



BERBERICH TRAHAN & CO., P.A.

Certified Public Accountants

AUBURN-WASHBURN
UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

FINANCIAL STATEMENT
WITH SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2012

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

FINANCIAL STATEMENT
WITH SUPPLEMENTARY INFORMATION

Year Ended June 30, 2012

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AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

FINANCIAL STATEMENT
WITH SUPPLEMENTARY INFORMATION

Year Ended June 30, 2012

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BERBERICH TRAHAN & CO., P.A.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Education
Auburn-Washburn Unified School District No. 437:

We have audited the summary statement of cash receipts, expenditures, and unencumbered cash of Auburn-Washburn Unified School District No. 437 (the District) as of and for the year ended June 30, 2012. This financial statement is the responsibility of the District's management. Our responsibility is to express an opinion on the financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the *Kansas Municipal Audit Guide*; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 2, the District has prepared this financial statement using accounting practices prescribed or permitted by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between these statutory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2012, or the respective changes in cash flows, where applicable, for the year then ended.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the District 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 2.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2012 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statement. The schedules listed under supplementary information in the accompanying table of contents, including the Schedule of Expenditures of Federal Awards as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*, are presented for purposes of additional analysis, and are not a required part of the statutory financial statement of the District. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures, 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 presented in all material respects in relation to the financial statement as a whole.

Berberich Trahan & Co., P.A.

November 26, 2012

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

SUMMARY OF CASH RECEIPTS, EXPENDITURES AND
UNENCUMBERED CASH

Year Ended June 30, 2012

<u>FUNDS</u>	Beginning Unencumbered Cash Balance*	Prior Year Canceled Encumbrances
General fund	\$ 73	\$ 20
Supplemental general	387,602	-
Special revenue funds:		
Capital outlay	876,799	5,237
Driver education	35,520	-
Food service	217,647	82
Special education	3,914,954	-
Vocational education	97,112	-
Professional development	77,748	-
Parent education	51,412	310
KPERS special retirement contribution	-	-
Summer school	37,581	-
Gifts and grants	50,323	4
Bilingual	47,263	-
At-Risk fund (4 year old)	44,671	-
At-Risk fund (K-12)	92,399	85
Federal grant funds	46,544	50
Textbook rental	2,307,915	377
Contingency reserve	2,368,527	-
Gate receipts	21,168	-
High school projects	2,367	-
District activity funds	209,825	-
Debt service fund:		
Bond and interest	3,775,971	-
Capital project fund:		
Construction project fund	8,808,666	152,220
Total reporting entity (excluding agency funds)	<u>\$ 23,472,087</u>	<u>\$ 158,385</u>
Composition of cash:		
Checking accounts		
Petty cash funds		
Municipal investment pool		
Certificates of deposit		
Activity funds - checking accounts		
Total cash		
Agency funds per Statement 3		
Total reporting entity (excluding agency funds)		

* As restated for the General fund, Supplemental General fund and Parent Education fund.

See accompanying notes to financial statement.

Cash Receipts	Expenditures	Transfers	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
\$ 33,343,145	\$ 33,343,218	\$ -	\$ 20	\$ 1,368,796	\$ 1,368,816
10,997,196	10,904,459	-	480,339	-	480,339
2,228,906	1,873,733	-	1,237,209	159,404	1,396,613
23,623	14,585	-	44,558	133	44,691
2,760,373	2,728,157	-	249,945	84,652	334,597
10,212,987	10,524,642	-	3,603,299	741,594	4,344,893
895,805	890,929	-	101,988	50,475	152,463
30,000	29,871	-	77,877	1,489	79,366
186,911	184,674	-	53,959	9,067	63,026
3,806,477	3,806,477	-	-	-	-
2,055	2,466	-	37,170	374	37,544
62,936	30,230	-	83,033	4,516	87,549
138,000	135,652	-	49,611	17,656	67,267
116,000	114,271	-	46,400	10,481	56,881
2,417,200	2,412,511	-	97,173	209,749	306,922
883,532	912,877	-	17,249	163,346	180,595
420,809	479,793	-	2,249,308	123,971	2,373,279
727,765	984,092	-	2,112,200	-	2,112,200
134,655	125,881	56	29,998	-	29,998
731	2,098	78	1,078	-	1,078
1,394,658	1,416,133	2,028	190,378	-	190,378
5,356,634	4,919,683	-	4,212,922	-	4,212,922
232,796	8,300,151	-	893,531	3,272,137	4,165,668
<u>\$ 76,373,194</u>	<u>\$ 84,136,583</u>	<u>\$ 2,162</u>	<u>\$ 15,869,245</u>	<u>\$ 6,217,840</u>	<u>\$ 22,087,085</u>
					\$ 7,644,058
					800
					11,220,773
					3,000,000
					613,290
					<u>22,478,921</u>
					(391,836)
					<u>\$ 22,087,085</u>

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

NOTES TO FINANCIAL STATEMENT

June 30, 2012

1 - Reporting Entity

Auburn-Washburn Unified School District No. 437 (the District) is a municipal corporation governed by an elected seven-member board. These financial statements include all the accounts for which the District is considered to be financially accountable. The District has no component units.

2 - Summary of Significant Accounting Policies

(a) Fund Descriptions

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

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

GOVERNMENTAL FUNDS

General Fund and Supplemental General Fund are used to account for the general operations of the District and are used to account for all unrestricted resources except those required to be accounted for in other funds.

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are restricted by legal or administrative action and to account for expenditures for specified purposes.

Debt Service Fund is used to account for the accumulation of resources for and the payment of interest, principal and related costs on long-term debt.

Capital Project Fund is used to account for resources to be used for the acquisition or construction of major capital facilities.

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

NOTES TO FINANCIAL STATEMENT
(Continued)

2 - Summary of Significant Accounting Policies (Continued)

(a) Fund Descriptions (Continued)

FIDUCIARY FUNDS

Agency Funds are used to account for assets held by the District as an agent for individuals, private organizations, other governmental units and/or other funds. Agency funds are custodial in nature and do not involve measurement of operations.

(b) Basis of Accounting

The statutory basis of accounting, as used in the preparation of this statutory basis financial statement, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. 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 or 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 is 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 accounting principles generally accepted in the United States of America and allowing the District to use the statutory basis of accounting.

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 accounting principles generally accepted in the United States of America. Capital assets owned by the District are not presented in the financial statements. Also, long-term debt such as general obligation bonds, temporary notes and compensated absences is not presented in the financial statement.

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

NOTES TO FINANCIAL STATEMENT
(Continued)

2 - Summary of Significant Accounting Policies (Continued)

(c) Budget and Tax Cycle

Kansas statutes require that an annual operating budget be legally adopted for the general fund, supplemental general fund, special revenue funds (unless specifically exempted by statute) and the debt service fund. The statutes suggest 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 at 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 District had a budget amendment in the general, special education and at-risk (K-12) funds for the fiscal year ended June 30, 2012.

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

All legal annual operating budgets are prepared using the statutory basis of accounting, in which, revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budget expenditure authority lapses at year-end.

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

NOTES TO FINANCIAL STATEMENT
(Continued)

2 - Summary of Significant Accounting Policies (Continued)

(c) Budget and Tax Cycle (Continued)

A legal operating budget is not required for the capital project fund, agency funds and the following special revenue funds:

Textbook Rental, Other Grant Funds, Contingency Reserve, Pre-K Pilot Project, Gate Receipts, High School Projects and District Activity Funds.

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

All budgets must be filed with the County Clerk by August 25th. The County Clerk must calculate the final tax levy rates necessary to finance the budget subject to any legal limitations. After all budgets have been received and tax rates calculated, the Clerk certifies the tax roll to the County Treasurer, who prepares tax statements and receives payment.

These taxes become a lien against all property November 1st. Taxpayers have the option of paying in full or in two installments. The delinquency dates are December 20th and May 10th. Delinquent taxes are assessed interest at 12% per annum. This interest is retained by the County.

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

(d) Annual, Personal and Sick Leave Benefits

Under the terms of the District's personnel policy, District employees are granted annual, personal and sick leave in varying amounts depending on whether the employee is hourly or contracted.

(e) Inventories and Prepaid Expenses

Inventories and prepaid expenses which benefit future periods are recorded as an expenditure during the year of purchase.

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

NOTES TO FINANCIAL STATEMENT
(Continued)

2 - Summary of Significant Accounting Policies (Continued)

(f) Use of Estimates

The preparation of financial statements in compliance with the cash basis and budget laws of the State of Kansas requires management to make estimates and assumptions that affect the reported amounts of encumbrances at the date of the financial statements and the reported amounts of expenditures during the reporting period. Actual results could differ from those estimates.

3 - Deposits and Investments

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

K.S.A. 12-1675 limits the District's 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.

Interest rate risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

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.

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

NOTES TO FINANCIAL STATEMENT
(Continued)

3 - Deposits and Investments (Continued)

Custodial credit risk. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned. Kansas statutes require that deposits be collateralized, and that collateral pledged must have a fair market value equal to 100% of the deposits and investments, less insured amounts, and must be assigned for the benefit of the District. At June 30, 2012, the District's deposits were not exposed to custodial credit risk.

Investments - At June 30, 2012, the carrying amount of the District's investments was \$ 14,220,773 which consisted of money deposited in the State of Kansas Municipal Investment Pool (MIP) and certificates of deposit. The fair value of the District's position in the MIP is the same as the value of the pool shares. The MIP is rated AAAs1+ by Standard & Poor's.

4 - In-substance Receipt in Transit

The District received \$ 1,527,319 subsequent to June 30, 2012 and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2012.

Beginning unencumbered cash balances for the General, Supplemental General and Parent Education Funds have been restated to reflect the application of K MAG Technical Amendment 2011-1 which allows District's to record state aid payments received subsequent to the end of the fiscal year as in-substance receipts in transit.

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

NOTES TO FINANCIAL STATEMENT
(Continued)

5 - Long-Term Debt

Changes in long-term debt for the District for the year ended June 30, 2012 were as follows:

Issue	Interest Rate	Date of Issue	Original Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
General Obligation Bonds:										
Series 2001	5.00%	12/01/01	\$ 27,950,000	09/01/11	\$ 1,405,000	\$ -	\$ (1,405,000)	\$ -	\$ -	\$ 215,263
Series 2007	4.00 - 5.00%	12/13/07	15,000,000	09/01/28	14,805,000	-	(205,000)	-	14,600,000	640,324
Series 2008	2.60 - 5.25%	12/01/09	10,000,000	09/01/29	10,000,000	-	(100,000)	-	9,900,000	460,550
Series 2009	2.50 - 5.25%	04/01/09	20,000,000	09/01/30	20,000,000	-	-	-	20,000,000	860,537
Series 2010	2.25-5.25%	05/01/10	12,950,000	09/01/31	12,950,000	-	-	-	12,950,000	495,245
Series 2011	2.25-5.00%	06/07/11	16,465,000	09/01/32	16,465,000	-	-	-	16,465,000	537,750
Capital Leases:										
Soccer field turf	4.40%	08/06/03	433,125	09/01/11	31,492	-	(31,492)	-	-	693
Computer equipment	4.14%	05/23/07	2,279,089	09/01/12	741,489	-	(741,489)	-	-	32,907
Total contractual indebtedness					76,397,981	-	(2,482,981)	-	73,915,000	3,243,269
Early retirement benefits					894,916	-	-	175,851	1,070,767	-
Total long-term debt					<u>\$ 77,292,897</u>	<u>\$ -</u>	<u>\$ (2,482,981)</u>	<u>\$ 175,851</u>	<u>\$ 74,985,767</u>	<u>\$ 3,243,269</u>

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

NOTES TO FINANCIAL STATEMENT
(Continued)

5 - Long-Term Debt (Continued)

Principal and interest maturities of the District's general obligation bonds are as follows:

<u>Year Ended</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>
2013	\$ 2,215,000	\$ 3,156,164
2014	2,900,000	3,079,739
2015	2,705,000	2,982,520
2016	2,890,000	2,879,308
2017	3,295,000	2,761,151
2018-2022	18,425,000	11,616,704
2023-2027	20,945,000	7,364,582
2028-2032	17,730,000	2,026,252
2033-2037	2,810,000	37,750
	<u>\$ 73,915,000</u>	<u>\$ 35,904,170</u>

Bond Indebtedness Limitation

The District is subject to K.S.A. 72-6761 which restricts the level of the authorized and outstanding bond indebtedness of the District to not more than 14% of the assessed valuation of tangible taxable property within the District.

At June 30, 2012, based upon the assessed valuation of \$ 431,764,703, the general obligation limit was \$ 60,447,058. The District's bonded indebtedness totaled \$ 73,915,000 less \$ 4,212,922 available in the bond and interest fund, leaving a general obligation debt margin deficit of \$ (9,255,020).

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

NOTES TO FINANCIAL STATEMENT
(Continued)

6 - Defined Benefit 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 Avenue, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Funding Policy. K.S.A. 74-4919 and K.S.A. 74-4921 establishes the KPERS member-employee contribution rates. Effective July 1, 2009, KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate of 4% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. 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 statutorily required employer's share.

7 - Post Employment Benefits

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

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.

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

NOTES TO FINANCIAL STATEMENT
(Continued)

8 - Early Retirement Benefits

The District has a plan which covers certified personnel who voluntarily take early retirement. A certified employee is eligible for early retirement if such employee is a full-time employee of the District, is not less than 55 years of age and not more than 67 years of age, and has 10 or more continuous years of service with the District. The benefits from this plan are computed using a formula based on salary, age, years of service, and are payable monthly.

9 - Operating Leases

The District has operating leases for buses. As of June 30, 2012, future annual minimum lease payments are as follows:

Year Ended June 30,	
2013	\$ 110,976
2014	100,696
2015	38,796
2016	38,796
2017	3,233

Lease expense for the current year was \$ 110,843.

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

NOTES TO FINANCIAL STATEMENT
(Continued)

10 - Interfund Transfers

The District made the following interfund transfers during fiscal year 2012. The transfers were approved by the Board of Education.

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
General Fund	Special Education	K.S.A. 72-6428	\$ 5,795,000
General Fund	Vocational Education	K.S.A. 72-6428	139,000
General Fund	Professional Development	K.S.A. 72-6428	30,000
General Fund	Parent Education	K.S.A. 72-6428	56,000
General Fund	Bilingual	K.S.A. 72-6428	112,000
General Fund	At-Risk 4 Year old	K.S.A. 72-6428	116,000
General Fund	At-Risk K-12	K.S.A. 72-6428	2,410,000
General Fund	Contingency Reserve	K.S.A. 72-6428	727,765
Contingency	General Fund	K.S.A. 72-6460	934,692
Supp. General Fund	Textbook Fund	K.S.A. 72-6433	50,000
Supp. General Fund	Special Education	K.S.A. 72-6433	3,045,000
Supp. General Fund	Vocational Education	K.S.A. 72-6433	724,000
Supp. General Fund	Bilingual	K.S.A. 72-6433	26,000

11 - Statutory Compliance

Certain funds had negative cash balances at June 30, 2012 resulting from expenditures being incurred that have not yet been reimbursed by granting agencies.

12 - Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the District carries commercial insurance. Settled claims have not exceeded commercial coverage in any of the three preceding years. There has not been significant reductions in coverage from prior years.

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

NOTES TO FINANCIAL STATEMENT
(Continued)

13 - Commitments

The District is involved in certain facilities improvement projects funded in part by general obligation bonds issued. Projects contracted as of June 30, 2012 are as follows:

	Total Contract	Paid Through June 30, 2012	Encumbered as of June 30, 2012
Construction at Wanamaker Elementary	\$ 1,482,849	\$ 1,463,132	19,717
Construction at WRHS Science Room and Corridor	1,244,200	69,673	1,174,527
Construction for Music, Drama and Special Education	3,502,071	2,488,932	1,013,139
Construction at WRMS	4,756,634	4,742,274	14,360
Construction at Auburn Elementary Music Room	468,272	319,453	148,819
Construction at Indian Hills Elementary	841,026	510,815	330,211
Construction at Jay Shideler Elementary	786,853	622,623	164,230
Small projects	587,673	583,143	4,530
	<u>\$13,669,578</u>	<u>\$10,800,045</u>	<u>\$ 2,869,533</u>
Total	<u>\$13,669,578</u>	<u>\$10,800,045</u>	<u>\$ 2,869,533</u>

SUPPLEMENTARY INFORMATION

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

SUMMARY OF EXPENDITURES - BUDGET AND ACTUAL

Year Ended June 30, 2012

<u>FUNDS</u>	<u>Certified Budget</u>
General fund	\$ 33,235,170
Supplemental general	10,904,459
Special revenue funds:	
Capital outlay	2,722,023
Driver education	33,000
Food service	2,745,200
Special education	10,785,000
Vocational education	996,000
Professional development	76,000
Parent education	224,500
KPERS special retirement contribution	4,004,000
Summer school	12,000
Gifts and grants	67,300
Bilingual	167,000
At-Risk fund (4 year old)	173,000
At-Risk fund (K-12)	2,420,000
Federal grant funds	768,000
Debt service fund:	
Bond and interest	4,921,000
	<hr/>
Totals	\$ 74,253,652
	<hr/> <hr/>

Adjustments to Comply with Legal Max	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
\$ -	\$ 108,048	\$ 33,343,218	\$ 33,343,218	\$ -
-	-	10,904,459	10,904,459	-
-	-	2,722,023	1,873,733	(848,290)
-	-	33,000	14,585	(18,415)
-	133,958	2,879,158	2,728,157	(151,001)
-	-	10,785,000	10,524,642	(260,358)
-	-	996,000	890,929	(105,071)
-	-	76,000	29,871	(46,129)
-	-	224,500	184,674	(39,826)
-	-	4,004,000	3,806,477	(197,523)
-	-	12,000	2,466	(9,534)
-	-	67,300	30,230	(37,070)
-	-	167,000	135,652	(31,348)
-	-	173,000	114,271	(58,729)
-	-	2,420,000	2,412,511	(7,489)
-	4,532	772,532	912,877	140,345
-	-	4,921,000	4,919,683	(1,317)
<u>\$ -</u>	<u>\$ 246,538</u>	<u>\$ 74,500,190</u>	<u>\$ 72,828,435</u>	

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

GENERAL FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL

Year Ended June 30, 2012

	Budget		Actual	Variance Over (Under)
	Original	Final		
Cash receipts and transfers:				
Ad valorem tax in process	\$ 95,864	\$ 95,864	\$ 103,008	\$ 7,144
Ad valorem current tax	7,593,182	7,593,182	7,834,795	241,613
In lieu of taxes	67,217	67,217	67,221	4
Ad valorem delinquent tax	88,378	88,378	156,399	68,021
State equalization aid	18,461,648	18,694,118	18,363,127	(330,991)
State special education fund	5,759,000	5,759,000	5,761,649	2,649
Federal aid	-	-	14,206	14,206
Reimbursed expenses	-	-	108,048	108,048
Transfers from contingency fund	937,338	937,338	934,692	(2,646)
Total cash receipts and transfers	<u>\$33,002,627</u>	<u>\$33,235,097</u>	<u>33,343,145</u>	<u>\$ 108,048</u>
Expenditures, encumbrances and transfers:				
Instruction	\$11,104,400	\$11,156,870	10,720,396	\$ (436,474)
Support services	2,464,300	2,464,300	2,330,907	(133,393)
Administration	3,374,000	3,374,000	3,621,944	247,944
Operation and maintenance	5,624,800	5,624,800	5,702,587	77,787
Other supplemental services	1,909,200	1,909,200	1,455,630	(453,570)
Community service operations	-	-	125,989	125,989
Transfers to other funds	8,526,000	8,706,000	9,385,765	679,765
Adjustment for qualifying budget credits	108,048	108,048		(108,048)
Total expenditures, encumbrances and transfers	<u>\$33,110,748</u>	<u>\$33,343,218</u>	<u>33,343,218</u>	<u>\$ -</u>
Cash receipts and transfers under expenditures, encumbrances and transfers			(73)	
Unencumbered cash, beginning			73	*
Adjustment to unencumbered cash for prior year canceled encumbrances			<u>20</u>	
Unencumbered cash, ending			<u>\$ 20</u>	

* See Note 4 for restatement of beginning unencumbered cash balance.

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

SUPPLEMENTAL GENERAL FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
(Continued)

Year Ended June 30, 2012

	Budget	Actual	Variance Over (Under)
Cash receipts:			
Ad valorem tax in process	\$ 7,063,958	\$ 7,462,039	\$ 398,081
Ad valorem current tax	93,847	103,061	9,214
In lieu of taxes	64,805	60,125	(4,680)
Ad valorem delinquent tax	86,102	147,850	61,748
Motor vehicle tax	853,591	782,094	(71,497)
Recreational vehicle tax	6,803	6,588	(215)
Supplemental state aid	2,347,752	2,435,439	87,687
Total cash receipts	<u>\$10,516,858</u>	<u>10,997,196</u>	<u>\$ 480,338</u>
Expenditures and transfers:			
Instruction	\$ 7,059,459	7,059,459	\$ -
Transfer to other funds	3,845,000	3,845,000	-
Total expenditures and transfers	<u>\$10,904,459</u>	<u>10,904,459</u>	<u>\$ -</u>
Cash receipts over expenditures and transfers		92,737	
Unencumbered cash, beginning		<u>387,602</u>	*
Unencumbered cash, ending		<u>\$ 480,339</u>	

* See Note 4 for restatement of beginning unencumbered cash balance.

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

CAPITAL OUTLAY FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
(Continued)

Year Ended June 30, 2012

	Budget	Actual	Variance Over (Under)
Cash receipts:			
Ad valorem tax in process	\$ 20,557	\$ 22,575	\$ 2,018
Ad valorem current tax	1,821,719	1,877,607	55,888
In lieu of taxes	12,954	15,125	2,171
Ad valorem delinquent tax	18,861	34,849	15,988
Motor vehicle tax	170,628	155,186	(15,442)
Recreational vehicle tax	1,360	1,310	(50)
Interest on idle funds	15,000	37,676	22,676
Other	66,500	84,578	18,078
	<u>\$ 2,127,579</u>	<u>2,228,906</u>	<u>\$ 101,327</u>
Total cash receipts			
Expenditures and encumbrances:			
Land acquisition and improvement	\$ 522,822	159,975	\$ (362,847)
Reconstruction, repair and remodeling	337,907	283,159	(54,748)
Equipment	1,861,294	1,430,599	(430,695)
	<u>\$ 2,722,023</u>	<u>1,873,733</u>	<u>\$ (848,290)</u>
Total expenditures and encumbrances			
Cash receipts over expenditures and encumbrances		355,173	
Unencumbered cash, beginning		876,799	
Adjustment to unencumbered cash for prior year canceled encumbrances		<u>5,237</u>	
Unencumbered cash, ending		<u>\$ 1,237,209</u>	

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

DRIVER EDUCATION FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
(Continued)

Year Ended June 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Cash receipts:			
State aid	\$ 5,920	\$ 6,298	\$ 378
Local revenues	<u>17,000</u>	<u>17,325</u>	<u>325</u>
Total cash receipts	<u><u>\$ 22,920</u></u>	<u><u>23,623</u></u>	<u><u>\$ 703</u></u>
Expenditures and encumbrances:			
Instruction	\$ 29,000	12,330	\$ (16,670)
Vehicle operation and maintenance	<u>4,000</u>	<u>2,255</u>	<u>(1,745)</u>
Total expenditures and encumbrances	<u><u>\$ 33,000</u></u>	<u><u>14,585</u></u>	<u><u>\$ (18,415)</u></u>
Cash receipts over expenditures and encumbrances		9,038	
Unencumbered cash, beginning		<u>35,520</u>	
Unencumbered cash, ending		<u><u>\$ 44,558</u></u>	

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

FOOD SERVICE FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
(Continued)

Year Ended June 30, 2012

	Budget	Actual	Variance Over (Under)
Cash receipts:			
State aid	\$ 23,930	\$ 31,205	\$ 7,275
Federal aid	1,067,858	1,201,816	133,958
Receipts, student	1,091,108	1,104,337	13,229
Nonreimbursed sales	463,139	423,015	(40,124)
	<u>\$ 2,646,035</u>	<u>2,760,373</u>	<u>\$ 114,338</u>
Expenditures and encumbrances:			
Operation and maintenance	\$ 111,000	13,960	\$ (97,040)
Food service	2,634,200	2,714,197	79,997
	<u>2,745,200</u>	2,728,157	(17,043)
Legal budget			
	2,745,200	2,728,157	(17,043)
Adjustment to budget authority attributable to additional federal funds received	<u>133,958</u>		<u>(133,958)</u>
	<u>\$ 2,879,158</u>	<u>2,728,157</u>	<u>\$ (151,001)</u>
Cash receipts over expenditures and encumbrances		32,216	
Unencumbered cash, beginning		217,647	
Adjustment to unencumbered cash for prior year canceled encumbrances		<u>82</u>	
Unencumbered cash, ending		<u>\$ 249,945</u>	

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

SPECIAL EDUCATION FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
(Continued)

Year Ended June 30, 2012

	Budget		Actual	Variance Over (Under)
	Original	Final		
Cash receipts and transfers:				
Federal aid	\$ 1,014,000	\$ 1,014,000	\$ 1,036,900	\$ 22,900
Medicaid	226,000	226,000	230,780	4,780
Local revenues	65,000	65,000	105,307	40,307
Transfer from general fund	5,815,000	5,815,000	5,795,000	(20,000)
Transfer from supplemental general fund	3,025,000	3,025,000	3,045,000	20,000
Total cash receipts and transfers	<u>\$10,145,000</u>	<u>\$10,145,000</u>	<u>10,212,987</u>	<u>\$ 67,987</u>
Expenditures and encumbrances:				
Instruction	\$ 7,881,900	\$ 7,976,200	8,045,474	\$ 69,274
Transportation	796,600	796,600	716,848	(79,752)
Operation and maintenance	38,500	38,500	38,172	(328)
Support services	1,507,900	1,507,900	1,277,430	(230,470)
General administration	348,200	348,200	327,629	(20,571)
School administration	117,600	117,600	119,089	1,489
Total expenditures and encumbrances	<u>\$10,690,700</u>	<u>\$10,785,000</u>	<u>10,524,642</u>	<u>\$ (260,358)</u>
Cash receipts and transfers under expenditures and encumbrances			(311,655)	
Unencumbered cash, beginning			<u>3,914,954</u>	
Unencumbered cash, ending			<u>\$ 3,603,299</u>	

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

VOCATIONAL EDUCATION FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
(Continued)

Year Ended June 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Cash receipts and transfers:			
Federal aid	\$ 32,805	\$ 32,805	\$ -
Transfer from general fund	139,000	139,000	-
Transfer from supplemental general fund	<u>774,000</u>	<u>724,000</u>	<u>(50,000)</u>
Total cash receipts and transfers	<u><u>\$ 945,805</u></u>	<u><u>895,805</u></u>	<u><u>\$ (50,000)</u></u>
Expenditures and encumbrances:			
Instruction	\$ 984,100	874,775	\$ (109,325)
Support services	<u>11,900</u>	<u>16,154</u>	<u>4,254</u>
Total expenditures and encumbrances	<u><u>\$ 996,000</u></u>	<u><u>890,929</u></u>	<u><u>\$ (105,071)</u></u>
Cash receipts and transfers over expenditures and encumbrances		4,876	
Unencumbered cash, beginning		<u>97,112</u>	
Unencumbered cash, ending		<u><u>\$ 101,988</u></u>	

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

PROFESSIONAL DEVELOPMENT FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
(Continued)

Year Ended June 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Transfers:			
Transfer from general fund	\$ 30,000	\$ 30,000	\$ -
Expenditures and encumbrances:			
Support services	\$ 76,000	29,871	\$ (46,129)
Transfers over expenditures and encumbrances		129	
Unencumbered cash, beginning		77,748	
Unencumbered cash, ending		\$ 77,877	

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

PARENT EDUCATION FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
(Continued)

Year Ended June 30, 2012

	Budget	Actual	Variance Over (Under)
Cash receipts and transfers:			
State aid	\$ 94,697	\$ 94,697	\$ -
Services to other school districts	34,500	7,426	(27,074)
Local revenues	25,000	28,788	3,788
Transfer from general fund	56,000	56,000	-
	<u>\$ 210,197</u>	<u>186,911</u>	<u>\$ (23,286)</u>
Expenditures and encumbrances:			
Support services	<u>\$ 224,500</u>	<u>184,674</u>	<u>\$ (39,826)</u>
Cash receipts and transfers over expenditures and encumbrances		2,237	
Unencumbered cash, beginning		51,412	*
Adjustment to unencumbered cash for prior year canceled encumbrances		<u>310</u>	
Unencumbered cash, ending		<u>\$ 53,959</u>	

* See Note 4 for restatement of beginning unencumbered cash balance.

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

KPERS SPECIAL RETIREMENT CONTRIBUTION FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
(Continued)

Year Ended June 30, 2012

	Budget	Actual	Variance Over (Under)
Cash receipts:			
State aid	\$ 4,004,000	\$ 3,806,477	\$ (197,523)
Expenditures:			
Instruction	\$ 2,730,091	2,595,410	\$ (134,681)
Support services	415,239	394,755	(20,484)
General administration	108,396	103,049	(5,347)
School administration	258,078	245,347	(12,731)
Other supplemental services	84,276	80,119	(4,157)
Operations and maintenance	213,224	202,705	(10,519)
Transportation	79,553	75,629	(3,924)
Food service	115,143	109,463	(5,680)
Total expenditures	\$ 4,004,000	3,806,477	\$ (197,523)
Cash receipts over expenditures		-	
Unencumbered cash, beginning		-	
Unencumbered cash, ending		\$ -	

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

SUMMER SCHOOL FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
(Continued)

Year Ended June 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Cash receipts:			
Reimbursements	<u>\$ 5,500</u>	\$ 2,055	<u>\$ (3,445)</u>
Expenditures and encumbrances:			
Instruction	<u>\$ 12,000</u>	<u>2,466</u>	<u>\$ (9,534)</u>
Cash receipts under expenditures and encumbrances		(411)	
Unencumbered cash, beginning		<u>37,581</u>	
Unencumbered cash, ending		<u>\$ 37,170</u>	

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

GIFTS AND GRANTS FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
(Continued)

Year Ended June 30, 2012

	Budget	Actual	Variance Over (Under)
Cash receipts:			
Interest	\$ -	\$ 584	\$ 584
Local revenues	-	45,675	45,675
Other aid	-	16,377	16,377
Contributions	36,000	300	(35,700)
Total cash receipts	<u>\$ 36,000</u>	<u>62,936</u>	<u>\$ 26,936</u>
Expenditures and encumbrances:			
Instruction	\$ 27,700	15,113	\$ (12,587)
Support services	39,600	15,117	(24,483)
Total expenditures	<u>\$ 67,300</u>	<u>30,230</u>	<u>\$ (37,070)</u>
Cash receipts over expenditures and encumbrances		32,706	
Unencumbered cash, beginning		50,323	
Adjustment to unencumbered cash for prior year canceled encumbrances		<u>4</u>	
Unencumbered cash, ending		<u>\$ 83,033</u>	

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

BOND AND INTEREST FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
(Continued)

Year Ended June 30, 2012

	Budget	Actual	Variance Over (Under)
Cash receipts:			
Ad valorem tax in process	\$ 49,745	\$ 4,489,821	\$ 4,440,076
Ad valorem current tax	4,356,398	54,628	(4,301,770)
In lieu of taxes	34,276	36,167	1,891
Ad valorem delinquent tax	45,638	71,275	25,637
Motor vehicle tax	451,512	413,591	(37,921)
Recreational vehicle tax	3,599	3,484	(115)
State aid	344,377	287,668	(56,709)
Total cash receipts	<u>\$ 5,285,545</u>	<u>5,356,634</u>	<u>\$ 71,089</u>
Expenditures:			
Principal	\$ 1,710,000	1,710,000	\$ -
Interest expense	3,209,669	3,209,669	-
Miscellaneous	1,331	14	(1,317)
Total expenditures	<u>\$ 4,921,000</u>	<u>4,919,683</u>	<u>\$ (1,317)</u>
Cash receipts over expenditures		436,951	
Unencumbered cash, beginning		<u>3,775,971</u>	
Unencumbered cash, ending		<u>\$ 4,212,922</u>	

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

BILINGUAL FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
(Continued)

Year Ended June 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Transfers:			
Transfer from general fund	\$ 120,000	\$ 112,000	\$ (8,000)
Transfer from supplemental general fund	<u>26,000</u>	<u>26,000</u>	<u>-</u>
Total transfers	<u><u>\$ 146,000</u></u>	<u>138,000</u>	<u><u>\$ (8,000)</u></u>
Expenditures and encumbrances:			
Instruction	<u><u>\$ 167,000</u></u>	<u>135,652</u>	<u><u>\$ (31,348)</u></u>
Transfers over expenditures and encumbrances		2,348	
Unencumbered cash, beginning		<u>47,263</u>	
Unencumbered cash, ending		<u><u>\$ 49,611</u></u>	

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

AT-RISK FUND (4 YEAR OLD)

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
(Continued)

Year Ended June 30, 2012

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Transfers:			
Transfers from supplemental general fund	\$ 20,000	\$ -	\$ (20,000)
Transfers from general fund	<u>136,000</u>	<u>116,000</u>	<u>(20,000)</u>
Total transfers	<u><u>\$ 156,000</u></u>	<u>116,000</u>	<u><u>\$ (40,000)</u></u>
Expenditures and encumbrances:			
Instruction	<u><u>\$ 173,000</u></u>	<u>114,271</u>	<u><u>\$ (58,729)</u></u>
Transfers over expenditures and encumbrances		1,729	
Unencumbered cash, beginning		<u>44,671</u>	
Unencumbered cash, ending		<u><u>\$ 46,400</u></u>	

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

AT-RISK FUND (K-12)

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
(Continued)

Year Ended June 30, 2012

	Budget		Actual	Variance Over (Under)
	Original	Final		
Cash receipts and transfers:				
Local revenues	\$ 11,000	\$ 11,000	\$ 7,200	\$ (3,800)
Transfers from general fund	2,230,000	2,410,000	2,410,000	-
Total cash receipts and transfers	<u>\$ 2,241,000</u>	<u>\$ 2,421,000</u>	2,417,200	<u>\$ (3,800)</u>
Expenditures and encumbrances:				
Instruction	\$ 2,135,400	\$ 2,246,100	2,170,231	\$ (75,869)
Support services	173,900	173,900	134,862	(39,038)
Operation and maintenance	-	-	107,418	107,418
Total expenditures and encumbrances	<u>\$ 2,309,300</u>	<u>\$ 2,420,000</u>	2,412,511	<u>\$ (7,489)</u>
Cash receipts and transfers over expenditures and encumbrances			4,689	
Unencumbered cash, beginning			92,399	
Adjustment to unencumbered cash for prior year canceled encumbrances			<u>85</u>	
Unencumbered cash, ending			<u>\$ 97,173</u>	

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

FEDERAL GRANT FUNDS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL

Year Ended June 30, 2012

	Title I 2010-2011	Title I 2011-2012	Technology Literacy Challenge 2010-2011
Cash receipts:			
Federal aid	\$ 167,558	\$ 454,000	\$ -
Expenditures and encumbrances:			
Instruction	239,071	376,172	244
Student support services	-	73,913	-
Staff training	-	-	-
Legal budget	239,071	450,085	244
Adjustment to budget authority attributable to additional federal funds received			
Total expenditures and encumbrances	239,071	450,085	244
Cash receipts over (under) expenditures and encumbrances	(71,513)	3,915	(244)
Unencumbered cash, beginning	71,525	-	244
Adjustment to unencumbered cash for prior year canceled encumbrances	-	-	-
Unencumbered cash, ending	\$ 12	\$ 3,915	\$ -

(Continued)

Technology Literacy Challenge 2011-2012	Drug-Free Schools 2009-2010	Drug-Free Schools 2009-2010 Reallocation	Improving Teacher Quality 2010-2011	Improving Teacher Quality 2011-2012
\$ 1,544	\$ -	\$ 9,015	\$ 31,032	\$ 111,681
1,164	634	2,640	8,832	88,608
-	-	-	9,000	17,790
380	-	6,375	-	-
1,544	634	9,015	17,832	106,398
1,544	634	9,015	17,832	106,398
-	(634)	-	13,200	5,283
-	737	-	(13,200)	-
-	-	-	-	-
\$ -	\$ 103	\$ -	\$ -	\$ 5,283

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

FEDERAL GRANT FUNDS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
(Continued)

Year Ended June 30, 2012

	Early Childhood 2011-2012	Early Childhood 2010-2011	Title III 2011-2012
Cash receipts:			
Federal aid	\$ 41,324	\$ 25,465	\$ 11,013
Expenditures and encumbrances:			
Instruction	41,324	-	11,013
Student support services	-	-	-
Staff training	-	-	-
	41,324	-	11,013
Adjustment to budget authority attributable to additional federal funds received			
Total expenditures and encumbrances	41,324	-	11,013
Cash receipts over (under) expenditures and encumbrances	-	25,465	-
Unencumbered cash, beginning	-	(25,515)	-
Adjustment to unencumbered cash for prior year canceled encumbrances	-	50	-
Unencumbered cash, ending	\$ -	\$ -	\$ -

(Continued)

Continuous Improvement 2011-2012	Continuous Improvement 2010-2011	Continuous Improvement 2009-2010	Total Actual	Budget	Variance - Over (Under)
\$ 30,900	\$ -	\$ -	\$ 883,532	\$ 879,000	\$ 4,532
12,153	4,651	-	786,506	\$ 535,600	\$ 250,906
-	-	-	100,703	232,400	(131,697)
18,913	-	-	25,668	-	25,668
31,066	4,651	-	912,877	768,000	144,877
				4,532	(4,532)
31,066	4,651	-	912,877	\$ 772,532	\$ 140,345
(166)	(4,651)	-	(29,345)		
-	12,746	7	46,544		
-	-	-	50		
\$ (166)	\$ 8,095	\$ 7	\$ 17,249		

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

TEXTBOOK RENTAL FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES
(Continued)

Year Ended June 30, 2012

Cash receipts and transfers:	
Fees	\$ 370,809
Transfer from supplemental general fund	<u>50,000</u>
Total cash receipts and transfers	420,809
Expenditures and encumbrances:	
Instruction	<u>479,793</u>
Cash receipts and transfers under expenditures and encumbrances	(58,984)
Unencumbered cash, beginning	2,307,915
Adjustment to unencumbered cash for prior year canceled encumbrances	<u>377</u>
Unencumbered cash, ending	<u><u>\$ 2,249,308</u></u>

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

CONTINGENCY RESERVE FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES
(Continued)

Year Ended June 30, 2012

Transfers:	
Transfer from general fund	<u>\$ 727,765</u>
Expenditures and transfers:	
Architectural and engineering services	49,400
Transfer to general fund	<u>934,692</u>
Total expenditures and transfers	<u>984,092</u>
Transfers under expenditures and transfers	(256,327)
Unencumbered cash, beginning	<u>2,368,527</u>
Unencumbered cash, ending	<u><u>\$ 2,112,200</u></u>

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

GATE RECEIPTS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES
(Continued)

Year Ended June 30, 2012

Funds	Balance, July 1	Cash Receipts	Cash Disbursements	Transfers	Balance, June 30
Gate receipts:					
Washburn Rural High School	\$ 21,168	\$ 134,655	\$ 125,881	\$ 56	\$ 29,998

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

HIGH SCHOOL PROJECTS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES
(Continued)

Year Ended June 30, 2012

Funds	Balance, July 1	Cash Receipts	Cash Disbursements	Transfers	Balance, June 30
High school projects:					
Coordinated school health program	\$ 707	\$ -	\$ -	\$ -	\$ 707
Library authors	1,660	731	2,098	78	371
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total high school projects	\$ 2,367	\$ 731	\$ 2,098	\$ 78	\$ 1,078
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

CONSTRUCTION PROJECT FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES
(Continued)

Year Ended June 30, 2012

Cash receipts:	
Investment income	\$ 3,229
Federal aid	180,015
State aid	<u>49,552</u>
Total cash receipts	<u>232,796</u>
Expenditures and encumbrances:	
General administration	127,456
Capital outlay	<u>8,172,695</u>
Total expenditures and encumbrances	<u>8,300,151</u>
Cash receipts over expenditures and encumbrances	(8,067,355)
Unencumbered cash, beginning	8,808,666
Adjustment to unencumbered cash for prior year canceled encumbrances	<u>152,220</u>
Unencumbered cash, ending	<u><u>\$ 893,531</u></u>

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

STUDENT ORGANIZATION FUNDS

SUMMARY OF CASH RECEIPTS AND DISBURSEMENTS

Year Ended June 30, 2012

Funds	Balance, July 1	Cash Receipts	Cash Disbursements	Transfers	Balance, June 30
Washburn Rural High:					
10-11 fg advisory pr	\$ 500	\$ -	\$ -	\$ (500)	\$ -
10-11 fg dress for facs	3	-	-	-	3
10-11 fg heritage week	-	1,500	1,066	(422)	12
10-11 FG st your own business	513	-	513	-	-
11-12 fg clicking for fa	-	2,349	2,349	-	-
11-12 fg	-	1,000	-	-	1,000
11-12 WR percuss. rest	-	480	-	-	480
11-12 fg lacrosse in pe	-	1,000	1,000	-	-
Academic decathlon	35	520	520	-	35
Advisory/mentoring	(30)	75	309	500	236
Aerobics club	39	-	-	-	39
Alternative education	446	755	1,015	-	186
American literature Fest.	33	-	-	-	33
Art club	2,285	2,607	4,873	375	394
Assistance for students	3,482	65	137	(393)	3,017
AP coordinator	2,640	15,881	15,058	(74)	3,389
AW Foundation grant	310	-	-	(310)	-
Band activity	71,222	244,853	284,989	3,210	34,296
Band instrument rental	72	456	528	-	-
Baseball fundraiser	1,821	4,083	3,497	(2)	2,405
Basketball activity	556	6,714	5,615	(200)	1,455
Beginning photography	255	844	1,093	33	39
Blue Streak	11,606	4,177	5,637	(212)	9,934
Blues Café	249	-	249	-	-
Bowling fundraiser	513	1,494	1,277	(12)	718
Boys golf activity	155	1,327	1,219	-	263
Boys soccer activity	2,020	7,593	8,301	(830)	482
Broadway musical	-	408	5,667	5,259	-
Car club	819	382	316	-	885
Cheerleaders activity	9,501	28,631	27,663	(558)	9,911
Chess club	1,173	-	181	(1)	991
Chimes	181,201	108,641	187,063	1,279	104,058
Circle of friends	362	414	484	-	292
Class of 2007	421	-	-	-	421
Class of 2009	-	-	(980)	(980)	-
Class of 2010	-	15	-	(15)	-
Subtotal forward	\$ 292,202	\$ 436,264	\$ 559,639	\$ 6,147	\$ 174,974

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

STUDENT ORGANIZATION FUNDS

SUMMARY OF CASH RECEIPTS AND DISBURSEMENTS
(Continued)

Year Ended June 30, 2012

Funds	Balance, July 1	Cash Receipts	Cash Disbursements	Transfers	Balance, June 30
Washburn Rural High:					
Subtotal forward	\$ 292,202	\$ 436,264	\$ 559,639	\$ 6,147	\$ 174,974
Class of 2011	728	322	-	-	1,050
Class of 2012	5,603	590	4,429	(80)	1,684
Class of 2013	2,187	5,408	2,819	(1)	4,775
Class of 2014	1,949	689	660	-	1,978
Class of 2015	-	4,734	3,272	(100)	1,362
Communications	3,040	3,040	484	-	5,596
Construction Pathways	-	166	(50)	-	216
Cross country	3,433	910	1,371	(10)	2,962
Cultural Heritage Activity	-	490	-	-	490
Debate/forensics (DAFA) Activity	9,278	10,382	7,171	232	12,721
DFD	409	-	-	-	409
Drama Dept Gates	13,317	16,997	6,571	(9,631)	14,112
Eastern Culture Club	-	91	91	-	-
Flag uniform	51	-	-	-	51
Football activity	12,846	11,189	17,137	15	6,913
Foreign language activity	-	105	105	-	-
Foreign language club	203	120	-	(100)	223
Forensic Enrollment	-	320	320	-	-
German club	281	416	526	-	171
FBLA	121	-	-	-	121
FCCLA	133	-	-	-	133
FCA	42	664	253	-	453
FFA	2,733	4,972	5,727	(7)	1,971
Girls golf	1,465	1,009	1,308	-	1,166
Girls soccer activity	52	1,775	1,338	(300)	189
GSA	128	-	-	-	128
Girls tennis	45	566	599	-	12
Health club	1,272	725	174	(487)	1,336
Interact	664	1,020	554	-	1,130
Intramurals	1,990	2,420	2,619	-	1,791
KAFHK	382	-	189	-	193
Keyboarding Enr. Fees	-	5	5	-	-
Lady Blues	721	1,116	1,562	-	275
Lang arts con enroll	7,555	9,600	4,800	-	12,355
Literary magazine	541	-	240	-	301
Marketplace	418	907	907	-	418
Math club	8,950	642	692	-	8,900
Math Concurrent Enroll	-	2,880	1,600	-	1,280
Math exponents	489	244	479	-	254
Subtotal forward	\$ 373,228	\$ 520,778	\$ 627,591	\$ (4,322)	\$ 262,093

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

STUDENT ORGANIZATION FUNDS

SUMMARY OF CASH RECEIPTS AND DISBURSEMENTS
(Continued)

Year Ended June 30, 2012

Funds	Balance, July 1	Cash Receipts	Cash Disbursements	Transfers	Balance, June 30
Washburn Rural High:					
Subtotal forward	\$ 373,228	\$ 520,778	\$ 627,591	\$ (4,322)	\$ 262,093
Men's tennis	339	675	1,040	-	(26)
National Honor Society	581	1,224	1,035	(46)	724
Orchestra activity	1,201	1,229	1,130	(23)	1,277
PE uniform	73	1,007	1,080	-	-
Pom pon activity	2,191	28,519	28,118	(50)	2,542
Powerlifting Fundraiser	-	6,009	5,926	-	83
Quiz bowl	134	-	85	-	49
Renaissance	1,248	7,565	18,782	10,661	692
Robotics	341	350	179	-	512
ROTC	-	120	-	-	120
S.A.D.D.	529	146	152	-	523
Scholar Bowl	73	480	250	-	303
Scholarship Funds	-	1,000	-	-	1,000
School to career	148	-	-	-	148
Science club	124	-	100	(124)	(100)
Science concurrent	80	480	-	-	560
Science Olympiad	-	275	-	274	549
Social committee	1,264	8	314	-	958
Social Science Entoll	-	2,640	2,019	-	621
Softball concessions	2,684	10,650	10,790	(27)	2,517
Spanish club	30	143	52	-	121
Spirit club	2,280	1,689	1,169	(520)	2,280
Spring play production	(387)	665	1,691	1,435	22
STUCO concessions	11,794	1,175	3,577	132	9,524
School Improvement	18,373	19,803	12,310	(12,723)	13,143
Student council	8,338	10,715	9,980	(358)	8,715
Supply shack	3,997	12,755	10,825	231	6,158
Swimming activity	70	2,875	2,700	-	245
Swimming - boys	3,294	3,074	2,979	(1)	3,388
Teacher appreciation	15	-	-	-	15
Thespians	158	6,754	6,519	-	393
Track activity	1,166	6,378	5,874	322	1,992
Video production club	1,139	-	-	-	1,139
Vocal music	21,065	15,675	23,785	(372)	12,583
Volleyball	5,378	4,637	4,645	(3)	5,367
Weight lifting activity	145	-	-	-	145
Winter play production	893	863	4,545	2,869	80
Wood projects	(42)	887	845	-	-
Woods Fees	-	7	7	-	-
Wrestling fundraiser	1,263	9,562	6,222	-	4,603
WRHS bank	1,000	7	1,006	(1)	-
WRHS crimestoppers	587	-	356	-	231
Subtotal forward	\$ 464,794	\$ 680,819	\$ 797,678	\$ (2,646)	\$ 345,289

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

STUDENT ORGANIZATION FUNDS

SUMMARY OF CASH RECEIPTS AND DISBURSEMENTS
(Continued)

Year Ended June 30, 2012

Funds	Balance, July 1	Cash Receipts	Cash Disbursements	Transfers	Balance, June 30
Washburn Rural High:					
Subtotal forward	\$ 464,794	\$ 680,819	\$ 797,678	\$ (2,646)	\$ 345,289
Young Republicans	120	384	403	-	101
Young Democrats	18	-	-	-	18
Subtotal Washburn Rural High	464,932	681,203	798,081	(2,646)	345,408
Washburn Rural Middle:					
Band activity	-	24,834	28,607	3,897	124
Boys basketball	3	912	913	-	2
Boys midnight madness activity	1	-	-	-	1
Challenge course	7,705	400	1,133	1,200	8,172
Cross Country Running	-	3,710	3,705	-	5
Eighth grade activity	65	-	-	-	65
Football	111	2,772	2,577	-	306
Athletics Pictures	432	697	-	-	1,129
Girls basketball	1	850	850	-	1
Healthy Habits for Life	-	970	-	-	970
Integrity counts	325	-	-	-	325
Leadership Fund	-	-	73	500	427
Mass production	3,525	2,126	2,912	(1,147)	1,592
Nature niche	12	175	177	-	10
Orchestra	14	8,952	8,008	355	1,313
Spirit squad	670	1,566	1,657	-	579
Student council	1,883	3,169	2,871	-	2,181
Tennis	10	466	467	-	9
Tennis Activity	-	534	534	-	-
Track	194	7,517	7,701	-	10
Vocal music activity	-	13,469	12,405	(262)	802
Wrestling	160	946	938	-	168
Yearbook	12,910	23,841	20,888	(3,963)	11,900
Volleyball activity	76	1,365	1,282	-	159
Circle of friends	59	575	464	-	170
7th girls basketball	25	579	616	12	-
Boys basketball seventh grade	4	1,554	1,522	-	36
Subtotal Washburn Rural Middle	28,185	101,979	100,300	592	30,456
Pauline South Intermediate:					
Angel fund	272	1,852	1,085	(113)	926
Skating parties	357	660	40	-	977
Student council	370	-	-	-	370
Sixth grade activity	422	3,474	3,810	-	86
Subtotal Pauline South Intermediate	\$ 1,421	\$ 5,986	\$ 4,935	\$ (113)	\$ 2,359

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

STUDENT ORGANIZATION FUNDS

SUMMARY OF CASH RECEIPTS AND DISBURSEMENTS
(Continued)

Year Ended June 30, 2012

Funds	Balance, July 1	Cash Receipts	Cash Disbursements	Transfers	Balance, June 30
Wanamaker Elementary:					
Fourth grade activity	\$ 110	\$ 669	\$ 671	\$ -	\$ 108
Sixth grade activity	(7)	236	229	-	-
Friday activity	19	150	157	-	12
PTO	40	-	-	-	40
Student activity	1,320	2,189	3,433	-	76
Student council	812	1,941	1,867	-	886
Subtotal Wanamaker Elementary	2,294	5,185	6,357	-	1,122
Indian Hills Elementary:					
Student council	446	657	778	-	325
Jay Shideler Elementary:					
Student council	1,288	-	-	-	1,288
Snack shack	677	380	215	-	842
Student store activity	788	540	499	-	829
Subtotal Jay Shideler Elementary	2,753	920	714	-	2,959
Auburn Elementary:					
Biz card prizes	69	-	-	-	69
Sixth grade fundraiser	65	-	46	-	19
Student council	341	2,167	2,251	-	257
Subtotal Auburn Elementary	475	2,167	2,297	-	345
Farley Elementary:					
Social committee	575	2,165	1,815	-	925
Activity fund	8,702	6,872	7,642	5	7,937
Subtotal Farley Elementary	9,277	9,037	9,457	5	8,862
Total all funds	\$ 509,783	\$ 807,134	\$ 922,919	\$ (2,162)	\$ 391,836

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

DISTRICT ACTIVITY FUNDS

STATEMENT OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH

Year Ended June 30, 2012

Funds	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Transfers	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances Accounts Payable	Ending Cash Balances
Washburn Rural High:								
12 +	\$ 190	\$ -	\$ 143	\$ 280	\$ -	\$ 53	\$ -	\$ 53
Book damages	72	-	2,668	2,741	1	-	-	-
Business computer	616	-	-	616	-	-	-	-
Business fees	70	-	697	774	7	-	-	-
CheckRite	30	-	405	435	-	-	-	-
Enrollment fees	2,198	-	128,799	131,028	27	(4)	-	(4)
Fundamentals Class	318	-	155	441	-	32	-	32
Health grant	445	-	475	916	-	4	-	4
Hospitality	3,856	-	2,962	7,683	1,720	855	-	855
Other - district money	15	-	1,201	1,216	-	-	-	-
Outstanding checks	1,879	-	-	-	1,305	3,184	-	3,184
Parking permits	28,272	-	17,203	37,491	(75)	7,909	-	7,909
Petty cash	300	-	-	-	-	300	-	300
Postmaster	(1,897)	-	7,994	13,787	317	(7,373)	-	(7,373)
Programs	(4)	-	-	-	-	(4)	-	(4)
Pay to particiapte	933	-	12,880	13,863	50	-	-	-
Summer enrichment program	60	-	609	669	-	-	-	-
Summer school payments	150	-	3,075	3,225	-	-	-	-
TCF grants	566	-	-	-	(566)	-	-	-
Testing/guidance	3,352	-	2,940	3,182	-	3,110	-	3,110
Subtotal Washburn Rural High	41,421	-	182,206	218,347	2,786	8,066	-	8,066
Washburn Rural Middle:								
Activity fees	-	-	13,766	13,873	107	-	-	-
Agenda fees	-	-	65	75	10	-	-	-
Art fees	-	-	997	1,005	8	-	-	-
Athletics	15,380	-	26,004	18,543	(6,000)	16,841	-	16,841
Book fair	33	-	-	-	-	33	-	33
Book rental fees	-	-	39,813	39,228	(585)	-	-	-
Champions	66	-	1,154	1,374	250	96	-	96
CheckRite	-	-	135	135	-	-	-	-
Citizenship program	1,028	-	-	-	-	1,028	-	1,028
Collections	150	-	-	150	-	-	-	-
Comets	189	-	1,552	1,772	113	82	-	82
Concessions	6,906	-	18,611	15,657	(983)	8,877	-	8,877
Subtotal forward	\$ 23,752	\$ -	\$ 102,097	\$ 91,812	\$ (7,080)	\$ 26,957	\$ -	\$ 26,957

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

DISTRICT ACTIVITY FUNDS

STATEMENT OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
(Continued)

Year Ended June 30, 2012

Funds	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Transfers	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances Accounts Payable	Ending Cash Balances
Subtotal forward	\$ 23,752	\$ -	\$ 102,097	\$ 91,812	\$ (7,080)	\$ 26,957	\$ -	\$ 26,957
Damaged and lost books	-	-	553	561	8	-	-	-
Donations	420	-	-	-	-	420	-	420
Eclipse	233	-	1,162	1,238	250	407	-	407
Enrollment fees	-	-	632	632	-	-	-	-
FACS	-	-	2,297	2,304	7	-	-	-
Foreign language fees	-	-	675	682	7	-	-	-
Foundation	-	-	4,733	4,559	(2)	172	-	172
Grant programs	19,252	-	7,946	10,123	(2,300)	14,775	-	14,775
Gym fees	-	-	7,352	7,390	38	-	-	-
Industrial arts	-	-	2,981	4,197	1,216	-	-	-
Instrument rental fees	-	-	4,717	4,808	91	-	-	-
Lock/Locker Replacement	-	-	25	-	-	25	-	25
Lost Library Books	-	-	229	227	(2)	-	-	-
Math moves us scholarship	45	-	-	-	-	45	-	45
Odyssey	130	-	1,594	1,572	(89)	63	-	63
Pictures	776	-	2,001	1,907	(440)	430	-	430
Principal emergency	5,739	-	279	2,108	1,843	5,753	-	5,753
PTO special project	15,351	-	33,018	37,838	(9,700)	831	-	831
School activities	1,240	-	2,247	5,547	6,990	4,930	-	4,930
School play	2,722	-	2,828	1,556	-	3,994	-	3,994
SFA activities	-	-	2,824	2,847	23	-	-	-
Sunshine	133	-	975	612	(276)	220	-	220
Teacher funds	4,920	-	4,102	9,822	5,298	4,498	-	4,498
Team - All Stars	115	-	879	1,036	102	60	-	60
Applied Arts	594	-	-	478	360	476	-	476
The Heat	151	-	1,961	2,225	205	92	-	92
The Wave	22	-	1,870	1,920	231	203	-	203
Vending sales	7,514	-	9,587	6,486	-	10,615	-	10,615
Voyagers	44	-	1,754	2,011	250	37	-	37
Learning center	209	-	83	110	-	182	-	182
District other	-	-	35	593	558	-	-	-
District printing	-	-	-	292	292	-	-	-
District food service	-	-	-	1,195	1,195	-	-	-
Subtotal Washburn Rural								
Middle	\$ 83,362	\$ -	\$ 201,436	\$ 208,688	\$ (925)	\$ 75,185	\$ -	\$ 75,185

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

DISTRICT ACTIVITY FUNDS

STATEMENT OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
(Continued)

Year Ended June 30, 2012

Funds	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Transfers	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances Accounts Payable	Ending Cash Balances
Pauline South Intermediate:								
Book fair	\$ 107	\$ -	\$ 2,652	\$ 2,697	\$ -	\$ 62	\$ -	\$ 62
Book rental	-	-	9,772	9,974	202	-	-	-
Box tops	681	-	678	-	-	1,359	-	1,359
Discretionary	31	-	-	-	-	31	-	31
General activity	511	-	8,433	8,267	(320)	357	-	357
Hospitality	546	-	1,265	1,128	-	683	-	683
Instrument rental	12	-	2,728	2,723	39	56	-	56
Lost books	-	-	114	89	(1)	24	-	24
Miscellaneous	-	-	55	38	(18)	(1)	-	(1)
Pictures	2,258	-	185	1,496	-	947	-	947
PTO - principal	10	-	8	-	-	18	-	18
Rebates	-	-	45	45	-	-	-	-
School supplies	1,065	-	3,439	3,460	1	1,045	-	1,045
Wal-Mart grant	5	-	-	-	-	5	-	5
Yearbook	112	-	3,287	3,118	-	281	-	281
Subtotal Pauline South Intermediate	5,338	-	32,661	33,035	(97)	4,867	-	4,867
Pauline Central Elementary:								
Book fair	5,049	-	389	579	-	4,859	-	4,859
CheckRite	-	-	75	75	-	-	-	-
Committee	47	-	650	430	-	267	-	267
Health room	23	-	-	12	-	11	-	11
Foundation	186	-	1,040	1,190	-	36	-	36
Hospitality	93	-	894	886	-	101	-	101
Library books	-	-	256	98	(78)	80	-	80
McDonald's	4,714	-	-	-	-	4,714	-	4,714
Pictures	124	-	219	73	-	270	-	270
Principal's discretionary fund	378	-	500	568	-	310	-	310
School activity	2,161	-	14,321	8,987	-	7,495	-	7,495
Textbook	-	-	12,236	12,236	-	-	-	-
Visiting author	700	-	1,995	1,824	-	871	-	871
Water machine	88	-	269	306	-	51	-	51
Yearbook	262	-	3,253	3,041	-	474	-	474
Subtotal Pauline Central Elementary	\$ 13,825	\$ -	\$ 36,097	\$ 30,305	\$ (78)	\$ 19,539	\$ -	\$ 19,539

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

DISTRICT ACTIVITY FUNDS

STATEMENT OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
(Continued)

Year Ended June 30, 2012

Funds	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Transfers	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances Accounts Payable	Ending Cash Balances
Wanamaker Elementary:								
Book fair	\$ 5,787	\$ -	\$ 2,227	\$ 2,877	\$ -	\$ 5,137	\$ -	\$ 5,137
CheckRite	-	-	45	45	-	-	-	-
Contribution	455	-	1,545	-	-	2,000	-	2,000
Instrument rental	-	-	542	542	-	-	-	-
Lost library book	154	-	52	150	-	56	-	56
Lost Textbooks	-	-	9	9	-	-	-	-
Pre-school fees	-	-	169	169	-	-	-	-
Social	1,734	-	1,598	1,410	-	1,922	-	1,922
Special services	118	-	-	-	-	118	-	118
Teaching supplies	2,730	-	1,099	3,040	-	789	-	789
Teacher foundation	4,390	-	6,900	-	-	11,290	-	11,290
Textbook	-	-	20,279	20,279	-	-	-	-
Yearbook	724	-	2,913	3,397	-	240	-	240
Subtotal Wanamaker Elementary	16,092	-	37,378	31,918	-	21,552	-	21,552
Auburn Elementary:								
Book fair	203	-	4,165	4,366	-	2	-	2
CheckRite	64	-	23	15	-	72	-	72
Discretionary funds	-	-	235	235	-	-	-	-
Instrument rental	-	-	1,360	1,360	-	-	-	-
Library fines	287	-	139	380	-	46	-	46
Outdoor education area	161	-	-	-	-	161	-	161
Pictures	468	-	-	-	-	468	-	468
School activity	7,482	-	17,494	11,352	-	13,624	-	13,624
Topeka community	136	-	479	479	-	136	-	136
Textbook rental	-	-	20,620	20,620	-	-	-	-
Tutor	339	-	-	-	-	339	-	339
Yearbook	-	-	3,788	3,788	-	-	-	-
Subtotal Auburn Elementary	9,140	-	48,303	42,595	-	14,848	-	14,848
Indian Hills Elementary:								
FD Money	15	-	-	-	-	15	-	15
Grants and gifts	780	-	-	-	-	780	-	780
Hospitality	4	-	-	-	-	4	-	4
Instrument rental	-	-	280	280	-	-	-	-
Library	992	-	8,733	9,367	-	358	-	358
Lost books	673	-	143	21	-	795	-	795
School activity	5,943	-	18,343	11,751	-	12,535	-	12,535
Subtotal forward	\$ 8,407	\$ -	\$ 27,499	\$ 21,419	\$ -	\$ 14,487	\$ -	\$ 14,487

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

DISTRICT ACTIVITY FUNDS

STATEMENT OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
(Continued)

Year Ended June 30, 2012

Funds	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Transfers	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances Accounts Payable	Ending Cash Balances
Subtotal forward	\$ 8,407	\$ -	\$ 27,499	\$ 21,419	\$ -	\$ 14,487	\$ -	\$ 14,487
Rebate	-	-	15	15	-	-	-	-
Textbook	-	-	31,735	31,735	-	-	-	-
Sales Tax	36	-	-	-	-	36	-	36
Pictures	991	-	-	-	-	991	-	991
Yearbook	942	-	4,999	4,394	-	1,547	-	1,547
Subtotal Indian Hills Elementary	10,376	-	64,248	57,563	-	17,061	-	17,061
Jay Shideler Elementary:								
Author	148	-	412	513	-	47	-	47
Book fair	532	-	5,796	5,738	-	590	-	590
Book rental	-	-	23,486	23,486	-	-	-	-
Collection fees	-	-	23	23	-	-	-	-
Consumables	767	-	299	270	-	796	-	796
Foundation grant money	390	-	583	560	-	413	-	413
Gym Rental	-	-	25	-	-	25	-	25
Hospitality	420	-	710	963	-	167	-	167
Incentives	152	-	-	-	-	152	-	152
Instrument rental	-	-	1,565	1,475	-	90	-	90
Joint author	8,014	-	1,436	2,953	-	6,497	-	6,497
K-3 science funds	114	-	240	-	-	354	-	354
Lost books	218	-	85	11	-	292	-	292
Pictures	5,005	-	(91)	2,025	-	2,889	-	2,889
Principal's office	68	-	-	-	-	68	-	68
School activity	8,273	-	5,914	5,117	-	9,070	-	9,070
Student field trips	888	-	4,617	3,686	-	1,819	-	1,819
Yearbook	4,288	-	5,361	7,305	-	2,344	-	2,344
Subtotal Jay Shideler Elementary	\$ 29,277	\$ -	\$ 50,461	\$ 54,125	\$ -	\$ 25,613	\$ -	\$ 25,613

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

DISTRICT ACTIVITY FUNDS

STATEMENT OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
(Continued)

Year Ended June 30, 2012

Funds	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Transfers	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances Accounts Payable	Ending Cash Balances
Farley Elementary:								
Early childhood fee	\$ -	\$ -	\$ 4,698	\$ 4,701	\$ -	\$ (3)	\$ -	\$ (3)
Fall Pictures	-	-	602	-	-	602	-	602
Instrument rental	-	-	475	470	(5)	-	-	-
Textbook rental	-	-	25,717	25,717	-	-	-	-
Teaching supplies	-	-	13	-	-	13	-	13
Recoveries	-	-	45	45	-	-	-	-
Book fair	700	-	266	967	-	(1)	-	(1)
Damaged/lost library books	-	-	209	209	-	-	-	-
Yearbook	410	-	266	410	-	266	-	266
Grants	14	-	6,580	5,031	-	1,563	-	1,563
Student field trips	32	-	1,852	1,819	-	65	-	65
Mary Ogle	216	-	-	-	-	216	-	216
Student Council	-	-	241	-	-	241	-	241
Petty cash	712	-	1,831	1,858	-	685	-	685
Subtotal Farley Elementary	2,084	-	42,795	41,227	(5)	3,647	-	3,647
Student deposits for lunches:								
Washburn Rural High	(1,091)	-	264,931	263,567	(274)	(1)	-	(1)
Washburn Rural Middle	1	-	98,671	99,004	333	1	-	1
Pauline South Intermediate	-	-	28,328	28,538	210	-	-	-
Pauline Central Elementary	(1)	-	34,733	34,811	78	(1)	-	(1)
Wanamaker Elementary	1	-	42,012	42,012	-	1	-	1
Auburn Elementary	-	-	49,788	49,788	-	-	-	-
Indian Hills Elementary	-	-	71,653	71,653	-	-	-	-
Jay Shideler Elementary	-	-	55,253	55,253	-	-	-	-
Farley Elementary	-	-	53,704	53,704	-	-	-	-
Total student deposits for lunches	(1,090)	-	699,073	698,330	347	-	-	-
Total all funds	\$ 209,825	\$ -	\$ 1,394,658	\$ 1,416,133	\$ 2,028	\$ 190,378	\$ -	\$ 190,378

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2012

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number
<u>United States Department of Agriculture:</u>	
Passed through Kansas State Department of Education:	
Child Nutrition Cluster:	
School Breakfast program	10.553
National School Lunch program	10.555
Summer Food Service Program for Children	10.559
Total Child Nutrition Cluster	
Team Nutrition Training	10.574
Total United States Department of Agriculture	
<u>United States Department of Education:</u>	
Passed through Kansas State Department of Education:	
Title I Cluster:	
Title I, financial assistance to meet special educational needs of disadvantaged children, 2010 - 2011	84.010
Title I, financial assistance to meet special educational needs of disadvantaged children, 2011 - 2012	84.010
Total Title I Cluster	
Special Education Cluster:	
Continuous Improvement, 2009 - 2010	84.027
Continuous Improvement, 2010 - 2011	84.027
Continuous Improvement, 2011 - 2012	84.027
Title VI-B, assistance to state for education of handicapped children, 2011-2012	84.027
Title VI-B, IDEA	84.027
Early childhood, 2010 - 2011	84.173
Early childhood, 2011 - 2012	84.173
Total Special Education Cluster	
Educational Technology State Grants Cluster:	
Title II, Technology literacy challenge, 2010 - 2011	84.318
Title II, Technology literacy challenge, 2011 - 2012	84.318
Total Educational Technology State Grants Cluster	
Grants not clustered:	
Carl Perkins Improvement	84.048
Drug-free schools, 2009 - 2010	84.186
Drug-free schools, 2009 - 2010 Reallocation	84.186
Title III, English language acquisition, 2011 - 2012	84.365
Title II, improving teacher quality, 2010 - 2011	84.367
Title II, improving teacher quality, 2011 - 2012	84.367
Education Jobs Fund	84.410
Total grants not clustered	
Total United States Department of Education	
<u>United States Department of Health and Human Services:</u>	
Passed through Kansas State Department of Education:	
Youth Risk Behavior Survey	93.938
<u>United States Department of Homeland Security:</u>	
Passed through Kansas State Adjutant General's Department:	
Hazard Mitigation Grant	97.039
Total federal awards	

See accompanying notes to schedule of expenditures of federal awards.

Amount of Grant Awards	Unencumbered Cash Balance July 1, 2011	Amount Received	Disbursements, Accounts Payable, and Encumbrances	Transfers	Prior-Year Canceled Encumbrances	Unencumbered Cash Balance June 30, 2012
\$ 201,209	\$ -	\$ 201,209	\$ 201,209	\$ -	\$ -	\$ -
984,478	-	984,478	984,478	-	-	-
15,104	-	15,104	15,104	-	-	-
	-	1,200,791	1,200,791	-	-	-
1,025	-	1,025	1,025	-	-	-
	-	1,201,816	1,201,816	-	-	-
456,127	71,525	167,558	239,071	-	-	12
529,228	-	454,000	450,085	-	-	3,915
	71,525	621,558	689,156	-	-	3,927
39,266	7	-	-	-	-	7
45,256	12,746	-	4,651	-	-	8,095
30,900	-	30,900	31,066	-	-	(166)
1,036,900	-	1,036,900	1,036,900	-	-	-
189	-	189	189	-	-	-
41,394	(25,515)	25,465	-	-	50	-
41,324	-	41,324	41,324	-	-	-
	(12,762)	1,134,778	1,114,130	-	50	7,936
4,150	244	-	244	-	-	-
1,544	-	1,544	1,544	-	-	-
	244	1,544	1,788	-	-	-
32,805	-	32,805	32,805	-	-	-
12,846	737	-	634	-	-	103
9,015	-	9,015	9,015	-	-	-
11,013	-	11,013	11,013	-	-	-
133,217	(13,200)	31,032	17,832	-	-	-
111,681	-	111,681	106,398	-	-	5,283
14,206	-	14,206	14,206	-	-	-
	(12,463)	209,752	191,903	-	-	5,386
	46,544	1,967,632	1,996,977	-	50	17,249
400	-	400	400	-	-	-
1,108,219	(75,538)	180,015	219,021	-	-	(114,544)
	\$(28,994)	\$ 3,349,863	\$ 3,418,214	\$ -	\$ 50	\$ (97,295)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS

Year Ended June 30, 2012

1 - General

The accompanying schedule of expenditures of federal awards presents the activity of all federal awards of Auburn-Washburn Unified School District No. 437 (the District). All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule.

2 - Basis of Accounting

The accompanying schedule of expenditures of federal awards is presented using the basis of accounting as described in Note 2 to the District's financial statements.

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2012

I. Summary of auditor's results:

Financial Statements

Type of auditor's report issued	Unqualified – statutory basis Adverse – GAAP basis
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Internal control over financial reporting:

Material weaknesses identified	None
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Significant deficiencies identified that are not considered to be material weaknesses	Significant Deficiency 2009-1
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Noncompliance material to financial statements noted	None
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Federal Awards

Type of auditor's report issued on compliance for major programs	Unqualified for all major programs
---	------------------------------------

Internal control over major programs:

Material weaknesses identified	None
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Significant deficiencies identified that are not considered to be material weaknesses	Findings 2012-1 and 2011-1
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Findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133	Findings 2012-1 and 2011-1
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AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
10.553, 10.555, 10.559	Child Nutrition Cluster
84.027, 84.173	Special Education Cluster
84.010	Title I Cluster

Dollar threshold used to distinguish between type A and type B programs	\$ 300,000
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Auditee qualified as a low-risk auditee	No
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II. Financial Statement Findings

Significant Deficiency 2009-1

Condition – There are inadequate segregation of duties over the cash receipts, cash disbursements, and payroll cycles. Additionally, there are inadequate access controls within the District’s computerized accounting system.

Criteria – Well designed segregation of duties should properly segregate incompatible custody, recording, and authorization duties. Computerized accounting system should help support the segregation of duties put in place by the District’s internal control design by placing limitations on which employees can access certain modules within the accounting system.

Cause – Financial duties have not been properly segregated and access limitations have not been integrated into the computerized accounting system.

Effect – Inadequate segregation of duties increases the opportunities for potential financial statement misstatements due to either fraud or error. Internal controls may be bypassed by inadequate controls within the computerized accounting system increasing the necessity for mitigating controls.

Recommendation –We recommend that additional mitigating controls be developed to reduce the increased likelihood of misstatements due to error or fraud that results from inadequate segregation of duties and access controls within the District’s accounting system.

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Management's Response/Corrective Action Plan (Unaudited) – Management is aware of the segregation of duties concern and is taking steps to address it. Due to the small number of staff, the Business Office management is developing procedures to reduce the possibility of misstatement. Certain duties have been divided between staff to create better segregation duties. Regarding payroll timekeeping, management has started shifting some of the data entry duties to other departments and schools to improve accountability. Additionally, certain controls have been put into place requiring a review and signature of certain transactions and reconciliations.

III. Findings and Questioned Costs for Federal Awards

Finding 2012-1 - Significant Deficiency (formerly numbered Finding 2010-1)

Federal Program – Child Nutrition Cluster (CFDA No. 10.553, 10.555, 10.559) United States Department of Agriculture passed through the Kansas State Department of Education, All Open Grant Awards; Title I Cluster (CFDA No. 84.010), United States Department of Education passed through the Kansas State Department of Education, All Open Grant Awards.

Compliance Requirement – Suspension and debarment

Condition – The District did not verify that vendors awarded contracts were not on the Excluded Parties List System.

Criteria – According to 2 CFR 180, the District must ensure that entities are not suspended or debarred when a contract is awarded that is expected to equal or exceed \$ 25,000.

Cause – The District was aware of the requirement but had not developed a process to verify if school nutrition vendors were suspended or debarred parties.

Effect – The District could enter into a contract or vendor relationship with a suspended or debarred party.

Questioned Costs – None.

Recommendation – The District should verify all vendors awarded bids are not on the Excluded Parties List System or should include language in their bid contracts to obligate vendors to disclose their status concerning eligibility to receive contracts for federal funds.

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Management's Response/Corrective Action Plan (Unaudited) – Management is aware of the situation and has implemented procedures during the 2012-13 fiscal year to ensure that all contracts in excess of \$25,000 are verified to guarantee the vendor awarded the contract is not on the Excluded parties List System.

Finding No. 2011-1 - Significant Deficiency

Federal Programs – Child Nutrition Cluster (CFDA No. 10.553, 10.555, 10.559), United States Department of Agriculture passed through the Kansas State Department of Education, All Open Grant Awards; Title I Cluster (CFDA No. 84.010), United States Department of Education passed through the Kansas State Department of Education, All Open Grant Awards; Special Education Cluster (CFDA Nos. 84.027 and 84.173), United States Department of Education passed through the Kansas State Department of Education, All Open Grant Awards.

Compliance Requirement – Activities Allowed or Unallowed and Allowable Costs/Cost Principles

Condition – As indicated in the following breakout by federal award, there was no evidence of approval of timesheets for those employees who use a swipe card to enter their hours in the payroll system.

- Child Nutrition Cluster – 23 of the 26 payroll items selected for testing
- Title I Cluster – 8 of the 41 payroll items selected for testing
- Special Education Cluster – 11 of the 60 payroll items selected for testing

Criteria – Proper approval of key controls over the allocation of payroll to a federal award is essential. Salaries and related expenditures are routine costs for these three federal awards.

Cause – The use of swipe cards in the federal award payroll process is relatively new to the District and the District has not implemented adequate controls over this process yet.

Effect – Without proper approval of the timesheets for employees using a swipe card, unallowed payroll costs could be allocated to the District.

Questioned Costs – Unknown.

Recommendation – The District should implement controls to ensure all time allocated to the federal awards for employees who use a swipe card is properly approved prior to the allocation to a federal award and to maintain the necessary documentation to support the allocation.

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Management's Response/Corrective Action Plan (Unaudited) – Management is aware of the need to have adequate controls in place to provide for supervisor approval of time reported by employees. The electronic system was put in place recently in recent years, and procedures were not put into place for approvals when the system was implemented. Management has developed procedures for timekeeping entry and approvals and has begun implementing those procedures with several departments and schools in the district. The intent is to have this process implemented for all departments and locations by the beginning of the 2013-14 fiscal year.

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2012

Significant Deficiency 2009-1

Condition – There are inadequate segregation of duties over the cash receipts, cash disbursements, and payroll cycles. Additionally, there are inadequate access controls within the District's computerized accounting system.

Cause – Financial duties have not been properly segregated and access limitations have not been integrated into the computerized accounting system.

Criteria – Well designed segregation of duties should properly segregate incompatible custody, recording, and authorization duties. Computerized accounting system should help support the segregation of duties put in place by the District's internal control design by placing limitations on which employees can access certain modules within the accounting system.

Effect – Inadequate segregation of duties increases the opportunities for potential financial statement misstatements due to either fraud or error. Internal controls may be bypassed by inadequate controls within the computerized accounting system increasing the necessity for mitigating controls.

Recommendation –We recommend that additional mitigating controls be developed to reduce the increased likelihood of misstatements due to error or fraud that results from inadequate segregation of duties and access controls within the District's accounting system.

Management's Response/Corrective Action Plan (Unaudited) – Management is aware of the segregation of duties and is taking steps to address the concern. Due to the small number of staff, the Business Office management is developing procedures to reduce the possibility of misstatement. Certain duties have been divided between staff to create better segregation duties. Additionally, certain controls have been put into place requiring a review and signature of certain transactions and reconciliations.

Follow-Up – This comment will be repeated in the current year.

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS
(Continued)

Finding No. 2011-1 - Significant Deficiency

Federal Programs – Child Nutrition Cluster (CFDA No. 10.553, 10.555), United States Department of Agriculture passed through the Kansas State Department of Education, All Open Grant Awards; Title I Cluster (CFDA Nos. 84.010 and 84.389 (ARRA)), United States Department of Education passed through the Kansas State Department of Education, All Open Grant Awards; Special Education Cluster (CFDA Nos. 84.027, 84.173, 84.391 (ARRA) and 84.392 (ARRA)), United States Department of Education passed through the Kansas State Department of Education, All Open Grant Awards.

Compliance Requirement – Allowable Costs/Cost Principles

Condition – As indicated in the following breakout by federal award, there was no evidence of approval of timesheets for those employees who use a swipe card to enter their hours in the payroll system.

- Child Nutrition Cluster – 24 of the 28 payroll items selected for testing
- Title I Cluster – 7 of the 37 payroll items selected for testing
- Special Education Cluster – 35 of the 51 payroll items selected for testing

Criteria – Proper approval of key controls over the allocation of payroll to a federal award is essential. Salaries and related expenditures are routine costs for these three federal awards.

Cause – The use of swipe cards in the federal award payroll process is relatively new to the District and the District has not implemented adequate controls over this process yet.

Effect – Without proper approval of the timesheets for employees using a swipe card, unallowed payroll costs could be allocated to the District.

Questioned Costs – Unknown.

Recommendation – The District should implement controls to ensure all time allocated to the federal awards for employees who use a swipe card is properly approved prior to the allocation to a federal award and to maintain the necessary documentation to support the allocation.

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS
(Continued)

Management's Response/Corrective Action Plan (Unaudited) – Management is aware of the need to have adequate controls in place to provide for supervisor approval of time reported by employees. The electronic system was put in place recently in recent years, and procedures were not put into place for approvals when the system was implemented. Management will develop and implement procedures for timekeeping approvals.

Follow-Up – This comment will be repeated in the current year.

Finding 2010-1 - Significant Deficiency

Federal Program – Child Nutrition Cluster (CFDA No. 10.553, 10.555) United States Department of Agriculture passed through the Kansas State Department of Education; Hazard Mitigation Grant (CFDA No. 97.039) United States Department of Homeland Security passed through Kansas State Adjutant General's Department

Compliance Requirement – Procurement, suspension and debarment

Condition – During the District's procurement process, the District did not verify that vendors awarded contracts were not on the Excluded Parties List System.

Criteria – In accordance with OMB Circular A-102, the District is required to ensure that vendors are not suspended or debarred.

Cause – The District was aware of the requirement but had not developed a process to verify if school nutrition vendors were suspended or debarred parties.

Effect – The District could enter into a contract or vendor relationship with a suspended or debarred party.

Questioned Costs – Unknown

Recommendation – The District should verify all vendors awarded bids are not on the Excluded Parties List System and should include language in their bid contracts to obligate vendors to disclose their status concerning eligibility to receive contracts for federal funds.

Management's Response/Corrective Action Plan (Unaudited) – Management is aware of the situation and will implement procedures to ensure that all contracts in excess of \$ 25,000 are verified to guarantee the vendor awarded the contract is not on the Excluded Parties List System.

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONED COSTS
(Continued)

Follow-Up – This comment will be repeated in the current year as a component of Finding 2012-1.

Finding 2010-2 - Significant Deficiency

Federal Program – Title I Cluster (CFDA Nos. 84.010, 84.389 (ARRA)) United States Department of Education passed through the Kansas State Department of Education, All open awards; Special Education Cluster (CFDA Nos. 84.027, 84.173, 84.391 (ARRA), 84.392 (ARRA)) United States Department of Education passed through the Kansas State Department of Education All open grant awards.

Compliance Requirement – Cash management

Condition – During the District's reporting process, the District did not maintain readily available supporting documentation for the reports submitted for drawdowns of federal funds.

Cause – The District did not have the support for the reports in an accessible system or supporting report that could be recalled at a later date.

Criteria – In accordance with OMB Circular A-110, the District is required to maintain supporting documentation for the financial reports that are submitted for reimbursement.

Effect – The District could request funds for expenditures that have already been claimed for reimbursement.

Questioned Costs – Unknown

Recommendation – The District should maintain records of the reports used to prepare all financial reports for federal programs.

Management's Response/Corrective Action Plan (Unaudited) – Management has implemented procedures to retain supporting documentation for reports submitted for drawdown of federal funds.

Follow-Up – This finding is resolved.



BERBERICH TRAHAN & CO., P.A.
Certified Public Accountants

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

Board of Education
Auburn-Washburn Unified School District No. 437:

We have audited the financial statement of Auburn-Washburn Unified School District No. 437 (the District) as of and for the year ended June 30, 2012, and have issued our report thereon dated November 26, 2012. Our report contained an adverse opinion because the financial statements were presented 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 standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as Finding 2009-1 that we consider to be a significant deficiency in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

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

We noted certain matters that we reported to management of the District in a separate letter dated November 26, 2012.

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the District's response and, accordingly, we express no opinion on it.

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

Berberich Trahan & Co., P.A.

November 26, 2012



BERBERICH TRAHAN & CO., P.A.
Certified Public Accountants

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

Board of Education
Auburn-Washburn Unified School District No. 437:

Compliance

We have audited Auburn-Washburn Unified School District No. 437's (the District) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2012. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as Finding 2012-1 and Finding 2011-1.

Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as Finding 2012-1 and Finding 2011-1. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the District's responses and, accordingly, we express no opinion on the responses.

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

Berberich Trahan & Co., P.A.

November 26, 2012