

UNIFIED SCHOOL DISTRICT NO. 202

Kansas City, Kansas

Financial Statements

For the Year Ended June 30, 2012

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UNIFIED SCHOOL DISTRICT NO. 202
Financial Statements
For the Year Ended June 30, 2012

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**INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS AND
SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Board of Education
Unified School District No. 202
Kansas City, Kansas

We have audited the summary statement of cash receipts, expenditures, and unencumbered cash balances of Unified School District No. 202, Kansas City, Kansas, (the District), as of and for the year ended June 30, 2012. This financial statement is the responsibility of the District's management. Our responsibility is to express an opinion on the financial statement based on our audit. The prior year partial comparative information has been derived from the District's financial statements for the year ended June 30, 2011. In our report dated November 26, 2011, on these financial statements we expressed an adverse opinion as to presentation on the basis of generally accepted accounting principles and a qualified opinion as to presentation on the Kansas prescribed basis of accounting.

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 we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the District has prepared this financial statement 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, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between these statutory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Unified School District No. 202, Kansas City, Kansas, as of June 30, 2012, or the respective changes in financial position and changes in cash flows, where applicable, for the year then ended.

Also, in our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the District as of June 30, 2012, and the aggregate cash receipts and expenditures for the year then ended, on the basis of accounting described in Note 1.

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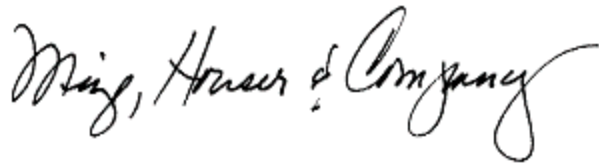
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The financial statements include partial prior-year comparative information. Such information does not include all of the information required for a presentation in conformity with the Kansas prescribed basis of accounting. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2011, from which such partial information was derived.

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

Our audit was conducted for the purpose of forming an opinion on the financial statement. The summary of expenditures-actual and budget, individual fund schedules of cash receipts and expenditures-actual and budget, schedule of cash receipts and expenditures-agency funds, and the schedule of cash receipts, expenditures and unencumbered cash-district activity funds (Schedules 1, 2, 3, and 4 as listed in the table of contents) are presented for analysis and are not a required part of the statutory 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statement as a whole.

A handwritten signature in cursive script that reads "Ming, Houser & Company". The signature is written in dark ink and is positioned above the date.

November 26, 2012

UNIFIED SCHOOL DISTRICT NO. 202
Summary of Cash Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2012

Fund	Beginning Unencumbered Cash Balance	Prior-Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds:							
General Funds:							
General	\$ 118,280	\$ -	\$ 24,489,176	\$ 24,607,456	\$ -	\$ 105,672	\$ 105,672
Supplemental General	442,507	-	8,606,732	8,440,781	608,458	241,739	850,197
Special Purpose Funds:							
At-Risk (4 Year Old)	33,594	-	120,000	119,021	34,573	649	35,222
At-Risk (K-12)	305,750	-	5,308,890	5,213,901	400,739	13,337	414,076
Bilingual Education	61,020	-	470,421	470,000	61,441	2,700	64,141
Capital Outlay	2,682,270	-	4,344,436	2,476,513	4,550,193	647,736	5,197,929
Food Service	831,425	-	2,209,435	2,090,700	950,160	4,251	954,411
Special Education	1,041,855	-	5,648,374	5,637,434	1,052,795	174,661	1,227,456
Professional Development	-	-	-	-	-	-	-
Vocational Education	83,300	-	453,546	453,564	83,282	192	83,474
Parent Education Program	78,867	-	186,072	152,200	112,739	16,939	129,678
Student Material Revolving	513,790	-	543,140	61,354	995,576	-	995,576
KPERS Special Retirement Contribution	-	-	2,614,241	2,614,241	-	-	-
Federal Grants	[30,524]	-	1,350,926	1,247,307	73,095	37,660	110,755
District Activity	52,119	-	67,441	68,399	51,161	-	51,161
Contingency Reserve	1,490,981	-	501,740	-	1,992,721	-	1,992,721
Aquatic	24,789	-	179,168	179,290	24,667	2,667	27,334
Debt Service Funds:							
Bond and Interest	4,479,606	-	3,679,172	3,797,832	4,360,946	-	4,360,946
Private Purpose Trust Funds:							
Donations and Grants	36,486	-	1,106	13,348	24,244	-	24,244
Total Primary Government	12,246,115	-	60,774,016	57,643,341	15,376,790	1,248,203	16,624,993
Related Municipal Entity:							
Recreation Commission							
General Fund	763,184	-	1,248,656	1,068,540	943,300	-	943,300
Employee Benefits Fund	135,351	-	132,043	133,565	133,829	-	133,829
Operating Funds	23,364	-	36,908	51,278	8,994	-	8,994
Total Related Municipal Entity	921,899	-	1,417,607	1,253,383	1,086,123	-	1,086,123
Total Reporting Entity (Excluding Agency Funds)	\$ 13,168,014	\$ -	\$ 62,191,623	\$ 58,896,724	\$ 16,462,913	\$ 1,248,203	\$ 17,711,116

Composition of Cash

Brotherhood Bank	
Checking Account-District	\$ 11,440,989
Food Service Account-District	913,185
Money Market Account-District	4,245,167
Recreation Commission-Operating Funds	8,994
Petty Cash Account-District	977
Checking Accounts-Activity Funds	201,172
Recreation Commission	1,077,129
Total Cash	17,887,613
Less Agency Funds per Schedule 3	[176,497]
Total Reporting Entity (Excluding Agency Funds)	\$ 17,711,116

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

UNIFIED SCHOOL DISTRICT NO. 202
Notes to the Financial Statements
For the Year Ended June 30, 2012

NOTE 1 - Summary of Significant Accounting Policies

Municipal Financial Reporting Entity

Unified School District No. 202 (the District) is a municipal corporation governed by an elected seven-member board. These financial statements present USD No. 202 (the primary government) and its component unit. The component unit is included in the District's reporting entity because of the significance of its operational and financial relationship with the District.

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 appointed by the District.

Recreation Commission. USD No. 202 Recreation Commission oversees recreational activities. The recreation commission can sue and be sued, but acquisition of real property by the commission must be approved by the District. The District levies taxes for the recreation commission. Bond issuances must be approved by the District.

Reimbursed Expenses

Expenditures in the amount of \$12,508 are classified as reimbursed expenses in the General Fund. The purpose of these expenditures is payments for goods and services in which fees are collected and such expenditures are exempt from the budget law under K.S.A. 79-2934.

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statements meet the following criteria:

1. the related disbursement was made in the current year on behalf of the payee,
2. the item paid for was directly identifiable as having been used by or provided to the payee, and
3. the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The *Kansas Municipal Audit and Accounting Guide* (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

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

Departure from Generally Accepted Accounting Principles (GAAP)

The basis of accounting described above results in a financial statement presentation which shows cash receipts (except as noted), 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 expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented.

UNIFIED SCHOOL DISTRICT NO. 202
Notes to the Financial Statements
For the Year Ended June 30, 2012

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Basis of Accounting (Continued)

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 District are not presented in the financial statements. Also, long-term debt such as general obligation bonds, temporary notes, and compensated absences are not presented in the financial statements. Inventories and prepaid expenses which benefit future periods are recorded as an expenditure during the year of purchase, as required by state statutes.

Regulatory Basis Fund Types

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

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

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

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

Bond and Interest Fund - to account for the accumulation of resources for, and the payments of, interest and principal and related costs on general long-term debt.

Fiduciary Fund – used to report assets held in a trustee or agency capacity for others and which therefore cannot be used to support the government's own programs (i.e. payroll clearing fund, student organization fund, permanent trust funds, etc.).

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute) and debt service funds.

The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
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.

UNIFIED SCHOOL DISTRICT NO. 202
Notes to the Financial Statements
For the Year Ended June 30, 2012

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Budgetary Information (Continued)

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

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 regulatory basis of accounting, in which, revenues are recognized when cash is received, and expenditures include disbursements, 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. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

A legal operating budget is not required for capital projects funds, trust funds, and the following special revenue funds: Student Material Revolving, Donations and Grants, Aquatic, District Activity, Recreation Commission Operating and Contingency Reserve.

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

Ad Valorem Tax Revenues

The determination of assessed valuations and the collection of property taxes for all political subdivisions in the State of Kansas are the responsibility of the various counties. The County Appraiser annually determines assessed valuations on January 1 and the County Clerk spreads the annual assessment on the tax rolls. Property taxes are levied as of November 1 and become a lien on the property as of that date. Payments are due November 1 and become delinquent, with penalty, December 21. Payments of 50% are accepted through December 20, with the second 50% then being due on or before May 10 of the following year.

The County Treasurer is the tax collection agent for all taxing entities within the County. The initial distribution to the subdivisions, including the District, is on or before January 20 of the ensuing year. Additional amounts are distributed on four (4) subsequent dates throughout the calendar year.

NOTE 2 - Deposits and Investments

Deposits. 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.

Investments. K.S.A. 12-1675 limits the Government's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices. As of June 30, 2012, the District held no such investments.

UNIFIED SCHOOL DISTRICT NO. 202
Notes to the Financial Statements
For the Year Ended June 30, 2012

NOTE 2 - Deposits and Investments (Continued)

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.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District has no designated "peak periods". All District deposits were legally secured at June 30, 2012. Recreation deposits for \$510,788 are unsecured as of June 30, 2012.

At June 30, 2012, the District's carrying amount of deposits was \$16,801,490 and the bank balance was \$17,376,071. The bank balance was held by Brotherhood Bank & Trust resulting in a concentration of credit risk. Of the bank balance, \$250,000 was covered by federal depository insurance and the balance of \$17,126,071 was collateralized with securities held by the pledging financial institutions' agents in the District's name. At June 30, 2012 the Recreation Commission's carrying amount of deposits was \$1,086,123 and the bank balance was \$1,148,551. The bank balance was held by Brotherhood Bank & Trust resulting in a concentration of credit risk. Of the bank balance, \$250,000 was covered by federal depository insurance and \$367,660 was collateralized with securities held by the remaining \$530,891 was unsecured as of June 30, 2012.

Custodial credit risk – investments. For an investment, this is the risk that, in the event of the 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.

Substance receipt in transit. The District received \$2,527,488 subsequent to June 30, 2012 and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2012.

NOTE 3 - Long-Term Debt

The District is subject to statutes of the State of Kansas which limit the bonded debt outstanding to 14% of the assessed valuation. The District requested and received approval under K.S.A. 75-2315 which allows the issuance of bonded debt in excess of the general bond debt limitation.

Following is a detailed listing of the District's long-term debt:

<u>Debt Issue</u>	<u>Date Issued</u>	<u>Amount Outstanding</u>	<u>Interest Rate</u>
G.O. Bonds			
Refunding	05/18/10	\$ 2,620,000	4.400% - 5.000%
Refunding	12/15/04	<u>22,870,000</u>	3.000% - 5.250%
Total		<u>\$ 25,490,000</u>	

UNIFIED SCHOOL DISTRICT NO. 202
Notes to the Financial Statements
For the Year Ended June 30, 2012

NOTE 3 - Long-Term Debt (Continued)

Following is a summary of changes in long-term debt for the year ended June 30, 2012:

<u>Type of Issue</u>	<u>Beginning Principal Outstanding</u>	<u>Additions to Principal</u>	<u>Reductions of Principal</u>	<u>Ending Principal Outstanding</u>
G.O. Bonds To Be Paid With Tax Levies:				
'01 Issue	\$ 190,000	\$ -	\$ 190,000	\$ -
'04 Issue	25,130,000	-	2,260,000	22,870,000
'10 Issue	2,645,000	-	25,000	2,620,000
Total	<u>\$ 27,965,000</u>	<u>\$ -</u>	<u>\$ 2,475,000</u>	<u>\$ 25,490,000</u>

Annual debt service requirements to maturity for long-term debt:

<u>Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 2,610,000	\$ 1,139,656	\$ 3,749,656
2014	2,735,000	1,008,469	3,743,469
2015	2,880,000	872,431	3,752,431
2016	3,005,000	720,731	3,725,731
2017	3,160,000	560,744	3,720,744
2018 - 2022	11,100,000	650,772	11,750,772
	<u>\$ 25,490,000</u>	<u>\$ 4,952,803</u>	<u>\$ 30,442,803</u>

The district has also entered into several leases and other financing agreements to fund equipment, computers and other building upgrades. A summary of these financing agreements is as follows:

<u>Lease</u>	<u>Origination Date</u>	<u>Original Balance</u>	<u>June 30, 2012 Balance</u>
Bioler Lease	June 3, 2008	\$ 3,552,500	\$ 2,290,011
Computers	June 7, 2011	230,537	77,035
HVAC Upgrades	August 4, 2011	5,158,262	5,033,994
HVAC Upgrades QZAB	August 4, 2011	214,000	207,658
Energy Retrofitting QZAB	August 4, 2011	833,000	804,276
Computers	May 15, 2012	170,405	170,405
Computers	May 2, 2012	187,954	187,954
Revolving Note	September 15, 2008	400,000	322,240
		<u>\$ 10,746,658</u>	<u>\$ 9,093,573</u>

UNIFIED SCHOOL DISTRICT NO. 202
Notes to the Financial Statements
For the Year Ended June 30, 2012

NOTE 3 - Long-Term Debt (Continued)

Annual lease payment requirements to maturity:

Year Ended June 30,	Principal	Interest	Total
2013	\$ 914,426	\$ 339,773	\$ 1,254,199
2014	862,451	307,895	1,170,347
2015	893,552	274,028	1,167,580
2016	800,916	239,842	1,040,758
2017	830,856	207,078	1,037,934
2018-2022	2,760,272	637,319	3,397,591
2023-2026	2,031,100	168,248	2,199,347
	<u>\$ 9,093,573</u>	<u>\$ 2,174,184</u>	<u>\$ 11,267,757</u>

NOTE 4 - Interfund Transactions

Transfers were as follows:

From	To	Regulatory Authority	Amount
General	Special Education	K.S.A. 72-6428	\$ 4,180,000
General	Contingency Reserve	K.S.A. 72-6428	500,000
General	Capital Outlay	K.S.A. 72-6428	2,254,886
General	At Risk (K-12)	K.S.A. 72-6428	2,458,673
General	Student Material Revolving	K.S.A. 72-6428	500,000
Supplemental General	Bilingual Education	K.S.A. 72-6433	470,421
Supplemental General	Special Education	K.S.A. 72-6433	13,545
Supplemental General	Vocational Education	K.S.A. 72-6433	416,000
Supplemental General	At Risk (4 Year Old)	K.S.A. 72-6433	120,000
Supplemental General	At Risk (K-12)	K.S.A. 72-6433	2,835,000
Supplemental General	Parent Education Program	K.S.A. 72-6433	31,364
Supplemental General	Student Material Revolving	K.S.A. 72-6433	<u>43,140</u>
Total			<u>\$ 13,823,029</u>

NOTE 5 - Defined Benefit Pension Plan

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

UNIFIED SCHOOL DISTRICT NO. 202
Notes to the Financial Statements
For the Year Ended June 30, 2012

NOTE 5 - Defined Benefit Pension Plan (Continued)

Funding Policy. K.S.A. 74-4919 and K.S.A. 74-4921 establishes the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate of 4% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. Member employees' contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the statutory required employers share. Estimated Kansas contributions to KPERS for the District employees for the years ending June 30, 2012, 2011, and 2010 were \$2,614,241 \$1,569,165, and \$1,828,506 respectively. The 2011 fiscal year had one of the quarterly payments not made until 2012 fiscal year. The State of Kansas is required to contribute the statutory required employers share.

NOTE 6 - Termination Benefits

The District has a plan which covers personnel who voluntarily take early retirement. A certified employee is eligible for early retirement if such employee is a full time employee, not less than 60 years of age and not more than 65 years of age, and has ten years or more of service with the District and twenty years or more of service credit with the Kansas Public Employees Retirement System. The benefits from this plan are computed using a formula based upon years of service and is payable semiannually.

The annual scheduled payments under this program are as follows:

Year Ended	
6/30/2013	\$ 530,984
6/30/2014	489,837
6/30/2015	354,860
6/30/2016	234,217
6/30/2017	121,251
6/30/2018-06/30/2022	<u>19,873</u>
Total	<u>\$ 1,541,705</u>

NOTE 7 - Commitments and Contingencies

The District receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursement of the funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statements of the District as of June 30, 2012.

UNIFIED SCHOOL DISTRICT NO. 202
Notes to the Financial Statements
For the Year Ended June 30, 2012

NOTE 8 - Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which it carries commercial insurance. The District has joined other Kansas school districts to participate in Kansas Association of School Boards (KASB) workers compensation insurance risk pool. The pool operates as a common risk management and insurance program for certain Kansas school districts. The District pays an annual premium to the pool for its workers compensation insurance coverage. The District's contractual agreement with KASB provides that KASB will be self-sustaining through member premiums and the liability limits for each accident, employee, and policy is \$1,000,000. The District continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 9 – Compensated Absences

The District gives each teacher ten (10) days paid annual leave for illness or personal use. This paid leave may be accumulated to a maximum of one hundred and twenty (120) days and shall include the amount allotted for the current year. The District gives classified employees, with the exception of bus drivers, leave time at a rate of one (1) work day paid leave per month of employment calculated from the original date of employment. Example, a ten (10) month employee receives ten (10) days leave time; a twelve (12) month employee receives twelve (12) days leave time. This paid leave may be accumulated to a maximum of one hundred and twenty (120) days and shall include the amount allotted for the current year. A teacher retiring from the District shall be paid at the rate of the current daily substitute pay for each day of accumulated leave upon retirement; classified employees are paid at their current rate of pay. As of June 30, 2012, the liability for accumulated leave time was \$169,417. If employees terminate or resign, leave pay is only paid for current years time earned but not used.

NOTE 10 - Other Post Employment Benefits

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

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

SCHEDULE 1

UNIFIED SCHOOL DISTRICT NO. 202
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2012

Fund	Total Budget	Adjustment to Comply with Legal Maximum Budget	Adjustment For Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over [Under]
General Fund	\$24,782,058	\$ [187,110]	\$ 12,508	\$24,607,456	\$ 24,607,456	\$ -
Special Revenue Funds:						
Supplemental General	8,440,781	-	-	8,440,781	8,440,781	-
At-Risk (4 Year Old)	262,234	-	-	262,234	119,021	143,213
At-Risk (K-12)	5,474,150	-	-	5,474,150	5,213,901	260,249
Bilingual Education	470,600	-	-	470,600	470,000	600
Capital Outlay	4,181,605	-	-	4,181,605	2,476,513	1,705,092
Food Service	2,630,000	-	-	2,630,000	2,090,700	539,300
Special Education	5,915,050	-	-	5,915,050	5,637,434	277,616
Professional Development	-	-	-	-	-	-
Vocational Education	484,550	-	-	484,550	453,564	30,986
Parent Education Program	181,316	-	-	181,316	152,200	29,116
KPERs Special Retirement Contribution	2,902,955	-	-	2,902,955	2,614,241	288,714
Federal Grants	1,424,827	-	-	1,424,827	1,247,307	177,520
Bond and Interest	3,797,832	-	-	3,797,832	3,797,832	-
Recreation Commission Funds:						
General Fund	1,661,348	-	-	1,661,348	1,068,540	592,808
Employee Benefits Fund	147,000	-	-	147,000	133,565	13,435

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 202
General Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

		Current Year		Variance
	Prior Year	Actual	Budget	Over
	Actual			[Under]
Cash Receipts				
Taxes and Shared Revenue:				
Ad valorem property tax	\$ 2,250,028	\$ 2,107,987	\$ 1,974,586	\$ 133,401
Delinquent tax	76,610	74,274	89,868	[15,594]
In lieu of taxes - I. R. B.'s	52,435	22,814	28,953	[6,139]
Federal aid	1,226,782	11,407	-	11,407
State aid	21,362,121	22,260,186	22,570,371	[310,185]
Reimbursed expense	27,789	12,508	-	12,508
Total Cash Receipts	24,995,765	24,489,176	\$ 24,663,778	\$ [174,602]
Expenditures and Transfers				
Instruction	7,606,013	7,150,110	\$ 7,554,631	\$ 404,521
Student support services	536,803	561,352	662,900	101,548
Instructional support staff	415,679	321,627	503,200	181,573
General administration	814,849	896,422	918,000	21,578
School administration	1,791,416	1,739,989	1,820,000	80,011
Other support services	166,231	230,217	170,556	[59,661]
Operations and maintenance	2,710,188	2,884,588	2,800,000	[84,588]
Transportation	926,211	929,592	996,400	66,808
Transfers out	9,910,095	9,893,559	9,356,371	[537,188]
Adjustment to comply with legal max	-	-	[187,110]	[187,110]
Adjustment for qualifying budget credit	-	-	12,508	12,508
Total Expenditures and Transfers	24,877,485	24,607,456	\$ 24,607,456	\$ -
Receipts Over [Under] Expenditures	118,280	[118,280]		
Unencumbered Cash, Beginning	-	118,280		
Unencumbered Cash, Ending	\$ 118,280	\$ -		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 202
Supplemental General Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

		Current Year		Variance
	Prior Year Actual	Actual	Budget	Over [Under]
Cash Receipts				
Taxes and Shared Revenue:				
Ad valorem property tax	\$ 3,405,097	\$ 3,235,124	\$ 3,442,831	\$ [207,707]
Delinquent tax	61,307	125,173	137,646	[12,473]
Motor and recreational vehicle tax	300,941	345,450	338,857	6,593
In lieu of taxes - I. R. B.'s	68,403	31,025	41,275	[10,250]
State aid	<u>4,757,296</u>	<u>4,869,960</u>	<u>4,694,619</u>	<u>175,341</u>
Total Cash Receipts	<u>8,593,044</u>	<u>8,606,732</u>	<u>\$ 8,655,228</u>	<u>\$ [48,496]</u>
Expenditures and Transfers :				
Instruction	1,136,835	1,704,524	\$ 2,328,000	\$ 623,476
General administration	410,517	525,445	485,000	[40,445]
Other support services	594,287	687,211	700,000	12,789
Operations and maintenance	1,366,940	1,423,058	1,600,000	176,942
Transportation	199,148	171,073	170,000	[1,073]
Transfers out	<u>4,630,253</u>	<u>3,929,470</u>	<u>3,157,781</u>	<u>[771,689]</u>
Total Expenditures and Transfers	<u>8,337,980</u>	<u>8,440,781</u>	<u>\$ 8,440,781</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	255,064	165,951		
Unencumbered Cash, Beginning	<u>187,443</u>	<u>442,507</u>		
Unencumbered Cash, Ending	<u>\$ 442,507</u>	<u>\$ 608,458</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 202
At Risk (4 Year Old) Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over [Under]
		Actual	Budget	
Cash Receipts				
Transfers in	<u>\$ 236,603</u>	<u>\$ 120,000</u>	<u>\$ 265,000</u>	<u>\$ [145,000]</u>
Total Cash Receipts	<u>236,603</u>	<u>120,000</u>	<u>\$ 265,000</u>	<u>\$ [145,000]</u>
Expenditures and Transfers				
Instruction	125,317	53,948	\$ 128,928	\$ 74,980
Instructional support services	29,234	-	36,064	36,064
General administration	288	428	-	[428]
School administration	25,453	26,138	30,664	4,526
Operations and maintenance	21,035	10,422	42,614	32,192
Student support services	<u>31,705</u>	<u>28,085</u>	<u>23,964</u>	<u>[4,121]</u>
Total Expenditures and Transfers	<u>233,032</u>	<u>119,021</u>	<u>\$ 262,234</u>	<u>\$ 143,213</u>
Receipts Over [Under] Expenditures	3,571	979		
Unencumbered Cash, Beginning	<u>30,023</u>	<u>33,594</u>		
Unencumbered Cash, Ending	<u>\$ 33,594</u>	<u>\$ 34,573</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 202
At Risk (K-12) Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

		Current Year		Variance
	Prior Year Actual	Actual	Budget	Over [Under]
Cash Receipts				
Tuition	\$ -	\$ -	\$ 4,500	\$ [4,500]
Transfers in	5,382,737	5,293,673	5,435,000	[141,327]
Miscellaneous	<u>32,206</u>	<u>15,217</u>	<u>35,000</u>	<u>[19,783]</u>
Total Cash Receipts	<u>5,414,943</u>	<u>5,308,890</u>	<u>\$ 5,474,500</u>	<u>\$ [165,610]</u>
Expenditures and Transfers				
Instruction	4,627,090	4,411,884	\$ 4,750,800	\$ 338,916
Student support services	294,540	329,177	304,250	[24,927]
School administration	195,868	212,486	208,200	[4,286]
Vehicle operating services	82,108	76,470	85,000	8,530
Operations and maintenance	122,564	62,017	125,900	63,883
Other support services	<u>-</u>	<u>121,867</u>	<u>-</u>	<u>[121,867]</u>
Total Expenditures and Transfers	<u>5,322,170</u>	<u>5,213,901</u>	<u>\$ 5,474,150</u>	<u>\$ 260,249</u>
Receipts Over [Under] Expenditures	92,773	94,989		
Unencumbered Cash, Beginning	<u>212,977</u>	<u>305,750</u>		
Unencumbered Cash, Ending	<u>\$ 305,750</u>	<u>\$ 400,739</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 202
Bilingual Education Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

		Current Year		Variance Over [Under]
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Transfers in	\$ 456,153	\$ 470,421	\$ 470,000	\$ 421
Total Cash Receipts	<u>456,153</u>	<u>470,421</u>	<u>\$ 470,000</u>	<u>\$ 421</u>
Expenditures and Transfers				
Instruction	<u>456,155</u>	<u>470,000</u>	<u>\$ 470,600</u>	<u>\$ 600</u>
Total Expenditures and Transfers	<u>456,155</u>	<u>470,000</u>	<u>\$ 470,600</u>	<u>\$ 600</u>
Receipts Over [Under] Expenditures	[2]	421		
Unencumbered Cash, Beginning	<u>61,022</u>	<u>61,020</u>		
Unencumbered Cash, Ending	<u>\$ 61,020</u>	<u>\$ 61,441</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 202
Capital Outlay Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

		Current Year		Variance
	Prior Year	Actual	Budget	Over
	Actual			[Under]
Cash Receipts				
Taxes and Shared Revenue:				
Ad valorem property tax	\$ 1,009,467	\$ 960,761	\$ 894,232	\$ 66,529
Delinquent tax	34,508	20,823	40,458	[19,635]
In lieu of taxes - I.R.B.'s	20,974	9,126	12,940	[3,814]
Motor vehicle tax	112,876	108,170	105,388	2,782
Recreational vehicle tax	895	884	920	[36]
Investment income	41,822	42,942	40,000	2,942
Miscellaneous	387,621	888,068	400,000	488,068
Lease proceeds	58,776	58,776	-	58,776
Transfers in	<u>2,924,000</u>	<u>2,254,886</u>	<u>1,500,856</u>	<u>754,030</u>
Total Cash Receipts	<u>4,590,939</u>	<u>4,344,436</u>	<u>\$ 2,994,794</u>	<u>\$ 1,349,642</u>
Expenditures and Transfers				
Instruction	271,521	307,259	\$ 1,240,000	\$ 932,741
Operations and maintenance	921,406	714,727	1,265,000	550,273
Student activities	-	3,293	-	[3,293]
Debt service	1,204,417	762,199	476,605	[285,594]
Facility acquisition and construction services	<u>812,703</u>	<u>689,035</u>	<u>1,200,000</u>	<u>510,965</u>
Total Expenditures and Transfers	<u>3,210,047</u>	<u>2,476,513</u>	<u>\$ 4,181,605</u>	<u>\$ 1,705,092</u>
Receipts Over [Under] Expenditures	1,380,892	1,867,923		
Unencumbered Cash, Beginning	<u>1,301,378</u>	<u>2,682,270</u>		
Unencumbered Cash, Ending	<u>\$ 2,682,270</u>	<u>\$ 4,550,193</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 202
Food Service Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

		Current Year		Variance
	Prior Year	Actual	Budget	Over
	Actual			[Under]
Cash Receipts				
Federal aid	\$ 1,607,870	\$ 1,697,484	\$ 1,609,553	\$ 87,931
State aid	22,380	21,298	20,344	954
Charges for services	467,084	439,040	459,699	[20,659]
Investment income	2,554	2,915	2,000	915
Miscellaneous	9,939	48,698	10,000	38,698
Total Cash Receipts	<u>2,109,827</u>	<u>2,209,435</u>	<u>\$ 2,101,596</u>	<u>\$ 107,839</u>
Expenditures and Transfers				
Food service operation	<u>1,976,444</u>	<u>2,090,700</u>	<u>\$ 2,630,000</u>	<u>\$ 539,300</u>
Total Expenditures and Transfers	<u>1,976,444</u>	<u>2,090,700</u>	<u>\$ 2,630,000</u>	<u>\$ 539,300</u>
Receipts Over [Under] Expenditures	133,383	118,735		
Unencumbered Cash, Beginning	<u>698,042</u>	<u>831,425</u>		
Unencumbered Cash, Ending	<u>\$ 831,425</u>	<u>\$ 950,160</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 202
Special Education Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

		Current Year		Variance
	Prior Year Actual	Actual	Budget	Over [Under]
Cash Receipts				
State aid	\$ 261,559	\$ 413,180	\$ 120,000	\$ 293,180
Federal aid	1,185,541	1,041,649	1,014,025	27,624
Miscellaneous	119,033	-	-	-
Transfers in	<u>4,290,361</u>	<u>4,193,545</u>	<u>4,641,025</u>	<u>[447,480]</u>
Total Cash Receipts	<u>5,856,494</u>	<u>5,648,374</u>	<u>\$ 5,775,050</u>	<u>\$ [126,676]</u>
Expenditures and Transfers				
Instruction	4,839,956	4,806,599	\$ 4,976,000	\$ 169,401
Student support services	94,057	71,271	103,800	32,529
General administration	199,858	198,722	224,000	25,278
Other supplemental services	360,490	355,565	-	[355,565]
Vehicle operating services	<u>61,915</u>	<u>205,277</u>	<u>611,250</u>	<u>405,973</u>
Total Expenditures and Transfers	<u>5,556,276</u>	<u>5,637,434</u>	<u>\$ 5,915,050</u>	<u>\$ 277,616</u>
Receipts Over [Under] Expenditures	300,218	10,940		
Unencumbered Cash, Beginning	<u>741,637</u>	<u>1,041,855</u>		
Unencumbered Cash, Ending	<u>\$ 1,041,855</u>	<u>\$ 1,052,795</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 202
Professional Development Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over [Under]
		Actual	Budget	
Cash Receipts				
Transfers in	\$ -	\$ -	\$ -	\$ -
Total Cash Receipts	-	-	\$ -	\$ -
Expenditures and Transfers				
Instruction	9,099	-	\$ -	\$ -
Total Expenditures and Transfers	9,099	-	\$ -	\$ -
Receipts Over [Under] Expenditures	[9,099]	-		
Unencumbered Cash, Beginning	9,099	-		
Unencumbered Cash, Ending	\$ -	\$ -		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 202
Vocational Education Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

		Current Year		Variance
	Prior Year	Actual	Budget	Over
	Actual			[Under]
Cash Receipts				
Transfers in	\$ 409,136	\$ 416,000	\$ 446,454	\$ [30,454]
Federal aid	46,210	37,546	37,546	-
Total Cash Receipts	<u>455,346</u>	<u>453,546</u>	<u>\$ 484,000</u>	<u>\$ [30,454]</u>
Expenditures and Transfers				
Instruction	409,136	414,633	\$ 428,500	\$ 13,867
Instructional support staff	<u>46,210</u>	<u>38,931</u>	<u>56,050</u>	<u>17,119</u>
Total Expenditures and Transfers	<u>455,346</u>	<u>453,564</u>	<u>\$ 484,550</u>	<u>\$ 30,986</u>
Receipts Over [Under] Expenditures	-	[18]		
Unencumbered Cash, Beginning	<u>83,300</u>	<u>83,300</u>		
Unencumbered Cash, Ending	<u>\$ 83,300</u>	<u>\$ 83,282</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 202
Parent Education Program Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

		Current Year		Variance Over [Under]
	Prior Year Actual	Actual	Budget	
Cash Receipts				
State aid	\$ 98,766	\$ 154,708	\$ 154,074	\$ 634
Transfers in	23,836	31,364	31,364	-
Total Cash Receipts	122,602	186,072	\$ 185,438	\$ 634
Expenditures and Transfers				
Student support services	101,819	152,200	\$ 181,316	\$ 29,116
Total Expenditures and Transfers	101,819	152,200	\$ 181,316	\$ 29,116
Receipts Over [Under] Expenditures	20,783	33,872		
Unencumbered Cash, Beginning	58,084	78,867		
Unencumbered Cash, Ending	\$ 78,867	\$ 112,739		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 202
Student Material Revolving Fund *
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended June 30, 2012 and 2011

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Charges for services	\$ 420	\$ -
Transfer in	<u>500,000</u>	<u>543,140</u>
Total Cash Receipts	<u>500,420</u>	<u>543,140</u>
Expenditures and Transfers		
Instruction	<u>153,368</u>	<u>61,354</u>
Total Expenditures and Transfers	<u>153,368</u>	<u>61,354</u>
Receipts Over [Under] Expenditures	347,052	481,786
Unencumbered Cash, Beginning	<u>166,738</u>	<u>513,790</u>
Unencumbered Cash, Ending	<u>\$ 513,790</u>	<u>\$ 995,576</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 202
KPERs Special Retirement Contribution Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over [Under]
		Actual	Budget	
Cash Receipts				
State aid	\$ 1,569,165	\$ 2,614,241	\$ 2,902,955	\$ [288,714]
Total Cash Receipts	<u>1,569,165</u>	<u>2,614,241</u>	<u>\$ 2,902,955</u>	<u>\$ [288,714]</u>
Expenditures and Transfers				
Instruction	1,065,820	1,751,541	\$ 1,899,453	\$ 147,912
Student support services	56,064	104,570	113,346	8,776
Instructional support staff	19,988	26,142	43,888	17,746
General administration	56,082	104,570	109,720	5,150
School administration	111,919	182,997	220,803	37,806
Other support services	30,519	52,285	54,550	2,265
Operations and maintenance	134,634	209,139	259,360	50,221
Transportation	53,224	104,570	108,852	4,282
Food service	<u>40,915</u>	<u>78,427</u>	<u>92,983</u>	<u>14,556</u>
Total Expenditures and Transfers	<u>1,569,165</u>	<u>2,614,241</u>	<u>\$ 2,902,955</u>	<u>\$ 288,714</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 202
Federal Grants Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2012

	Low Income Title I	School Improvement	Title IIA	Title IV Drug Free
Cash Receipts				
Federal aid	<u>\$ 1,157,369</u>	<u>\$ -</u>	<u>\$ 145,457</u>	<u>\$ 17,800</u>
Total Cash Receipts	<u>1,157,369</u>	<u>-</u>	<u>145,457</u>	<u>17,800</u>
Expenditures and Transfers				
Instruction	1,050,013	1,474	-	2,188
Transportation	<u>7,208</u>	<u>-</u>	<u>137,920</u>	<u>5,119</u>
Total Expenditures and Transfers	<u>1,057,221</u>	<u>1,474</u>	<u>137,920</u>	<u>7,307</u>
Receipts Over [Under] Expenditures	100,148	[1,474]	7,537	10,493
Unencumbered Cash, Beginning	<u>[60,534]</u>	<u>1,474</u>	<u>12,303</u>	<u>1,191</u>
Unencumbered Cash, Ending	<u>\$ 39,614</u>	<u>\$ -</u>	<u>\$ 19,840</u>	<u>\$ 11,684</u>

Title IV Drug Free FY10	Title III	Actual	Budget	Variance Over [Under]
\$ -	\$ 30,300	\$ 1,350,926	\$ 1,285,939	\$ 64,987
-	30,300	1,350,926	<u>\$ 1,285,939</u>	<u>\$ 64,987</u>
-	-	1,053,675	\$ 1,395,527	\$ 341,852
<u>4,414</u>	<u>38,971</u>	<u>193,632</u>	<u>29,300</u>	<u>[164,332]</u>
<u>4,414</u>	<u>38,971</u>	<u>1,247,307</u>	<u>\$ 1,424,827</u>	<u>\$ 177,520</u>
[4,414]	[8,671]	103,619		
<u>4,414</u>	<u>10,628</u>	<u>[30,524]</u>		
<u>\$ -</u>	<u>\$ 1,957</u>	<u>\$ 73,095</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 202
Contingency Reserve Fund *
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended June 30, 2012 and 2011

	Prior Year Actual	Current Year Actual
Cash Receipts and Transfers		
Transfers in	\$ 317,522	\$ 500,000
Miscellaneous	<u>-</u>	<u>1,740</u>
Total Cash Receipts and Transfers	<u>317,522</u>	<u>501,740</u>
Expenditures and Transfers		
Operations and maintenance	<u>24,888</u>	<u>-</u>
Total Expenditures and Transfers	<u>24,888</u>	<u>-</u>
Receipts Over [Under] Expenditures	292,634	501,740
Unencumbered Cash, Beginning	<u>1,198,347</u>	<u>1,490,981</u>
Unencumbered Cash, Ending	<u>\$ 1,490,981</u>	<u>\$ 1,992,721</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 202
Bond and Interest Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

		Current Year		Variance
	Prior Year	Actual	Budget	Over
	Actual			[Under]
Cash Receipts				
Taxes and Shared Revenue:				
Ad valorem property tax	\$ 1,377,273	\$ 1,582,109	\$ 1,470,328	\$ 111,781
Delinquent tax	38,510	43,926	55,356	[11,430]
Motor and recreational vehicle tax	169,865	139,094	136,314	2,780
In lieu of taxes - I. R. B.'s	60,566	15,127	16,604	[1,477]
Miscellaneous	833	-	-	-
State aid	<u>1,692,858</u>	<u>1,898,916</u>	<u>1,898,916</u>	<u>-</u>
Total Cash Receipts	<u>3,339,905</u>	<u>3,679,172</u>	<u>\$ 3,577,518</u>	<u>\$ 101,654</u>
Expenditures and Transfers				
Principal	2,340,000	2,475,000	\$ 2,475,000	\$ -
Interest	<u>1,421,905</u>	<u>1,322,832</u>	<u>1,322,832</u>	<u>-</u>
Total Expenditures and Transfers	<u>3,761,905</u>	<u>3,797,832</u>	<u>\$ 3,797,832</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	[422,000]	[118,660]		
Unencumbered Cash, Beginning	<u>4,901,606</u>	<u>4,479,606</u>		
Unencumbered Cash, Ending	<u>\$ 4,479,606</u>	<u>\$ 4,360,946</u>		

UNIFIED SCHOOL DISTRICT NO. 202
Donations and Grants Fund *
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	T-CEP Grant	Part H FSC Grant	Current Development Grant	TEPCEK	Career Opportunity Grant	Summer School Grant	Parents As Teachers	Misc	Youth Friends Grant	Make a Difference Grant	Tri-C Grant
Cash Receipts											
Other grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,106	\$ -	\$ -	\$ -
Total Cash Receipts	-	-	-	-	-	-	-	1,106	-	-	-
Expenditures and Transfers											
Instruction	-	-	-	-	-	-	-	[158]	-	-	-
Total Expenditures and Transfers	-	-	-	-	-	-	-	[158]	-	-	-
Receipts Over [Under] Expenditures	-	-	-	-	-	-	-	1,264	-	-	-
Unencumbered Cash, Beginning	[1,502]	983	[773]	2,153	371	[1,924]	[907]	[3,909]	[8,660]	10,088	6,059
Unencumbered Cash, Ending	\$ [1,502]	\$ 983	\$ [773]	\$ 2,153	\$ 371	\$ [1,924]	\$ [907]	\$ [2,645]	\$ [8,660]	\$ 10,088	\$ 6,059

* These funds are not required to be budgeted.

Sprint Grant	Emergency Immigrant Grant	P J H Grant	Urban Excellence	Goals 2001 Title I	Kauffman Fdn Grant	Muncie Grant	Christa McAuliffe Grant	USA Funds	Short Term Suspension Program	Current Year Totals	Prior Year Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,106	\$ 12,075
-	-	-	-	-	-	-	-	-	-	1,106	12,075
-	-	-	-	-	-	-	-	100	13,406	13,348	56,671
-	-	-	-	-	-	-	-	100	13,406	13,348	56,671
-	-	-	-	-	-	-	-	[100]	[13,406]	[12,242]	[44,596]
177	288	68	259	[387]	2,155	5,895	46	12,600	13,406	36,486	81,082
\$ 177	\$ 288	\$ 68	\$ 259	\$ [387]	\$ 2,155	\$ 5,895	\$ 46	\$ 12,500	\$ -	\$ 24,244	\$ 36,486

See independent auditor's report on the financial statements.

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UNIFIED SCHOOL DISTRICT NO. 202
Aquatic Fund *
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended June 30, 2012 and 2011

	Prior Year Actual	Current Year Actual
Cash Receipts		
Charges for services	\$ 36,032	\$ 36,729
Reimbursements	129,130	124,131
Miscellaneous	<u>18,337</u>	<u>18,308</u>
Total Cash Receipts	<u>183,499</u>	<u>179,168</u>
Expenditures and Transfers		
Student activities	<u>158,710</u>	<u>179,290</u>
Total Expenditures and Transfers	<u>158,710</u>	<u>179,290</u>
Receipts Over [Under] Expenditures	24,789	[122]
Unencumbered Cash, Beginning	<u>-</u>	<u>24,789</u>
Unencumbered Cash, Ending	<u>\$ 24,789</u>	<u>\$ 24,667</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 202
Recreation Commission General Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

		Current Year		Variance
	Prior Year	Actual	Budget	Over
	Actual			[Under]
Cash Receipts				
Taxes and Shared Revenue:				
Ad valorem property tax	\$ 755,764	\$ 720,047	\$ 670,657	\$ 49,390
Delinquent tax	18,296	20,699	30,343	[9,644]
Motor and recreational vehicle tax	85,270	81,786	79,737	2,049
In lieu of taxes - I. R. B.'s	15,730	6,844	9,709	[2,865]
Investment income	2,579	2,271	-	2,271
Charges for services	<u>340,096</u>	<u>417,009</u>	<u>789,100</u>	<u>[372,091]</u>
Total Cash Receipts	<u>1,217,735</u>	<u>1,248,656</u>	<u>\$ 1,579,546</u>	<u>\$ [330,890]</u>
Expenditures and Transfers				
Support services	130,725	119,136	\$ 123,947	\$ 4,811
General administration	129,040	126,910	387,200	260,290
Community service operations	248,026	206,300	549,740	343,440
Facility acquisition and construction services	<u>576,606</u>	<u>616,194</u>	<u>600,461</u>	<u>[15,733]</u>
Total Expenditures and Transfers	<u>1,084,397</u>	<u>1,068,540</u>	<u>\$ 1,661,348</u>	<u>\$ 592,808</u>
Receipts Over [Under] Expenditures	133,338	180,116		
Unencumbered Cash, Beginning	<u>629,846</u>	<u>763,184</u>		
Unencumbered Cash, Ending	<u>\$ 763,184</u>	<u>\$ 943,300</u>		

UNIFIED SCHOOL DISTRICT NO. 202
Recreation Commission Employee Benefits Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

		Current Year		Variance
	Prior Year	Actual	Budget	Over
	Actual			[Under]
Cash Receipts				
Taxes and Shared Revenue:				
Ad valorem property tax	\$ 121,688	\$ 120,477	\$ 116,823	\$ 3,654
Delinquent tax	3,121	3,354	2,997	357
Motor and recreational vehicle tax	15,330	7,067	14,718	[7,651]
In lieu of taxes - I. R. B.'s	<u>2,377</u>	<u>1,145</u>	<u>2,282</u>	<u>[1,137]</u>
Total Cash Receipts	<u>142,516</u>	<u>132,043</u>	<u>\$ 136,820</u>	<u>\$ [4,777]</u>
Expenditures and Transfers				
Community service operations	<u>162,364</u>	<u>133,565</u>	<u>\$ 147,000</u>	<u>\$ 13,435</u>
Total Expenditures and Transfers	<u>162,364</u>	<u>133,565</u>	<u>\$ 147,000</u>	<u>\$ 13,435</u>
Receipts Over [Under] Expenditures	[19,848]	[1,522]		
Unencumbered Cash, Beginning	<u>155,199</u>	<u>135,351</u>		
Unencumbered Cash, Ending	<u>\$ 135,351</u>	<u>\$ 133,829</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 202
Recreation Commission Operating Fund *
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended June 30, 2012 and 2011

	Prior Year Actual	Current Year Actual
Cash Receipts		
Main checking account	\$ 47,819	\$ 36,908
Total Cash Receipts	<u>47,819</u>	<u>36,908</u>
Expenditures and Transfers		
Main checking account	<u>51,790</u>	<u>51,278</u>
Total Expenditures and Transfers	<u>51,790</u>	<u>51,278</u>
Receipts Over [Under] Expenditures	[3,971]	[14,370]
Unencumbered Cash, Beginning	<u>27,335</u>	<u>23,364</u>
Unencumbered Cash, Ending	<u>\$ 23,364</u>	<u>\$ 8,994</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 202
Student Organization and Other Agency Funds
Schedule of Cash Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2012

<u>Fund</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Turner Early Learning Center				
Bank Interest	\$ 50	\$ 26	\$ 75	\$ 1
Dreamkeepers	122	314	436	-
Field Trips	740	6,197	6,937	-
Petty Cash	113	289	402	-
School Fund	7,669	7,858	15,515	12
Staff Fund	223	490	713	-
Subtotal Early Learning Center	<u>8,917</u>	<u>15,174</u>	<u>24,078</u>	<u>13</u>
 ELEMENTARY SCHOOLS				
Junction Elementary				
Community Service Club	3,365	1,164	1,997	2,532
Library Books	109	325	324	110
Literacy	516	-	-	516
Petty Cash	-	214	214	-
Playground Equipment	3,050	-	-	3,050
Programs	7,563	2,932	6,860	3,635
Reader's Club	504	-	504	-
Student Council Sales	693	1,306	1,266	733
Student Council Yearbooks	3,231	2,545	2,520	3,256
Subtotal Junction Elementary	<u>19,031</u>	<u>8,486</u>	<u>13,685</u>	<u>13,832</u>
 Oak Grove Elementary				
Coca Cola	124	659	615	168
Interest Earned	23	17	-	40
Panther Pride	121	249	4	366
Petty Cash	400	278	378	300
School Store	1,277	1,896	1,548	1,625
Student Celebration	1,801	12,254	10,712	3,343
Student Council	-	68	68	-
Yearbook	402	3,553	3,230	725
Subtotal Oak Grove Elementary	<u>4,148</u>	<u>18,974</u>	<u>16,555</u>	<u>6,567</u>
 Turner Elementary				
Art Club	30	-	-	30
Battle of Books	27	-	-	27
Care Club	43	26	-	69
Field Trips	2,956	5,717	5,259	3,414
Just Say No	77	-	-	77
Library	585	663	227	1,021
Petty Cash	379	205	184	400
Staff	705	760	819	646
Student Fund (General)	4,974	8,505	10,197	3,282
Student Fund (Stuco)	990	-	8	982
Yearbook and Pictures	2,698	3,096	3,387	2,407
Subtotal Turner Elementary School	<u>13,464</u>	<u>18,972</u>	<u>20,081</u>	<u>12,355</u>

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 202
Student Organization and Other Agency Funds
Schedule of Cash Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2012

<u>Fund</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
ELEMENTARY SCHOOLS (Continued)				
Midland Trail Elementary				
Community Service Club	\$ 311	\$ 2,115	\$ 2,375	\$ 51
Library	262	231	317	176
Petty Cash	249	455	604	100
Staff Fund	13	-	13	-
Student Council Sales	2,765	2,212	2,626	2,351
Student Council Yearbooks	1,021	5,815	5,183	1,653
Subtotal Midland Trail Elementary School	<u>4,621</u>	<u>10,828</u>	<u>11,118</u>	<u>4,331</u>
Subtotal All Elementary Schools	<u>41,264</u>	<u>57,260</u>	<u>61,439</u>	<u>37,085</u>
MIDDLE SCHOOL				
Turner Middle School				
AP Fund	334	-	308	26
Art	1,314	2,157	1,904	1,567
Athletics	792	773	326	1,239
Band	1,136	2,549	3,362	323
Boxtops for Education	1	-	-	1
Cheerleading 10-11	647	-	647	-
Cheerleading 11-12	1,302	2,279	2,252	1,329
Cheerleading 12-13	-	1,125	-	1,125
Chorale	44	50	-	94
Coffee Club	4	-	-	4
Debate	350	30	238	142
Drama Club	43	885	567	361
FACS	1,471	3,109	2,697	1,883
Faculty Fund	10	887	897	-
Field Trips	534	1,354	1,887	1
Industrial Arts	187	1,857	1,023	1,021
Industrial Technology	924	1,261	1,525	660
Language Arts	9	-	-	9
Lego League	270	975	1,144	101
NJHS	681	909	1,408	182
PEP Club	43	-	-	43
Petty Cash	-	1,098	[355]	1,453
PTA Kansas	208	-	208	-
Science Classes	778	1,687	1,035	1,430
Science Club	22,094	67,760	87,344	2,510
Solar Car Project	126	-	126	-
Student Council	598	762	768	592
Student Recognition	1,513	4,178	4,946	745
Student Returns	315	780	193	902
Track and Field	-	126	-	126
Weight Room	94	-	-	94
Yearbook	98	5,824	5,899	23
Total Middle School	<u>35,920</u>	<u>102,415</u>	<u>120,349</u>	<u>17,986</u>

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 202
Student Organization and Other Agency Funds
Schedule of Cash Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2012

<u>Fund</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
HIGH SCHOOL				
Art Fees	\$ 2,210	\$ 3,698	\$ 4,019	\$ 1,889
Arthur "Skip" Landers Scholarship	1,250	250	500	1,000
Auto Mech. Fee Money	210	1,305	1,041	474
Band Fees	605	7,612	6,862	1,355
Band Tour	2,965	68,221	71,123	63
Baseball Team	1,972	-	-	1,972
Battle of the Books	682	1,005	961	726
Beartones	814	1,973	2,038	749
Bob Wilkins Scholarship	1,087	-	50	1,037
Book Club	1,300	404	153	1,551
Book Rent	2,516	1,231	100	3,647
Booster	1,849	-	1,400	449
Bowling Team	672	1,211	1,121	762
Boys Basketball Team	1,294	1,430	1,451	1,273
BPA	3,446	11,760	11,915	3,291
Builders Trades Raffle	664	-	664	-
Building Trades Fee	296	505	477	324
Business Fees	5,015	2,038	3,893	3,160
Calculator Loss	3,387	1,030	3,591	826
Catering Club	773	565	943	395
Cheerleading	6,290	14,001	12,230	8,061
Choir Fee	470	385	5	850
Senior Class	2,263	10,170	5,452	6,981
Junior Class	6,104	9,195	10,556	4,743
Clothing Fee	325	516	582	259
Credit Union Certificates	-	6,956	250	6,706
Encounter the King (Club 121)	237	177	286	128
Debate	656	540	730	466
DECA	2,250	-	2,250	-
Multicultural Club	123	123	100	146
Drama	1,396	991	1,981	406
Drill Team	2,806	9,435	7,715	4,526
Musical & Spring Play	1,917	13,968	13,937	1,948
Food Fee	976	1,867	1,962	881
Football Team	209	3,140	3,140	209
Forensics	99	60	-	159
French Club	15	126	-	141
Girls Basketball Team	355	393	619	129
Golf Team	366	619	451	534
Health Awareness	101	-	-	101
Jazz Band Scholarship	-	795	670	125
Joe Baker Golf Classic	1,559	1,820	2,426	953
Jones Scholarship	-	4,000	4,000	-
KAYS	839	3,951	2,270	2,520
Leadership Club	284	83	50	317
Link Crew	89	1,849	1,936	2
Middle School Fees	1,293	1,128	2,421	-
Moats Scholarship	3,360	-	1,500	1,860

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 202
Student Organization and Other Agency Funds
Schedule of Cash Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2012

<u>Fund</u>	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
HIGH SCHOOL (Continued)				
Natural Helpers	\$ 283	\$ -	\$ 266	\$ 17
NHS	258	1,374	1,437	195
Open	250	-	250	-
P.E. Fees	2,004	2,518	2,890	1,632
Plan Test	299	466	384	381
Project Graduation	2,749	18,671	18,037	3,383
PSAT/Testing	146	120	196	70
Retirement Celebration	-	1,960	1,960	-
Sales Tax	89	12,635	12,724	-
School Store	3,112	9,532	10,176	2,468
Science Club	2,967	1,007	1,665	2,309
Science Fees	2,205	4,973	4,421	2,757
Senior Gift	1,762	-	1,260	502
Soccer Team	211	1,139	1,163	187
Social Studies Grant	250	250	210	290
Softball Team	1,512	2,471	2,528	1,455
Spanish Club	882	1,438	1,585	735
SPED	70	45	115	-
STEM	-	2,500	-	2,500
Student Council	4,325	12,056	12,106	4,275
Student Interest	2,615	8,827	10,710	732
Student Safety	660	931	1,088	503
Swim Fees	102	268	266	104
Swim Team Boys	32	263	195	100
Swim Team Girls	14	411	425	-
Syring Scholarship	200	50	250	-
Track Club	989	1,808	2,328	469
Turner Troubadours	7	-	-	7
UMKC Grant	-	210	210	-
Vica Auto	2,695	15,311	15,870	2,136
Vica Carpentry	3,181	2,037	3,037	2,181
Vica Printing	19	600	547	72
Volleyball Team	896	1,422	1,835	483
Wrestling	104	2,629	2,680	53
Yearbook	9,201	22,900	28,779	3,322
Subtotal High School	<u>111,478</u>	<u>321,348</u>	<u>331,414</u>	<u>101,412</u>
ALTERNATIVE HIGH SCHOOL				
Student Activity	587	374	495	466
Subtotal Alternative High School	<u>587</u>	<u>374</u>	<u>495</u>	<u>466</u>
TOTAL ALL STUDENT ORGANIZATION FUNDS	<u>198,166</u>	<u>496,571</u>	<u>537,775</u>	<u>156,962</u>
CLEARING ACCOUNT	<u>4,215</u>	<u>12,121</u>	<u>-</u>	<u>16,336</u>
INSURANCE RESERVE	<u>[2]</u>	<u>43,879</u>	<u>40,678</u>	<u>3,199</u>
TOTAL STUDENT ORGANIZATION AND OTHER AGENCY FUNDS	<u>\$ 202,379</u>	<u>\$ 552,571</u>	<u>\$ 578,453</u>	<u>\$ 176,497</u>

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 202
District Activity
Schedule of Cash Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2012

Fund	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
District							
Petty Cash	\$ 6,950	\$ -	\$ -	\$ -	\$ 6,950	\$ -	\$ 6,950
High School							
Petty Cash	2,554	-	1,956	3,456	1,054	-	1,054
Turner High School - Athletics	42,615	-	65,485	64,943	43,157	-	43,157
Subtotal High School	45,169	-	67,441	68,399	44,211	-	44,211
Total Athletic Gate Receipts	\$ 52,119	\$ -	\$ 67,441	\$ 68,399	\$ 51,161	\$ -	\$ 51,161

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 202
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Beginning Unencumbered Cash	Receipts	Expenditures	Ending Unencumbered Cash
<u>U.S. Department of Education</u>					
Passed Through State Department of Education:					
Title I Grants to Local Educational Agencies	84.010	\$ [59,060]	\$ 1,157,369	\$ 1,025,056	\$ 73,253
Special Education Grants to States	84.027	[36,965]	1,016,777	979,812	-
Vocational Education Basic Grants to States	84.048	-	37,546	37,546	-
Special Education - Preschool Grants	84.173	[11,660]	24,872	13,212	-
Safe and Drug Free Schools and Communities National Program	84.186	4,416	-	4,416	-
Homeless Child	84.196	1,191	17,800	7,307	11,684
English Language Acquisition Grants	84.365	10,627	30,300	38,956	1,971
Improving Teacher Quality State Grants	84.367	12,304	145,457	137,915	19,846
Grants for State Assessments and Related Activities	84.369	-	107	107	-
Education Jobs Fund	84.410	-	11,407	11,407	-
Total U.S. Department of Education			<u>2,441,635</u>	<u>2,255,734</u>	
<u>U.S. Department of Health and Human Services</u>					
Passed Through State Department of Education:					
Youth Risk Behavior Survey	93.938	2,823	<u>400</u>	<u>400</u>	2,823
Total U.S. Department of Health and Human Services			<u>400</u>	<u>400</u>	
<u>U.S. Department of Agriculture</u>					
Passed Through State Department of Education:					
School Breakfast Program	10.553	-	360,601	360,601	-
National School Lunch Program	10.555	-	1,301,447	1,301,447	-
Team Nutrition Training	10.574	-	3,920	3,920	-
Sponsor Administration	10.559	-	<u>35,433</u>	<u>35,433</u>	-
Total U.S. Department of Agriculture			<u>1,701,401</u>	<u>1,701,401</u>	
Total Expenditures of Federal Awards			<u>\$ 4,143,436</u>	<u>\$ 3,957,535</u>	

The accompanying notes are an integral part of this schedule.

UNIFIED SCHOOL DISTRICT NO. 202
Notes to the Financial Statements
For the Year Ended June 30, 2012

1. General

The accompanying Schedule of Expenditures of Federal Awards presents the expenditures of all federal financial assistance programs of Unified School District No. 202. All expenditures of federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies are included on the schedule.

2. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented on the Kansas prescribed basis of accounting which includes cash disbursements, accounts payable and encumbrances.

UNIFIED SCHOOL DISTRICT NO. 202
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2012

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unqualified (Prescribed Basis) Adverse (GAAP)
Internal control over financial reporting:	
Material weakness(es) identified?	_____ Yes <u> X </u> No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	<u> X </u> Yes _____ None reported
Noncompliance material to financial statements noted?	_____ Yes <u> X </u> No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	_____ Yes <u> X </u> No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	_____ Yes <u> X </u> None reported
Type of auditor's report issued on compliance for major programs:	<u>Unqualified</u>
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	_____ Yes <u> X </u> No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010, 84.389	Title I, Part A Cluster
84.027, 84.173	Special Education Cluster
Dollar threshold used to distinguish between type A and type B programs:	<u>\$300,000</u>
Auditee qualified as low-risk auditee?	_____ Yes <u> X </u> No

UNIFIED SCHOOL DISTRICT NO. 202
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2012

Section II - Financial Statement Findings

Prior Year Findings

<u>Program</u>	<u>Finding</u>	<u>Conditions</u>	<u>Criteria</u>	<u>Questioned Costs</u>	<u>Recommendation</u>	<u>Status</u>
Not Applicable	2011-1	We noted separation of duties issues regarding activity fund internal controls at multiple schools. Bookkeepers at several schools issued receipts, posted amounts to the system, prepared the deposit and reconciled the bank account. In addition, we were informed that one school does not always issue receipts.	Recommended Practices	Not determined.	We recommend that the District require a separation of duties in the area of activity fund receipting. An individual independent of the receipting process should prepare a reconciliation between the receipts issued and the amounts deposited into the bank account. In addition, we recommend that receipts be issued for all payments to the schools and each school should prepare purchase orders for all disbursements.	Repeat at 2012-1

Current Year Findings

<u>Program</u>	<u>Finding</u>	<u>Conditions</u>	<u>Criteria</u>	<u>Questioned Costs</u>	<u>Recommendation</u>	<u>Management Response</u>
Not Applicable	2012-1	We noted separation of duties issues regarding activity fund internal controls at multiple schools. Bookkeepers at several schools issued receipts, posted amounts to the system, prepared the deposit and reconciled the bank account. In addition, we were informed that one school does not always issue receipts.	Recommended Practices	Not determined.	We recommend that the District require a separation of duties in the area of activity fund receipting. An individual independent of the receipting process should prepare a reconciliation between the receipts issued and the amounts deposited into the bank account. In addition, we recommend that receipts be issued for all payments to the schools and each school should prepare purchase orders for all disbursements.	Agrees

Section III - Federal Award Findings and Questioned Costs

Prior Year Findings

<u>Program</u>	<u>Finding</u>	<u>Conditions</u>	<u>Criteria</u>	<u>Questioned Costs</u>	<u>Recommendation</u>	<u>Status</u>
Title I	2011-1	Personnel costs not supported by required documentation	OMB Circular A-87 Attachment B	Not determined	Adopt policy and procedures to comply with the federal time keeping rules	Resolved

Current Year Findings

None

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

Board of Education
Unified School District No. 202
Kansas City, Kansas

We have audited the financial statements of Unified School District No. 202, (the District), Kansas City, Kansas, as of and for the year ended June 30, 2012, and have issued our report thereon dated November 26, 2012, which is a special report on the financial statements prepared in accordance with a basis of accounting prescribed by the State of Kansas. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

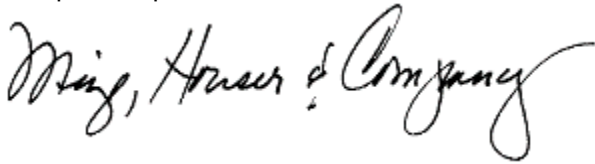
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a deficiency in internal control over financial reporting, described in the schedule of findings and questioned costs, as Finding 2012-1, that we consider to be a significant deficiency in internal control over financial reporting. The District's response to this finding in that same section has not been audited by us and accordingly, we express no opinion on them. 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 charge 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."

However, we noted certain other matters that we have reported to management in a separate letter dated November 26, 2011.

This communication is intended solely for the information and use of the Board of Education, administration, federal awarding agencies, pass through entities, and is not intended to be and should not be used by anyone other than those specified parties.

A handwritten signature in black ink, reading "King, Horner & Company". The signature is written in a cursive, flowing style.

November 26, 2011

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Education
Unified School District No. 202
Kansas City, Kansas

Compliance

We have audited the compliance of the Unified School District No. 202 (the District), Kansas City, Kansas, with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. Major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2012.

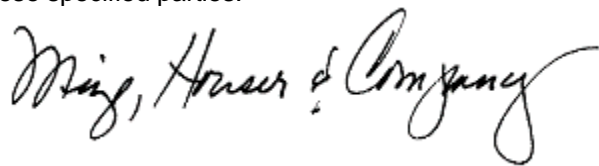
Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of law, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order 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 the District's internal control over compliance.

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

Our consideration of the 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.

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

A handwritten signature in black ink that reads "Ming, Houser & Company". The signature is written in a cursive, flowing style.

November 26, 2012