4,527.51
Total Agency Funds	<u>\$32,637.19</u>	<u>\$144,463.64</u>	<u>\$144,233.04</u>	<u>\$32,867.79</u>

**UNIFIED SCHOOL DISTRICT #235**  
**UNIONTOWN, KANSAS**  
**DISTRICT ACTIVITY FUNDS**

Schedule 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	Add Encumbrances and Accounts Payable	Cash Balances	
						2012	2011
Gate Receipts							
High School - Athletics	\$2,053.53	\$34,968.42	\$38,298.54	(\$1,276.59)	-	(\$1,276.59)	\$2,053.53
Total Gate Receipts	2,053.53	34,968.42	38,298.54	(1,276.59)	-	(1,276.59)	2,053.53
Total District Activity Funds	\$2,053.53	\$34,968.42	\$38,298.54	(\$1,276.59)	-	(\$1,276.59)	\$2,053.53



UNIFIED SCHOOL DISTRICT #235  
UNIONTOWN, KANSAS  
HIGH SCHOOL ACTIVITY FUND

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

	Cash Balance June 30, 2011	Cash Receipts and Transfers	Cash Disbursements and Transfers	Cash Balance June 30, 2012
<b>STUDENT FUNDS</b>				
<u>Agency Funds</u>				
Student Organizations				
Three Rivers League	\$3,899.96	\$1,200.00	\$1,859.68	\$3,240.28
High School Cheerleaders	(521.69)	10,188.47	9,083.74	583.04
Letter club	136.41	-	-	136.41
Booster Club	2,593.95	4,794.50	5,284.58	2,103.87
Junior High Cheerleaders	1,022.15	5,563.80	5,032.74	1,553.21
Junior High Choir	30.01	369.48	248.59	150.90
Publications	14.12	-	14.12	-
Scholars Bowl	27.74	-	-	27.74
Forensics	455.67	-	-	455.67
Band	1,018.18	2,866.08	4,044.88	(160.62)
Student Council	194.50	423.25	452.47	165.28
Yearbook	2,581.89	6,497.30	6,709.05	2,370.14
Environmental Science	7.96	-	-	7.96
National Honor Society	461.32	972.00	929.56	503.76
FFA	3,002.13	50,112.03	47,690.17	5,423.99
KAYS	656.30	4,162.44	3,002.92	1,815.82
Pep Club	3.21	-	-	3.21
Math Club	155.74	457.72	146.42	467.04
Drama Club	925.97	244.00	18.70	1,151.27
Science Club	474.46	-	-	474.46
Spanish Club	1,296.79	1,074.75	685.40	1,686.14
Art Club	5.96	270.00	276.73	(0.77)
History Day	2.17	-	-	2.17
Senior Class	-	7,901.89	7,857.88	44.01
Junior Class	764.36	9,283.44	10,266.80	(219.00)
Sophomore Class	165.47	3,203.96	1,613.14	1,756.29
Freshman Class	180.00	61.00	180.00	61.00
Pass Thru	39.02	434.29	448.03	25.28
Student Needs Fund	2,212.97	1,821.50	944.35	3,090.12
Change	1,000.00	5,250.00	5,250.00	1,000.00
Student Activity Funds Interest	383.27	38.40	0.06	421.61
<b>TOTALS - CASH BASIS</b>	<b>23,189.99</b>	<b>117,190.30</b>	<b>112,040.01</b>	<b>28,340.28</b>
<u>Special Revenue Funds</u>				
Gate Receipts				
Athletics - CASH BASIS	2,053.53	34,968.42	38,298.54	(1,276.59)
 <b>GRAND TOTALS</b>				
<b>(MEMORANDUM ONLY)</b>	<b>\$25,243.52</b>	<b>\$152,158.72</b>	<b>\$150,338.55</b>	<b>\$27,063.69</b>

**UNIFIED SCHOOL DISTRICT #235**  
**UNIONTOWN, KANSAS**  
**ELEMENTARY SCHOOL ACTIVITY FUND**  
Schedule of Cash Receipts, Cash Disbursements and Cash Balances  
For the Fiscal Year Ended June 30, 2012

	Cash Balance June 30, 2011	Cash Receipts and Transfers	Cash Disbursements and Transfers	Cash Balance June 30, 2012
<b>STUDENT FUNDS</b>				
<u>Agency Funds</u>				
Student Organizations				
Yearbook, Fundraising, & Other	\$9,447.20	\$27,273.34	\$32,193.03	\$4,527.51
<b>TOTALS - CASH BASIS</b>	<u>9,447.20</u>	<u>27,273.34</u>	<u>32,193.03</u>	<u>4,527.51</u>
<b>GRAND TOTALS</b>				
(MEMORANDUM ONLY)	<u>\$9,447.20</u>	<u>\$27,273.34</u>	<u>\$32,193.03</u>	<u>\$4,527.51</u>