

**UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS**

FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2011

**UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS**

Fiscal Year Ended June 30, 2011

TABLE OF CONTENTS

	<u>Page Number</u>
Independent Auditor's Report.....	1 - 2
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	3 - 4
Independent Auditor's Report on Compliance with Requirements That Could Have a Direct Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133	5 - 6

FINANCIAL SECTION

Statement 1	Summary of Cash Receipts, Expenditures and Unencumbered Cash.....	7
Statement 2	Summary of Expenditures - Actual and Budget.....	8
Statement 3	Statement of Cash Receipts and Expenditures - Actual and Budget	

GENERAL OPERATING FUNDS

3-1	General Fund.....	9 - 11
3-2	Supplemental General Fund.....	12 - 13

SPECIAL REVENUE FUNDS

3-3	At Risk (4 Year Old) Fund	14
3-4	At Risk (K-12) Fund	15
3-5	Bilingual Education Fund	16
3-6	Capital Outlay Fund	17
3-7	Carl Perkins Fund.....	18
3-8	Charter School Fund.....	19
3-9	Contingency Reserve Fund	20
3-10	Driver Training Fund	21
3-11	Drug Free Schools Fund	22
3-12	Early Childhood Passthrough Fund	23
3-13	Food Service Fund	24
3-14	Head Start Program Fund	25 - 26
3-15	Professional Development Fund	27

**UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS**

Fiscal Year Ended June 30, 2011

TABLE OF CONTENTS

	<u>Page Number</u>
<u>SPECIAL REVENUE FUNDS (CONT.)</u>	
3-16 Parent Education Fund	28
3-17 Recreation Commission Fund	29
3-18 Recreation Commission Employee Benefits Fund	30
3-19 Special Assessments Fund	31
3-20 Special Education Fund	32
3-21 Special Education Cooperative Fund	33 - 34
3-22 Sunflower Grant Fund	35
3-23 Textbook/Student Materials Revolving Fund	36
3-24 Title I Fund	37
3-25 Title IIA Teacher Quality Fund	38
3-26 Title IID Educational Technology Fund	39
3-27 Title IV Higher Education Act Fund	40
3-28 Title VI-B Discretionary Fund	41
3-29 Title VI-B Passthrough Fund	42
3-30 Vocational Education Fund	43
3-31 KPERs Special Retirement Contribution Fund	44
3-32 AP Grant Fund	45
3-33 Gifts and Grants Fund	46
<u>DEBT SERVICE FUND</u>	
3-34 Bond and Interest Fund	47
Statement 4 Discretely Presented Component Unit – McPherson USD 418 Education Fund	48
Statement 5 Statement of Cash Receipts and Cash Disbursements - Student Organization Funds	49
Statement 6 Statement of Cash Receipts and Expenditures – Gate Receipt Funds	50
Notes to the Financial Statements	51 - 61
<u>OTHER SUPPLEMENTAL INFORMATION</u>	
Schedule 1 Schedule of Expenditures of Federal Awards	62
Schedule 2 Summary Schedule of Prior Audit Findings	63
Schedule 3 Schedule of Findings and Questioned Costs	64 - 67



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INDEPENDENT AUDITOR'S REPORT

The Board of Education
Unified School District Number 418
McPherson, KS 67460

We have audited the accompanying financial statements of Unified School District Number 418, McPherson, Kansas, as of and for the year ended June 30, 2011. These financial statements are the responsibility of Unified School District Number 418's management. Our responsibility is to express an opinion on these special financial statements based on our audit. The prior year partial (and summarized) comparative information has been derived from the District's 2010 financial statements and, in our report dated September 8, 2010.

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

As described in Note 1, Unified School District Number 418, McPherson, Kansas, prepares its financial statements in conformity with the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District Number 418, McPherson, Kansas, as of June 30, 2011, or changes in financial position for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of Unified School District Number 418, McPherson, Kansas, as of June 30, 2011, and its cash receipts and expenditures, and budgetary comparisons for the year then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 19, 2011 on our consideration of the Unified School District Number 418's internal control over financial reporting and 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 statements that collectively comprise Unified School District Number 418, McPherson, Kansas' financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is not a required part of the financial statements of Unified School District Number 418, McPherson, Kansas. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole, on the basis of accounting described in Note 1.

Swindoll, Janzen, Hawk & Loyd, LLC

Swindoll, Janzen, Hawk & Loyd, LLC

September 19, 2011



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**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
Unified School District Number 418
McPherson, Kansas

We have audited the financial statements of the Unified School District Number 418 as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements and have issued our report thereon dated September 19, 2011. 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, and the *Kansas Municipal Auditing Guide*.

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 opinions 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

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 District's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the 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 certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting (11-01 and 11-02). 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 September 19, 2011.

The District's response to the findings 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 management, Board of Education, 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.

Swindoll, Janzen, Hawk & Loyd, LLC

Swindoll Janzen Hawk & Loyd, LLC

September 19, 2011



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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
Unified School District Number 418
McPherson, Kansas

Compliance

We have audited the compliance of the Unified School District Number 418 with the types of compliance requirements described in the OMB Circular A-133 *Compliance Supplement* that could have a direct and material effect on the District's major federal programs for the year ended June 30, 2011. 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 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, 2011. 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 accompany schedule of findings and questioned costs as item 11-03.

Internal Control Over Compliance

Management of the Unified School District Number 418 is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine our 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 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* 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.

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 management, Board of Education, 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.

Swindoll, Janzen, Hawk & Loyd, LLC

Swindoll Janzen Hawk & Loyd, LLC

September 19, 2011

**UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS**

SUMMARY OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
For the Year Ended June 30, 2011

Fund	Beginning	Cash	Expenditures	Ending	Add	Ending
	Unencumbered			Unencumbered		
	Cash	Receipts		Cash	Encumbrances	Balance
	Balance			Balance	and Accounts	Balance
	7-1-10			6-30-11	Payable	6-30-11
GOVERNMENTAL TYPE FUNDS:						
GENERAL OPERATING FUNDS						
General Fund	\$ (349,732)	\$ 13,459,979	\$ 13,357,847	\$ (247,600)	\$ 737,078	\$ 489,478
Supplemental General Fund	74,455	4,646,250	4,404,468	316,237	49	316,286
SPECIAL REVENUE FUNDS						
At Risk (4 Year Old) Fund	-	100,000	100,000	-	-	-
At Risk (K-12) Fund	254,967	1,100,000	982,007	372,960	4,385	377,345
Bilingual Education Fund	-	47,957	47,957	-	-	-
Capital Outlay Fund	2,609,370	2,312,401	2,611,482	2,310,289	989,979	3,300,268
Carl Perkins Fund	930	15,368	14,695	1,603	-	1,603
Charter School Fund	-	-	-	-	-	-
Contingency Reserve Fund	567,646	39,025	48,279	558,392	-	558,392
Driver Training Fund	-	-	-	-	-	-
Drug Free Schools Fund	2	-	2	-	-	-
Early Childhood Passthrough Fund	1,042	48,316	49,358	-	-	-
Food Service Fund	36,002	1,071,646	1,087,923	19,725	-	19,725
Head Start Program Fund	-	1,075,147	1,075,147	-	26,896	26,896
Professional Development Fund	80,207	221,536	65,859	235,884	-	235,884
Parent Education Fund	-	-	-	-	-	-
Recreation Commission Fund	2,828	1,058,943	1,050,000	11,771	-	11,771
Recreation Commission Employee Benefits Fund	-	182	182	-	-	-
Special Assessments Fund	35,573	67,599	87,274	15,898	-	15,898
Special Education Fund	1,132,420	3,405,600	3,216,787	1,321,233	-	1,321,233
Special Education Cooperative Fund	289,981	7,106,743	6,560,973	835,751	5,624	841,375
Sunflower Grant Fund	-	10,350	10,350	-	-	-
Textbook/Student Material Revolving Fund	370,769	371,995	322,756	420,008	173,699	593,707
Title I Fund	-	285,601	285,601	-	629	629
Title IIA Teacher Quality Fund	-	77,004	77,004	-	-	-
Title IID Educational Technology Fund	-	745	745	-	20	20
Title IV Higher Education Act Fund	-	-	-	-	-	-
Title VI-B Discretionary Fund	50	38,385	38,435	-	-	-
Title VI-B Passthrough Fund	-	1,426,032	1,426,032	-	-	-
Vocational Education Fund	-	427,673	427,673	-	16,971	16,971
KPERS Special Retirement Contribution Fund	(616,099)	1,651,260	1,035,161	-	-	-
AP Grant Fund	11,200	-	11,200	-	540	540
Grants and Gifts Fund	72,815	111,696	128,276	56,235	3,269	59,504
Gate Receipt Funds	68,056	297,564	316,859	48,761	-	48,761
DEBT SERVICE FUND						
Bond and Interest Fund	1,872,157	1,032,153	1,198,382	1,705,928	-	1,705,928
Total Reporting Entity	6,514,639	41,507,150	40,038,714	7,983,075	1,959,139	9,942,214
DISCRETELY PRESENTED COMPONENT UNIT						
McPherson USD 418 Education Fund	299,296	81,517	25,274	355,539	-	355,539
Total (Excluding Agency Funds)	\$ 6,813,935	\$ 41,588,667	\$ 40,063,988	\$ 8,338,614	\$ 1,959,139	\$ 10,297,753
COMPOSITION OF CASH:						
Board Money Market Checking Account						\$ 243,283
Board Money Market Savings Account						581,439
Activity Funds Account - High School Checking						77,056
Activity Funds Account - Middle School Checking						8,672
Lincoln Petty Cash Checking						500
Roosevelt Petty Cash Checking						500
Washington Petty Cash Checking						500
CKAVTS Petty Cash						500
Head Start Petty Cash						500
Eisenhower Petty Cash						500
Activity Funds Account - High School Cash on Hand						25
Board Petty Cash Checking						1,500
Investments - Municipal Investment Pool						9,062,206
Activity Funds Account - High School Certificates of Deposit						24,444
Total Cash						10,001,625
Agency Funds per Statement 5						(59,411)
Total (Excluding Agency Funds)						9,942,214
McPherson USD 418 Education Fund Cash and Investments						355,539
Total Reporting Entity						<u>\$ 10,297,753</u>

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

UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
(Budgeted Funds Only)
For the Year Ended June 30, 2011

<u>Fund</u>	<u>Certified Budget</u>	<u>Adjustment to Comply With Legal Max</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Favorable (Unfavorable)</u>
GOVERNMENTAL TYPE FUNDS:						
GENERAL OPERATING FUNDS						
General Fund	\$ 13,602,285	\$ (244,438)	\$ -	\$ 13,357,847	\$ 13,357,847	\$ -
Supplemental General Fund	4,444,099	(39,631)	-	4,404,468	4,404,468	-
SPECIAL REVENUE FUNDS						
At Risk (4 Year Old) Fund	125,000	-	-	125,000	100,000	25,000
At Risk(K-12) Fund	1,604,967	-	-	1,604,967	982,007	622,960
Bilingual Education Fund	55,000	-	-	55,000	47,957	7,043
Capital Outlay Fund	3,365,000	-	-	3,365,000	2,611,482	753,518
Driver Training Fund	-	-	-	-	-	-
Food Service Fund	1,338,172	-	-	1,338,172	1,087,923	250,249
Professional Development Fund	100,207	-	-	100,207	65,859	34,348
Parent Education Fund	-	-	-	-	-	-
Recreation Commission Fund	1,050,000	-	-	1,050,000	1,050,000	-
Recreation Commission Employee Benefits Fund	5,128	-	-	5,128	182	4,946
Special Education Fund	3,627,752	-	-	3,627,752	3,216,787	410,965
Special Education Cooperative Fund	9,415,609	-	-	9,415,609	6,560,973	2,854,636
Summer School Fund	-	-	-	-	-	-
Vocational Education Fund	598,000	-	-	598,000	427,673	170,327
KPERS Special Retirement Contribution Fund	1,318,669	-	-	1,318,669	1,035,161	283,508
DEBT SERVICE FUND						
Bond and Interest Fund	1,198,383	-	-	1,198,383	1,198,382	1
Total	\$ 41,848,271	\$ (284,069)	\$ -	\$ 41,564,202	\$ 36,146,702	\$ 5,417,500

**UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS**

GENERAL OPERATING FUND

GENERAL FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Taxes and Shared Revenue -				
Ad valorem property tax:				
Prior year	\$ 62,244	\$ 49,683	\$ 46,523	\$ 3,160
Current year	2,877,662	2,909,038	2,660,558	248,480
Delinquent	28,852	21,391	45,064	(23,673)
Mineral production tax	226	734	-	734
State aid	7,499,254	7,512,524	7,724,089	(211,565)
Federal aid - ARRA	596,286	221,066	221,066	-
Federal aid - Education Jobs	-	387,085	387,085	-
Special education aid	2,514,891	2,358,458	2,273,462	84,996
Total Cash Receipts	13,579,415	13,459,979	\$ 13,357,847	\$ 102,132
Expenditures:				
Instruction -				
Certified salaries	4,637,412	4,531,294	\$ 3,913,800	\$ (617,494)
Certified salaries - ARRA	333,623	221,066	228,833	7,767
Certified salaries - Education Jobs	-	387,085	387,085	-
Non-certified salaries	301,071	368,862	359,650	(9,212)
Insurance	449,974	(118,664)	508,471	627,135
Social security	397,434	394,332	397,434	3,102
Other employee benefits	118,251	130,464	120,000	(10,464)
Property and equipment	-	-	356,955	356,955
Purchased professional services	6,794	5,413	6,500	1,087
Other purchased services	197,905	189,927	5,000	(184,927)
Supplies	256,098	92,179	250,000	157,821
Textbooks	1,486	-	8,000	8,000
Miscellaneous supplies	316	209	3,000	2,791
Student Support Services -				
Certified salaries	240,066	290,512	521,001	230,489
Certified salaries - ARRA	50,348	-	-	-
Non-certified salaries	76,942	89,328	79,400	(9,928)
Insurance	26,151	32,956	29,551	(3,405)
Social security	26,671	29,361	30,000	639
Other employee benefits	3,050	3,202	4,400	1,198
Purchased professional services	46	-	100	100
Other purchased services	559	258	650	392
Supplies	11,309	48,354	11,000	(37,354)
Property and equipment	2,061	1,687	400	(1,287)
Instruction Support Staff -				
Certified salaries	299,090	296,151	403,543	107,392
Certified salaries - ARRA	31,111	-	-	-
Non-certified salaries	78,225	173,528	161,797	(11,731)
Insurance	49,620	46,193	57,871	11,678
Social security	35,955	31,963	41,850	9,887
Other employee benefits	3,793	3,419	4,588	1,169
Purchased professional services	46	-	75	75
Other purchased services	21,281	22,533	48,000	25,467
Supplies	11,134	9,937	519	(9,418)
Books and periodicals	22,696	7,021	22,500	15,479
Audio visual/instructional software	8,587	9,728	10,000	272
Equipment	6,060	44,188	20,010	(24,178)

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

UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS

GENERAL OPERATING FUND

GENERAL FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	2011			Variance Favorable (Unfavorable)
	2010 Actual	Actual	Budget	
Expenditures (cont.):				
General Administration -				
Certified salaries	\$ 178,158	\$ 200,819	\$ 212,604	\$ 11,785
Certified salaries - ARRA	29,445	-	-	-
Non-certified salaries	(13,870)	67,956	69,999	2,043
Insurance	16,081	18,220	18,171	(49)
Social security	17,117	16,990	17,498	508
Other employee benefits	2,455	1,842	2,500	658
Purchased professional services	45,094	39,411	45,000	5,589
Communication services	7,053	7,943	6,321	(1,622)
Other purchased services	8,016	22,664	11,679	(10,985)
Supplies	55,521	29,560	49,499	19,939
Property and equipment	5,592	466	5,500	5,034
Other miscellaneous expenditures	25,400	26,610	25,000	(1,610)
School Administration -				
Certified salaries	474,974	590,081	626,730	36,649
Certified salaries - ARRA	151,759	-	-	-
Non-certified salaries	128,709	273,542	272,427	(1,115)
Insurance	77,166	74,738	87,198	12,460
Social security	62,031	60,507	62,000	1,493
Other employee benefits	7,152	6,701	7,000	299
Purchased professional services	8,665	5,456	8,000	2,544
Communication services	8,848	8,461	8,000	(461)
Other purchased services	300	1,278	300	(978)
Supplies	5,226	10,608	8,200	(2,408)
Other	-	(75)	-	75
Operations and Maintenance -				
Other employee benefits	3,525	1,023	3,500	2,477
Repairs and maintenance	1,315	3,775	17,000	13,225
Rentals	11,551	-	-	-
Other	2,535	2,212	2,500	288
General supplies	946	-	-	-
Other miscellaneous expenditures	38	51	1,500	1,449
Student Transportation Services/Supervision -				
Non-certified salaries	(11,767)	43,665	31,042	(12,623)
Insurance	5,003	5,913	1,900	(4,013)
Social security	9,081	7,860	2,122	(5,738)
Other employee benefits	6,950	5,544	2,000	(3,544)
Purchased property services	-	-	16,500	16,500
Other purchased services	-	-	55,000	55,000
Supplies	2,115	3,285	48,104	44,819
Equipment	-	-	1,400	1,400

UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS

GENERAL OPERATING FUND

GENERAL FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	2010		2011		Variance Favorable (Unfavorable)
	Actual	Actual	Budget	Actual	
Expenditures (cont.):					
Student Transportation Services/ Vehicle Operating Services -					
Certified salaries	\$ 8,882	\$ 9,339	\$ -	\$ -	(9,339)
Non-certified salaries	22,160	22,145	61,289	61,289	39,144
Insurance	1,838	1,950	5,653	5,653	3,703
Social security	2,122	2,118	9,100	9,100	6,982
Other employee benefits	1,903	1,906	7,000	7,000	5,094
Rent of vehicles	16,900	14,300	-	-	(14,300)
Other purchased services	49,691	44,154	-	-	(44,154)
General supplies	203	75	2,500	2,500	2,425
Motor fuel	48,104	51,200	-	-	(51,200)
Equipment	838	1,006	-	-	(1,006)
Student Transportation Services/ Vehicle & Maintenance Services -					
Other purchased services	-	-	29,500	29,500	29,500
Supplies	29,500	37,803	-	-	(37,803)
Other Student Transportation Services					
Non-certified salaries	-	-	5,847	5,847	5,847
Insurance	-	-	20	20	20
Social security	-	-	500	500	500
Other employee benefits	-	-	100	100	100
Other Support Services -					
Non-certified salaries	5,886	-	-	-	-
Insurance	12	-	-	-	-
Social security	437	-	-	-	-
Other employee benefits	47	-	-	-	-
Transfer to At Risk (4 Year Old) Fund	43,101	100,000	100,000	100,000	-
Transfer to At Risk (K-12) Fund	1,039,131	925,000	1,100,000	1,100,000	175,000
Transfer to Bilingual Fund	45,949	47,957	45,000	45,000	(2,957)
Transfer to Capital Outlay Fund	510,813	887,089	-	-	(887,089)
Transfer to Contingency Reserve Fund	43,000	39,025	-	-	(39,025)
Transfer to Professional Development Fund	80,000	-	-	-	-
Transfer to Parent Education Fund	24,704	-	-	-	-
Transfer to Special Education Fund	2,033,652	2,293,188	2,515,099	2,515,099	221,911
Adjustment to comply with legal max	-	-	(244,438)	(244,438)	(244,438)
Total Expenditures	13,046,222	13,357,847	\$ 13,357,847	\$ -	
Receipts over (under) Expenditures	533,193	102,132			
Unencumbered Cash, Beginning of Year	(882,925)	(349,732)			
Unencumbered Cash, End of Year	\$ (349,732)	\$ (247,600)	*		

* See Note 5 (Statutory Presentation)

UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS

GENERAL OPERATING FUND

SUPPLEMENTAL GENERAL FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Taxes and Shared Revenue -				
Ad valorem property tax:				
Prior year	\$ 73,055	\$ 50,733	\$ 49,038	\$ 1,695
Current year	2,675,017	2,986,837	3,102,186	(115,349)
Delinquent	31,613	23,864	41,931	(18,067)
Motor vehicle tax	284,264	294,488	259,648	34,840
Recreational vehicle tax	5,613	5,620	4,678	942
Federal Aid - ARRA	303,419	-	-	-
Supplemental state aid	820,242	1,284,708	1,129,672	155,036
Total Cash Receipts	4,193,223	4,646,250	\$ 4,587,153	\$ 59,097
Expenditures:				
Instruction -				
Certified salaries	-	-	\$ 303,419	\$ 303,419
Certified salaries - ARRA	303,419	-	-	-
Insurance	-	617,589	-	(617,589)
Purchased property services	25	5,069	-	(5,069)
Supplies	417	1,022	10,000	8,978
Other	-	-	166,899	166,899
Instruction Support Staff -				
Other purchased services	-	(1,800)	-	1,800
Supplies	-	49	-	(49)
General Administration -				
Supplies	10,710	35,564	15,000	(20,564)
Dues and fees	6,634	-	5,000	5,000
Operations and Maintenance -				
Non-certified salaries	1,365,505	827,321	1,342,806	515,485
Insurance	130,994	133,702	130,000	(3,702)
Social security	67,206	61,255	68,045	6,790
Purchased property services	923	1,406	1,000	(406)
Other employee benefits	71,864	68,680	72,000	3,320
Water/sewer	29,110	33,657	29,110	(4,547)
Cleaning services	20,043	24,486	9,500	(14,986)
Repairs and maintenance	72,241	75,380	229,180	153,800
Insurance	-	2,750	-	(2,750)
Other purchased services	104,985	86,831	110,125	23,294
Supplies	125,723	152,768	119,000	(33,768)
Heating	184,639	161,599	184,639	23,040
Motor fuel	16,186	19,519	19,000	(519)
Other	338	204	500	296

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

UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS

GENERAL OPERATING FUND

SUPPLEMENTAL GENERAL FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
Expenditures (cont.):				
Other Supplemental Services -				
Non-certified salaries	\$ 75,963	\$ 76,927	\$ 41,055	\$ (35,872)
Insurance	14,510	9,836	16,395	6,559
Social security	7,375	5,781	7,375	1,594
Other employee benefits	(34,907)	(80,137)	-	80,137
Purchased professional services	23	-	25	25
Other purchased services	6,911	9,824	8,000	(1,824)
Other	-	-	30,000	30,000
Other -				
Special assessments	22,654	22,537	11,395	(11,142)
Transfer to K - 12 At Risk Fund	250,000	175,000	250,000	75,000
Transfer to Professional Development Fund	50,000	221,536	-	(221,536)
Transfer to Parent Education Fund	493	-	-	-
Transfer to Special Education Fund	1,000,000	1,100,000	800,000	(300,000)
Transfer to Vocational Education Fund	376,537	356,113	464,631	108,518
Transfer to Student Material Revolving Fund	-	200,000	-	(200,000)
Adjustment to comply with legal max	-	-	(39,631)	(39,631)
Total Expenditures	<u>4,280,521</u>	<u>4,404,468</u>	<u>\$ 4,404,468</u>	<u>\$ -</u>
Receipts over (under) Expenditures	(87,298)	241,782		
Unencumbered Cash Beginning of Year	<u>161,753</u>	<u>74,455</u>		
Unencumbered Cash, End of Year	<u>\$ 74,455</u>	<u>\$ 316,237</u>	*	

* See Note 5 (Statutory Presentation)

**UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS**

SPECIAL REVENUE FUND

AT RISK (4 YEAR OLD) FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	<u>2010</u> <u>Actual</u>	<u>2011</u>		<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts:				
Transfer from General Fund	\$ 43,101	\$ 100,000	\$ 100,000	\$ -
Expenditures:				
Instruction -				
Certified salaries	24,359	86,201	\$ 40,490	\$ (45,711)
Non-certified salaries	9,894	-	9,894	9,894
Insurance	3,933	7,321	4,444	(2,877)
Social security	199	5,857	199	(5,658)
Other employee benefits	20	621	21	(600)
Other purchased services	-	-	8,868	8,868
Teaching supplies	478	-	500	500
Miscellaneous supplies	4,218	-	4,000	4,000
Other	-	-	56,584	56,584
Total Expenditures	<u>43,101</u>	<u>100,000</u>	<u>\$ 125,000</u>	<u>\$ 25,000</u>
Receipts over (under) Expenditures	-	-		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

**UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS**

SPECIAL REVENUE FUND

AT RISK (K-12) FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Transfer from General Fund	\$ 1,039,131	\$ 925,000	\$ 1,100,000	\$ (175,000)
Transfer from Supplemental General Fund	250,000	175,000	250,000	(75,000)
Transfer from Driver Training Fund	29,983	-	-	-
Total Receipts	1,319,114	1,100,000	\$ 1,350,000	\$ (250,000)
Expenditures:				
Instruction -				
Certified salaries	589,904	585,450	\$ 589,707	\$ 4,257
Non-certified salaries	139,148	106,746	139,147	32,401
Insurance	79,436	67,531	89,763	22,232
Social Security	58,517	45,951	58,517	12,566
Other employee benefits	6,613	5,105	6,613	1,508
Teaching supplies	7,222	2,122	10,200	8,078
Property	-	4,385	-	(4,385)
Other	(73)	-	525,743	525,743
Student Support Services -				
Certified salaries	134,642	141,499	134,642	(6,857)
Non-certified salaries	18,160	-	18,160	18,160
Insurance	14,605	9,705	16,504	6,799
Social Security	12,349	9,456	12,349	2,893
Other employee benefits	1,407	1,115	1,407	292
Instructional Support Staff -				
Certified salaries	2,000	-	2,000	2,000
Insurance	76	-	76	76
Social Security	96	-	96	96
Other employee benefits	7	-	5	5
Other purchased services	38	2,942	38	(2,904)
Total Expenditures	1,064,147	982,007	\$ 1,604,967	\$ 622,960
Receipts over (under) Expenditures	254,967	117,993		
Unencumbered Cash, Beginning	-	254,967		
Unencumbered Cash, Ending	\$ 254,967	\$ 372,960		

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

**UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS**

SPECIAL REVENUE FUND

BILINGUAL EDUCATION FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Transfer from General Fund	\$ 45,949	\$ 47,957	\$ 45,000	\$ 2,957
Expenditures:				
Instruction -				
Certified salaries	38,085	42,819	\$ 38,085	\$ (4,734)
Insurance	4,374	738	4,374	3,636
Social security	2,891	3,252	2,892	(360)
Other employee benefits	1,013	1,212	9,649	8,437
Supplies	(414)	(64)	-	64
Total Expenditures	45,949	47,957	\$ 55,000	\$ 7,043
Receipts over (under) Expenditures	-	-		
Unencumbered Cash, Beginning of Year	-	-		
Unencumbered Cash, End of Year	\$ -	\$ -		

**UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS**

SPECIAL REVENUE FUND

CAPITAL OUTLAY FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Taxes and Shared Revenue -				
Ad valorem property tax:				
Prior year	\$ 29,029	\$ 23,561	\$ 22,363	\$ 1,198
Current year	1,243,643	1,257,456	1,149,159	108,297
Delinquent tax	11,804	10,081	19,495	(9,414)
Motor vehicle tax	103,004	122,231	108,439	13,792
Recreational vehicle tax	2,033	2,328	1,954	374
Interest on idle funds	13,638	9,655	-	9,655
Transfer from General Fund	510,813	887,089	-	887,089
Total Cash Receipts	<u>1,926,730</u>	<u>2,312,401</u>	<u>\$ 1,301,410</u>	<u>\$ 1,010,991</u>
Expenditures:				
Instruction -				
Property and equipment	503,234	530,087	\$ 539,434	\$ 9,347
General Administration -				
Other purchased services	1,000	1,000	5,000	4,000
Supplies	6,600	-	-	-
Property and equipment	152,474	22,469	145,000	122,531
Central Services -				
Property and equipment	20,499	3,392	24,997	21,605
Operations and Maintenance -				
Repairs and maintenance	-	16,066	-	(16,066)
Property and equipment	288,932	119,454	375,000	255,546
Student Transportation Services -				
Property and equipment	-	575	-	(575)
Facilities Acquisition Services -				
Architectural & engineering services	32	3,718	-	(3,718)
Site improvement	92,186	95,190	-	(95,190)
Repair and remodeling buildings	1,692,424	1,819,531	2,025,569	206,038
Other facilities acquisition services	-	-	250,000	250,000
Total Expenditures	<u>2,757,381</u>	<u>2,611,482</u>	<u>\$ 3,365,000</u>	<u>\$ 753,518</u>
Receipts over (under) Expenditures	(830,651)	(299,081)		
Unencumbered Cash, Beginning of Year	<u>3,440,021</u>	<u>2,609,370</u>		
Unencumbered Cash, End of Year	<u>\$ 2,609,370</u>	<u>\$ 2,310,289</u>		

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

**UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS**

SPECIAL REVENUE FUND

CARL PERKINS FUND

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)**

	<u>2010 Actual</u>	<u>2011 Actual</u>
Cash Receipts:		
Special project aid	\$ 15,793	\$ 15,368
Expenditures:		
Instruction - Supplies	<u>15,793</u>	<u>14,695</u>
Receipts over (under) Expenditures	-	673
Unencumbered Cash, Beginning of Year	<u>930</u>	<u>930</u>
Unencumbered Cash, End of Year	<u>\$ 930</u>	<u>\$ 1,603</u>

**UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS**

SPECIAL REVENUE FUND

CHARTER SCHOOL

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	<u>2010 Actual</u>	<u>2011 Actual</u>
Cash Receipts:		
Special project aid	\$ 24,984	\$ -
Expenditures:		
Instruction -		
Certified salaries	21,072	-
Other	3,912	-
School Administration -		
Certified salaries	15,788	-
Total expenditures	40,772	-
Receipts over (under) Expenditures	(15,788)	-
Unencumbered Cash, Beginning of Year	15,788	-
Unencumbered Cash, End of Year	\$ -	\$ -

**UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS**

SPECIAL REVENUE FUND

CONTINGENCY RESERVE FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	<u>2010</u> <u>Actual</u>	<u>2011</u> <u>Actual</u>
Cash Receipts:		
Transfer from General Fund	\$ 43,000	\$ 39,025
Expenditures:		
Instruction -		
Supplies	24,372	38,718
General Administration -		
Other miscellaneous expense	14,928	-
General Administration -		
Supplies	-	9,561
Total expenditures	<u>39,300</u>	<u>48,279</u>
Receipts over Expenditures	3,700	(9,254)
Unencumbered Cash, Beginning of Year	<u>563,946</u>	<u>567,646</u>
Unencumbered Cash, End of Year	<u>\$ 567,646</u>	<u>\$ 558,392</u>

**UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS**

SPECIAL REVENUE FUND

DRIVER TRAINING FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
State aid	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Transfer to At Risk Fund	29,983	-	\$ -	\$ -
Receipts under Expenditures	(29,983)	-		
Unencumbered Cash, Beginning of Year	29,983	-		
Unencumbered Cash, End of Year	\$ -	\$ -		

**UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS**

SPECIAL REVENUE FUND

DRUG FREE SCHOOLS FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	2010 Actual	2011 Actual
Cash Receipts:		
Federal aid	\$ 5,935	\$ -
Expenditures:		
Instruction -		
Purchased professional services	1,008	-
Supplies	(5)	-
General Administration -		
Other purchased services	5,006	2
Total Expenditures	6,009	2
Receipts over (under) Expenditures	(74)	(2)
Unencumbered Cash, Beginning of Year	76	2
Unencumbered Cash, End of Year	\$ 2	\$ -

**UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS**

SPECIAL REVENUE FUND

EARLY CHILDHOOD PASSTHROUGH FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	2010 Actual	2011 Actual
Cash Receipts:		
Federal aid	\$ 27,379	\$ 27,377
Federal aid - ARRA	20,938	20,939
Total Receipts	48,317	48,316
Expenditures:		
Instruction -		
Certified salaries	20,636	28,419
Certified salaries - ARRA	20,938	20,939
Insurance	3,858	-
Social security	2,580	-
Other employee benefits	305	-
Total Expenditures	48,317	49,358
Receipts over (under) Expenditures	-	(1,042)
Unencumbered Cash, Beginning of Year	1,042	1,042
Unencumbered Cash, End of Year	\$ 1,042	\$ -

**UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS**

SPECIAL REVENUE FUND

FOOD SERVICE FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	2010		2011	
	Actual	Actual	Budget	Variance Favorable (Unfavorable)
Cash Receipts:				
Student sales - lunch	\$ 489,691	\$ 517,051	\$ 581,750	\$ (64,699)
Student sales - breakfast	588	573	13,950	(13,377)
Student sales - milk	-	-	4,500	(4,500)
Adult sales - lunch	24,476	25,770	178,150	(152,380)
Adult sales - breakfast	382	470	-	470
Ala carte meals	19,183	14,871	20,000	(5,129)
State aid	9,262	9,751	12,425	(2,674)
Federal aid	439,037	496,073	491,395	4,678
Miscellaneous income	8,245	7,087	-	7,087
Total Cash Receipts	990,864	1,071,646	\$ 1,302,170	\$ (230,524)
Expenditures:				
General Administration -				
Certified salaries	8,882	9,339	\$ -	\$ (9,339)
Insurance	436	474	-	(474)
Social security	645	685	-	(685)
Other employee benefits	70	74	-	(74)
Operations and Maintenance -				
Other	-	-	274,859	274,859
Food Service Operation -				
Certified salaries	-	-	8,885	8,885
Non-certified salaries	357,681	372,306	357,681	(14,625)
Insurance	29,867	43,179	34,242	(8,937)
Social security	25,895	26,621	26,540	(81)
Other employee benefits	25,784	27,970	25,854	(2,116)
Purchased professional services	1,039	2,272	-	(2,272)
Purchased property services	-	2,843	11,346	8,503
Repairs and maintenance	22,765	39,833	30,000	(9,833)
Other purchased services	1,405	1,470	31,765	30,295
Supplies	64,766	53,473	85,000	31,527
Food and milk	416,864	478,182	425,000	(53,182)
Miscellaneous supplies	1,440	1,506	-	(1,506)
Property and equipment	802	27,704	5,000	(22,704)
Other miscellaneous expenditures	48	(8)	22,000	22,008
Total Expenditures	958,389	1,087,923	\$ 1,338,172	\$ 250,249
Receipts over (under) Expenditures	32,475	(16,277)		
Unencumbered Cash, Beginning of Year	3,527	36,002		
Unencumbered Cash, End of Year	\$ 36,002	\$ 19,725		

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

UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS

SPECIAL REVENUE FUND

HEAD START PROGRAM FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	<u>2010</u> <u>Actual</u>	<u>2011</u> <u>Actual</u>
Cash Receipts:		
Federal aid	\$ 1,053,937	\$ 1,075,147
Federal aid - ARRA	62,049	-
Total Receipts	<u>1,115,986</u>	<u>1,075,147</u>
Expenditures:		
Instruction -		
Certified salaries	120,604	271,100
Certified salaries - ARRA	62,049	-
Non-certified salaries	129,715	120,724
Insurance	49,687	34,698
Social security	22,407	19,845
Other employee benefits	3,074	2,694
Other purchased services	696	497
Teaching supplies	27,743	58,112
Purchased professional services	37,164	11,839
Student Support Services -		
Social security	2,075	1,261
Purchased professional services	13,811	7,976
Other purchased services	(16)	50
Supplies	3,910	1,850
Instruction Support Staff -		
Certified salaries	143,997	92,611
Non-certified salaries	11,056	10,741
Insurance	6,343	4,921
Social security	8,872	5,391
Other employee benefits	1,216	747
Other purchased services	13,728	20,392
Supplies	559	708
General Administration -		
Certified salaries	60,075	60,060
Non-certified salaries	33,582	34,478
Insurance	7,738	8,882
Social security	6,253	5,470
Other employee benefits	740	741
Other purchased services	2,486	1,602
Supplies	12,278	3,074
Property and equipment	14,531	9,113
Other	7,815	3,264

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

UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS

SPECIAL REVENUE FUND

HEAD START PROGRAM FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	<u>2010</u> <u>Actual</u>	<u>2011</u> <u>Actual</u>
Expenditures (cont.):		
School Administration -		
Certified salaries	\$ -	\$ 25,197
Insurance	-	1,183
Social security	-	1,514
Other employee benefits	-	161
Other Support Services -		
Non-certified salaries	87,044	79,176
Insurance	14,734	17,654
Social security	6,496	5,330
Other employee benefits	1,132	629
Other purchased services	(13,889)	(35,708)
Supplies	676	720
Operations and Maintenance -		
Non-certified salaries	37,651	25,133
Insurance	5,927	239
Social security	2,685	213
Other employee benefits	2,916	24
Purchased property services	815	929
Other purchased services	7,783	8,904
Supplies	7,630	20,136
Student Transportation Services -		
Non-certified salaries	19,040	29,862
Insurance	2,625	2,674
Social security	1,457	2,287
Other employee benefits	1,021	1,955
Supplies	13,958	26,053
Miscellaneous supplies	2,190	1,519
Food Service Operation -		
Non-certified salaries	24,336	30,099
Insurance	4,962	7,599
Social security	1,684	1,985
Other employee benefits	1,835	2,140
Supplies	(2,496)	(36,278)
Repair and Remodeling Buildings -		
Construction services	79,586	60,977
 Total Expenditures	 <u>1,115,986</u>	 <u>1,075,147</u>
 Receipts over (under) Expenditures	 -	 -
 Unencumbered Cash, Beginning of Year	 <u>-</u>	 <u>-</u>
 Unencumbered Cash, End of Year	 <u>\$ -</u>	 <u>\$ -</u>

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

**UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS**

SPECIAL REVENUE FUND

PROFESSIONAL DEVELOPMENT FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	<u>2010 Actual</u>	<u>2011</u>		<u>Variance Favorable (Unfavorable)</u>
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts:				
Transfer from General Fund	\$ 80,000	\$ -	\$ -	\$ -
Transfer from Supplemental General Fund	50,000	221,536	-	221,536
 Total Cash Receipts	 <u>130,000</u>	 <u>221,536</u>	 <u>\$ -</u>	 <u>\$ 221,536</u>
Expenditures:				
Instruction Support Staff -				
Certified salaries	22,235	23,500	\$ 22,235	\$ (1,265)
Insurance	854	1,518	965	(553)
Social security	1,629	1,741	1,629	(112)
Other employee benefits	153	187	200	13
Purchased professional services	25,256	25,165	25,000	(165)
Other purchased services	(6,030)	8,056	23,178	15,122
Other supplies	6,864	5,692	-	(5,692)
Other	-	-	7,000	7,000
Other Supplemental Service -				
Other	-	-	20,000	20,000
 Total Expenditures	 <u>50,961</u>	 <u>65,859</u>	 <u>\$ 100,207</u>	 <u>\$ 34,348</u>
Receipts over (under) Expenditures	79,039	155,677		
Unencumbered Cash, Beginning of Year	<u>1,168</u>	<u>80,207</u>		
Unencumbered Cash, End of Year	<u>\$ 80,207</u>	<u>\$ 235,884</u>		

**UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS**

SPECIAL REVENUE FUND

PARENT EDUCATION FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Payments from other school districts	\$ 24,468	\$ -	\$ -	\$ -
Miscellaneous income	100	-	-	-
State aid	66,730	-	-	-
Transfer in - General Fund	24,704	-	-	-
Transfer from Supplemental General Fund	493	-	-	-
Total Cash Receipts	116,495	-	\$ -	\$ -
Expenditures:				
Student Support Services -				
Certified salaries	82,779	-	\$ -	\$ -
Non-certified salaries	11,268	-	-	-
Insurance	8,808	-	-	-
Social security	7,071	-	-	-
Other employee benefits	960	-	-	-
Purchased professional services	649	-	-	-
Other purchased services	5,242	-	-	-
Supplies	1,560	-	-	-
Instruction Support Staff -				
Other purchased services	(415)	-	-	-
Total Expenditures	117,922	-	\$ -	\$ -
Receipts over (under) Expenditures	(1,427)	-	-	-
Unencumbered Cash, Beginning of Year	1,427	-	-	-
Unencumbered Cash, End of Year	\$ -	\$ -	-	-

**UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS**

SPECIAL REVENUE FUND

RECREATION COMMISSION FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	<u>2011</u>			Variance Favorable (Unfavorable)
	2010 Actual	Actual	Budget	
Cash Receipts:				
Taxes and Shared Revenue -				
Ad valorem property tax:				
Prior year	\$ 20,923	\$ 17,665	\$ 80,027	\$ (62,362)
Current year	932,654	942,997	2,543,577	(1,600,580)
Delinquent	8,764	7,422	39,689	(32,267)
Motor vehicle tax	70,595	89,162	223,694	(134,532)
Recreational vehicle tax	<u>1,392</u>	<u>1,697</u>	<u>4,032</u>	<u>(2,335)</u>
Total Cash Receipts	<u>1,034,328</u>	<u>1,058,943</u>	<u>\$ 2,891,019</u>	<u>\$ (1,832,076)</u>
Expenditures:				
Appropriation to McPherson Recreation Commission	<u>1,031,500</u>	<u>1,050,000</u>	<u>\$ 1,050,000</u>	<u>\$ -</u>
Receipts over (under) Expenditures	2,828	8,943		
Unencumbered Cash, Beginning of Year	<u>-</u>	<u>2,828</u>		
Unencumbered Cash, End of Year	<u>\$ 2,828</u>	<u>\$ 11,771</u>		

**UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS**

SPECIAL REVENUE FUND

RECREATION COMMISSION EMPLOYEE BENEFITS FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	2011			Variance Favorable (Unfavorable)
	2010 Actual	Actual	Budget	
Cash Receipts:				
Taxes and Shared Revenue -				
Ad valorem property tax:				
Prior year	\$ 29	\$ 4	\$ 252	\$ (248)
Current year	134	(7)	-	(7)
Delinquent tax	432	140	4	136
Motor vehicle tax	6,553	33	-	33
Recreational vehicle tax	131	12	-	12
Miscellaneous income	-	-	5,000	(5,000)
	7,279	182	\$ 5,256	\$ (5,074)
Total Cash Receipts				
Expenditures:				
Appropriation to McPherson Recreation Commission	7,279	182	\$ 5,128	\$ 4,946
Receipts over (under) Expenditures	-	-		
Unencumbered Cash, Beginning of Year	-	-		
Unencumbered Cash, End of Year	\$ -	\$ -		

**UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS**

SPECIAL REVENUE FUND

SPECIAL ASSESSMENTS FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	<u>2010</u> <u>Actual</u>	<u>2011</u> <u>Actual</u>
Cash Receipts:		
Taxes and Shared Revenue -		
Ad valorem property tax:		
Prior year	\$ 1,666	\$ 1,499
Current year	79,134	58,112
Delinquent tax	741	629
Motor vehicle tax	7,177	7,222
Recreational vehicle tax	<u>142</u>	<u>137</u>
Total Cash Receipts	88,860	67,599
Expenditures:		
Special assessments	<u>87,274</u>	<u>87,274</u>
Receipts over (under) Expenditures	1,586	(19,675)
Unencumbered Cash, Beginning of Year	<u>33,987</u>	<u>35,573</u>
Unencumbered Cash, End of Year	<u>\$ 35,573</u>	<u>\$ 15,898</u>

**UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS**

SPECIAL REVENUE FUND

SPECIAL EDUCATION FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	<u>2010 Actual</u>	<u>2011</u>		<u>Variance Favorable (Unfavorable)</u>
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts:				
Federal/State aid	\$ 26,591	\$ 12,412	\$ -	\$ 12,412
Transfer From General Fund	2,033,652	2,293,188	2,273,462	19,726
Transfer From Supplemental General Fund	<u>1,000,000</u>	<u>1,100,000</u>	<u>800,000</u>	<u>300,000</u>
Total Cash Receipts	3,060,243	3,405,600	<u>\$ 3,073,462</u>	<u>\$ 332,138</u>
Expenditures:				
Transfer to Special Education Cooperative Fund	<u>2,934,943</u>	<u>3,216,787</u>	<u>\$ 3,627,752</u>	<u>\$ 410,965</u>
Receipts over Expenditures	125,300	188,813		
Unencumbered Cash, Beginning of Year	<u>1,007,120</u>	<u>1,132,420</u>		
Unencumbered Cash, End of Year	<u>\$ 1,132,420</u>	<u>\$ 1,321,233</u>		

UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS

SPECIAL REVENUE FUND

SPECIAL EDUCATION COOPERATIVE FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Payments from other school districts	\$ 292,403	\$ 1,451,564	\$ 1,031,606	\$ 419,958
State aid	2,015,027	2,181,409	1,536,786	644,623
Federal/State Aid	310,864	256,983	290,000	(33,017)
City/County contributions	-	-	60,000	(60,000)
Transfer from Special Education Fund	2,934,943	3,216,787	1,166,146	2,050,641
Total Cash Receipts	5,553,237	7,106,743	\$ 4,084,538	\$ 3,022,205
Expenditures:				
Instruction -				
Certified salaries	975,850	1,005,554	\$ 2,238,066	\$ 1,232,512
Non-certified salaries	1,714,438	1,924,545	1,744,438	(180,107)
Insurance	535,804	662,889	684,206	21,317
Social security	223,507	247,758	280,892	33,134
Other employee benefits	27,292	30,495	33,612	3,117
Purchased professional services	20,704	28,435	20,704	(7,731)
Purchased property services	-	10,010	-	(10,010)
Other purchased services	21,783	23,811	25,000	1,189
Supplies	12,537	14,733	15,000	267
Textbooks	-	2,100	-	(2,100)
Technology supplies	4,855	3,519	5,000	1,481
Equipment	-	-	3,000	3,000
Other	-	-	1,712,942	1,712,942
Student Support Services -				
Certified salaries	890,038	951,000	991,627	40,627
Non-certified salaries	141,066	135,603	141,066	5,463
Insurance	90,374	95,608	112,892	17,284
Social security	73,746	82,359	82,144	(215)
Other employee benefits	8,314	8,817	9,206	389
Purchased professional services	773,292	749,992	775,000	25,008
Other purchased services	49,921	46,184	50,000	3,816
Supplies	28,533	26,324	30,000	3,676
Property and equipment	7,352	2,749	10,000	7,251
Instruction Support Staff -				
Certified salaries	15,578	15,504	15,578	74
Insurance	553	1,188	1,000	(188)
Other purchased services	21,758	16,442	20,000	3,558
Supplies	1,696	1,312	-	(1,312)
Special Area Administrative Services -				
Certified salaries	109,776	136,916	114,776	(22,140)
Non-certified salaries	59,303	83,689	58,737	(24,952)
Insurance	19,963	25,139	22,724	(2,415)
Social security	11,774	15,137	11,774	(3,363)
Other employee benefits	1,303	2,142	1,303	(839)
Other purchased services	7,012	10,848	7,000	(3,848)
Supplies	9,321	8,580	10,000.00	1,420.00

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

**UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS**

SPECIAL REVENUE FUND

SPECIAL EDUCATION COOPERATIVE FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	2010		2011		Variance Favorable (Unfavorable)
	Actual	Actual	Actual	Budget	
Expenditures (cont.):					
School Administration -					
Certified salaries	\$ -	\$ 14,582	\$ 42,787	\$ 28,205	
Insurance	-	872	5,225	4,353	
Social security	-	1,091	3,142	2,051	
Other employee benefits	-	116	339	223	
Business Support Services -					
Non-certified salaries	42,787	35,940	16,632	(19,308)	
Insurance	4,624	3,818	2,352	(1,466)	
Social security	3,142	2,643	1,348	(1,295)	
Other employee benefits	339	309	-	(309)	
Operations and Maintenance -					
Non-certified salaries	7,129	5,162	7,129	1,967	
Insurance	1,100	1,079	1,243	164	
Social security	536	388	536	148	
Other employee benefits	590	419	590	171	
Cleaning services	120	-	-	-	
Repairs and maintenance	-	75	-	(75)	
Other purchased services	1,621	1,497	3,650	2,153	
General supplies	11,513	19,088	13,400	(5,688)	
Heating	2,065	355	14,800	14,445	
Property and equipment	33,150	9,061	30,000	20,939	
Student Transportation Services -					
Non-certified salaries	63,951	54,559	24,458	(30,101)	
Insurance	165	166	-	(166)	
Social security	4,894	4,179	1,750	(2,429)	
Other employee benefits	3,531	3,286	381	(2,905)	
Contracting of bus services	12,973	18,028	12,000	(6,028)	
Supplies	13,776	6,954	-	(6,954)	
Vehicle and Maintenance Services -					
Other Support Services -					
Non-certified salaries	3,381	3,263	3,381	118	
Social security	259	250	259	9	
Other employee benefits	24	26	1,020	994	
Food Service Operations -					
Food	-	4,385	1,500	(2,885)	
Total Expenditures	6,069,113	6,560,973	\$ 9,415,609	\$ 2,854,636	
Receipts over Expenditures	(515,876)	545,770			
Unencumbered Cash, Beginning of Year	805,857	289,981			
Unencumbered Cash, End of Year	\$ 289,981	\$ 835,751			

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

**UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS**

SPECIAL REVENUE FUND

SUNFLOWER GRANT FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	<u>2010 Actual</u>	<u>2011 Actual</u>
Cash Receipts:		
Miscellaneous revenue	\$ -	\$ 10,350
Expenditures:		
Instruction -		
Purchased professional and technical services	-	400
Supplies	-	9,950
Total Expenditures	-	10,350
Receipts over (under) Expenditures	-	-
Unencumbered Cash, Beginning of Year	-	-
Unencumbered Cash, End of Year	\$ -	\$ -

**UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS**

SPECIAL REVENUE FUND

TEXTBOOK/STUDENT MATERIALS REVOLVING FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	<u>2010 Actual</u>	<u>2011 Actual</u>
Cash Receipts:		
Rental fees and books	\$ 118,879	\$ 111,584
Miscellaneous reimbursements	63,785	60,411
Transfer from Supplemental General Fund	-	200,000
	<hr/>	<hr/>
Total Receipts	182,664	371,995
	<hr/>	<hr/>
Expenditures:		
Instruction -		
General supplies	7,178	4,824
Textbooks	62,999	257,119
Workbooks	52,610	53,938
Miscellaneous supplies	4,546	5,504
Other miscellaneous expenditures	1,189	1,371
	<hr/>	<hr/>
Total Expenditures	128,522	322,756
	<hr/>	<hr/>
Receipts over Expenditures	54,142	49,239
Unencumbered Cash, Beginning of Year	316,627	370,769
	<hr/>	<hr/>
Unencumbered Cash, End of Year	\$ 370,769	\$ 420,008
	<hr/>	<hr/>

**UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS**

SPECIAL REVENUE FUND

TITLE I FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	<u>2010 Actual</u>	<u>2011 Actual</u>
Cash Receipts:		
Federal aid	\$ 222,786	\$ 220,215
Federal aid - ARRA	65,385	65,386
	<hr/>	<hr/>
Total Receipts	288,171	285,601
	<hr/>	<hr/>
Expenditures:		
Instruction -		
Certified salaries	36,326	-
Certified salaries - ARRA	63,204	65,303
Non-certified salaries	125,150	144,384
Insurance	41,015	49,721
Social security	16,525	17,799
Other employee benefits	2,003	2,034
Property and equipment	-	3,143
Instruction Support Staff -		
Textbooks - ARRA	2,181	83
Other purchased services	1,767	3,134
	<hr/>	<hr/>
Total Expenditures	288,171	285,601
	<hr/>	<hr/>
Receipts over (under) Expenditures	-	-
Unencumbered Cash, Beginning of Year	<hr/>	<hr/>
	-	-
Unencumbered Cash, End of Year	<hr/>	<hr/>
	\$ -	\$ -

**UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS**

SPECIAL REVENUE FUND

TITLE IIA TEACHER QUALITY FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	<u>2010</u> <u>Actual</u>	<u>2011</u> <u>Actual</u>
Cash Receipts:		
Federal aid	\$ 79,961	\$ 77,004
Expenditures:		
Instruction Support Staff -		
Non-certified salaries	56,315	50,000
Insurance	4,313	4,774
Social security	4,958	3,717
Purchased professional services	-	8,455
Other purchased services	14,375	10,058
Total Expenditures	<u>79,961</u>	<u>77,004</u>
Receipts over (under) Expenditures	-	-
Unencumbered Cash, Beginning of Year	<u>-</u>	<u>-</u>
Unencumbered Cash, End of Year	<u>\$ -</u>	<u>\$ -</u>

**UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS**

SPECIAL REVENUE FUND

TITLE IID EDUCATIONAL TECHNOLOGY FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	<u>2010 Actual</u>	<u>2011 Actual</u>
Cash Receipts:		
Federal aid	\$ 1,898	\$ 745
Federal aid - ARRA	<u>4,668</u>	<u>-</u>
Total Receipts	<u>6,566</u>	<u>745</u>
Expenditures:		
Instruction Support Staff -		
Supplies	1,898	745
Supplies - ARRA	<u>4,668</u>	<u>-</u>
Total Expenditures	<u>6,566</u>	<u>745</u>
Receipts over (under) Expenditures	-	-
Unencumbered Cash, Beginning of Year	<u>-</u>	<u>-</u>
Unencumbered Cash, End of Year	<u>\$ -</u>	<u>\$ -</u>

**UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS**

SPECIAL REVENUE FUND

TITLE IV HIGHER EDUCATION ACT FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	<u>2010 Actual</u>	<u>2011 Actual</u>
Cash Receipts:		
Federal aid	\$ 1,000	\$ -
Expenditures:		
Other Supplemental Service - Supplies	<u>1,000</u>	<u>-</u>
Receipts over (under) Expenditures	-	-
Unencumbered Cash, Beginning of Year	<u>-</u>	<u>-</u>
Unencumbered Cash, End of Year	<u>\$ -</u>	<u>\$ -</u>

**UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS**

SPECIAL REVENUE FUND

TITLE VI-B DISCRETIONARY FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	<u>2010 Actual</u>	<u>2011 Actual</u>
Cash Receipts:		
Federal aid	\$ 36,785	\$ 38,385
Total Receipts	<u>36,785</u>	<u>38,385</u>
Expenditures:		
Instruction -		
Certified salaries	27,592	-
Insurance	3,400	(14,848)
Social security	2,715	-
Other employee benefits	279	-
Supplies	379	-
Property	2,420	-
Instructional Support Staff -		
Certified salaries	-	41,119
Insurance	-	4,369
Social security	-	3,147
Other employee benefits	-	328
General Administration -		
Purchased professional services	-	4,320
Total Expenditures	<u>36,785</u>	<u>38,435</u>
Receipts over (under) Expenditures	-	(50)
Unencumbered Cash, Beginning of Year	<u>50</u>	<u>50</u>
Unencumbered Cash, End of Year	<u>\$ 50</u>	<u>\$ -</u>

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

**UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS**

SPECIAL REVENUE FUND

TITLE VI-B PASSTHROUGH FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	<u>2010</u>	<u>2011</u>
	Actual	Actual
Cash Receipts:		
Federal aid	\$ 944,859	\$ 928,872
Federal aid - ARRA	<u>497,160</u>	<u>497,160</u>
Total Receipts	<u>1,442,019</u>	<u>1,426,032</u>
Expenditures:		
Instruction -		
Certified salaries	699,195	596,496
Certified salaries - ARRA	497,160	497,160
Insurance	62,430	76,284
Social security	52,090	44,791
Other employee benefits	5,736	4,940
Student Support Services -		
Certified salaries	106,588	178,241
Insurance	9,530	13,888
Social security	8,398	12,796
Other employee benefits	<u>892</u>	<u>1,436</u>
Total Expenditures	<u>1,442,019</u>	<u>1,426,032</u>
Receipts over (under) Expenditures	-	-
Unencumbered Cash, Beginning of Year	<u>-</u>	<u>-</u>
Unencumbered Cash, End of Year	<u>\$ -</u>	<u>\$ -</u>

**UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS**

SPECIAL REVENUE FUND

VOCATIONAL EDUCATION FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	2010 Actual	2011		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Miscellaneous expense	\$ 73,000	\$ 71,560	\$ 73,000	\$ (1,440)
Transfer from Supplemental General Fund	376,537	356,113	425,000	(68,887)
Total Cash Receipts	449,537	427,673	\$ 498,000	\$ (70,327)
Expenditures:				
Instruction -				
Certified salaries	310,508	288,230	\$ 302,057	\$ 13,827
Insurance	17,832	19,443	20,150	707
Social security	22,269	20,421	22,269	1,848
Other employee benefits	2,409	2,205	2,409	204
Other purchased services	181	30	100,000	99,970
Supplies	8,140	7,881	12,181	4,300
Textbooks	73,133	66,136	74,825	8,689
Property and equipment	14,354	21,785	21,020	(765)
Student Support Services -				
Other	-	-	41,664	41,664
Instruction Support Services -				
Other purchased services	711	1,542	1,425	(117)
Total Expenditures	449,537	427,673	\$ 598,000	\$ 170,327
Receipts over (under) Expenditures	-	-		
Unencumbered Cash, Beginning of Year	-	-		
Unencumbered Cash, End of Year	\$ -	\$ -		

**UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS**

SPECIAL REVENUE FUND

KPERS SPECIAL RETIREMENT CONTRIBUTION

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

			<u>2011</u>		
	<u>2010</u>		<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
	<u>Actual</u>				<u>Favorable</u>
					<u>(Unfavorable)</u>
Cash Receipts:					
State Sources - KPERS	\$ 582,690		\$ 1,651,260	\$ 1,318,669	\$ 332,591
Expenditures:					
Employee Benefits -					
Instruction	764,827		660,434	\$ 880,435	\$ 220,001
Student Support	53,946		46,582	54,522	7,940
Instructional Support	44,355		38,301	44,830	6,529
General Administration	77,921		67,285	78,388	11,103
School Administration	91,108		78,672	92,082	13,410
Other Supplemental Services	13,187		11,387	13,327	1,940
Operations & Maintenance	115,084		99,375	116,314	16,939
Student Transportation Services	1,199		1,035	1,210	175
Food Service	37,162		32,090	37,561	5,471
Total Expenditures	<u>1,198,789</u>		<u>1,035,161</u>	<u>\$ 1,318,669</u>	<u>\$ 283,508</u>
Receipts Over (Under) Expenditures	(616,099)		616,099		
Unencumbered Cash, Beginning	<u>-</u>		<u>(616,099)</u>		
Unencumbered Cash, Ending	<u>\$ (616,099)</u>		<u>\$ -</u>		

**UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS**

SPECIAL REVENUE FUND

AP GRANT FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	2010 Actual	2011 Actual
Cash Receipts:		
Federal aid	\$ 19,590	\$ -
Reimbursements	3,750	-
	<hr/>	<hr/>
Total Receipts	23,340	-
	<hr/>	<hr/>
Expenditures:		
Instruction -		
Other purchased services	1,877	3,198
Student Support Services -		
Supplies	1,774	-
Instructional Support Staff -		
Other purchased services	15,669	7,942
Supplies	-	60
	<hr/>	<hr/>
Total Expenditures	19,320	11,200
	<hr/>	<hr/>
Receipts over (under) Expenditures	4,020	(11,200)
Unencumbered Cash, Beginning of Year	7,180	11,200
	<hr/>	<hr/>
Unencumbered Cash, End of Year	\$ 11,200	\$ -
	<hr/>	<hr/>

**UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS**

SPECIAL REVENUE FUND

GIFTS AND GRANTS FUND

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)**

	<u>2010 Actual</u>	<u>2011 Actual</u>
Cash Receipts:		
Gifts and grants	\$ 71,739	\$ 111,696
Reimbursements		
Expenditures:		
Instruction -		
Teaching supplies	42,309	70,177
Miscellaneous supplies	42,796	29,851
General Administration -		
Social security	-	92
Other employee benefits	-	10
Purchased professional services	2,830	1,656
Supplies	-	15
Property	8,345	-
Operations -		
Heating	-	26,475
Total Expenditures	<u>96,280</u>	<u>128,276</u>
Receipts over (under) Expenditures	(24,541)	(16,580)
Unencumbered Cash, Beginning of Year	<u>97,356</u>	<u>72,815</u>
Unencumbered Cash, End of Year	<u>\$ 72,815</u>	<u>\$ 56,235</u>

**UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS**

DEBT SERVICE FUND

BOND AND INTEREST FUND

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2011

(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	<u>2010</u> <u>Actual</u>	<u>2011</u>		<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts:				
Taxes and Shared Revenue:				
Ad valorem property tax -				
Prior year	\$ 1,061,222	\$ 815,119	\$ 745,846	\$ 69,273
Current year	10,122	8,019	16,390	(8,371)
Motor vehicle tax	88,614	76,290	69,162	7,128
Recreational vehicle tax	1,754	1,443	1,246	197
State aid	116,113	131,282	131,822	(540)
Total Cash Receipts	<u>1,278,020</u>	<u>1,032,153</u>	<u>\$ 964,466</u>	<u>\$ 67,687</u>
Expenditures:				
Interest	196,133	168,382	\$ 318,183	\$ 149,801
Commission and postage	-	-	200	200
Principal	965,000	1,030,000	880,000	(150,000)
Total Expenditures	<u>1,161,133</u>	<u>1,198,382</u>	<u>\$ 1,198,383</u>	<u>\$ 1</u>
Receipts over Expenditures	116,887	(166,229)		
Unencumbered Cash, Beginning of Year	<u>1,755,270</u>	<u>1,872,157</u>		
Unencumbered Cash, End of Year	<u>\$ 1,872,157</u>	<u>\$ 1,705,928</u>		

**Unified School District Number 418
McPherson, Kansas**

DISCRETELY PRESENTED COMPONENT UNIT

MCPHERSON USD 418 EDUCATION FUND

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
For the Year Ended June 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)**

	<u>2010 Actual</u>	<u>2011 Actual</u>
Receipts:		
Donations	\$ 10,709	\$ 38,072
Investment income	6,186	9,719
Other	-	972
Unrealized gain/(loss)	<u>36,167</u>	<u>32,754</u>
Total Receipts	<u>53,062</u>	<u>81,517</u>
Expenditures:		
Grants Paid	18,593	19,742
Management fees	<u>2,217</u>	<u>5,532</u>
Total Expenditures	<u>20,809</u>	<u>25,274</u>
Receipts Over (Under) Expenditures	32,252	56,243
Unencumbered Cash, Beginning	<u>267,044</u>	<u>299,296</u>
Unencumbered Cash, Ending	<u>\$ 299,296</u>	<u>\$ 355,539</u>

UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS

STUDENT ORGANIZATION FUNDS

STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS

For the Year Ended June 30, 2011

	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Middle School -				
Student Projects	\$ 1,352	\$ 5,007	\$ 4,384	\$ 1,975
Student Council	1,171	2,447	1,050	2,568
High School -				
Art Club	140	2	41	101
AVID	104	191	162	133
Band	626	6,871	6,340	1,157
Baseball Fundraising	7,466	10,362	14,260	3,568
Basketball Fundraising	76	4,628	1,606	3,098
Bowling	587	921	751	757
Boys Golf	173	307	177	303
Boys Swimming Fundraising	617	2,366	2,154	829
Class of 2010	1,588	167	-	1,755
Class of 2011	2,490	953	2,886	557
Class of 2012	1,039	13,324	12,197	2,166
Class of 2013	305	2,590	859	2,036
Class of 2014	-	2,435	857	1,578
Cross Country Fundraising	277	3,442	3,440	279
Football Fundraising	5,900	23,273	27,377	1,796
Friends of Rachel	90	1	-	91
Future Farmers of America	1,208	9,717	8,943	1,982
FCCLA	170	660	690	140
Girls Basketball Fundraising	649	12,820	9,876	3,593
Girls Soccer Fundraising	471	177	20	628
Girls Swimming Fundraising	802	6,353	6,644	511
Girls Tennis	170	949	814	305
Global Power Club	424	6	42	388
International Club	1,477	893	1,911	459
KAY	856	4,473	4,936	393
Mac Hi-Steppers	388	4,392	2,791	1,989
M Club	280	4	-	284
Money/Management Club	1,928	28	724	1,232
National Forensics League	444	1,267	811	900
National Honor Society	69	3,375	2,973	471
Pavers Project	-	2,403	-	2,403
Pep Club	2,122	15,237	17,286	73
Science Club	2,374	240	423	2,191
Scholars Bowl	169	897	893	173
Soccer Fundraising	169	177	195	151
Softball Fundraising	1,250	7,077	6,127	2,200
Student Government	2,666	8,948	9,839	1,775
Students Against Drunk Driving	918	14	-	932
Take a Second	1,253	18	-	1,271
Tennis	-	110	44	66
Thespians	3	1,746	1,748	1
Track & Field Fundraising	566	769	730	605
Vending/Concession	830	8,109	6,248	2,691
Vending/Management	3,699	25,112	28,811	-
Vocal Music	3,626	403	1,479	2,550
Volleyball Fundraising	259	7,363	4,973	2,649
VICA	1,305	1,248	2,148	405
Wrestling Fundraising	929	1,636	1,421	1,144
Total Student Organization Funds	55,475	205,908	202,081	59,302
Sales Tax	156	17,619	17,666	109
Total Agency Funds	\$ 55,631	\$ 223,527	\$ 219,747	\$ 59,411

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

**UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS**

**STATEMENT OF CASH RECEIPTS AND EXPENDITURES
For the Year Ended June 30, 2011**

GATE RECEIPT FUNDS

	Beginning Cash Balance 7-1-10	Cash Receipts	Cash Disbursements	Ending Cash Balance 6-30-11
Middle School - Athletics	\$ 4,920	\$ 21,609	\$ 23,399	\$ 3,129
High School - Athletics	62,781	271,382	289,594	44,570
Musical	135	2,843	2,156	822
Play	220	1,730	1,710	240
Total Gate Receipts	\$ 68,056	\$ 297,564	\$ 316,859	\$ 48,761

**UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

Unified School District Number 418 (the "District") is a municipal corporation governed by an elected seven-member board. These financial statements present Unified School District Number 418, the primary government. There were component units for the year ended June 30, 2011.

Discretely Presented Component Unit. The component unit section of the financial statements includes the financial data of the discretely presented component unit. This component unit is reported separately to emphasize that it is legally separate from the District. The governing body of this component unit is not appointed by the District.

McPherson County Community Foundation. The foundation operates as a separate governing body. Financial information may be obtained from 206 S. Main, P.O. Box 306, McPherson, Kansas.

(b) Reimbursed Expenditures

The District records reimbursable expenditures (or expense) in the fund that makes the disbursement and records reimbursements as revenue to the fund. For purposes of budgetary comparisons, the expenditures, (or expenses) are properly offset by the reimbursements.

(c) Basis of Presentation - Fund Accounting

The accounts of Unified School District Number 418 are organized on the basis of funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by a separate set of self-balancing accounts that comprises its assets, liabilities, fund balance, revenues and expenditures/expenses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The funds are grouped into two fund types and six generic funds as described below:

Governmental Fund Types

General Funds – These funds are used to account for all activities of the general government for which a separate fund has not been established.

Special Revenue Funds – These funds are used to account for the collection and disbursement of monies earmarked for a special purpose.

Debt Service Fund – This fund is established for the purpose of accumulating resources for the servicing of long-term general obligation debt.

Capital Project Fund – This fund is used to account for the source of funds and the use of those funds to be expended on a particular capital project.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(c) Basis of Presentation - Fund Accounting (cont.)

Fiduciary Fund Types

This fund type accounts for assets held by the District as a trustee or agent for others and therefore cannot be used to support the District's own programs.

Private Purpose Trust Funds – These funds are used to report all trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

Permanent Fund – This fund is used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the District's programs, that is, for the benefit of the District or its patrons.

(d) Statutory Basis of Accounting

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

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

(e) Departure from Accounting Principles Generally Accepted in the United States of America

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

(f) Budget and Tax Cycle

Kansas statutes require that an annual operating budget be legally adopted for the General Fund, Special Revenue Funds (unless specifically exempted by statute), Debt Service Funds and Enterprise Funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in the 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(f) Budget and Tax Cycle (cont.)

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no budget amendments for fiscal year ended June 30, 2011.

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 budgeted expenditure authority lapses at year end.

A legal operating budget is not required for the Capital Projects Fund, Fiduciary and Permanent Funds or the following Special Revenue Funds: Carl Perkins, Charter School, Contingency Reserve, Drug Free Schools, Early Childhood Passthrough, Head Start Program, Special Assessments, Sunflower Grant, Textbook/Student Materials Revolving, Title I, Title IIA Teacher Quality, Title IID Educational Technology, Title IV Higher Education Act, Title VI-B Discretionary, Title VI-B Passthrough, AP Grant, Grants and Gifts, and Gate Receipt.

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

2. COMPLIANCE WITH KANSAS STATUTES

In violation of K.S.A. 9-1402 and 9-1405, the District's deposits were not adequately secured at June 30, 2011. Deposits were under secured by \$771,952.

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 investment choices.

Concentration of credit risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. At June 30, 2011, the District held 100% of their investments in the Kansas Municipal Investment Pool.

Custodial credit risk. Custodial credit risk is the risk that in the event of bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. One bank was under secured by \$771,952 at June 30, 2011.

3. DEPOSITS AND INVESTMENTS (CONT.)

(a) Deposits

At June 30, 2011, the carrying amount of the District's deposits, including certificates of deposit, was \$939,393 and the bank balance was \$2,323,010. The bank balance was held by two banks resulting in a concentration of credit risk. The difference between the carrying amount and the bank balance is outstanding checks and deposits in transit. Of the bank balance, \$250,510 was covered by federal depository insurance, \$1,300,548 was covered by collateral held by third-party banks in the District's name with the remaining \$771,592 not properly secured. The third party bank holding the pledged securities is independent of the pledging bank. The pledged securities are held under a tri-party custodial agreement signed by all three parties: The District, the pledging bank, and the independent third-party bank holding the pledged securities.

(b) Investments

Custodial credit risk – investments. For an investment, this is the risk that, in the event of failure of the issuer or counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

At June 30, 2011, the District had invested in funds in the State's municipal investment pool. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

As of June 30, 2011, the District had the following investments.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity in Years</u>		<u>Rating</u>
		<u>Less than 1</u>		
Kansas Municipal Investment Pool	<u>\$ 9,062,206</u>	<u>\$ 9,062,206</u>		S&P AAAF/SLT

4. RELATED PARTY TRANSACTIONS

Unified School District Number 418 is the taxing authority for the McPherson Recreation Commission. During the fiscal year ended June 30, 2011, the District levied a total tax of 6.00 mills for the Recreation Commission Fund and the Recreation Commission Employee Benefits Fund, which in turn is appropriated to the McPherson Recreation Commission for its operations. Also, there is an informal agreement between the District and the Recreation Commission for use of District facilities when they are not otherwise being used by the District.

5. COMPLIANCE WITH K.S.A. 72-6417(d) AND K.S.A 72-6434(d)

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

STATUTORY REVENUES AND EXPENDITURES - STATUTORY AND BUDGET For the Year Ended June 30, 2011

GENERAL FUND

	<u>Statutory Transactions</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Statutory Revenues			
General Property Taxes			
Ad Valorem Property			
Prior Year	\$ 49,683	\$ 46,523	\$ 3,160
Current Year	2,909,038	2,660,558	248,480
Delinquent Tax	21,391	45,064	(23,673)
Mineral Production Tax	734	-	734
State Aid	7,410,393	7,724,089	(313,696)
Federal Aid - ARRA	221,066	221,066	-
Federal Aid - Education Jobs	387,085	387,085	-
Special Education State Aid	2,358,458	2,273,462	84,996
Total Statutory Revenues	<u>13,357,848</u>	<u>\$ 13,357,847</u>	<u>\$ 1</u>
Expenditures			
Instruction	6,202,167	\$ 6,544,728	\$ 342,561
Student Support Services	495,659	676,502	180,843
Instructional Support Staff	644,660	770,753	126,093
General Administration	432,481	463,771	31,290
School Administration	1,031,297	1,079,855	48,558
Operations & Maintenance	7,061	27,000	19,939
Student Transportation Services	66,267	158,068	91,801
Vehicle Operating Services	148,193	85,542	(62,651)
Vehicle & Maintenance Services	37,803	29,500	(8,303)
Other Student Transportation Services	-	6,467	6,467
Outgoing Transfers	4,292,259	3,760,099	(532,160)
Adjustment to Comply with Legal Max	-	(244,438)	(244,438)
Total Expenditures	<u>13,357,847</u>	<u>\$ 13,357,847</u>	<u>\$ -</u>
Statutory Revenues Over (Under) Expenditures	1		
Modified Unencumbered Cash, June 30, 2010	-		
Modified Unencumbered Cash, June 30, 2011	<u>\$ 1</u>		

5. COMPLIANCE WITH K.S.A. 72-6417(d) AND K.S.A 72-6434(d) (cont.)

STATUTORY REVENUES AND EXPENDITURES - STATUTORY AND BUDGET

For the Year Ended June 30, 2011

SUPPLEMENTAL GENERAL FUND

	<u>Statutory Transactions</u>	<u>Budget</u>	<u>Variance Favorable (Unfavorable)</u>
Statutory Revenues			
General Property Taxes			
Ad Valorem Property			
Prior Year	\$ 50,733	\$ 49,038	\$ 1,695
Current Year	2,986,837	3,102,186	(115,349)
Delinquent Tax	23,864	41,931	(18,067)
Motor Vehicle Tax	294,488	259,648	34,840
Recreational Vehicle Tax	5,620	4,678	942
State Aid	1,115,948	1,129,672	(13,724)
Total Statutory Revenues	<u>4,477,490</u>	<u>\$ 4,587,153</u>	<u>\$ (109,663)</u>
Expenditures			
Instruction	623,679	\$ 480,318	\$ (143,361)
Instructional Support Staff Services	(1,751)	-	1,751.00
General Administration	35,564	20,000	(15,564)
Other Support Services	22,231	102,850	80,619
Operations and Maintenance	1,649,558	2,314,905	665,347
Debt Service	22,537	11,395	(11,142)
Transfers Out	2,052,650	1,514,631	(538,019)
Adjustment to Comply with Legal Max	-	(39,631)	(39,631)
Total Expenditures	<u>4,404,468</u>	<u>\$ 4,404,468</u>	<u>\$ -</u>
Statutory Revenues Over (Under) Expenditures	73,022		
Modified Unencumbered Cash, June 30, 2010	<u>308,723</u>		
Modified Unencumbered Cash, June 30, 2011	<u>\$ 381,745</u>		

6. LEAVE POLICIES

Sick leave is granted to employees in the following manner:

Certified - 15 days at the beginning of each year. Sick leave may accumulate to 75 days or no more than the number of days recorded in excess of 60 days prior to July 3, 1988.

Classified Employees - 1 day for each month employed. Sick leave may accumulate to 60 days or the number of days accumulated as of September 30, 1988, whichever is greater.

Upon termination of employment, all employees are paid for unused sick leave at an average rate of \$3 per hour for classified employees, and one-half of substitute pay for certified employees. As of June 30, 2011 and 2010, accumulated sick leave at the employees' contract rate is approximately \$560,773 and \$557,655, respectively.

7. LONG-TERM DEBT

Changes in long-term liabilities for the Entity for the year ended June 30, 2011, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
General Obligation Bonds:										
Series 2004	2.50% to 5.00%	8-01-04	3,930,000	9-1-14	\$ 2,390,000	\$ -	\$ 420,000	\$ (420,000)	\$ 1,970,000	\$ 92,170
Series 2009	3.25%	3-15-09	3,215,000	9-1-14	2,650,000	-	610,000	(610,000)	2,040,000	76,212
Total General Obligation Bonds					5,040,000	-	1,030,000	(1,030,000)	4,010,000	168,382
Capital Leases:										
Apple Computer Equipment	4.69%	6-20-08	335,440	7-15-11	168,074	-	82,121	(82,121)	85,953	7,879
Apple Computer Equipment	6.29%	6-22-07	327,960	7-15-10	84,673	-	84,673	(84,673)	-	5,327
Apple Computer Equipment	1.71%	7-11-10	237,846	7-11-13	-	237,846	60,986	176,860	176,860	-
Apple Computer Equipment	6.50%	7-15-09	429,998	7-15-12	311,831	-	97,283	(97,283)	214,548	20,884
Bank of America - Buses	4.18%	7-25-05	105,544	7-25-10	1,946	-	1,946	(1,946)	-	7
Total Capital Leases					566,524	237,846	327,009	(89,163)	477,361	34,097
Special Assessments Payable:										
Eisenhower Complex	6.00%	11-1-96	500,166	11-1-10	45,583	-	45,583	(45,583)	-	3,582
High School Parking	5.50%	11-1-97	182,809	11-1-11	33,626	-	16,363	(16,363)	17,263	2,129
Washington Elementary/Lakeside	5.26%	11-1-04	169,545	11-1-19	126,738	-	9,957	(9,957)	116,781	6,660
Total Special Assessments Payable					205,947	-	71,903	(71,903)	134,044	12,371
Total Indebtedness					5,812,471	237,846	1,428,912	(1,191,066)	4,621,405	214,850
Compensated Absences					557,655	3,118	-	3,118	560,773	-
Total Long-Term Debt					\$ 6,370,126	\$ 240,964	\$ 1,428,912	\$ (1,187,948)	\$ 5,182,178	\$ 214,850

7. LONG-TERM DEBT (cont.)

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

Debt Issue	2012	2013	2014	2015	2016	2017-2020	Total
Principal:							
General Obligation Bonds:							
Series 2004	\$ 450,000	\$ 475,000	\$ 510,000	\$ 535,000	\$ -	\$ -	\$ 1,970,000
Series 2009	635,000	665,000	665,000	75,000	-	-	2,040,000
Total General Obligation Bonds	1,085,000	1,140,000	1,175,000	610,000	-	-	4,010,000
Capital Leases:							
Apple Computer Equipment	85,953	-	-	-	-	-	85,953
Apple Computer Equipment	57,954	58,948	59,958	-	-	-	176,860
Apple Computer Equipment	103,798	110,750	-	-	-	-	214,548
Total Capital Leases	247,705	169,698	59,958	-	-	-	477,361
Special Assessments Payable:							
High School Parking	17,263	-	-	-	-	-	17,263
Washington Elementary/Lakeside	10,480	11,031	11,611	12,221	12,863	58,575	116,781
Total Special Assessments Payable	27,743	11,031	11,611	12,221	12,863	58,575	134,044
Total Principal	1,360,449	1,320,729	1,246,569	622,221	12,863	58,575	4,621,405
Interest:							
General Obligation Bonds:							
Series 2004	74,200	51,075	29,765	10,165	-	-	165,205
Series 2009	55,981	34,856	13,244	1,219	-	-	105,300
Total General Obligation Bonds	130,181	85,931	43,009	11,384	-	-	270,505
Capital Leases:							
Apple Computer Equipment	4,047	-	-	-	-	-	4,047
Apple Computer Equipment	3,031	2,038	1,028	-	-	-	6,097
Apple Computer Equipment	14,369	7,417	-	-	-	-	21,786
Total Capital Leases:	21,447	9,455	1,028	-	-	-	21,786
Special Assessments Payable:							
High School Parking	1,229	-	-	-	-	-	1,229
Washington Elementary/Lakeside	6,136	5,586	5,006	4,396	3,754	7,891	32,769
Total Special Assessments Payable	7,365	5,586	5,006	4,396	3,754	7,891	33,998
Total Interest	158,993	100,972	49,043	15,780	3,754	7,891	326,289
Total Principal and Interest	\$ 1,519,442	\$ 1,421,701	\$ 1,295,611	\$ 638,000	\$ 16,617	\$ 66,466	\$ 4,947,694

8. TRANSFERS

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General	At Risk 4 Year Old	K.S.A. 72-6428	\$ 100,000
General	At Risk K-12	K.S.A. 72-6428	925,000
General	Bilingual Education	K.S.A. 72-6428	47,957
General	Capital Outlay	K.S.A. 72-6428	887,089
General	Special Education	K.S.A. 72-6428	2,293,188
General	Contingency Reserve	K.S.A. 72-6428	39,025
Supplemental General	At Risk K-12	K.S.A. 72-6433	175,000
Supplemental General	Professional Development	K.S.A. 72-6433	221,536
Supplemental General	Student Material Revolving	K.S.A. 72-6433	200,000
Supplemental General	Special Education	K.S.A. 72-6433	1,100,000
Supplemental General	Vocational Education	K.S.A. 72-6433	356,113
Special Education	Special Education Coop	K.S.A. 72-6420	3,216,787

9. DEFINED BENEFIT PENSION PLAN

Plan Description. The District contributes to 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 establishes the KPERS member-employee contribution rate at 4% of covered salary. Member-employees' contributions are withheld by their employer and paid to KPERS according to the provisions of section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. Kansas contributed 9.17% of covered payroll. These contribution requirements are established by KPERS and are periodically revised. Kansas' contributions to KPERS for all Kansas public school employees for the years ending June 30, 2011, 2010, and 2009 were \$188,864,352 received as of June 30, 2011, (with the remaining balance due from the state of \$64,969,692, received by July 12, 2011), \$140,318,394 received as of June 30, 2010, (with the remaining balance due from the state of \$108,149,792, received by July 9, 2010), and \$242,277,363, respectively, equal to the statutory required contributions for each year.

10. OPERATING LEASES

The District is obligated under certain leases accounted for as operating leases. Operating leases do not give rise to property right or lease obligations and, therefore, the expenditures will be recognized when the lease payments are made. The following schedule shows the composition of total rental expenditures for all operating leases except those with terms of a month or less that were not renewed:

	Year Ending June 30	
	2011	2010
Minimum rentals:		
Copiers	\$ 21,720	\$ 46,133
Buildings	15,600	15,325
Stadium	95,897	95,897
	<u>\$ 133,217</u>	<u>\$ 157,355</u>

10. OPERATING LEASES (cont.)

Operating lease obligations for subsequent years are as follows:

	<u>Copier Leases</u>	<u>Stadium Lease</u>	<u>Total</u>
2012	\$ 21,720	\$ 95,897	\$ 117,617
2013	21,720	575,382	597,102
2014	21,720	-	21,720
2015	21,720	-	21,720
	<u>\$ 86,880</u>	<u>\$ 671,279</u>	<u>\$ 758,159</u>

11. LEASE AGREEMENTS WITH MCPHERSON COLLEGE

Football Stadium Facilities

The District uses McPherson College's athletic field, stadium, sport center and associated facilities for the school districts athletic competitions, athletic training and training for its marching band.

McPherson College has performed renovations of such facilities at substantial cost and the school district desired to continue to make use of such facilities and share equitably in the cost of such improvements, together with operating the same.

To accommodate both parties, the District and the College entered into a lease agreement for ten years on December 17, 2002, ending on July 31, 2013. The District pays McPherson College, the lessor, an operating charge and an annual rent payment. These payments are made in two semi-annual payments by July 31 and January 31, respectively. These payments and the future obligation are included in the schedules above.

The operating charge is computed to approximately pay one-half of the utilities and maintenance of the stadium facility premises. During fiscal year ended June 30, 2011, the operating charge to the District was \$7,379. For subsequent years, the operating charge shall increase by three percent per year. However, if undue hardship or substantial unfairness occurs upon either party, the parties shall engage in good faith negotiations.

The annual rent charge to the District will be computed on assumed principal sum of \$900,000 (one half of the projected cost excluding interest) amortized over the period beginning January 9, 2003 and ending June 30, 2018, at a variable interest rate never greater than six percent. The District will not be required to make principal payments during the first three years. However, all remaining assumed principal and interest will be made up in the final rent payment. The rent amount will vary with the cost of financing available to the College. The rent amount will be calculated based on the average interest rate experienced by the College on the bond financing related to the improvements of the stadium facility premises for the preceding six month period.

12. EARLY RETIREMENT INCENTIVE

The District provides an early retirement program for certain eligible employees. Certified employees are eligible if they (a) are a full time employee of the District; (b) have ten or more years of employment with the District; (c) are not more than 65 years of age; and (d) are eligible for KPERS retirement on or before July 31st of the last active year of teaching for the District. Classified employees are eligible if they (a) have ten or more years of employment with the District; (b) are working 17.5 or more hours per week; (c) are not more than 65 years of age; and (d) are eligible for KPERS retirement on or before July 31st of the last active year of employment with the District.

12. EARLY RETIREMENT INCENTIVE (cont.)

The early retirement benefit shall be an annual payment determined by utilization of the percentage opposite the year of benefit utilization on the following table. The percentage for the year of benefit shall be multiplied by the certified employee's last annual contract salary, or the classified employee's annualized salary (hourly rate x daily hours x number of days) in the last 12 months prior to retirement. The payment shall be paid annually into a 403(b) employer funded plan in January or July as selected by the employee. It shall be terminated either at the end off the payment of five years of incentive benefits or at the end of the contract year in which the employee reaches age 65. The employee shall receive no more than five years of benefits according to the following schedule. Staff hired after May 1, 2010 are not eligible.

<u>Year of Benefit</u>	<u>Annual Salary</u>
1st Year	20%
2nd Year	18%
3rd Year	16%
4th Year	14%
5th Year	12%

Payments to retired employees under this plan were \$307,582 for the year ended June 30, 2011.

13. CLAIMS AND JUDGMENTS

The District participates in federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of September 19, 2011, grant expenditures have not been audited, but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the individual governmental funds or the overall financial position of the District.

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. The District has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage from fiscal year end June 30, 2010 to fiscal year end June 30, 2011, and there were no settlements that exceeded insurance coverage in the past three years.

During the ordinary course of its operations, the District is exposed to various claims, legal actions and complaints. It is of the opinion of the District's management and legal counsel that any current matters are not anticipated to have a material impact on the District.

14. OTHER 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 of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the 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.

15. SUBSEQUENT EVENTS

In July, 2011, the District signed a lease purchase agreement for computers with payments totaling \$240,068 with four annual principal and interest installments of \$61,722, with the first payment due upon signing.

Management has evaluated the effects on the financial statements of subsequent events occurring through September 19, 2011 which is the date at which the financial statements were available to be issued.

**UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS**

OTHER SUPPLEMENTAL INFORMATION

FISCAL YEAR ENDED JUNE 30, 2011

**UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2011**

<u>Pass-Through Grantor/ Federal Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass Through Entity Identifying Number</u>	<u>Expenditures</u>
<u>U.S. Department of Agriculture</u>			
Passed through Kansas Department of Education -			
School Breakfast Program	10.553	DO418	\$ 75,303
National School Lunch Program	10.555	DO418	394,434
Child and Adult Care Food Program	10.558	DO418	80,417
Fresh Fruit and Vegetable Program	10.582	DO418	<u>48,158</u>
Total U.S. Department of Agriculture			<u>598,312</u>
<u>U.S. Department of Education</u>			
Passed through Kansas Department of Education -			
Title I Grants to Local Educational Agencies	84.010	DO418	220,215
ARRA - Title I Grants to Local Educational Agencies, Recovery Act	84.389	DO418	65,386
Title I, Part C - Carl Perkins Vocational Education	84.048	DO418	14,695
Title II-A - Improving Teacher Quality	84.367	DO418	77,004
Title II-D - Technology Literacy Challenge	84.318	DO418	745
Special Education - Grants to States - IDEA Part B	84.027	DO418	941,510
Special Education - Discretionary Spending Projects	84.027	DO418	38,385
Special Education - Preschool Grants	84.173	DO418	28,419
ARRA - Special Education Grants to States, Recovery Act IDEA Part B	84.391	DO418	497,160
ARRA - Special Education - Preschool Grants, Recovery Act	84.392	DO418	20,939
Title III, Part A English Language Acquisition	84.365	DO418	2,081
ARRA - State Fiscal Stabilization Fund - Education State Grants, Recovery Act	84.394	DO418	221,066
Education Jobs Funds	84.410	DO418	<u>387,085</u>
Total U.S. Department of Education			<u>2,514,690</u>
<u>U.S. Department of Health and Human Services</u>			
Directly received -			
Head Start	93.600	07CHO448/17	1,075,147
Total U.S. Department of Health and Human Services			<u>1,075,147</u>
Total Expenditures of Federal Awards			<u>\$ 4,188,149</u>

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Unified School District Number 418, McPherson, Kansas, and is presented using the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, the same as the financial statements accompanying this schedule.

**UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2011

FINDINGS AND QUESTIONED COSTS- MAJOR FEDERAL AWARD PROGRAMS AUDIT

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Head Start – CFDA Number 93.600
ARRA – Head Start – CFDA Number 93.708
Grant Number D0418

NONE

DEPARTMENT OF EDUCATION

Special Education – Grants to States – CFDA Number 84.027
ARRA – Special Education – Grants to States – CFDA Number 84.391
Special Education – Preschool Grants – CFDA Number 84.173
ARRA – Special Education – Preschool Grants – CFDA Number 84.392
Grant Number DO418

NONE

ARRA – State Fiscal Stabilization Fund – Education State Grants, Recovery Act – CFDA Number 84.394
Grant Number DO418

NONE

UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2011

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of Unified School District Number 418, McPherson, Kansas.
2. Significant deficiencies relating to the audit of the financial statements are reported in the 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*.
3. No instances of noncompliance material to the financial statements of Unified School District Number 418, McPherson, Kansas, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the 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.
5. The auditor's report on compliance for the major federal award programs for Unified School District Number 418, McPherson, Kansas expresses an unqualified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this Schedule.
7. The programs tested as a major program included:

	<u>CFDA No.</u>
Special Education Cluster (IDEA):	
Special Education – Grants to States	84.027
ARRA – Special Education – Grants to States	84.391
Special Education – Preschool Grants	84.173
ARRA – Special Education – Preschool Grants	84.392
Child Nutrition Cluster:	
School Breakfast Program	10.553
National School Lunch Program	10.555
Education Jobs Fund	84.410

8. The threshold used for distinguishing between Type A and B programs was \$300,000.
9. Unified School District Number 418, McPherson, Kansas did qualify as a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

SIGNIFICANT DEFICIENCY

Number 11-01 **Lack of Segregation of Duties**

Condition: Appropriate segregation of duties is achieved when one or more employees or functions acts as a check and balance on the activities of another so that no employee should be in a position to both commit an irregularity and conceal it. Due to resource constraints, these conflicting phases of transactions potentially occur throughout your entity at various times throughout the fiscal year. We considered this lack of segregation of duties to be a significant deficiency under standards established by the American Institute of Certified Public Accountants.

Criteria: The segregation of incompatible duties means that no employee should be in a position to both commit an irregularity and conceal it. An Elected Official's Guide to Internal Controls and Fraud Prevention states that "ideally, no single individual should be able to:

- a) *authorize* a transaction;
- b) *record* the transaction in the books of account; and
- c) *ensure* custody of the asset resulting from the transaction."

In a smaller entity setting, it is very difficult to maintain ideal segregation of duties. We consider this lack of segregation of duties to be a significant deficiency under standards established by the American Institute of Certified Public Accountants.

Effect: Lack of segregation of duties aids in the possibility that errors and irregularities whether caused by fraud or human error will not be detected.

Cause: Due to the limited staff in the District and building offices, segregation of duties has not been possible as required in an ideal internal control structure. At this time, we feel it would be cost prohibitive to increase staff in these offices sufficiently to rectify this situation. Current office staff and the Board of Education should however, continually review the opportunity to implement segregation of duties that will enhance the internal control structure at a minimal cost to the District.

Recommendation: We recommend that the office staff continually review their procedures for opportunities to increase the segregation of duties in the office as well as the overall internal controls and oversight over the accounting functions in the office. We recommend the Board be aware of the importance of segregating the office duties in order to maintain a good internal control structure that will aid in the prevention and detection of errors and irregularities whether caused by fraud or human error.

Within the constraints of available resources, management should attempt to logically segregate duties among people or processes to mitigate risks and meet their financial reporting objectives.

Number 11-02 **Financial Statement Reporting**

Condition: Our firm has been asked to prepare the financial statements for the District; however, our firm cannot be considered part of the internal control structure of the District in regard to the preparation of the financial statements.

Number 11-02 Financial Statement Reporting (cont.)

Criteria: The District prepares its financial statements in accordance with the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, in accordance with the reporting and formatting requirements displayed in the *Kansas Municipal Audit Guide* (KMAG).

Effect: We consider this condition related to external financial statement and other supplemental information preparation to be a significant deficiency under the standards established by the American Institute of Certified Public Accountants.

Cause: District personnel do have the skill and knowledge to process all the basic financial transactions and the ability to issue the internal financial statements needed to provide appropriate budget and operating information to the District governing body on an as needed basis. Also a member of the District staff has attended a KMAG training session. However, the District either has no documented policy or procedures related to the preparation of the external financial statements and other supplemental information and/or the policies and procedures are not implemented and adequately followed to ensure the accuracy and completeness of the external financial statements and other supplemental information.

Recommendation: To strengthen internal control over financial statement preparation, we recommend:

- a) Obtain a current copy of the Kansas Municipal Audit Guide (KMAG);
- b) Obtain a report check list for KMAG financial statements; and
- c) Adopt a policy that annual financial statements will be reviewed prior to being subjected to audit.

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

U.S. DEPARTMENT OF EDUCATION

Special Education Cluster - CFDA Numbers 84.027, 84.173, 84.391 and 84.392

Number 11-03 Compliance Issue – Special Tests and Provisions

Condition: Separate accounting of ARRA receipts and expenditures was not kept adequately for Title VI-B ARRA funds.

Criteria: Per OMB A-133 2011 Compliance Supplement, "Federal agencies must require recipients to agree to maintain records that identify adequately the source and application of ARRA awards."

Questioned cost: Not applicable

Effect: The district will not be in compliance with the specific reporting requirements of ARRA funds.

Number 11-03 Compliance Issue – Special Tests and Provisions (cont.)

Cause: The district overlooked the separate accounting of Title VI-B ARRA funds, as they were in compliance with the separate reporting of other ARRA funds.

Recommendation: We recommend the district be aware of the importance of the compliance requirements in order to avoid any future instances of noncompliance.

Response by Management: Management agrees with this finding. The district prepared a Corrective Action Plan which addresses this finding.

Child Nutrition Cluster – CFDA Numbers 10.553 and 10.555

NONE

Education Jobs Fund - CFDA Number 84.410

NONE