

**UNIFIED SCHOOL DISTRICT NO. 362**

**LaCygne, Kansas**

**Financial Statements**

**For the Year Ended June 30, 2012**

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UNIFIED SCHOOL DISTRICT NO. 362  
Financial Statements  
For the Year Ended June 30, 2012

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UNIFIED SCHOOL DISTRICT NO. 362  
Financial Statements  
For the Year Ended June 30, 2012

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**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENT  
AND SUPPLEMENTARY INFORMATION**

Board of Education  
Unified School District No. 362  
LaCygne, Kansas

We have audited the financial statements of the Unified School District No. 362 (the District), LaCygne, Kansas, as of and for the year ended June 30, 2012, as listed in the table of contents. These financial statements are the responsibility of District's management. Our responsibility is to express an opinion on these financial statements 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 February 21, 2012, 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 and the standards applicable to financial audits contained in "Government Auditing Standards," issued by the Comptroller General of the United States and "Kansas Municipal Audit Guide." Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes 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 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 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.

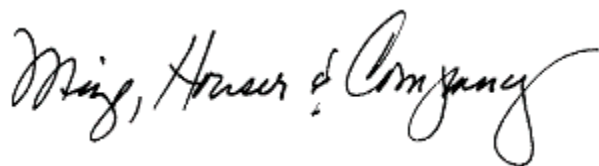
In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Unified School District No. 362, LaCygne, 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.

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 27, 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, cash disbursements and cash-agency funds, the schedule of cash receipts, expenditures and unencumbered cash-district activity funds and the schedule of cash receipts, expenditures and unencumbered cash-fiduciary funds (Schedules 1, 2, 3, 4 and 5 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, Hauer & Company". The signature is written in dark ink and is positioned above the date.

November 27, 2012

UNIFIED SCHOOL DISTRICT NO. 362  
Summary of Cash Receipts, Expenditures and Unencumbered Cash  
For the Year Ended June 30, 2012

<u>Funds</u>	<u>Beginning Unencumbered Cash Balance</u>	<u>Prior Year Cancelled Encumbrances</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Outstanding Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
Governmental Fund Types:							
General Funds:							
General Fund	\$ -	\$ -	\$ 7,566,073	\$ 7,566,073	\$ -	\$ 57,750	\$ 57,750
Supplemental General	125,158	-	2,502,141	2,482,479	144,820	124,501	269,321
Special Purpose Funds:							
At Risk (4 Year Old)	-	-	-	-	-	-	-
At Risk (K-12)	206,053	-	1,247,364	1,247,191	206,226	117,801	324,027
Capital Outlay	1,978,731	-	1,118,534	865,651	2,231,614	385,062	2,616,676
Driver Training	995	-	9,632	9,903	724	1,657	2,381
Food Service	149,774	-	566,143	566,206	149,711	72,879	222,590
Bilingual Education	-	-	64,962	64,962	-	18	18
Special Education	412,468	-	2,135,585	2,130,337	417,716	43,727	461,443
Vocational Education	262,725	-	318,230	322,664	258,291	22,339	280,630
Grant	33,681	-	235,951	235,581	34,051	7,987	42,038
Textbook Rental	97,523	-	25,173	101,512	21,184	93,056	114,240
KPERS	-	-	711,112	711,112	-	-	-
Contingency Reserve	751,242	-	-	-	751,242	-	751,242
Gifts and Grants	25,338	-	9,609	14,646	20,301	10,477	30,778
Debt Service Fund:							
Bond and Interest	957,176	-	840,694	822,350	975,520	-	975,520
Fiduciary Fund Types:							
Private Purpose Trusts	29,114	-	6,276	7,214	28,176	-	28,176
District Activity	39,144	-	345,488	335,984	48,648	-	48,648
<b>Total</b>	<b>\$ 5,069,122</b>	<b>\$ -</b>	<b>\$ 17,702,967</b>	<b>\$ 17,483,865</b>	<b>\$ 5,288,224</b>	<b>\$ 937,254</b>	<b>\$ 6,225,478</b>

Composition of Cash:

Labette Bank	
Checking Accounts	\$ 287,695
Certificates of Deposit	3,082,000
Total Labette Bank	<u>3,369,695</u>
First Option Bank	
Checking Accounts	2,502,330
Certificates of Deposit	400,000
Total First Option Bank	<u>2,902,330</u>
Total Cash	6,272,025
Less: Agency Funds per Schedule 3	<u>[46,547]</u>
Total Reporting Entity (excluding Agency Funds)	<u>\$ 6,225,478</u>

UNIFIED SCHOOL DISTRICT NO. 362  
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. 362 (the District) is a municipal corporation governed by an elected seven-member board. These financial statements include all the accounts for which the District is considered to be financially accountable. The District had no related municipal entities.

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

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.

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.



UNIFIED SCHOOL DISTRICT NO. 362  
Notes to the Financial Statements  
For the Year Ended June 30, 2012

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Regulatory Basis Fund Types (Continued)

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

General Fund - the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Fund - used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest Fund - used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Fiduciary Fund - used to report assets held in a trustee or agency capacity for others and which therefore cannot be sued 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 purpose funds (unless specifically exempted by statute), principal and interest funds, and business 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 local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The budget was not amended for the year ended June 30, 2012.

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

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

A legal operating budget is not required for capital project funds, fiduciary funds, and the following special purpose funds: Textbook Rental, Contingency Reserve, Gate Receipts and School Projects

UNIFIED SCHOOL DISTRICT NO. 362  
Notes to the Financial Statements  
For the Year Ended June 30, 2012

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Budgetary Information (Continued)

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.

Actual expenditures exceeded budgeted expenditures in the Bilingual Fund, which is a violation of K.S.A. 79-2935

Ad Valorem Tax Revenues

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

*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 deposits were legally secured at June 30, 2012.

At June 30, 2012, the District's carrying amount of deposits was \$6,272,025 and the bank balance was \$6,489,679. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$500,000 was covered by federal depository insurance and the balance of \$5,989,679 was collateralized with letters of credit or securities held by the pledging financial institutions' agents in the District's name.

*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.

UNIFIED SCHOOL DISTRICT NO. 362  
Notes to the Financial Statements  
For the Year Ended June 30, 2012

NOTE 2 - Deposits and Investments (Continued)

*Substance receipt in transit.* The District received \$122,818 in General State Aid 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

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

<u>Debt Issue</u>	<u>Date Issued</u>	<u>Original Amount</u>	<u>Interest Rates</u>	<u>Final Maturity Date</u>
G.O. Bonds				
2003 Refunding Bonds	6/17/03	\$ 7,435,000	2.100 to 3.40%	11/1/16
Leases				
Qualified Zone Academy Bond Lease	6/29/09	965,000	0.00%	6/29/19

The District is subject to statutes of the State of Kansas which limit the bonded debt outstanding to 14 percent of the assessed value of all tangible taxable property within the District. At June 30, 2012, the statutory debt limit for the District was \$18,529,659 providing a debt margin of \$14,036,159. 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				
2003 Refunding Bonds	\$ 4,505,000	\$ -	\$ 690,000	\$ 3,815,000
Leases				
Qualified Zone Academy Bond Lease	772,000	-	96,500	675,500
Total	<u>\$ 5,277,000</u>	<u>\$ -</u>	<u>\$ 786,500</u>	<u>\$ 4,490,500</u>

UNIFIED SCHOOL DISTRICT NO. 362  
Notes to the Financial Statements  
For the Year Ended June 30, 2012

NOTE 3 - Long-Term Debt (Continued)

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

<u>General Obligation Bonds</u>			
Year Ended December 31,	Principal	Interest	Total
2013	\$ 710,000	\$ 111,695	\$ 821,695
2014	740,000	89,575	829,575
2015	760,000	65,945	825,945
2016	785,000	40,833	825,833
2017	<u>820,000</u>	<u>13,940</u>	<u>833,940</u>
Total	<u>\$ 3,815,000</u>	<u>\$ 321,988</u>	<u>\$ 4,136,988</u>

Qualified Zone Academy Bond Lease

Year Ended December 31,	Principal Due
2013	\$ 96,500
2014	96,500
2015	96,500
2016	96,500
2017	96,500
2018 - 2019	<u>193,000</u>
Total	<u>\$ 675,500</u>

NOTE 4 - Interfund Transactions

Transfers were as follows:

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
General	At Risk (K-12)	K.S.A. 72-6428	\$ 755,968
General	Bilingual Education	K.S.A. 72-6428	47,295
General	Capital Outlay	K.S.A. 72-6428	294,275
General	Food Service	K.S.A. 72-6428	15,000
General	Special Education	K.S.A. 72-6428	1,826,751
General	Vocational Education	K.S.A. 72-6428	44,100
Supplemental General	At Risk (K-12)	K.S.A. 72-6433	490,585
Supplemental General	Bilingual Education	K.S.A. 72-6433	11,999
Supplemental General	Driver Training	K.S.A. 72-6433	7,000
Supplemental General	Food Service	K.S.A. 72-6433	50,000
Supplemental General	Special Education	K.S.A. 72-6433	257,380
Supplemental General	Vocational Education	K.S.A. 72-6433	207,000
Title II Teacher Quality	Title I	Federal Law	<u>21,629</u>
Total			<u>\$ 4,028,982</u>

UNIFIED SCHOOL DISTRICT NO. 362  
Notes to the Financial Statements  
For the Year Ended June 30, 2012

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.

*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 \$711,112, \$450,267, and \$495,528 respectively, equal to the required contributions for each year.

NOTE 6 - Compensated Absences

The District gives each employee two (2) days of leave time per semester, to be used for personal leave or for attending funerals. At the end of each school year unused personal days will be cashed-out at a rate of \$50 per day or converted into accumulated sick leave. The District also gives each employee 10 days sick leave per year. This can be carried forward and accumulated to a maximum of 72 days. Upon retirement from employment, the District will pay \$50 per day of accrued sick leave to a maximum of 72 days to any employee eligible for retirement. As of June 30, 2012, the liability for accrued sick leave pay was \$17,950.

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 disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are 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.

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; natural disasters and other events for which the District carries commercial insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

NOTE 9 – 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.

UNIFIED SCHOOL DISTRICT NO. 362  
Summary of Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2012

<u>Funds</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 Budget</u>	<u>Variance Positive [Negative]</u>
General Fund	\$ 7,471,548	\$ [131,544]	\$ 226,069	\$ 7,566,073	\$ 7,566,073	\$ -
Special Revenue Funds:						
Supplemental General	2,482,479	-	-	2,482,479	2,482,479	-
At Risk (4 Year Old)	-	-	-	-	-	-
At Risk (K-12)	1,356,052	-	-	1,356,052	1,247,191	108,861
Capital Outlay	2,500,000	-	-	2,500,000	865,651	1,634,349
Driver Training	10,363	-	-	10,363	9,903	460
Food Service	716,637	-	-	716,637	566,206	150,431
Bilingual Education	62,000	-	-	62,000	64,962	[2,962]
Special Education	2,558,521	-	-	2,558,521	2,130,337	428,184
Vocational Education	407,749	-	-	407,749	322,664	85,085
Grant	248,354	-	-	248,354	235,581	12,773
KPERs	846,498	-	-	846,498	711,112	135,386
Gifts and Grants	125,338	-	-	125,338	14,646	110,692
Debt Service Funds:						
Bond and Interest	822,350	-	-	822,350	822,350	-

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

UNIFIED SCHOOL DISTRICT NO. 362  
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			Positive
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>[Negative]</u>
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	\$ 2,394,804	\$ 2,482,598	\$ 2,396,634	\$ 85,964
Delinquent ad valorem taxes	29,057	27,996	24,412	3,584
Mineral production taxes	436	444	-	444
Federal Aid	337,785	3,193	-	3,193
State Aid:				
Equalization aid	3,369,770	3,337,174	3,564,851	[227,677]
Special education aid	1,114,933	1,141,622	1,485,651	[344,029]
Transportation aid	268,948	346,977	-	346,977
Reimbursements	89,018	226,069	-	226,069
Total Cash Receipts	<u>7,604,751</u>	<u>7,566,073</u>	<u>\$ 7,471,548</u>	<u>\$ 94,525</u>
Expenditures				
Instruction	2,735,383	2,747,951	\$ 2,593,759	\$ [154,192]
Student support services	209,802	195,551	237,131	41,580
Instructional support services	221,099	211,049	238,810	27,761
General administration	270,134	284,361	280,562	[3,799]
School administration	575,307	577,667	572,284	[5,383]
Transportation	400,845	407,423	457,788	50,365
Other supplemental service	158,186	158,682	178,110	19,428
Transfers out	3,033,995	2,983,389	2,913,104	[70,285]
Adjustment for qualifying budget credits	-	-	226,069	226,069
Adjustment to comply with legal max budget	-	-	[131,544]	[131,544]
Total Expenditures	<u>7,604,751</u>	<u>7,566,073</u>	<u>\$ 7,566,073</u>	<u>\$ -</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. 362  
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			Positive
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>[Negative]</u>
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	\$ 2,156,148	\$ 2,352,527	\$ 2,402,222	\$ [49,695]
Delinquent ad valorem taxes	30,041	29,568	22,032	7,536
Motor vehicle taxes	111,599	115,615	122,233	[6,618]
Recreational vehicle taxes	3,383	3,726	4,020	[294]
Reimbursements	2,342	705	-	705
Miscellaneous	160	-	-	-
Total Cash Receipts	<u>2,303,673</u>	<u>2,502,141</u>	<u>\$ 2,550,507</u>	<u>\$ [48,366]</u>
Expenditures				
Instruction	45,623	47,747	\$ 116,000	\$ 68,253
Student support services	102,985	150,991	165,000	14,009
Operations and maintenance	1,278,125	1,259,777	1,429,576	169,799
Transfers out	898,501	1,023,964	819,247	[204,717]
Adjustment to comply with legal max budget	-	-	[47,344]	[47,344]
Total Expenditures	<u>2,325,234</u>	<u>2,482,479</u>	<u>\$ 2,482,479</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	[21,561]	19,662		
Unencumbered Cash, Beginning	<u>146,719</u>	<u>125,158</u>		
Unencumbered Cash, Ending	<u>\$ 125,158</u>	<u>\$ 144,820</u>		

See independent auditor's report on the financial statements.



UNIFIED SCHOOL DISTRICT NO. 362  
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 <u>Actual</u>	<u>Current Year</u>		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Transfer In	\$ 83,116	\$ -	\$ -	\$ -
Total Cash Receipts	<u>83,116</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Instruction	<u>83,116</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Total Expenditures	<u>83,116</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 362  
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)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Transfer In	\$ 1,236,329	\$ 1,246,553	\$ 1,150,000	\$ 96,553
Reimbursements	-	811	-	811
Total Cash Receipts	<u>1,236,329</u>	<u>1,247,364</u>	<u>\$ 1,150,000</u>	<u>\$ 97,364</u>
Expenditures				
Instruction	1,030,276	1,247,191	\$ 1,148,480	\$ [98,711]
Other Supplemental Services	-	-	207,572	207,572
Total Expenditures	<u>1,030,276</u>	<u>1,247,191</u>	<u>\$ 1,356,052</u>	<u>\$ 108,861</u>
Receipts Over [Under] Expenditures	206,053	173		
Unencumbered Cash, Beginning	-	206,053		
Unencumbered Cash, Ending	<u>\$ 206,053</u>	<u>\$ 206,226</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 362  
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	Positive
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>[Negative]</u>
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	\$ 817,600	\$ 746,872	\$ 734,017	\$ 12,855
Delinquent ad valorem taxes	11,728	11,206	8,343	2,863
Motor vehicle taxes	40,827	46,965	49,361	[2,396]
Recreational vehicle taxes	1,249	1,511	1,624	[113]
Investment Income	1,748	3,842	-	3,842
Other revenues from local sources	-	3,500	-	3,500
Reimbursements	-	10,363	-	10,363
Transfer in	-	294,275	-	294,275
Total Cash Receipts	<u>873,152</u>	<u>1,118,534</u>	<u>\$ 793,345</u>	<u>\$ 325,189</u>
Expenditures				
Instruction	91,600	156,974	\$ 200,000	\$ 43,026
Student support services	142,342	74,774	200,000	125,226
Instructional support staff	-	-	200,000	200,000
General administration	1,449	528	200,000	199,472
School administration	1,014	1,069	200,000	198,931
Operations and maintenance	44,263	45,789	200,000	154,211
Transportation	245,375	268,644	200,000	[68,644]
Facility acquisition and construction	<u>77,774</u>	<u>317,873</u>	<u>1,100,000</u>	<u>782,127</u>
Total Expenditures	<u>603,817</u>	<u>865,651</u>	<u>\$ 2,500,000</u>	<u>\$ 1,634,349</u>
Receipts Over [Under] Expenditures	269,335	252,883		
Unencumbered Cash, Beginning	<u>1,709,396</u>	<u>1,978,731</u>		
Unencumbered Cash, Ending	<u>\$ 1,978,731</u>	<u>\$ 2,231,614</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 362  
Driver Training 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	Positive [Negative]
Cash Receipts				
State Aid	\$ 1,924	\$ 2,632	\$ 2,368	\$ 264
Miscellaneous	5,077	-	-	-
Transfer In	-	7,000	7,000	-
Total Cash Receipts	<u>7,001</u>	<u>9,632</u>	<u>\$ 9,368</u>	<u>\$ 264</u>
Expenditures				
Instruction	8,671	9,303	\$ 9,097	\$ [206]
Operations and maintenance	-	-	1,266	1,266
Transportation	519	600	-	[600]
Total Expenditures	<u>9,190</u>	<u>9,903</u>	<u>\$ 10,363</u>	<u>\$ 460</u>
Receipts Over [Under] Expenditures	[2,189]	[271]		
Unencumbered Cash, Beginning	<u>3,184</u>	<u>995</u>		
Unencumbered Cash, Ending	<u>\$ 995</u>	<u>\$ 724</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 362  
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			Positive
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>[Negative]</u>
Cash Receipts				
Federal Aid	\$ 327,112	\$ 316,521	\$ 317,022	\$ [501]
State Aid	5,742	5,449	4,634	815
Charges for Services	188,613	179,116	201,081	[21,965]
Transfers In	14,000	65,000	44,126	20,874
Reimbursements	160	57	-	57
Miscellaneous	520	-	-	-
Total Cash Receipts	<u>536,147</u>	<u>566,143</u>	<u>\$ 566,863</u>	<u>\$ [720]</u>
Expenditures				
Food service operation	<u>535,804</u>	<u>566,206</u>	<u>\$ 716,637</u>	<u>\$ 150,431</u>
Total Expenditures	<u>535,804</u>	<u>566,206</u>	<u>\$ 716,637</u>	<u>\$ 150,431</u>
Receipts Over [Under] Expenditures	343	[63]		
Unencumbered Cash, Beginning	<u>149,431</u>	<u>149,774</u>		
Unencumbered Cash, Ending	<u>\$ 149,774</u>	<u>\$ 149,711</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 362  
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)

	Prior Year Actual	Current Year		Variance Positive [Negative]
		Actual	Budget	
Cash Receipts				
Transfer In	\$ 59,147	\$ 59,294	\$ 62,000	\$ [2,706]
Miscellaneous	43	5,668	-	5,668
Total Cash Receipts	<u>59,190</u>	<u>64,962</u>	<u>\$ 62,000</u>	<u>\$ 2,962</u>
Expenditures				
Instruction	<u>59,190</u>	<u>64,962</u>	<u>\$ 62,000</u>	<u>\$ [2,962]</u>
Total Expenditures	<u>59,190</u>	<u>64,962</u>	<u>\$ 62,000</u>	<u>\$ [2,962]</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 362  
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)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Investment Income	\$ 49,072	\$ 40,207	\$ -	\$ 40,207
Reimbursements	10,835	11,247	-	11,247
Transfers In	1,944,556	2,084,131	2,162,225	[78,094]
Miscellaneous	<u>18,747</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Cash Receipts	<u>2,023,210</u>	<u>2,135,585</u>	<u>\$ 2,162,225</u>	<u>\$ [26,640]</u>
Expenditures				
Instruction	1,682,594	1,801,672	\$ 1,842,334	\$ 40,662
Operations and maintenance	3,704	5,091	6,000	909
Transportation	314,898	323,574	363,943	40,369
Other supplemental service	<u>-</u>	<u>-</u>	<u>346,244</u>	<u>346,244</u>
Total Expenditures	<u>2,001,196</u>	<u>2,130,337</u>	<u>\$ 2,558,521</u>	<u>\$ 428,184</u>
Receipts Over [Under] Expenditures	22,014	5,248		
Unencumbered Cash, Beginning	<u>390,454</u>	<u>412,468</u>		
Unencumbered Cash, Ending	<u>\$ 412,468</u>	<u>\$ 417,716</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 362  
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	Positive
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>[Negative]</u>
Cash Receipts				
Interest on idle funds	\$ -	\$ 30,601	\$ -	\$ 30,601
Other revenue from local source	-	28,404	-	28,404
Reimbursements	-	8,125	-	8,125
Transfers In	<u>580,347</u>	<u>251,100</u>	<u>307,000</u>	<u>[55,900]</u>
Total Cash Receipts	<u>580,347</u>	<u>318,230</u>	<u>\$ 307,000</u>	<u>\$ 11,230</u>
Expenditures				
Instruction	317,622	322,664	\$ 305,115	\$ [17,549]
Student support services	-	-	2,000	2,000
Other supplemental services	-	-	100,634	100,634
Total Expenditures	<u>317,622</u>	<u>322,664</u>	<u>\$ 407,749</u>	<u>\$ 85,085</u>
Receipts Over [Under] Expenditures	262,725	[4,434]		
Unencumbered Cash, Beginning	<u>-</u>	<u>262,725</u>		
Unencumbered Cash, Ending	<u>\$ 262,725</u>	<u>\$ 258,291</u>		

See independent auditor's report on the financial statements.



UNIFIED SCHOOL DISTRICT NO. 362  
Grant Funds  
Schedule of Cash Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2012

	Title I	Title II Teacher Quality	Actual	Budget	Variance Positive [Negative]
Cash Receipts					
Federal Aid	\$ 170,791	\$ 43,531	\$ 214,322	\$ 214,673	\$ [351]
Transfer In	21,629	-	21,629	-	21,629
Total Cash Receipts	<u>192,420</u>	<u>43,531</u>	<u>235,951</u>	<u>\$ 214,673</u>	<u>\$ 21,278</u>
Expenditures					
Instruction	188,355	17,753	206,108	\$ 248,354	\$ 42,246
Support services	-	7,844	7,844	-	[7,844]
Transfer out	-	21,629	21,629	-	[21,629]
Total Expenditures	<u>188,355</u>	<u>47,226</u>	<u>235,581</u>	<u>\$ 248,354</u>	<u>\$ 12,773</u>
Receipts Over [Under] Expenditures	4,065	[3,695]	370		
Unencumbered Cash, Beginning	<u>29,986</u>	<u>3,695</u>	<u>33,681</u>		
Unencumbered Cash, Ending	<u>\$ 34,051</u>	<u>\$ -</u>	<u>\$ 34,051</u>		

UNIFIED SCHOOL DISTRICT NO. 362  
Textbook Rental Fund \*  
Schedule of Cash Receipts and Expenditures - Actual  
Regulatory Basis  
For the Year Ended June 30, 2012 and 2011

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Charges for Services	\$ 23,198	\$ 25,173
Miscellaneous	<u>2,805</u>	<u>-</u>
Total Cash Receipts	<u>26,003</u>	<u>25,173</u>
Expenditures		
Instruction	<u>75,350</u>	<u>101,512</u>
Total Expenditures	<u>75,350</u>	<u>101,512</u>
Receipts Over [Under] Expenditures	[49,347]	[76,339]
Unencumbered Cash, Beginning	<u>146,870</u>	<u>97,523</u>
Unencumbered Cash, Ending	<u>\$ 97,523</u>	<u>\$ 21,184</u>

\* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 362  
KPERs 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 <u>Actual</u>	<u>Current Year</u>		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
State Aid	\$ 450,267	\$ 711,112	\$ 846,498	\$ [135,386]
Total Cash Receipts	<u>450,267</u>	<u>711,112</u>	<u>\$ 846,498</u>	<u>\$ [135,386]</u>
Expenditures				
Instruction	216,915	344,415	\$ 491,498	\$ 147,083
Student support services	14,525	21,680	25,000	3,320
Instructional support staff	15,430	26,016	25,000	[1,016]
General administration	2,724	4,336	20,000	15,664
School administration	30,868	47,697	45,000	[2,697]
Operations and maintenance	41,772	67,510	50,000	[17,510]
Food service	35,411	53,899	75,000	21,101
Transportation	84,450	132,551	100,000	[32,551]
Other supplemental services	<u>8,172</u>	<u>13,008</u>	<u>15,000</u>	<u>1,992</u>
Total Expenditures	<u>450,267</u>	<u>711,112</u>	<u>\$ 846,498</u>	<u>\$ 135,386</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 362  
Contingency Reserve Fund \*  
Schedule of Cash Receipts and Expenditures - Actual  
Regulatory Basis  
For the Year Ended June 30, 2012 and 2011

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Transfer In	\$ 15,000	\$ -
Total Cash Receipts	<u>15,000</u>	<u>-</u>
Expenditures		
Transfer out	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>
Receipts Over [Under] Expenditures	15,000	-
Unencumbered Cash, Beginning	<u>736,242</u>	<u>751,242</u>
Unencumbered Cash, Ending	<u>\$ 751,242</u>	<u>\$ 751,242</u>

\* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 362  
Gifts and Grants 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 <u>Actual</u>	<u>Current Year</u>		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Donations	\$ 31,814	\$ 9,609	\$ 100,000	\$ [90,391]
Total Cash Receipts	<u>31,814</u>	<u>9,609</u>	<u>\$ 100,000</u>	<u>\$ [90,391]</u>
Expenditures				
Instruction	<u>17,883</u>	<u>14,646</u>	<u>\$ 125,338</u>	<u>\$ 110,692</u>
Total Expenditures	<u>17,883</u>	<u>14,646</u>	<u>\$ 125,338</u>	<u>\$ 110,692</u>
Receipts Over [Under] Expenditures	13,931	[5,037]		
Unencumbered Cash, Beginning	<u>11,407</u>	<u>25,338</u>		
Unencumbered Cash, Ending	<u>\$ 25,338</u>	<u>\$ 20,301</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 362  
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			Positive
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>[Negative]</u>
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	\$ 782,180	\$ 786,744	\$ 774,632	\$ 12,112
Delinquent ad valorem taxes	10,732	10,601	7,993	2,608
Motor vehicle tax	38,856	41,996	44,398	[2,402]
Recreational vehicle tax	<u>1,181</u>	<u>1,353</u>	<u>1,460</u>	<u>[107]</u>
Total Cash Receipts	<u>832,949</u>	<u>840,694</u>	<u>\$ 828,483</u>	<u>\$ 12,211</u>
Expenditures				
Principal	660,000	690,000	\$ 690,000	\$ -
Interest	<u>151,265</u>	<u>132,350</u>	<u>132,350</u>	<u>-</u>
Total Expenditures	<u>811,265</u>	<u>822,350</u>	<u>\$ 822,350</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	21,684	18,344		
Unencumbered Cash, Beginning	<u>935,492</u>	<u>957,176</u>		
Unencumbered Cash, Ending	<u>\$ 957,176</u>	<u>\$ 975,520</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 362  
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>
<b>ELEMENTARY SCHOOL FUND</b>				
LaCygne Attendance Center				
Student store	\$ 769	\$ 321	\$ 84	\$ 1,006
Guided reading	974	-	217	757
Playground funds	140	-	140	-
Student project	384	1,549	1,493	440
Total LaCygne Attendance Center	<u>2,267</u>	<u>1,870</u>	<u>1,934</u>	<u>2,203</u>
Total Elementary Schools	<u>2,267</u>	<u>1,870</u>	<u>1,934</u>	<u>2,203</u>
<b>MIDDLE SCHOOL FUNDS</b>				
Library	347	2,153	2,060	440
Musicals and plays	484	325	134	675
Student council	229	1,046	1,220	55
School store	10	-	-	10
Textbooks	-	5,380	5,380	-
Cheerleaders	223	-	-	223
Yearbooks	-	2,080	2,080	-
Reward fund	4,914	12,606	13,901	3,619
Total Middle School	<u>6,207</u>	<u>23,590</u>	<u>24,775</u>	<u>5,022</u>
<b>HIGH SCHOOL FUNDS</b>				
All school plays	1,054	1,597	1,771	880
Art club	95	317	412	-
Band supplies	90	3,036	2,975	151
Boosters	1,478	8,495	9,204	769
Chess fund	24	-	24	-
Choir	402	-	53	349
Class of 2011	466	-	466	-
Class of 2012	9,911	19,429	29,295	45
Class of 2013	3,528	9,414	5,547	7,395
Class of 2014	2,982	2,268	1,174	4,076
Class of 2015	-	4,877	3,144	1,733
Concert choir fundraiser	583	6,394	5,893	1,084
Drama	1,075	741	438	1,378

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 362  
 Agency Funds  
 Statement 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 FUNDS (Continued)				
FFA	\$ 9,812	\$ 30,267	\$ 30,518	\$ 9,561
FCA	143	-	-	143
FCCLA	833	-	205	628
French Club	94	587	668	13
Future business leaders	1,523	12,353	12,101	1,775
Library club	910	604	-	1,514
Multi-media class	146	-	-	146
Music festival	429	3,085	1,919	1,595
National forensics league	16	-	-	16
National honor society	85	624	517	192
Newspaper	1,081	-	410	671
PVHS band account	209	688	693	204
Seminar	123	-	-	123
Student council	1,952	5,821	4,432	3,341
Students promoting and encouraging	1,181	254	135	1,300
Textbooks	-	11,715	11,715	-
Vo-ag and chem fees	-	8,760	8,760	-
Yearbooks	-	11,755	11,515	240
Total High School	<u>40,225</u>	<u>143,081</u>	<u>143,984</u>	<u>39,322</u>
Total Student Organization Funds	<u>\$ 48,699</u>	<u>\$ 168,541</u>	<u>\$ 170,693</u>	<u>\$ 46,547</u>

See independent auditor's report on the financial statements.



UNIFIED SCHOOL DISTRICT NO. 362  
District Activity Funds  
Schedule of Cash Receipts, Expenditures and Unencumbered Cash  
Regulatory Basis  
For the Year Ended June 30, 2012

<u>FUND</u>	Beginning Unencumbered <u>Cash Balance</u>	Prior Year Cancelled <u>Encumbrances</u>	Cash <u>Receipts</u>	<u>Expenditures</u>	Ending Unencumbered <u>Cash Balance</u>	Outstanding Encumbrances and Accounts <u>Payable</u>	Ending Cash <u>Balance</u>
Special Projects:							
Parker Attendance Center	\$ 5,175	\$ -	\$ 35,855	\$ 38,700	\$ 2,330	\$ -	\$ 2,330
LaCygne Attendance Center	3,476	-	47,582	47,181	3,877	-	3,877
Fontana Attendance Center	1,315	-	20,771	20,019	2,067	-	2,067
Middle School Food Service	2,162	-	43,314	41,771	3,705	-	3,705
Middle School Gate Receipts	8,049	-	18,976	20,350	6,675	-	6,675
Middle School Other District Accts	446	-	1,247	1,034	659	-	659
High School Food Service	2,324	-	64,208	64,731	1,801	-	1,801
High School Gate Receipts	7,964	-	86,895	81,908	12,951	-	12,951
High School Reimbursements	-	-	7,139	1,271	5,868	-	5,868
District Employee Flex Spending	<u>8,232</u>	<u>-</u>	<u>19,501</u>	<u>19,019</u>	<u>8,714</u>	<u>-</u>	<u>8,714</u>
Total District Activity Funds	<u>\$ 39,144</u>	<u>\$ -</u>	<u>\$ 345,488</u>	<u>\$ 335,984</u>	<u>\$ 48,648</u>	<u>\$ -</u>	<u>\$ 48,648</u>

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 362  
Private Purpose Trusts  
Schedule of Cash Receipts, Expenditures and Unencumbered Cash  
Regulatory Basis  
For the Year Ended June 30, 2012

<u>FUND</u>	Beginning Cash <u>Balance</u>	Cash <u>Receipts</u>	<u>Expenditures</u>	Ending Cash <u>Balance</u>
HIGH SCHOOL FUNDS				
High School				
Scholarships	\$ 29,114	\$ 6,276	\$ 7,214	\$ 28,176
Total High School	<u>29,114</u>	<u>6,276</u>	<u>7,214</u>	<u>28,176</u>
 Total Private Purpose Trust Funds	 <u>\$ 29,114</u>	 <u>\$ 6,276</u>	 <u>\$ 7,214</u>	 <u>\$ 28,176</u>

UNIFIED SCHOOL DISTRICT NO. 362  
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	Transfer	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	\$ 20,970	\$ 170,791	\$ 21,629	\$ 179,334	\$ 34,056
Improving Teacher Quality State Grants	84.367	3,695	43,531	[21,629]	19,781	5,816
ARRA Title I	84.389	9,016	-	-	9,016	-
Education Jobs Fund	84.410	-	3,193	-	3,193	-
Total U.S. Department of Education			<u>217,515</u>	<u>-</u>	<u>211,324</u>	
<u>U.S. Department of Agriculture</u>						
Passed Through State Department of Education:						
School Breakfast Program	10.553	-	80,771	-	80,771	-
National School Lunch Program	10.555	-	235,750	-	235,750	-
Federal School Food Service	10.560	-	50	-	50	-
Total U.S. Department of Agriculture			<u>316,571</u>	<u>-</u>	<u>316,571</u>	
Total Expenditures of Federal Awards			<u>\$ 534,086</u>	<u>\$ -</u>	<u>\$ 527,895</u>	

The accompanying notes are an integral part of this schedule.

UNIFIED SCHOOL DISTRICT NO. 362  
Notes to the Schedule of Expenditures of Federal Awards  
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. 362. All expenditures of federal financial assistance received directly from federal agencies, if any as well as federal financial assistance passed through other government agencies is included on the schedule.

2. Basis of Accounting

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

UNIFIED SCHOOL DISTRICT NO. 362  
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:	<u>Unqualified (Prescribed Basis)</u> <u>Adverse (GAAP)</u>		
Internal control over financial reporting:			
Material weakness(es) identified?	<u>          </u> Yes	<u>      X      </u>	
Significant deficiency(ies) identified that are not considered to be material weaknesses?	<u>          </u> Yes	<u>      X      </u>	None reported
Noncompliance material to financial statements noted?	<u>          </u> Yes	<u>      X      </u>	No

Federal Awards

Internal control over major programs:			
Material weakness(es) identified?	<u>          </u> Yes	<u>      X      </u>	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	<u>          </u> 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?	<u>          </u> Yes	<u>      X      </u>	No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555	Child Nutrition Cluster
Dollar threshold used to distinguish between type A and type B programs:	<u>\$300,000</u>
Auditee qualified as low-risk auditee?	<u>          </u> Yes <u>      X      </u> No

UNIFIED SCHOOL DISTRICT NO. 362  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2012

Section II - Financial Statement Findings

Prior Year Findings

None noted

Current Year Findings

None noted

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>
Child Nutrition Cluster	2011-1	The District does not currently take a physical inventory of food service items.	7 CFR Section 250.14(e)	N/A	We recommend that the District perform a periodic physical inventory of food service items. We also recommend that such inventory be reconciled to a perpetual inventory tracking system.	Monthly inventory was performed by Districted for year ended June 30, 2012.

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>
None noted						



MIZE & HOUSER  
& COMPANY P.A.

**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. 362  
LaCygne, Kansas

We have audited the financial statements of the Unified School District No. 362 (the District), LaCygne, Kansas, as of and for the year ended June 30, 2012, and have issued our report thereon dated November 27, 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 controls 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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.

**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*.

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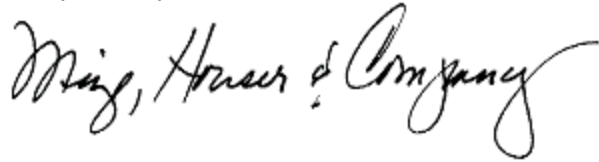
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However we noted certain other matters that we reported to management of Unified School District No. 362, LaCygne, Kansas, in a separate letter dated November 27, 2012.

This communication is intended solely for the information and use of the Board of Education, administration, federal awarding agencies and 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 cursive script that reads "Ming, Houser & Company". The signature is written in black ink and is positioned above the date.

November 27, 2012





MIZE & HOUSER  
& COMPANY P.A.

**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. 362  
LaCygne, Kansas

**Compliance**

We have audited the compliance of the Unified School District No. 362 (the District), LaCygne, 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 financial 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 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.

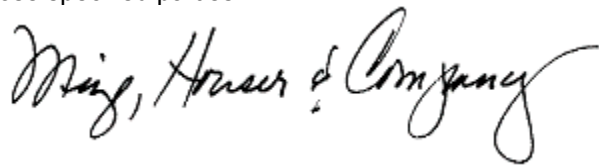
**Internal Control Over Compliance**

The management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with 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 the Board of Education, administration, federal awarding agencies and 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 cursive script that reads "Ming, Horner & Company". The signature is written in dark ink and is positioned above the date.

November 27, 2012