

Unified School District No. 237
Smith Center, Kansas

Financial Statements and Independent Auditors' Report
For the Fiscal Year Ended June 30, 2012

Clubine and Rettele, Chartered
Certified Public Accountants
Salina, Kansas

Unified School District No. 237
Smith Center, Kansas

Financial Statements and Independent Auditors' Report
For the Fiscal Year Ended June 30, 2012

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Unified School District No. 237
Smith Center, Kansas

Financial Statements and Independent Auditors' Report
For the Fiscal Year Ended June 30, 2012

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INDEPENDENT AUDITORS' REPORT

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To the Board of Education
Unified School District No. 237
Smith Center, Kansas

We have audited the accompanying financial statements of Unified School District No. 237, as of and for the fiscal year ended June 30, 2012, which collectively comprise the basic financial statements of Unified School District No. 237 as listed in the table of contents. These financial statements are the responsibility of Unified School District No. 237 management. Our responsibility is to express opinions on these financial statements based on our audit. The partial prior-year comparative information has been derived from Unified School District No. 237 financial statements and, in our report dated February 11, 2012, we expressed an unqualified opinion on the respective financial statements which were prepared using accounting practices prescribed or permitted by the State of Kansas.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit Guide* prescribed by the Division of Accounts and Reports of the State of Kansas. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described more fully in Note 2, Unified School District No. 237 has prepared these financial statements using accounting practices prescribed or permitted by the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District No. 237 as of June 30, 2012, the changes in its financial position, or, where applicable, its cash flows for the year then ended. Further, Unified School District No. 237 has not presented a management's discussion and analysis that accounting principles generally accepted in the United States have determined are necessary to supplement, although not required to be part of, the basic financial statements.

In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of each fund of Unified School District No. 237 as of June 30, 2012, and their respective cash receipts and disbursements, and the respective budgetary comparison for the General Funds and budgeted Special Revenue Funds for the fiscal year then ended, on the basis of accounting described in Note 2.

The financial statements include partial prior-year comparative information. Such information does not include all of the information required to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with Unified School District No. 237 financial statements for the fiscal year ended June 30, 2011, from which such partial information was derived.

Clubine and Rettele, Chartered

Salina, Kansas
October 17, 2012

Unified School District No. 237
Smith Center, Kansas
Summary of Cash Receipts, Expenditures, and Unencumbered Cash - Statutory Basis
For the Fiscal Year Ended June 30, 2012

Statement 1

Fund	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds:						
General Funds						
* General	\$ (112,910.00)	\$ 3,477,610.14	\$ 3,435,173.14	\$ (70,473.00)	\$ 35,150.59	\$ (35,322.41)
* Supplemental General	13,795.79	1,214,918.65	1,178,317.44	50,397.00	1,250.00	51,647.00
Special Revenue Funds						
At Risk	31,220.67	273,520.56	264,741.23	40,000.00	360.00	40,360.00
Capital Outlay	223,064.23	242,961.86	282,576.10	183,449.99	47,554.33	231,004.32
Driver Training	12,595.51	15,764.00	4,932.62	23,426.89	-	23,426.89
Food Service	75,873.69	331,565.04	307,031.73	100,407.00	235.00	100,642.00
Professional Development	14,000.00	13,159.89	9,544.96	17,614.93	-	17,614.93
Special Education	139,981.60	735,609.40	725,591.00	150,000.00	304.89	150,304.89
Vocational Education	39,444.03	160,975.56	160,319.59	40,100.00	2,033.98	42,133.98
KPERS Special Contribution	-	292,613.11	292,613.11	-	-	-
Contingency Reserve	325,000.00	48,456.96	125,000.00	248,456.96	-	248,456.96
Textbook Rental	26,478.90	14,046.91	13,174.36	27,351.45	10,230.00	37,581.45
Miscellaneous Grant	(21,163.70)	20,653.00	20,331.00	(20,841.70)	-	(20,841.70)
Title I	21,265.99	79,789.00	89,154.99	11,900.00	230.35	12,130.35
Title I - ARRA	-	-	-	-	-	-
Title IIA Teacher Quality	-	23,390.00	23,390.00	-	-	-
Title IID Education Tech	2.79	-	-	2.79	-	2.79
District Activity Funds	32,092.93	99,233.04	91,307.09	40,018.88	-	40,018.88
Fiduciary Type Funds						
Private Purpose Trust Funds						
Hubbard Foundation	-	-	-	-	-	-
Scholarship	21,944.80	24,680.70	21,800.00	24,825.50	-	24,825.50
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 842,687.23</u>	<u>\$ 7,068,947.82</u>	<u>\$ 7,044,998.36</u>	<u>\$ 866,636.69</u>	<u>\$ 97,349.14</u>	<u>\$ 963,985.83</u>
Composition of Cash:				Checking Accounts		\$ 475,570.18
				Savings Accounts		521,365.34
				Certificates of Deposit		14,003.06
				Total Cash		1,010,938.58
				Agency Funds per Statement 4		(46,952.75)
				Total Reporting Entity (Excluding Agency Funds)		<u>\$ 963,985.83</u>

* General Funds presented per
Kansas Municipal Audit Guide
For Statutory Basis presentation
of these funds see Note #11

Total Reporting Entity (Excluding Agency Funds)

Unified School District No. 237
Smith Center, Kansas
Summary of Expenditures - Actual and Budget - Statutory Basis
For the Fiscal Year Ended June 30, 2012

Statement 2

<u>Fund</u>	<u>Certified Budget</u>	<u>Adjustment to Comply with Legal Max</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Over (Under)</u>
Governmental Type Funds:						
General Funds						
General	\$ 3,447,998.00	(55,944.00)	43,119.85	\$ 3,435,173.85	\$ 3,435,173.14	\$ (0.71)
Supplemental General	1,178,400.00	(3,161.00)	3,078.44	1,178,317.44	1,178,317.44	-
Special Revenue Funds						
At Risk	273,759.00	-	-	273,759.00	264,741.23	(9,017.77)
Capital Outlay	310,000.00	-	-	310,000.00	282,576.10	(27,423.90)
Driver Training	7,000.00	-	-	7,000.00	4,932.62	(2,067.38)
Food Service	313,260.00	-	-	313,260.00	307,031.73	(6,228.27)
Professional Development	11,000.00	-	-	11,000.00	9,544.96	(1,455.04)
Special Education	857,994.00	-	-	857,994.00	725,591.00	(132,403.00)
Vocational Education	164,444.00	-	12,276.26	176,720.26	160,319.59	(16,400.67)
KPERs Special Contribution	316,350.00	-	-	316,350.00	292,613.11	(23,736.89)

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

Smith Center, Kansas

General Fund

Statement of Cash Receipts and Expenditures - Actual and Budget
 For the Fiscal Year Ended June 30, 2012
 (With Comparative Actual Totals for the Prior Fiscal Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and shared Revenue:				
Ad Valorem Property Tax	\$ 389,701.52	\$ 401,739.34	\$ 375,618.00	\$ 26,121.34
Delinquent Tax	11,380.44	11,286.95	6,168.00	5,118.95
State Aid:				
General State Aid	2,331,714.00	2,360,788.00	2,359,663.00	1,125.00
Special Education Services Aid	503,795.00	534,163.00	581,549.00	(47,386.00)
Federal Aid:				
SFSF Education State Grants	169,978.00	1,513.00	-	1,513.00
Reimbursements and Other	38,623.53	43,119.85	-	43,119.85
Operating Transfers	-	125,000.00	125,000.00	-
Total Cash Receipts	<u>3,445,192.49</u>	<u>3,477,610.14</u>	<u>\$ 3,447,998.00</u>	<u>\$ 29,612.14</u>
Expenditures				
Instruction	1,567,447.55	1,665,696.65	\$ 1,668,500.00	\$ (2,803.35)
Instruction ARRA	61,788.00	-	-	-
Student Support Services	43,861.27	44,520.34	45,000.00	(479.66)
Instructional Support Services	71,261.73	71,998.42	72,000.00	(1.58)
General Administration	258,804.34	272,089.55	265,500.00	6,589.55
School Administration	245,857.54	220,046.25	227,500.00	(7,453.75)
Operations and Maintenance	379,613.83	422,820.10	379,900.00	42,920.10
Transportation Service	193,152.53	192,676.34	195,500.00	(2,823.66)
Other Supplemental Service	468.06	355.89	-	355.89
Operating Transfers	625,024.70	544,969.60	594,098.00	(49,128.40)
Adjustment to Comply with Legal Max	-	-	(55,944.00)	55,944.00
Legal General Fund Budget	<u>3,447,279.55</u>	<u>3,435,173.14</u>	<u>3,392,054.00</u>	<u>43,119.14</u>
Adjustment for Qualifying Budget Credits	-	-	43,119.85	(43,119.85)
Total Expenditures	<u>3,447,279.55</u>	<u>3,435,173.14</u>	<u>\$ 3,435,173.85</u>	<u>\$ (0.71)</u>
Receipts Over (Under) Expenditures	(2,087.06)	42,437.00		
Unencumbered Cash, Beginning	<u>(110,822.94)</u>	<u>(112,910.00)</u>		
Unencumbered Cash, Ending	<u>\$ (112,910.00)</u>	<u>\$ (70,473.00)</u>		

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

Smith Center, Kansas

Supplemental General Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Fiscal Year Ended June 30, 2012

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and shared Revenue:				
Ad Valorem Property Tax	\$ 550,013.73	\$ 632,189.39	\$ 671,583.00	\$ (39,393.61)
Delinquent Tax	16,424.37	17,863.80	8,747.00	9,116.80
Motor Vehicle Tax	86,892.33	89,066.93	89,465.00	(398.07)
RV Tax	1,197.95	1,068.09	1,221.00	(152.91)
Reimbursements and Other	2,268.00	3,078.44	-	3,078.44
State Aid:				
Supplemental General State Aid	489,005.00	471,652.00	455,684.00	15,968.00
Total Cash Receipts	<u>1,145,801.38</u>	<u>1,214,918.65</u>	<u>\$ 1,226,700.00</u>	<u>\$ (11,781.35)</u>
Expenditures				
Instruction	298,504.29	250,745.11	\$ 305,000.00	\$ (54,254.89)
Instructional Support Services	38,606.97	42,199.60	37,600.00	4,599.60
General Administration	1,864.13	1,746.00	2,000.00	(254.00)
Operations and Maintenance	141,985.28	33,895.04	153,720.00	(119,824.96)
Transportation Service	34,041.84	146,456.23	45,000.00	101,456.23
Operating Transfers	644,276.49	703,275.46	635,080.00	68,195.46
Adjustment to Comply with Legal Max	-	-	(3,161.00)	3,161.00
Legal Supplemental General Fund Budget	1,159,279.00	1,178,317.44	1,175,239.00	3,078.44
Adjustment for Qualifying Budget Credits	-	-	3,078.44	(3,078.44)
Total Expenditures	<u>1,159,279.00</u>	<u>1,178,317.44</u>	<u>\$ 1,178,317.44</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	(13,477.62)	36,601.21		
Unencumbered Cash, Beginning	<u>27,273.41</u>	<u>13,795.79</u>		
Unencumbered Cash, Ending	<u>\$ 13,795.79</u>	<u>\$ 50,397.00</u>		

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

Smith Center, Kansas

At Risk Fund

Statement of Cash Receipts and Expenditures - Actual and Budget - Statutory Basis

For the Fiscal Year Ended June 30, 2012

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Federal Aid	\$ 988.64	\$ 1,153.68	\$ 1,000.00	\$ 153.68
Violet Norton Educational Trust	-	29,052.00	25,000.00	4,052.00
Operating Transfers	255,000.00	243,314.88	230,080.00	13,234.88
Total Cash Receipts	<u>255,988.64</u>	<u>273,520.56</u>	<u>\$ 256,080.00</u>	<u>\$ 17,440.56</u>
Expenditures				
Instruction	240,479.58	244,715.00	\$ 247,000.00	\$ (2,285.00)
Instructional Support Services	12,021.71	14,567.60	16,000.00	(1,432.40)
School Administration	3,623.78	2,347.56	5,500.00	(3,152.44)
Other Supplemental Service	3,642.90	3,111.07	5,259.00	(2,147.93)
Total Expenditures	<u>259,767.97</u>	<u>264,741.23</u>	<u>\$ 273,759.00</u>	<u>\$ (9,017.77)</u>
Receipts Over (Under) Expenditures	(3,779.33)	8,779.33		
Unencumbered Cash, Beginning	<u>35,000.00</u>	<u>31,220.67</u>		
Unencumbered Cash, Ending	<u>\$ 31,220.67</u>	<u>\$ 40,000.00</u>		

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

Smith Center, Kansas

Capital Outlay Fund

Statement of Cash Receipts and Expenditures - Actual and Budget - Statutory Basis

For the Fiscal Year Ended June 30, 2012

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and shared Revenue:				
Ad Valorem Property Tax	\$ 109,404.28	\$ 136,011.81	\$ 128,698.00	\$ 7,313.81
Delinquent	2,487.17	3,308.57	1,752.00	1,556.57
Motor Vehicle Tax	13,322.73	14,559.59	15,147.00	(587.41)
RV Tax	183.60	175.55	207.00	(31.45)
Interest	13,411.22	5,072.13	10,000.00	(4,927.87)
Operating Transfers	156,615.56	-	12,549.00	(12,549.00)
Other Sources	431,401.24	83,834.21	50,000.00	33,834.21
Total Cash Receipts	<u>726,825.80</u>	<u>242,961.86</u>	<u>\$ 218,353.00</u>	<u>\$ 24,608.86</u>
Expenditures				
Instruction	65,409.76	46,888.57	\$ 50,000.00	\$ (3,111.43)
Transportation	25,845.40	-	-	-
Land Improvement	6,165.43	-	-	-
Building Improvement	93,092.35	77,288.57	50,000.00	27,288.57
Other	448,445.86	48,978.96	100,000.00	(51,021.04)
Principal	325,000.00	100,000.00	100,000.00	-
Interest	18,806.66	9,420.00	10,000.00	(580.00)
Total Expenditures	<u>982,765.46</u>	<u>282,576.10</u>	<u>\$ 310,000.00</u>	<u>\$ (27,423.90)</u>
Receipts Over (Under) Expenditures	(255,939.66)	(39,614.24)		
Unencumbered Cash, Beginning	<u>479,003.89</u>	<u>223,064.23</u>		
Unencumbered Cash, Ending	<u>\$ 223,064.23</u>	<u>\$ 183,449.99</u>		

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

Smith Center, Kansas

Driver Training Fund

Statement of Cash Receipts and Expenditures - Actual and Budget - Statutory Basis

For the Fiscal Year Ended June 30, 2012

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
State Aid:				
State Safety Aid	\$ 1,998.00	\$ 2,162.00	\$ 2,072.00	\$ 90.00
Fees	<u>1,344.00</u>	<u>13,602.00</u>	<u>2,000.00</u>	<u>11,602.00</u>
Total Cash Receipts	<u>3,342.00</u>	<u>15,764.00</u>	<u>\$ 4,072.00</u>	<u>\$ 11,692.00</u>
Expenditures				
Instruction	5,369.05	4,628.95	\$ 6,500.00	\$ (1,871.05)
Vehicle Operations and Maintenance	<u>377.44</u>	<u>303.67</u>	<u>500.00</u>	<u>(196.33)</u>
Total Expenditures	<u>5,746.49</u>	<u>4,932.62</u>	<u>\$ 7,000.00</u>	<u>\$ (2,067.38)</u>
Receipts Over (Under) Expenditures	(2,404.49)	10,831.38		
Unencumbered Cash, Beginning	<u>15,000.00</u>	<u>12,595.51</u>		
Unencumbered Cash, Ending	<u>\$ 12,595.51</u>	<u>\$ 23,426.89</u>		

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

Smith Center, Kansas

Food Service Fund

Statement of Cash Receipts and Expenditures - Actual and Budget - Statutory Basis

For the Fiscal Year Ended June 30, 2012

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
State Aid:				
Food Service Aid	\$ 2,008.26	\$ 2,614.08	\$ 2,014.00	\$ 600.08
Federal Aid:				
School Breakfast Program	24,537.72	30,139.92	-	30,139.92
National School Lunch Program	82,764.06	96,192.26	105,394.00	(9,201.74)
Summer Food Service Program	3,739.68	3,232.63	-	3,232.63
Local Receipts	104,719.54	104,194.62	97,163.00	7,031.62
Other	6,421.06	7,127.21	8,468.00	(1,340.79)
Operating Transfers	47,733.36	88,064.32	50,000.00	38,064.32
Total Cash Receipts	<u>271,923.68</u>	<u>331,565.04</u>	<u>\$ 263,039.00</u>	<u>\$ 68,526.04</u>
Expenditures				
Operations and Maintenance	17,960.00	17,960.00	\$ 17,960.00	\$ -
Food Service Operation	268,227.99	289,071.73	295,300.00	(6,228.27)
Total Expenditures	<u>286,187.99</u>	<u>307,031.73</u>	<u>\$ 313,260.00</u>	<u>\$ (6,228.27)</u>
Receipts Over (Under) Expenditures	(14,264.31)	24,533.31		
Unencumbered Cash, Beginning	<u>90,138.00</u>	<u>75,873.69</u>		
Unencumbered Cash, Ending	<u>\$ 75,873.69</u>	<u>\$ 100,407.00</u>		

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

Smith Center, Kansas

Professional Development Fund

Statement of Cash Receipts and Expenditures - Actual and Budget - Statutory Basis

For the Fiscal Year Ended June 30, 2012

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Operating Transfers	\$ 2,013.68	\$ -	\$ -	\$ -
Reimbursements and Other	-	13,159.89	-	13,159.89
Total Cash Receipts	<u>2,013.68</u>	<u>13,159.89</u>	<u>\$ -</u>	<u>\$ 13,159.89</u>
Expenditures				
Instructional Support Services	8,013.68	3,120.21	\$ 10,000.00	\$ (6,879.79)
Other Supplemental Services	-	6,424.75	1,000.00	5,424.75
Total Expenditures	<u>8,013.68</u>	<u>9,544.96</u>	<u>\$ 11,000.00</u>	<u>\$ (1,455.04)</u>
Receipts Over (Under) Expenditures	(6,000.00)	3,614.93		
Unencumbered Cash, Beginning	<u>20,000.00</u>	<u>14,000.00</u>		
Unencumbered Cash, Ending	<u>\$ 14,000.00</u>	<u>\$ 17,614.93</u>		

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

Smith Center, Kansas

Special Education Fund

Statement of Cash Receipts and Expenditures - Actual and Budget - Statutory Basis

For the Fiscal Year Ended June 30, 2012

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Other	\$ 2,446.20	\$ 13,110.18	\$ -	\$ 13,110.18
Operating Transfers	662,938.59	722,499.22	811,549.00	(89,049.78)
Total Receipts	<u>665,384.79</u>	<u>735,609.40</u>	<u>\$ 811,549.00</u>	<u>\$ (75,939.60)</u>
Expenditures				
Instruction	643,687.66	697,483.31	\$ 815,994.00	(118,510.69)
Student Support Services	-	(49.02)	-	(49.02)
Transportation Service	37,329.25	28,156.71	42,000.00	(13,843.29)
Total Expenditures	<u>681,016.91</u>	<u>725,591.00</u>	<u>\$ 857,994.00</u>	<u>\$ (132,403.00)</u>
Receipts Over (Under) Expenditures	(15,632.12)	10,018.40		
Unencumbered Cash, Beginning	<u>155,613.72</u>	<u>139,981.60</u>		
Unencumbered Cash, Ending	<u>\$ 139,981.60</u>	<u>\$ 150,000.00</u>		

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

Smith Center, Kansas

Vocational Education Fund

Statement of Cash Receipts and Expenditures - Actual and Budget - Statutory Basis

For the Fiscal Year Ended June 30, 2012

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Other	\$ 702.53	\$ 1,261.35	\$ -	\$ 1,261.35
Reimbursements	15,259.71	13,804.53	-	13,804.53
Operating Transfers	145,000.00	145,909.68	125,000.00	20,909.68
Total Receipts	<u>160,962.24</u>	<u>160,975.56</u>	<u>\$ 125,000.00</u>	<u>\$ 35,975.56</u>
Expenditures				
Instruction	150,623.30	160,319.59	\$ 164,444.00	\$ (4,124.41)
Adjustment for Qualifying Budget Credits	-	-	12,276.26	(12,276.26)
Total Expenditures	<u>150,623.30</u>	<u>160,319.59</u>	<u>\$ 176,720.26</u>	<u>\$ (16,400.67)</u>
Receipts Over (Under) Expenditures	10,338.94	655.97		
Unencumbered Cash, Beginning	<u>29,105.09</u>	<u>39,444.03</u>		
Unencumbered Cash, Ending	<u>\$ 39,444.03</u>	<u>\$ 40,100.00</u>		

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

Smith Center, Kansas

KPERS Special Contribution Fund

Statement of Cash Receipts and Expenditures - Actual and Budget - Statutory Basis

For the Fiscal Year Ended June 30, 2012

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
State Aid:				
KPERS Employer Contributions	\$ 171,000.17	\$ 292,613.11	\$ 316,350.00	\$ (23,736.89)
Expenditures	<u>171,000.17</u>	<u>292,613.11</u>	<u>\$ 316,350.00</u>	<u>\$ (23,736.89)</u>
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

Contingency Reserve Fund

Statement of Cash Receipts and Expenditures - Statutory Basis

For the Fiscal Year Ended June 30, 2012

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Operating Transfers	\$ -	\$ 48,456.96
Expenditures	<u>-</u>	<u>125,000.00</u>
Receipts Over (Under) Expenditures	-	(76,543.04)
Unencumbered Cash, Beginning	<u>325,000.00</u>	<u>325,000.00</u>
Unencumbered Cash, Ending	<u>\$ 325,000.00</u>	<u>\$ 248,456.96</u>

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

Smith Center, Kansas

Textbook Rental Fund

Statement of Cash Receipts and Expenditures - Statutory Basis

For the Fiscal Year Ended June 30, 2012

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Rental Fees	\$ 14,165.00	\$ 14,046.91
Expenditures		
Instruction	<u>11,825.92</u>	<u>13,174.36</u>
Receipts Over (Under) Expenditures	2,339.08	872.55
Unencumbered Cash, Beginning	<u>24,139.82</u>	<u>26,478.90</u>
Unencumbered Cash, Ending	<u>\$ 26,478.90</u>	<u>\$ 27,351.45</u>

Miscellaneous Grant Fund

Statement of Cash Receipts and Expenditures - Statutory Basis

For the Fiscal Year Ended June 30, 2012

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Aid:		
REAP Grant	\$ 3,679.00	\$ 20,653.00
Class of 1990 Teacher Grant	<u>500.00</u>	<u>-</u>
Total Cash Receipts	<u>4,179.00</u>	<u>20,653.00</u>
Expenditures		
Instruction	<u>20,766.02</u>	<u>20,331.00</u>
Receipts Over (Under) Expenditures	(16,587.02)	322.00
Unencumbered Cash, Beginning	<u>(4,576.68)</u>	<u>(21,163.70)</u>
Unencumbered Cash, Ending	<u>\$ (21,163.70)</u>	<u>\$ (20,841.70)</u>

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

Smith Center, Kansas

Title I Fund

Statement of Cash Receipts and Expenditures - Statutory Basis
 For the Fiscal Year Ended June 30, 2012
 (With Comparative Actual Totals for the Prior Fiscal Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Aid:		
Grants to Local Education Agencies	\$ 83,260.00	\$ 79,789.00
Expenditures		
Instruction	65,118.62	86,529.99
School Administration	2,575.00	2,625.00
Total Expenditures	67,693.62	89,154.99
Receipts Over (Under) Expenditures	15,566.38	(9,365.99)
Unencumbered Cash, Beginning	5,699.61	21,265.99
Unencumbered Cash, Ending	\$ 21,265.99	\$ 11,900.00

Title I - ARRA Fund

Statement of Cash Receipts and Expenditures - Statutory Basis
 For the Fiscal Year Ended June 30, 2012
 (With Comparative Actual Totals for the Prior Fiscal Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Aid:		
Grants to Local Education Agencies, Recovery Act	\$ 98,498.00	\$ -
Expenditures		
Instruction	98,498.00	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

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

Unified School District No. 237
 Smith Center, Kansas
 Title IIA Teacher Quality Fund
 Statement of Cash Receipts and Expenditures - Statutory Basis
 For the Fiscal Year Ended June 30, 2012
 (With Comparative Actual Totals for the Prior Fiscal Year Ended June 30, 2011)

Statement 3

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Aid:		
Improving Teacher Quality State Grants	\$ 26,890.00	\$ 23,390.00
Expenditures		
Instruction	<u>26,890.00</u>	<u>23,390.00</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

Title IID Education Tech Fund
 Statement of Cash Receipts and Expenditures - Statutory Basis
 For the Fiscal Year Ended June 30, 2012
 (With Comparative Actual Totals for the Prior Fiscal Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Aid:		
Education Technology State Grants	\$ 282.00	\$ -
Expenditures		
Instruction	<u>282.00</u>	<u>-</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>2.79</u>	<u>2.79</u>
Unencumbered Cash, Ending	<u>\$ 2.79</u>	<u>\$ 2.79</u>

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

Unified School District No. 237
 Smith Center, Kansas
 Private Purpose Trust - Hubbard Foundation Fund
 Statement of Cash Receipts and Expenditures - Statutory Basis
 For the Fiscal Year Ended June 30, 2012
 (With Comparative Actual Totals for the Prior Fiscal Year Ended June 30, 2011)

Statement 3

	Prior Year Actual	Current Year Actual
Cash Receipts	\$ -	\$ -
Expenditures	<u>5,898.50</u>	<u>-</u>
Receipts Over (Under) Expenditures	(5,898.50)	-
Unencumbered Cash, Beginning	<u>5,898.50</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

Private Purpose Trust - Scholarship Fund
 Statement of Cash Receipts and Expenditures - Statutory Basis
 For the Fiscal Year Ended June 30, 2012
 (With Comparative Actual Totals for the Prior Fiscal Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts Scholarship Funds	\$ 22,075.19	\$ 24,680.70
Expenditures		
Scholarships	22,800.00	20,000.00
Other	<u>4,655.09</u>	<u>1,800.00</u>
Total Expenditures	<u>27,455.09</u>	<u>21,800.00</u>
Receipts Over (Under) Expenditures	(5,379.90)	2,880.70
Unencumbered Cash, Beginning	<u>27,324.70</u>	<u>21,944.80</u>
Unencumbered Cash, Ending	<u>\$ 21,944.80</u>	<u>\$ 24,825.50</u>

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

Smith Center, Kansas

Agency Funds

Statement of Cash Receipts and Cash Disbursements - Statutory Basis

For the Fiscal Year Ended June 30, 2012

<u>Student Organization Funds</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Smith Center Junior/Senior High School				
Class of 2011	\$ 41.56	\$ -	\$ -	\$ 41.56
Class of 2012	43.10	56.22	59.12	40.20
Class of 2013	118.53	13,756.28	13,669.41	205.40
Class of 2014	152.00	142.85	287.85	7.00
Class of 2015	58.00	-	-	58.00
Class of 2016	-	105.00	32.34	72.66
Class of 2017	-	55.00	55.00	-
Junior High Cheerleaders	1,137.44	3,804.72	3,124.16	1,818.00
Junior High Student Council	547.16	584.10	677.90	453.36
Junior High Builders Club	3,344.81	1,131.46	1,486.81	2,989.46
Junior High Scholars Bowl	174.52	-	-	174.52
Art Club	392.63	1,895.81	1,328.96	959.48
Band Club	1,384.73	967.58	1,222.04	1,130.27
Centrian Club	1,982.96	10,881.91	11,996.99	867.88
Chasonaires	3,726.85	13,819.74	15,404.13	2,142.46
Dance Team	16.00	-	16.00	-
Drama Club	10,818.94	2,627.52	1,605.27	11,841.19
FCCLA	2,290.76	17,084.90	18,192.20	1,183.46
FFA	9,071.46	44,032.46	42,606.43	10,497.49
FCA	100.00	454.89	554.89	-
I.M.P. Club	94.63	-	-	94.63
IHT Club	3,556.61	140.00	45.50	3,651.11
Keys	639.56	4,928.57	4,623.78	944.35
Letter Club	1,258.87	-	-	1,258.87
National Honor Society	1,722.01	346.70	231.49	1,837.22
SADD	63.32	-	-	63.32
Special Education Training Club	1,140.00	965.41	1,286.09	819.32
Spirit Squad	3,507.30	9,954.40	11,188.38	2,273.32
Student Council	2,364.71	4,853.40	5,689.89	1,528.22
Total Student Organization Funds	49,748.46	132,588.92	135,384.63	46,952.75
<u>Sales Tax Fund</u>				
High School	-	9,443.89	9,443.89	-
Total Agency Funds	\$ 49,748.46	\$ 142,032.81	\$ 144,828.52	\$ 46,952.75

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

Unified School District No. 237

Statement 5

Smith Center, Kansas

District Activity Funds

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

District Activity Funds	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Current Year Ending Cash Balance
Gate Receipts						
High School	\$ 19,316.89	\$ 81,476.94	\$ 76,942.53	\$ 23,851.30	\$ -	\$ 23,851.30
School Projects						
Elementary School						
Pride	11,246.40	7,752.39	6,665.15	12,333.64	-	12,333.64
Library	1,529.64	10,003.71	7,699.41	3,833.94	-	3,833.94
Total Elementary School Projects	12,776.04	17,756.10	14,364.56	16,167.58	-	16,167.58
Total District Activity Funds	\$ 32,092.93	\$ 99,233.04	\$ 91,307.09	\$ 40,018.88	\$ -	\$ 40,018.88

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

UNIFIED SCHOOL DISTRICT NO. 237

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

Note 1 Reporting Entity

Unified School District No. 237 is a municipal corporation governed by a citizen elected seven-member Board of Education.

Note 2 Basis of Accounting

Statutory Basis of Accounting. The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure would be charged in the fund from which the transfer is made.

The municipality has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the statutory basis of accounting.

Departure from Accounting Principles Generally Accepted in the United States of America. The basis of accounting described above results in a financial statement presentation which shows cash receipts, expenditures, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. 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.

The financial statements include partial prior-year comparative information. Such information does not include all of the information required to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with Unified School District No. 237 financial statements for the fiscal year ended June 30, 2011, from which such partial information was derived.

UNIFIED SCHOOL DISTRICT NO. 237

NOTES TO FINANCIAL STATEMENTS (Cont.)
JUNE 30, 2012

Note 3 Budgetary Information

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

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time.

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

All legal annual operating budgets are prepared using the statutory basis of accounting, in which, revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the 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 capital project funds, fiduciary funds, permanent funds, and the following special revenue funds:

Contingency Reserve Fund	Title I ARRA Fund
Textbook Rental Fund	Title IIA Teacher Quality Fund
Miscellaneous Grant Fund	Title IID Education Tech Fund
Title I Fund	District Activity Funds

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

UNIFIED SCHOOL DISTRICT NO. 237

NOTES TO FINANCIAL STATEMENTS (Cont.)
JUNE 30, 2012

Note 4 Deposits and Investments

K.S.A. 9-1401 establishes the depositories which may be used by the Government. The statute requires banks eligible to hold the Government's funds have a main or branch bank in the county in which the Government is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The 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.

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.

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 Government has not designated a "peak period." All deposits were legally secured at June 30, 2012.

Deposits. At June 30, 2012, the Government's carrying amount of deposits was \$1,010,938.58 and the bank balance was \$1,577,674.73. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$596,429.96 was covered by federal depository insurance, and the remaining \$981,244.77 was collateralized with securities held by the pledging financial institutions agents in the Government's name.

Note 5 Interfund Transfers

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General Fund	Special Education Fund	K.S.A. 72-6428	\$ 496,512.64
General Fund	Contingency Reserve Fund	K.S.A. 72-6428	48,456.96
Supplemental General Fund	At-Risk Fund	K.S.A. 72-6428	243,314.88
Supplemental General Fund	Food Service Fund	K.S.A. 72-6433	88,064.32
Supplemental General Fund	Special Education Fund	K.S.A. 72-6433	225,986.58
Supplemental General Fund	Vocational Education Fund	K.S.A. 72-6433	145,909.68
Contingency Reserve Fund	General Fund	K.S.A. 72-6429	125,000.00

UNIFIED SCHOOL DISTRICT NO. 237

NOTES TO FINANCIAL STATEMENTS (Cont.)
JUNE 30, 2012

Note 6 Defined Benefit Pension Plan

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

Funding Policy. K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary, or 6% if hired on or after July 1, 2009. Member-employees' contributions are withheld by their employer and paid to KPERS according to the provisions of section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. Kansas currently contributes 8.77% of covered payroll for the period July 1, 2011 to June 30, 2012. Included in this rate is the contribution for Group Death and Disability Insurance of 1.0%. These contribution requirements are established by KPERS and are periodically revised. For more information please see the KPERS website at www.kpers.org.

The State of Kansas' contributions to KPERS for all school municipalities for the years ending June 30, 2012, 2011, and 2010 were \$314,466,993, \$253,834,044, and \$248,468,186 respectively, equal to the statutory required contributions each year.

For the employer rates for school-type municipalities that hire a KPERS retiree, please see the main KPERS site at <http://kpers.org/contributionrates.htm>.

Note 7 Compensated Absences

The Government provides compensation for absences. For an in depth understanding, the policy in its entirety should be reviewed.

Note 8 Other Post Employment Benefits

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

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

UNIFIED SCHOOL DISTRICT NO. 237

NOTES TO FINANCIAL STATEMENTS (Cont.)
JUNE 30, 2012

Note 9 Termination Benefits

Termination Benefits. During 2009, the district provided a retirement incentive policy for a one year provision that expired June 30, 2009. The retiree had a choice of a \$10,000.00, one time payment, or thirty monthly payments of \$333.33. The district had two individuals who participated in this plan, in which one of the individuals opted to receive the monthly payments. Final payment under this plan was made for the year ending June 30, 2012 for \$2,666.64.

On August 8, 2011 the district approved a retirement incentive as a one year provision. This incentive is offered to certified teachers who are eligible to retire under KPERS guidelines by June 30, 2012. Qualified teachers must notify the Board Clerk of their retirement and turn in their resignation letter before February 1, 2012. Those who are eligible and elect to retire will receive a \$10,000.00, one time payment, to be paid on or before June 30, 2012. This plan is for one year and will no longer be in effect after the 2011-12 contract year. The district had four individuals who retired under this plan. The total cost to the district for the year ending June 30, 2012 is \$40,000.00.

Note 10 Subsequent Events

The Government's management has evaluated events and transactions occurring after June 30, 2012 through October 17, 2012. The aforementioned date represents the date the financial statements were available to be issued.

Note 11 Compliance With Statutes

K.S.A. 10-1113 requires that each fund comply with the cash-basis laws of the State of Kansas. No commitments or indebtedness should be incurred unless there is available cash in the fund. K.S.A. 10-116A exempts expenditures by school districts that are in excess of current revenues if the deficit in revenues is caused by the late distribution of state aid.

The Government had one fund (Miscellaneous Grant) that had a negative cash balance as of June 30, 2012. This grant requires the expenditure to be made before the grant is received, therefore it is exempt from K.S.A. 10-1113.

The General Fund expenditures exceeded the fund balance due to the final June state aid payment for the fiscal year ended June 30, 2012, being disbursed by the State of Kansas in July 2012. The June state aid payment received in July 2012 was \$70,473.00 for the General Fund and \$27,542.00 for the Supplemental General Fund.

K.S.A. 72-6417(d) and K.S.A. 72-6434(d) require the school district to record any payment of general state aid that is due to be paid during the month of June and is paid to the school district after June 30, as a receipt for the school year ending on June 30. The following two pages show the revenue as required by these Statutes.

UNIFIED SCHOOL DISTRICT NO. 237
Smith Center, Kansas

NOTES TO FINANCIAL STATEMENTS (Cont.)
June 30, 2012

Note 11 Compliance With Statutes (Cont.)

Statutory Revenues and Expenditures - Statutory and Budget
For the Fiscal Year Ended June 30, 2012
(With Comparative Actual Totals for the Prior Fiscal Year Ended June 30, 2011)

General Fund

	Prior Year Statutory Transactions	Current Year Statutory Transactions	Budget	Variance Over (Under)
Statutory Revenues				
Taxes and shared Revenue:				
Ad Valorem Property Tax	\$ 389,701.52	\$ 401,739.34	\$ 375,618.00	\$ 26,121.34
Delinquent Tax	11,380.44	11,286.95	6,168.00	5,118.95
State Aid:				
General State Aid	2,333,801.00	2,318,351.00	2,359,663.00	(41,312.00)
Special Education Services Aid	503,795.00	534,163.00	581,549.00	(47,386.00)
Federal Aid:				
SFSF Education State Grants	169,978.00	1,513.00	-	1,513.00
Reimbursements and Other	38,623.53	43,119.85	-	43,119.85
Operating Transfers	-	125,000.00	125,000.00	-
Total Statutory Revenues	<u>3,447,279.49</u>	<u>3,435,173.14</u>	<u>\$ 3,322,998.00</u>	<u>\$ (12,824.86)</u>
Expenditures				
Instruction	1,567,447.55	1,665,696.65	\$ 1,668,500.00	\$ (2,803.35)
Instruction ARRA	61,788.00	-	-	-
Student Support Services	43,861.27	44,520.34	45,000.00	(479.66)
Instructional Support Services	71,261.73	71,998.42	72,000.00	(1.58)
General Administration	258,804.34	272,089.55	265,500.00	6,589.55
School Administration	245,857.54	220,046.25	227,500.00	(7,453.75)
Operations and Maintenance	379,613.83	422,820.10	379,900.00	42,920.10
Transportation Service	193,152.53	192,676.34	195,500.00	(2,823.66)
Other Supplemental Service	468.06	355.89	-	355.89
Operating Transfers	625,024.70	544,969.60	594,098.00	(49,128.40)
Adjustment to Comply with Legal Max	-	-	(55,944.00)	55,944.00
Legal General Fund Budget	<u>3,447,279.55</u>	<u>3,435,173.14</u>	<u>3,392,054.00</u>	<u>43,119.14</u>
Adjustment for Qualifying Budget Credits	-	-	43,119.85	(43,119.85)
Total Expenditures	<u>3,447,279.55</u>	<u>3,435,173.14</u>	<u>\$ 3,435,173.85</u>	<u>\$ (0.71)</u>
Statutory Revenues Over (Under) Expenditures	(0.06)	-		
Modified Unencumbered Cash July 1, 2011	<u>0.06</u>	<u>-</u>		
Modified Unencumbered Cash June 30, 2012	<u>\$ -</u>	<u>\$ -</u>		

UNIFIED SCHOOL DISTRICT NO. 237
Smith Center, Kansas

NOTES TO FINANCIAL STATEMENTS (Cont.)
June 30, 2012

Note 11 Compliance With Statutes (Cont.)

Statutory Revenues and Expenditures - Statutory and Budget
For the Fiscal Year Ended June 30, 2012
(With Comparative Actual Totals for the Prior Fiscal Year Ended June 30, 2011)

Supplemental General Fund

	Prior Year Statutory Transactions	Current Year Statutory Transactions	Budget	Variance Over (Under)
Statutory Revenues				
Taxes and shared Revenue:				
Ad Valorem Property Tax	\$ 550,013.73	\$ 632,189.39	\$ 671,583.00	\$ (39,393.61)
Delinquent Tax	16,424.37	17,863.80	8,747.00	9,116.80
Motor Vehicle Tax	86,892.33	89,066.93	89,465.00	(398.07)
RV Tax	1,197.95	1,068.09	1,221.00	(152.91)
Reimbursements and Other	2,268.00	3,078.44	-	3,078.44
State Aid:				
Supplemental General State Aid	<u>484,656.00</u>	<u>471,435.00</u>	<u>455,684.00</u>	<u>15,751.00</u>
Total Statutory Revenues	<u>1,141,452.38</u>	<u>1,214,701.65</u>	<u>\$ 1,226,700.00</u>	<u>\$ (11,998.35)</u>
Expenditures				
Instruction	298,504.29	250,745.11	\$ 305,000.00	\$ (54,254.89)
Instructional Support Services	38,606.97	42,199.60	37,600.00	4,599.60
General Administration	1,864.13	1,746.00	2,000.00	(254.00)
Operations and Maintenance	141,871.82	33,895.04	153,720.00	(119,824.96)
Transportation Service	34,041.84	146,456.23	45,000.00	101,456.23
Operating Transfers	644,389.95	703,275.46	635,080.00	68,195.46
Adjustment to Comply with Legal Max	<u>-</u>	<u>-</u>	<u>(3,161.00)</u>	<u>3,161.00</u>
Legal Supplemental General Fund Budget	<u>1,159,279.00</u>	<u>1,178,317.44</u>	<u>1,175,239.00</u>	<u>3,078.44</u>
Adjustment for Qualifying Budget Credits	<u>-</u>	<u>-</u>	<u>3,078.44</u>	<u>(3,078.44)</u>
Total Expenditures	<u>1,159,279.00</u>	<u>1,178,317.44</u>	<u>\$ 1,178,317.44</u>	<u>\$ -</u>
Statutory Revenues Over (Under) Expenditures	(17,826.62)	36,384.21		
Modified Unencumbered Cash, July 1, 2011	<u>59,381.41</u>	<u>41,554.79</u>		
Modified Unencumbered Cash, June 30, 2012	<u>\$ 41,554.79</u>	<u>\$ 77,939.00</u>		

UNIFIED SCHOOL DISTRICT NO. 237
Smith Center, Kansas

NOTES TO FINANCIAL STATEMENTS (Cont.)
June 30, 2012

Note 12 Long-Term Debt

Changes in long-term liabilities for the municipality for the fiscal year ended June 30, 2012, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
Capital Leases QZAB	1.57%	6/28/2007	\$ 1,000,000.00	6/28/2017	\$ 600,000.00	\$ -	\$ 100,000.00	-	\$ 500,000.00	\$ 9,420.00
Compensated Absences					44,641.50	-	-	(20,397.50)	24,244.00	-
Total Long-Term Debt					\$ 644,641.50	\$ -	\$ 100,000.00	\$ (20,397.50)	\$ 524,244.00	\$ 9,420.00

Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

	Year					
	2013	2014	2015	2016	2017	Total
Principal:						
Capital Leases	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 500,000.00
Interest:						
Capital Leases	7,850.00	6,280.00	4,710.00	3,140.00	1,570.00	23,550.00
Total Principal and Interest	\$ 107,850.00	\$ 106,280.00	\$ 104,710.00	\$ 103,140.00	\$ 101,570.00	\$ 523,550.00