

UNIFIED SCHOOL DISTRICT NO. 413

Financial Statement
and
Supplemental Information
with
Report of Independent Auditors

For the Year Ended June 30, 2012

Unified School District No. 413
Chanute, Kansas
Special Financial Statements
For the Fiscal Period Ended June 30, 2012

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Unified School District No. 413
Chanute, Kansas

We have audited the summary statement of cash receipts, expenditures, and unencumbered cash balances of Unified School District No. 413 Chanute, Kansas, as of and for the year ended June 30, 2012. This financial statement is the responsibility of Unified School District No. 413's, management. Our responsibility is to express an opinion on the financial statement based on our audit.

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

As described in Note 1, Unified School District No. 413, has prepared this financial statement using 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 District's policy to prepare its financial statement on the basis of accounting 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 Unified School District No. 413 as of June 30, 2012, or the respective changes in financial position and changes in cash flows, where applicable, for the year then ended.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balances of Unified School District No. 413, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2012, on our consideration of Unified School District No. 413's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on 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 results of our audit.

Our audit was conducted for the purpose of forming an opinion on the regulatory basis financial statement. The information identified in the table of contents as supplementary information is presented for purposes of additional analysis and is not a required part of the regulatory basis financial statement. 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 accompanying schedule of expenditures of federal awards is presented in appendix A 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 also not a required part Unified School District No. 413's regulatory basis financial statement. This information has been subjected to the auditing procedures applied in the audit of the regulatory basis 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.

This report is intended solely for the information and use of the governing body and management of Unified School District No. 413, and for filing with the Kansas Department of Education, the Kansas Department of Administration, Division of Accounts and Reports, the cognizant federal agency, and other federal audit agencies. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Respectfully Submitted,

Schlatterbeck and Burns, L.L.C.

December 14, 2012

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Unified School District No. 413
Summary of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis

For the Year Ended June 30, 2012

		Beginning Unencumbered Cash Balance	Beginning Balance Adjustment	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds:								
General	(2)	\$ 192	364	12,086,737	12,086,928	365	640,180	640,545
Supplemental General	(2)	43,710	4,224	4,223,369	4,089,932	181,371	232,773	414,144
Special Revenue:								
At Risk (4 Year Old)		92,216		103,723	102,607	93,332	1,734	95,066
At Risk (K-12)		908,601		2,109,120	2,098,437	919,284	38,391	957,675
Bilingual Education		22,710		18,245	18,244	22,711	101	22,812
Capital Outlay	(2)	5,469,182	3,018	500,901	231,132	5,741,969	39,688	5,781,657
Driver Training		60,102		14,075	19,183	54,994		54,994
Food Service	(2)	361,958	226	1,191,085	1,182,963	370,306	96,980	467,286
Professional Development	(2)	174,649	176	87,471	69,013	193,283	5,488	198,771
Special Education		1,044,506		3,070,721	3,070,450	1,044,777	454	1,045,231
Vocational Education	(2)	28,615	27	332,056	330,087	30,611	2,539	33,150
Gifts and Grants		2,429		1,910	2,257	2,082	900	2,982
KPERS Special Retirement Contribution	(	370,244)		982,193	611,949			
Contingency Reserve		1,409,865			139,831	1,270,034	28,179	1,298,213
Textbook & Student Material Revolving	(2)	268,125	128	40,869	32,627	276,495		276,495
Recreation Commission		68,553		241,022	227,655	81,920	14,502	96,422
Rec Comm Emp Benf & Spec Liab		21,813		36,655	52,775	5,693	25,791	31,484
Technology Literacy Challenge (Title II-D)	(	952)		1,459	507			
Physical Education for Progress				278		278		278
Special Mini-Grants	(	17)		1,300	1,283			
Low Income ESEA (Title I)	(	29,625)		427,684	567,822	(169,763)	37,001	(132,762)
Improving Teacher Quality (Title II-A)	(2)	(52,615)	619	52,566	570			
IDL Services				6,000	5,162	838		838
Innovative Educ Prog Strategies (Title V)				3,583	35,059	(31,476)	3,989	(27,487)
Kan-Ed				5,345		5,345		5,345
Title II Math and Science				59,500	107,990	(48,490)	2,969	(45,521)
Gate Receipts		34,186		97,503	106,913	24,776		24,776
Special Projects		2,266		23,708	23,206	2,768		2,768
Debt Service:								
Bond and Interest		442,474		2,331,201	2,077,256	696,419		696,419
Capital Projects:								
School Building Remodeling Project				1,286,672	1,236,197	50,475	235,818	286,293
School Building Capital Project		1,927,062			21,960	1,905,102		1,905,102
Expendable Trusts:								
School Nurse - Needy Family		6,057		1,099	2,455	4,701		4,701
Total Primary Government (1)		<u>11,935,818</u>	<u>8,782</u>	<u>29,338,050</u>	<u>28,552,450</u>	<u>12,730,200</u>	<u>1,407,477</u>	<u>14,137,677</u>

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

Unified School District No. 413
Summary of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2012

	<u>Beginning Unencumbered Cash Balance</u>	<u>Beginning Balance Adjustment</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>
Composition of Cash:							
Bank of Commerce, Chanute, Ks							318,057
Cash on Hand							77
Community National Bank, Chanute, Ks							11,944,914
Due from St of Ks (Recognized per KSA 10-1116a)							1,140,084
Home Savings Bank, Chanute, Ks							879,370
Less: Fiduciary Funds						(144,830)	
Adjustment for Rounding						5	
Total Primary Government (1)							<u>14,137,677</u>

(1) Excluding Fiduciary Funds

(2) Beg Bal Adjust - Prior Year Encumbrances Cancelled

Unified School District No. 413
Chanute, Kansas
Notes to Financial Statement
For the Fiscal Year Ended June 30, 2012

Note 1 **Summary of Significant Accounting Policies**

A. Reporting Entity

Principles Used in Determining Scope of Entity

Chanute Unified School District No. 413 is a municipal corporation governed by an elected seven-member board. This financial statement presents the school district as a primary government only. The school district has waived the application of accounting principles generally accepted in the United States of America and as such, has not included any component units in this financial statement.

B. Basis of Presentation

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.

Regulatory Basis Fund Types:

General Fund—The primary operating fund. Used 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 special assessments or major capital projects) that are restricted by law or administrative action to expenditure for specified purposes.

Bond and Interest Funds--to account for the accumulation of resources for and the payment of, interest and principal on general long-term debt and the financing of special assessments which are general obligations of the school district.

Capital Project Funds--to account for financial resources to be used for the acquisition or construction of major capital facilities.

Trust funds – funds used to report assets held in trust for the benefit of the municipal financial reporting entity.

Agency funds – funds used to report assets held by the municipal reporting entity in a purely custodial capacity.

C. Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The 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 District has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiver the requirement for application of generally accepted accounting and allowing the District to use the regulatory basis of accounting.

Unified School District No. 413
Chanute, Kansas
Notes to Financial Statement
For the Fiscal Year Ended June 30, 2012

Departure from Generally Accepted Accounting Principles

The basis of accounting described above results in a financial statement presentation which shows cash receipts, cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown non-cash assets such as receivables, inventories and prepaid expenses, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under generally accepted accounting principles, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. General fixed assets that account for the land, buildings and equipment owned by the School District are not presented in the financial statement. Also, general long-term debt such as general obligation bonds, temporary notes, and compensated absences are not presented in the financial statement.

D. Budgets

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

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

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 by the following amounts during the year ended June 30, 2012:

<u>Fund</u>	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Legal Max</u>
General Fund	12,054,420	12,086,928	12,086,928

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 schedules 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. Expenditures include disbursements, 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. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

A legal operating budget is not required for capital project funds, fiduciary funds, permanent funds and the following special revenue funds of the District:

Contingency Reserve Fund
Textbook Rental & Student Material Revolving Fund
Technology Literacy Challenge (Title II-D) Grant Fund
Special Mini Grants
Low Income ESEA (Title I) Grant Fund
Innovative Education Strategies (Title V) Fund
IDL Services Fund
Title II Math and Science Fund
Improving Teacher Quality (Title II-A) Fund
Kan-Ed Fund
Gate Receipts Fund
Special Projects Fund

Unified School District No. 413
Chanute, Kansas
Notes to Financial Statement
For the Fiscal Year Ended June 30, 2012

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

E. Assets and Liabilities

Cash

To facilitate better management of the District's cash resources, excess cash is combined in pooled operating accounts. Each fund's portion of total cash is based on its equity in the pooled cash amount. Cash in excess of current operating needs is invested on a pooled investment basis and earnings thereon are credited to the special revenue funds designated by Kansas statutes.

Property Taxes and Other Receivables

Collection of current year property tax by the County Treasurer is not completed, apportioned nor distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes.

It is not practicable to apportion delinquent taxes held by the County Treasurer at the end of the audit period and further, the amounts thereof are not material in relationship to the financial statement taken as a whole.

Investments

Statutes authorize the School District to invest in U.S. Treasury bills and notes, repurchase agreements, and the State Treasurer's investment pool. All investments must be insured, registered, or held by the School District or its agent in the District's name. The School District's investments are categorized to give an indication of the level of risk assumed by the District at year-end. Category 1 includes investments that are insured or registered, or for which the District or its agent in the District's name holds the securities. Category 2 includes uninsured and unregistered investments for which the dealer bank's trust department or agent in the District's name holds the securities. Category 3 includes uninsured and unregistered investments for which the dealer bank holds the securities. Of the three risk categories, the investments classified in Risk Category 1 have the least risk to the District.

Cash balances in all funds are considered in determining the amount to be invested and further, unless specifically designated, all investment income is credited to the special revenue funds designated by Kansas statutes.

Inventories and Prepaid Expenses

Inventories and prepaid expenses, which benefit future periods, are recorded as expenditure during the year of purchase as required by State statutes. No physical inventories were taken at year-end and no accounting controls exist for control of materials inventory.

Long-Term Debt

Long-term debt is recognized as a liability of a statutory basis fund when due, or when resources have been accumulated in the bond and interest fund for payment early in the following year. For other long-term obligations, only that portion which anticipates financing from expendable available financial resources is reported as a fund liability of a statutory basis fund.

F. Revenues and Expenditures

Property Tax Revenue Recognition

Property taxes become a lien against all property November 1st. Taxpayers have the option of paying in full or in two installments. The delinquency dates are December 20th and May 20th. Delinquent taxes are assessed interest at 12% per annum. The county retains this interest.

Unified School District No. 413
Chanute, Kansas
Notes to Financial Statement
For the Fiscal Year Ended June 30, 2012

Taxes levied to finance the budget are made available to the school after January 1st and are distributed by the county treasurer approximately every month and a half. At least 50% of the taxes levied are available in January.

Reimbursed Expenses

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statement 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.

Interfund Transactions

Quasi-external transactions are accounted for as revenue, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Note 2 Stewardship, Compliance, and Accountability

Compliance with Kansas Cash Basis Law

The following funds have federal financial assistance due in amounts sufficient to exceed the cash basis violation amounts displayed on the summary statement:

Low Income ESEA Title I	\$ 169,763
Innovative Education Strategy (Title V) Fund	31,746
Title II Math and Science	48,490

Compliance with Kansas Budget Law

No violations.

Compliance with Kansas Depository Security Law

No violations.

Note 3 Detail Notes on All Funds and Account Groups

A. Assets:

Deposits and Investments

K.S.A. 9-1401 establishes the depositories that may be used by the school district. The statute requires banks eligible to hold the school district's funds to have a main or branch bank in the school district 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 school district has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 allows the School district to invest idle funds in time deposit-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 school district has no investment policy that would further limit its investment choices.

Concentration of credit risk. State statutes place no limit on the amount the school 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 school district's deposits may not be returned to it. State statutes require the school district's deposits in financial institutions

Unified School District No. 413
Chanute, Kansas
Notes to Financial Statement
For the Fiscal Year Ended June 30, 2012

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%.

At June 30, 2012, the carrying amount of the school district's deposits was \$13,788,356 and the bank balance was \$15,486,669. Of the bank balance, \$750,000 was secured by federal depository insurance and the remaining \$14,736,669 was collateralized by securities held by the pledging financial institutions' agents in the school 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 school 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 and the school district's investment policy requires 100% collateralization at all times.

General Fixed Assets

The School has not maintained a record of fixed assets used in performance of general governmental operations as required by generally accepted accounting principles. The School has waived compliance until June 30, 2012, in accordance with K.S.A. 75-1120(a).

B. Liabilities:

Long-term Debt

General Obligation Bonds

Kansas schools are limited to aggregate debt not to exceed 14% of assessed valuation of tangible taxable property within the district. The School District's assessed valuation at June 30, 2012 was \$95,373,790 excluding motor vehicle valuation. The debt limit determination as of June 30, 2012 was \$13,352,330. Bonds issued during the 2006 fiscal year in the amount of \$42,690,000 caused the aggregate debt to exceed the legal debt limit. However, an order issued by the Kansas State Board of Education gave the School District authority to issue the series 2006 bonds in excess of the legal debt limit.

The school district has partially refunded the above 2006 series bonds with two refunding bond series. The first, a 2011 series, was dated November 22, 2011 and was in the amount of \$9,390,000. The second, a 2012 series, was dated January 4, 2012 and was in the amount of \$9,330,000. Details regarding each of the three bond issues are displayed in the tables below.

Capital Lease Obligations

The School District has entered into a lease-purchase agreement for the purpose of upgrading heating and cooling equipment in the middle school building. Details of changes in lease obligations and lease obligation maturity by year are displayed in the following tables.

Unified School District No. 413
Chanute, Kansas
Notes to Financial Statement
For the Fiscal Year Ended June 30, 2012

Changes in long-term liabilities for the fiscal year were as follows:

<u>Issue</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Net Change</u>	<u>Balance end of Year</u>	<u>Interest Paid</u>
<u>OUTSTANDING OBLIGATIONS:</u>										
<u>General Obligation Bonds:</u>										
Series 2006 School Building	4.0-5.0	4/15/2006	42,690,000	9/1/2035	42,690,000		17,525,000		25,165,000	2,022,256
Series 2011 Refunding	2.0-4.0	11/22/2011	9,390,000	9/1/2029		9,390,000			9,390,000	94,123
Series 2012 Refunding	2.0-4.25	1/4/2012	9,330,000	9/1/2030		9,330,000			9,330,000	
<u>Capital Leases:</u>										
Heating Equipment Controls	5.97%	2/10/02	447,995	2/10/17	226,491		226,491		-	11,517
Stadium Lease - Part II	4.10%	4/8/03	878,874	4/8/08	326,495		326,495		-	1,925
Middle School HVAC	2.20%	6/1/2012	1,286,672	6/1/2017		1,286,672			1,286,672	
<u>Early Retirement Plan:</u>										
Exercised Options					332,866			(145,984)		186,882
Total Long-Term Debt					<u>43,575,852</u>	<u>20,006,672</u>	<u>18,077,986</u>	<u>(145,984)</u>	<u>45,171,672</u>	<u>2,316,703</u>

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

<u>Issue</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018/22</u>	<u>2023/27</u>	<u>2028/32</u>	<u>2033/37</u>	<u>Totals</u>
<u>Principal:</u>										
<u>General Obligation Bonds:</u>										
Series 2006 School Building	290,000	370,000	450,000	540,000	635,000	1,575,000	3,760,000	2,995,000	14,550,000	25,165,000
Series 2011 Refunding				50,000	50,000	280,000	1,915,000	7,095,000		9,390,000
Series 2012 Refunding				75,000	75,000	3,590,000	2,850,000	2,740,000		9,330,000
<u>Capital Leases:</u>										
Middle School HVAC										-
Total Principal	<u>290,000</u>	<u>370,000</u>	<u>450,000</u>	<u>665,000</u>	<u>760,000</u>	<u>5,445,000</u>	<u>8,525,000</u>	<u>12,830,000</u>	<u>14,550,000</u>	<u>43,885,000</u>
<u>Interest:</u>										
<u>General Obligation Bonds:</u>										
Series 2006 School Building	2,015,356	2,001,925	1,985,013	1,964,931	1,941,431	9,156,859	7,590,938	5,069,688	1,409,006	33,135,147
Series 2011 Refunding	342,264	342,264	342,264	341,764	340,764	1,683,516	1,478,400	406,630		5,277,866
Series 2012 Refunding	155,525	310,300	308,800	1,379,550	669,550	407,575				3,231,300
<u>Capital Leases:</u>										
Middle School HVAC										-
Total Interest	<u>2,513,145</u>	<u>2,654,489</u>	<u>2,636,077</u>	<u>3,686,245</u>	<u>2,951,745</u>	<u>11,247,950</u>	<u>9,069,338</u>	<u>5,476,318</u>	<u>1,409,006</u>	<u>41,644,313</u>
Total Principal and Interest	<u>2,803,145</u>	<u>3,024,489</u>	<u>3,086,077</u>	<u>4,351,245</u>	<u>3,711,745</u>	<u>16,692,950</u>	<u>17,594,338</u>	<u>18,306,318</u>	<u>15,959,006</u>	<u>85,529,313</u>

Unified School District No. 413
Chanute, Kansas
Notes to Financial Statement
For the Fiscal Year Ended June 30, 2012

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. 75-4901, *et seq.* KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S Kansas, Suite 100, Topeka, KS 66603) 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.

Other Employee Benefits

Vacation and Sick Pay

The school districts sick leave policy allows crediting each employee with ten days sick leave per year to a maximum of ninety days. At retirement or death all full time employees with fifteen years of service are compensated for fifty percent of accumulated and unused sick leave days.

Early Professional Employee Retirement

The school district's professional employee early retirement plan allows any professional employee, at the employee's option, to take early retirement at ages fifty-five through sixty-five providing the employee has at least fifteen years prior service with the school district. An employee who takes early retirement is entitled to five annual payments equal to fifteen percent of that employee's last basic contracted salary until the end of the contract year in which that employee reaches age sixty-five or five annual payments whichever occurs first. Such payments will be paid into an individual 403(b) account.

C. Operating Transfers:

<u>From</u>	<u>To</u>	<u>Authority</u>	<u>Amount</u>
General Fund	Special Education Fund	K.S.A. 72-6428	\$3,070,721
General Fund	Capital Outlay Fund	K.S.A. 72-6428	130,850
General Fund	Vocational Education Fund	K.S.A. 72-6428	312,160
General Fund	At Risk (4Yr Old) Fund	K.S.A. 72-6428	103,723
General Fund	Professional Development	K.S.A. 72-6428	6,104
General Fund	Bilingual	K.S.A. 72-6428	18,245
Supp. General	At Risk (K-12)	K.S.A. 72-6433	2,109,120
Supp. General	Professional Development	K.S.A. 72-6433	81,367

Note 4 In-substance receipt in Transit

The District received \$1,140,084 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 receipts for the year ended June 30, 2012.

Note 5 Summary Disclosure of Significant Contingencies

Federally Assisted Programs - Compliance Audits

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the School expects such amounts, if any, to be immaterial.

Unified School District No. 413
Chanute, Kansas
Notes to Financial Statement
For the Fiscal Year Ended June 30, 2012

Note 6 **Economic Dependency**

The school district is economically dependent on state and federal financial assistance. The revenue from the state and federal governments in relation to total revenues are displayed below for the general fund, supplemental general fund, bond and interest fund and all other funds.

	Total <u>Revenue</u>	State <u>Aid</u>	<u>%</u>	Federal <u>Aid</u>	<u>%</u>
General Fund	12,086,737	9,721,901	80.4		
Supplemental General	4,223,369	2,277,994	53.9		
Bond and Interest	2,331,201	1,031,351	44.2		
Other Funds	<u>4,103,554</u>	<u>998,629</u>	<u>24.3</u>	<u>1,318,630</u>	<u>32.1</u>
Total All Funds	<u>22,744,861</u>	<u>14,029,875</u>	<u>61.7</u>	<u>1,318,630</u>	<u>5.8</u>

Unified School District No. 413
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2012

Schedule 1

		<u>Certified Budget</u>	<u>Legal Max. Adjustment</u>	<u>Qualified Budget Cr. Adjustment</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Favorable (Unfavorable)</u>
Governmental Type Funds:							
General	\$	12,086,928			12,086,928	12,086,928	
Supplemental General		4,100,970	(11,038)		4,089,932	4,089,932	
Special Revenue:							
At Risk (4 Year Old)		107,420			107,420	102,607	4,813
At Risk (K-12)		2,238,481			2,238,481	2,098,437	140,044
Bilingual Education		22,711			22,711	18,244	4,467
Capital Outlay		2,743,886			2,743,886	231,132	2,512,754
Driver Training		58,145			58,145	19,183	38,962
Food Service		1,342,689		105,028	1,447,717	1,182,963	264,754
Professional Development		174,196			174,196	69,013	105,183
Special Education		3,500,506			3,500,506	3,070,450	430,056
Vocational Education		350,250		19,896	370,146	330,087	40,059
Gifts and Grants		50,195			50,195	2,257	47,938
KPERS Special Retirement Contribution		1,115,659			1,115,659	611,949	503,710
Recreation Commission		227,655			227,655	227,655	
Rec Comm Emp Benf & Spec Liab		52,775			52,775	52,775	
Debt Service:							
Bond and Interest		2,077,356			2,077,356	2,077,256	100
Totals		<u>30,249,822</u>	<u>(11,038)</u>	<u>124,924</u>	<u>30,363,708</u>	<u>26,270,868</u>	<u>4,092,840</u>

General Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2012

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

		Prior Year Actual	Current Year		Variance Favorable (Unfavor)
			Current Year Actual	Budget	
Cash Receipts					
Revenue from Local Sources					
Ad Valorem Taxes	\$	941,988	1,311,376	1,227,107	84,269
Delinquent Taxes		20,769	28,408	14,842	13,566
Total Revenue from Local Sources		962,757	1,339,784	1,241,949	97,835
Revenue from County Sources					
Revenue in Lieu of Taxes		2,211	2,400	1,819	581
Revenue from State Sources					
State Financial Aid		8,602,769	8,436,522	8,548,405	(111,883)
Mineral Production Tax		18,939	18,127	10,000	8,127
Special Education Aid		2,020,354	2,284,587	2,284,587	
Total Revenue from State Sources		10,642,062	10,739,236	10,842,992	(103,756)
Revenue from Federal Sources					
Passed Through State of Kansas		396,223			
ARRA Grant		226,284	5,317		5,317
Total Revenue from Federal Sources		622,507	5,317		5,317
Total Cash Receipts		12,229,537	12,086,737	12,086,760	(23)
Expenditures and Transfers					
Instruction					
Certified Salaries		3,719,119	3,699,522	3,469,456	(230,066)
Non-Certified Salaries		42,152	45,383	50,500	5,117
Group Insurance		312,441	316,563	322,000	5,437
Social Security Contributions		264,414	262,313	269,500	7,187
Worker's Compensation			35		(35)
Other Employee Benefits		37,539	38,452	44,500	6,048
Purchased Property Services				45,000	45,000
Communication Services		39,950	39,600		(39,600)
Other Miscellaneous Purchased Services		14,249	14,113	15,000	887
Property (Equipment & Furnishings)			13,482	75,000	61,518
Total Instruction		4,429,864	4,429,463	4,290,956	(138,507)
Support Services - Students					
Certified Salaries		296,565	303,325	298,630	(4,695)
Non-Certified Salaries		22,896	24,062	23,200	(862)
Group Insurance		34,031	32,672	42,000	9,328
Social Security Contributions		22,969	23,703	25,200	1,497
Worker's Compensation			2,731		(2,731)
Other Employee Benefits		3,276	654	1,150	496
Total Support Services - Students		379,737	387,147	390,180	3,033
Support Services - Instructional Staff					
Certified Salaries		182,141	173,832	184,285	10,453
Group Insurance		13,540	18,931	24,000	5,069
Social Security Contributions		13,308	12,521	14,500	1,979
Worker's Compensation			883		(883)
Other Employee Benefits		1,864	4,727	1,800	(2,927)
General Supplies and Materials		1,327	815		(815)
Books and Periodicals		36,349	37,966	42,885	4,919
Miscellaneous Supplies				2,000	2,000
Total Support Services - Instructional Staff		248,529	249,675	269,470	19,795
Support Services - General Administration					
Certified Salaries		206,285	233,230	226,800	(6,430)
Non-Certified Salaries		57,182	59,109	59,350	241
Group Insurance		20,004	20,103	23,250	3,147
Social Security Contributions		18,919	19,279	20,850	1,571
Other Employee Benefits		2,631	2,734	2,875	141
Purchased Professional and Technical Services		108,674	91,875	100,000	8,125
Communication Services		6,102	7,424	4,000	(3,424)

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2012

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

		Current Year			Variance Favorable (Unfavor)
		Prior Year Actual	Current Year Actual	Budget	
Other	\$	<u>31,575</u>	<u>37,548</u>	<u>45,000</u>	<u>7,452</u>
Total Support Services - General Administration		<u>451,372</u>	<u>471,302</u>	<u>482,125</u>	<u>10,823</u>
Support Services - School Administration					
Certified Salaries		585,435	587,272	605,000	17,728
Non-Certified Salaries		155,129	161,274	144,750	(16,524)
Group Insurance		28,593	39,262	74,000	34,738
Social Security Contributions		56,515	58,013	55,950	(2,063)
Worker's Compensation			5		(5)
Other Employee Benefits		21,997	22,553	12,500	(10,053)
Total Support Services - School Administration		<u>847,669</u>	<u>868,379</u>	<u>892,200</u>	<u>23,821</u>
Support Services - Plant Operation and Maintenance					
Group Insurance			621		(621)
Purchased Professional and Technical Services		2,402	3,340	1,800	(1,540)
Water/Sewer Services (Non-Energy)		23,021	39,595	28,800	(10,795)
Cleaning Services		2,733	869	21,300	20,431
Repairs and Maintenance Services		342,104	178,343	137,000	(41,343)
Repair of Buildings		64,929	93,971	178,000	84,029
Insurance Services		101,937	217,779	143,500	(74,279)
Telephone/or Telegraph Services		616	715		(715)
Other Miscellaneous Purchased Services		14,029	27,425	42,750	15,325
General Supplies and Materials		76,302	78,927	67,000	(11,927)
Heating		96,606	62,938	119,400	56,462
Electricity		417,607	411,319	444,815	33,496
Motor Fuel		7,518	8,929	9,000	71
Property (Equipment & Furnishings)		363,500	717	115,000	114,283
Total Support Services - Plant Operation and Maintenance		<u>1,513,304</u>	<u>1,125,488</u>	<u>1,308,365</u>	<u>182,877</u>
Student Transportation Services					
Other Employee Benefits			3,533		(3,533)
Vehicle Operation Services					
Non-Certified Salaries		120,197	118,385	118,500	115
Group Insurance		43,053	38,707	50,000	11,293
Social Security Contributions		10,582	10,114	8,250	(1,864)
Worker's Compensation			36		(36)
Other Employee Benefits		1,549	1,481	850	(631)
Insurance Services		11,821	25,641	15,000	(10,641)
Motor Fuel		61,047	77,997	95,000	17,003
Property (Equipment & Furnishings)		8,026			
Vehicles (Including school buses)		96,105	85,657	173,921	88,264
Other		2,639	2,196		(2,196)
Total Vehicle Operation Services		<u>355,019</u>	<u>360,214</u>	<u>461,521</u>	<u>101,307</u>
Supervision Services					
Non-Certified Salaries		28,744	29,703	30,000	297
Social Security Contributions				2,400	2,400
Other Employee Benefits				1,600	1,600
Total Supervision Services		<u>28,744</u>	<u>29,703</u>	<u>34,000</u>	<u>4,297</u>
Vehicle Servicing and Maintenance Services					
Purchased Professional and Technical Services		2,586	7,132		(7,132)
Purchased Property Services		28,006	30,763	35,000	4,237
Supplies and Materials		18,957	16,924	20,500	3,576
Other		4,218	1,785		(1,785)
Total Vehicle Servicing and Maintenance Services		<u>53,767</u>	<u>56,604</u>	<u>55,500</u>	<u>(1,104)</u>
Support Services - Business					
Non-Certified Salaries		40,892	43,306	43,000	(306)
Group Insurance		11,673	11,738	15,320	3,582
Social Security Contributions		3,050	3,215	3,700	485
Worker's Compensation			166		(166)
Other Employee Benefits		438	302	1,100	798
Purchased Professional and Technical Services		177	45	600	555

General Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2012

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

		Current Year			
		Prior Year Actual	Current Year Actual	Budget	Variance Favorable (Unfavor)
Total Support Services - Business	\$	<u>56,230</u>	<u>58,772</u>	<u>63,720</u>	<u>4,948</u>
Facilities Acquisition and Construction Services					
New Building Acquisition and Construction			125,800		(125,800)
Repair and Remodeling			274,571		(274,571)
Total Facilities Acquisition and Construction Services			<u>400,371</u>		<u>(400,371)</u>
Fund Transfers					
Bilingual Education			18,246		(18,246)
Capital Outlay	170,000		135,319		(135,319)
Professional Development	97,000		6,104		(6,104)
Special Education	3,040,000		3,070,722	2,284,587	(786,135)
Vocational Education	280,000		312,160	318,969	6,809
Textbook	189,968				
At Risk (4yr Old)			103,726		(103,726)
At Risk (K-12)	89,481			1,235,335	1,235,335
Total Fund Transfers	<u>3,866,449</u>	<u>3,646,277</u>	<u>3,838,891</u>	<u>192,614</u>	
Total Expenditures and Transfers	<u>12,230,684</u>	<u>12,086,928</u>	<u>12,086,928</u>		
Receipts Over (Under)					
Expenditures and Transfers	(1,147)	(191)			
Unencumbered Cash, Beginning	1,291	192			
Prior Year Encumbrances Cancelled	<u>48</u>	<u>364</u>			
Unencumbered Cash, Ending	<u>192</u>	<u>365</u>			

Supplemental General Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2012

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

	Prior Year Actual	Current Year		
		Current Year Actual	Budget	Variance Favorable (Unfavor)
Cash Receipts				
Revenue from Local Sources				
Ad Valorem Taxes	\$ 1,340,161	1,535,121	1,425,873	109,248
Delinquent Taxes	30,547	46,358	21,248	25,110
Total Revenue from Local Sources	1,370,708	1,581,479	1,447,121	134,358
Revenue from County Sources				
Motor Vehicle Tax	201,913	217,541	265,496	(47,955)
Recreational Vehicle Tax	2,759	2,613	3,508	(895)
Revenue in Lieu of Taxes	2,741	2,862	2,652	210
Total Revenue from County Sources	207,413	223,016	271,656	(48,640)
Revenue from State Sources				
Supplemental State Aid	2,299,773	2,418,874	2,327,036	91,838
Total Cash Receipts	3,877,894	4,223,369	4,045,813	177,556
Expenditures and Transfers				
Instruction				
Certified Salaries	1,013	296	2,000	1,704
Non-Certified Salaries	56,365	56,133	65,000	8,867
Group Insurance	22,991	25,502	26,000	498
Social Security Contributions	3,716	3,770	4,450	680
Worker's Compensation	372	282		(282)
Other Employee Benefits	33	82	950	868
Purchased Professional and Technical Services	29,677	21,336	35,000	13,664
Other Miscellaneous Purchased Services	1,542	1,094	5,500	4,406
General Supplies and Materials	222,158	279,924	345,556	65,632
Textbooks	4,100	247,006	200,000	(47,006)
Technology Supplies	148,312	93,001	83,065	(9,936)
Miscellaneous Supplies	2,105	4,774	5,000	226
Property (Equipment & Furnishings)	85,346	127,725	300,000	172,275
Equipment	26,647	27,311		(27,311)
Other	3,225	4,627	10,000	5,373
Total Instruction	607,602	892,863	1,082,521	189,658
Support Services - Students				
Certified Salaries	52,138	52,740	53,702	962
Non-Certified Salaries	14,043	28,059	14,464	(13,595)
Group Insurance	5,447	9,049	7,500	(1,549)
Social Security Contributions	4,952	6,068	5,300	(768)
Other Employee Benefits	2,640	2,830	3,200	370
Purchased Professional and Technical Services	219	633	400	(233)
Other Purchased Services	1,243	1,280	50	(1,230)
Supplies and Materials	2,670	2,315	4,250	1,935
Property (Equipment & Furnishings)		1,166	1,500	334
Total Support Services - Students	83,352	104,140	90,366	(13,774)
Support Services - Instructional Staff				
Certified Salaries	64,575		85,000	85,000
Non-Certified Salaries	181,708	191,155	186,200	(4,955)
Group Insurance	32,147	27,733	34,000	6,267
Social Security Contributions	16,884	13,616	19,000	5,384
Worker's Compensation	668	111		(111)
Other Employee Benefits	71	99	225	126
Purchased Professional and Technical Services	21,427	7,099	35,000	27,901
Purchased Property Services			6,000	6,000
Other Purchased Services	1,533	854	2,400	1,546
Total Support Services - Instructional Staff	319,013	240,667	367,825	127,158

Unified School District No. 413
Supplemental General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

Schedule 2
Page 5 of 35

For the Year Ended June 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

		Current Year		
	Prior Year Actual	Current Year Actual	Budget	Variance Favorable (Unfavor)
Support Services - General Administration				
Supplies and Materials	\$ 2,252	1,139	8,000	6,861
Support Services - School Administration				
Other Purchased Services		105		(105)
Supplies and Materials	31,030	26,413	40,399	13,986
General Supplies and Materials	9,938	13,804		(13,804)
Total Support Services - School Administration	40,968	40,322	40,399	77
Support Services - Plant Operation and Maintenance				
Non-Certified Salaries	467,699	495,898	520,000	24,102
Group Insurance	78,509	83,935	111,670	27,735
Social Security Contributions	32,554	35,392	38,000	2,608
Worker's Compensation	4	5		(5)
Other Employee Benefits	4,819	5,028	8,300	3,272
Repairs and Maintenance Services			200,000	200,000
Repair of Buildings			700,000	700,000
General Supplies and Materials	57	57	15,000	14,943
Heating			100,000	100,000
Electricity			100,000	100,000
Motor Fuel			100,000	100,000
Property (Equipment & Furnishings)			200,000	200,000
Total Support Services - Plant Operation and Maintenance	583,642	620,315	2,092,970	1,472,655
Facilities Acquisition and Construction Services				
Architecture and Engineering Services			75,000	75,000
Fund Transfers				
Professional Development		81,367		(81,367)
Special Education			235,000	235,000
At Risk (4yr Old)	149,000		15,458	15,458
At Risk (K-12)	2,158,079	2,109,119	93,431	(2,015,688)
Total Fund Transfers	2,307,079	2,190,486	343,889	(1,846,597)
Budget Adjustments				
Legal Max Adjustment			(11,038)	(11,038)
Total Expenditures and Transfers	3,943,908	4,089,932	4,089,932	
Receipts Over (Under)				
Expenditures and Transfers	(66,014)	133,437		
Unencumbered Cash, Beginning	108,355	43,710		
Prior Year Encumbrances Cancelled	1,369	4,224		
Unencumbered Cash, Ending	43,710	181,371		

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2012

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

		Current Year		
		Prior Year Actual	Current Year Actual	Variance Favorable (Unfavor)
			Budget	
Cash Receipts				
Operating Transfers				
Transfer from General Fund	\$	103,723	15,458	88,265
Transfer from Supplemental General Fund		149,000		
Total Cash Receipts		149,000	15,458	88,265
Expenditures and Transfers				
Instruction				
Certified Salaries		27,351	45,190	1,310
Non-Certified Salaries		12,172	12,525	75
Group Insurance		5,400	5,396	2,104
Social Security Contributions		4,282	4,475	85
Worker's Compensation		117	112	(112)
Other Employee Benefits		463	750	261
Supplies and Materials		3,441	2,222	(2,222)
General Supplies and Materials		4,075	3,645	809
Property (Equipment & Furnishings)			900	900
Equipment		187	910	(910)
Total Instruction		57,488	76,370	2,300
Support Services - Instructional Staff				
Purchased Professional and Technical Services		4,732	2,000	(2,732)
Miscellaneous Supplies			3,800	3,800
Total Support Services - Instructional Staff		4,732	5,800	1,068
Support Services - School Administration				
Certified Salaries		19,926	20,500	220
Group Insurance		2,911	3,000	1,241
Social Security Contributions		1,258	1,500	135
Worker's Compensation		202		(207)
Other Employee Benefits			250	250
General Supplies and Materials		194		(194)
Total Support Services - School Administration		24,297	25,250	1,445
Total Expenditures and Transfers		81,785	107,420	4,813
Receipts Over (Under)				
Unencumbered Cash, Beginning		25,001	92,216	
Expenditures and Transfers		67,215	1,116	
Unencumbered Cash, Ending		92,216	93,332	

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2012

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

	Prior Year Actual	Current Year		
		Current Year Actual	Budget	Variance Favorable (Unfavor)
Cash Receipts				
Operating Transfers				
Transfer from General Fund	\$ 151,921		1,235,335	(1,235,335)
Transfer from Supplemental General Fund	2,095,639	2,109,120	93,431	2,015,689
Total Cash Receipts	<u>2,247,560</u>	<u>2,109,120</u>	<u>1,328,766</u>	<u>780,354</u>
Expenditures and Transfers				
Instruction				
Certified Salaries	1,424,433	1,446,435	1,499,000	52,565
Non-Certified Salaries	230,402	251,506	261,000	9,494
Group Insurance	188,207	206,420	206,500	80
Social Security Contributions	117,321	120,702	128,800	8,098
Worker's Compensation	10,850	11,820		(11,820)
Other Employee Benefits	5,427	5,627	20,250	14,623
Purchased Professional and Technical Services			20,000	20,000
Other Purchased Services		29,526		(29,526)
Other Miscellaneous Purchased Services			10,000	10,000
General Supplies and Materials	7,603	18,782	20,000	1,218
Technology Supplies	3,545	6,548	7,500	952
Property (Equipment & Furnishings)			10,000	10,000
Equipment	1,231	1,071		(1,071)
Total Instruction	<u>1,989,019</u>	<u>2,098,437</u>	<u>2,183,050</u>	<u>84,613</u>
Support Services - Instructional Staff				
Miscellaneous Supplies			7,000	7,000
Property (Equipment & Furnishings)			48,431	48,431
Total Support Services - Instructional Staff			<u>55,431</u>	<u>55,431</u>
Total Expenditures and Transfers	<u>1,989,019</u>	<u>2,098,437</u>	<u>2,238,481</u>	<u>140,044</u>
Receipts Over (Under)				
Unencumbered Cash, Beginning	650,060	908,601		
Expenditures and Transfers	<u>258,541</u>	<u>10,683</u>		
Unencumbered Cash, Ending	<u>908,601</u>	<u>919,284</u>		

Bilingual Education Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2012

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

		Current Year		
		Prior Year Actual	Current Year Actual	Budget Variance Favorable (Unfavor)
Cash Receipts				
Operating Transfers				
Transfer from General Fund	\$		18,245	18,245
Transfer from Supplemental General Fund		1		
Total Cash Receipts		<u>1</u>	<u>18,245</u>	<u>18,245</u>
Expenditures and Transfers				
Instruction				
Certified Salaries		71	8,031	10,000 1,969
Non-Certified Salaries		31	3,910	5,000 1,090
Group Insurance				5,000 5,000
Social Security Contributions		3	1,408	1,200 (208)
Other Employee Benefits		6	100	1,511 1,411
Staff Travel			287	(287)
General Supplies and Materials			4,508	(4,508)
Total Expenditures and Transfers		<u>111</u>	<u>18,244</u>	<u>22,711 4,467</u>
Receipts Over (Under)				
Expenditures and Transfers	(	110)	1	
Unencumbered Cash, Beginning		<u>22,820</u>	<u>22,710</u>	
Unencumbered Cash, Ending		<u>22,710</u>	<u>22,711</u>	

Capital Outlay Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended June 30, 2012

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

		Prior Year Actual	Current Year		Variance Favorable (Unfavor)
			Current Year Actual	Budget	
Cash Receipts					
Revenue from Local Sources					
Delinquent Taxes	\$	4,106	3,062		3,062
Earnings on Investments		157,458	109,067	150,000	(40,933)
Other Revenue From Local Sources		103,254	253,390	10,000	243,390
Total Revenue from Local Sources		<u>264,818</u>	<u>365,519</u>	<u>160,000</u>	<u>205,519</u>
Revenue from County Sources					
Motor Vehicle Tax		23,615	63		63
Recreational Vehicle Tax		309			
Total Revenue from County Sources		<u>23,924</u>	<u>63</u>		<u>63</u>
Operating Transfers					
Transfer from General Fund		170,000	135,319		135,319
Total Cash Receipts		<u>458,742</u>	<u>500,901</u>	<u>160,000</u>	<u>340,901</u>
Expenditures and Transfers					
Instruction					
Social Security Contributions		46			
Purchased Professional and Technical Services			1,155		(1,155)
Property (Equipment & Furnishings)		175,531	101,802	570,460	468,658
Total Instruction		<u>175,577</u>	<u>102,957</u>	<u>570,460</u>	<u>467,503</u>
Support Services - General Administration					
Property (Equipment & Furnishings)		7,696	3,319	6,720	3,401
Support Services - Plant Operation and Maintenance					
Non-Certified Salaries		670			
Property (Equipment & Furnishings)		19,100	22,737	12,851	(9,886)
Total Support Services - Plant Operation and Maintenance		<u>19,770</u>	<u>22,737</u>	<u>12,851</u>	<u>(9,886)</u>
Student Transportation Services					
Property (Equipment & Furnishings)				250,000	250,000
Facilities Acquisition and Construction Services					
Site Improvement Services				500,000	500,000
Architecture and Engineering Services			51,119	100,000	48,881
New Buildings Acquisition and Construction		61,954	19,112	900,000	880,888
Building Repair and Remodeling		103,529	31,888	403,855	371,967
Total Facilities Acquisition and Construction Services		<u>165,483</u>	<u>102,119</u>	<u>1,903,855</u>	<u>1,801,736</u>
Total Expenditures and Transfers		<u>368,526</u>	<u>231,132</u>	<u>2,743,886</u>	<u>2,512,754</u>
Receipts Over (Under)					
Expenditures and Transfers		90,216	269,769		
Unencumbered Cash, Beginning		5,369,913	5,469,182		
Prior Year Encumbrances Cancelled		3,380	3,018		
Beginning Balance Adjustment		5,673			
Unencumbered Cash, Ending		<u>5,469,182</u>	<u>5,741,969</u>		

Driver Training Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2012

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

		Prior Year Actual	Current Year		Variance Favorable (Unfavor)
			Current Year Actual	Budget	
Cash Receipts					
Revenue from Local Sources					
Other Revenue From Local Sources	\$	4,456	8,905		8,905
Revenue from State Sources					
State Financial Aid		7,549	5,170	3,996	1,174
Total Cash Receipts		<u>12,005</u>	<u>14,075</u>	<u>3,996</u>	<u>10,079</u>
Expenditures and Transfers					
Instruction					
Certified Salaries		6,500	17,400	15,000	(2,400)
Social Security Contributions		469	1,305	1,945	640
Other Employee Benefits		10	15		(15)
General Supplies and Materials				5,500	5,500
Miscellaneous Supplies		28		8,000	8,000
Other				2,000	2,000
Total Instruction		<u>7,007</u>	<u>18,720</u>	<u>32,445</u>	<u>13,725</u>
Vehicle Operation and Maintenance Services					
Insurance Services				500	500
Motor Fuel			463	1,200	737
Property (Equipment & Furnishings)				24,000	24,000
Total Vehicle Operation and Maintenance Services			<u>463</u>	<u>25,700</u>	<u>25,237</u>
Total Expenditures and Transfers		<u>7,007</u>	<u>19,183</u>	<u>58,145</u>	<u>38,962</u>
Receipts Over (Under)					
Expenditures and Transfers		4,998	(5,108)		
Unencumbered Cash, Beginning		<u>55,104</u>	<u>60,102</u>		
Unencumbered Cash, Ending		<u>60,102</u>	<u>54,994</u>		

Food Service Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2012

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

		Prior Year Actual	Current Year		Variance Favorable (Unfavor)
			Current Year Actual	Budget	
Cash Receipts					
Revenue from Local Sources					
Student Sales	\$	220,489	215,729	230,630	(14,901)
Adults and Non-Reimbursable Programs		179,906	172,203	93,825	78,378
Other Revenue From Local Sources		33,202	40,389		40,389
Total Revenue from Local Sources		<u>433,597</u>	<u>428,321</u>	<u>324,455</u>	<u>103,866</u>
Revenue from State Sources					
State Financial Aid		<u>19,756</u>	<u>9,776</u>	<u>8,576</u>	<u>1,200</u>
Revenue from Federal Sources					
Passed Through State of Kansas		<u>709,530</u>	<u>752,988</u>	<u>647,960</u>	<u>105,028</u>
Total Cash Receipts		<u>1,162,883</u>	<u>1,191,085</u>	<u>980,991</u>	<u>210,094</u>
Expenditures and Transfers					
Food Service Operations					
Non-Certified Salaries		377,814	388,921	410,000	21,079
Employee Benefits		251	344		(344)
Group Insurance		75,786	78,326	87,500	9,174
Social Security Contributions		26,324	27,541	32,200	4,659
Worker's Compensation		232	567		(567)
Other Employee Benefits		3,609	3,404	4,900	1,496
Purchased Professional and Technical Services		530	1,938		(1,938)
Repairs and Maintenance Services			8,747		(8,747)
In-District Travel		810	1,180		(1,180)
Other Miscellaneous Purchased Services		22,551	26,655	37,250	10,595
Supplies and Materials		1,159	1,834		(1,834)
Other		249	1,395		(1,395)
Food and Milk		541,700	626,877	570,000	(56,877)
Miscellaneous Supplies		2,444	1,346	3,839	2,493
Property (Equipment & Furnishings)		23,736	13,487	197,000	183,513
Other		100	79		(79)
Total Food Service Operations		<u>1,077,295</u>	<u>1,182,641</u>	<u>1,342,689</u>	<u>160,048</u>
Other Food Service Programs Operations					
Repairs and Maintenance Services			322		(322)
Budget Credit Adjustment				105,028	105,028
Total Expenditures and Transfers		<u>1,077,295</u>	<u>1,182,963</u>	<u>1,447,717</u>	<u>264,754</u>
Receipts Over (Under)					
Expenditures and Transfers		85,588	8,122		
Unencumbered Cash, Beginning		276,111	361,958		
Prior Year Encumbrances Cancelled		<u>259</u>	<u>226</u>		
Unencumbered Cash, Ending		<u>361,958</u>	<u>370,306</u>		

Unified School District No. 413
Professional Development Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

Schedule 2
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For the Year Ended June 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		
		Current Year Actual	Budget	Variance Favorable (Unfavor)
Cash Receipts				
Operating Transfers				
Transfer from General Fund	\$ 97,000	6,104		6,104
Transfer from Supplemental General Fund		81,367		81,367
Total Cash Receipts	<u>97,000</u>	<u>87,471</u>	<u></u>	<u>87,471</u>
Expenditures and Transfers				
Support Services - Instructional Staff				
Certified Salaries	48,103	40,353	80,000	39,647
Non-Certified Salaries	3,173	2,175	20,000	17,825
Social Security Contributions	3,746	3,310	10,000	6,690
Worker's Compensation	415	351		(351)
Other Employee Benefits	122	121	2,000	1,879
Purchased Professional and Technical Services	41,980	20,947	60,000	39,053
Other Purchased Services		441		(441)
Miscellaneous Supplies	79	1,315	2,196	881
Total Expenditures and Transfers	<u>97,618</u>	<u>69,013</u>	<u>174,196</u>	<u>105,183</u>
Receipts Over (Under)				
Expenditures and Transfers	(618)	18,458		
Unencumbered Cash, Beginning	174,813	174,649		
Prior Year Encumbrances Cancelled	454	176		
Unencumbered Cash, Ending	<u>174,649</u>	<u>193,283</u>		

Special Education Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2012

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

			Current Year	
			Current Year Actual	Variance Favorable (Unfavor)
	Prior Year Actual		Budget	
Cash Receipts				
Operating Transfers				
Transfer from General Fund	\$ 3,040,000	3,070,721	2,284,587	786,134
Transfer from Supplemental General Fund			235,000	(235,000)
Total Cash Receipts	<u>3,040,000</u>	<u>3,070,721</u>	<u>2,519,587</u>	<u>551,134</u>
Expenditures and Transfers				
Instruction				
Certified Salaries			28,000	28,000
LEA Payments to COOP (Local Share)	636,540	775,951	870,000	94,049
LEA Payments to COOP (Flowthrough)	<u>2,020,354</u>	<u>2,215,014</u>	<u>2,472,456</u>	<u>257,442</u>
Total Instruction	<u>2,656,894</u>	<u>2,990,965</u>	<u>3,370,456</u>	<u>379,491</u>
Student Transportation Services				
Group Insurance		7,923		(7,923)
Vehicle Operation Services				
Non-Certified Salaries	34,202	55,026	40,000	(15,026)
Group Insurance	9		500	500
Social Security Contributions	2,608	4,163	3,700	(463)
Other Employee Benefits	411	551	850	299
Mileage in Lieu of Transportation	46,590		60,000	60,000
Motor Fuel	<u>6,519</u>	<u>11,822</u>	<u>25,000</u>	<u>13,178</u>
Total Vehicle Operation Services	<u>90,339</u>	<u>71,562</u>	<u>130,050</u>	<u>58,488</u>
Total Expenditures and Transfers	<u>2,747,233</u>	<u>3,070,450</u>	<u>3,500,506</u>	<u>430,056</u>
Receipts Over (Under)				
Expenditures and Transfers	292,767	271		
Unencumbered Cash, Beginning	<u>751,739</u>	<u>1,044,506</u>		
Unencumbered Cash, Ending	<u>1,044,506</u>	<u>1,044,777</u>		

Vocational Education Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2012

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

		Prior Year Actual	Current Year		Variance Favorable (Unfavor)
			Current Year Actual	Budget	
Cash Receipts					
Revenue from Federal Sources					
Passed Through State of Kansas	\$	25,862	19,896		19,896
Operating Transfers					
Transfer from General Fund		280,002	312,160	318,969	(6,809)
Total Cash Receipts		<u>305,864</u>	<u>332,056</u>	<u>318,969</u>	<u>13,087</u>
Expenditures and Transfers					
Instruction					
Certified Salaries		193,861	196,533	182,500	(14,033)
Group Insurance		18,369	21,628	22,000	372
Social Security Contributions		13,576	13,658	15,000	1,342
Worker's Compensation		7	18		(18)
Other Employee Benefits		1,907	1,995	3,000	1,005
Purchased Professional and Technical Services		50,045	52,930	70,000	17,070
Other Professional Services			1,571		(1,571)
Other Purchased Services		1,766			
Other Miscellaneous Purchased Services		805	915	2,000	1,085
General Supplies and Materials		7,825	6,005	15,000	8,995
Textbooks		3,813		5,000	5,000
Miscellaneous Supplies				5,000	5,000
Property (Equipment & Furnishings)		21,431	30,104	25,000	(5,104)
Total Instruction		<u>313,405</u>	<u>325,357</u>	<u>344,500</u>	<u>19,143</u>
Support Services					
Purchased Professional and Technical Services				5,000	5,000
Support Services - Instructional Staff					
Purchased Professional and Technical Services		4,218	4,730		(4,730)
Support Services - General Administration					
Supplies and Materials		525			
Support Services - School Administration					
Certified Salaries		150		750	750
Budget Credit Adjustment				19,896	19,896
Total Expenditures and Transfers		<u>318,298</u>	<u>330,087</u>	<u>370,146</u>	<u>40,059</u>
Receipts Over (Under)					
Expenditures and Transfers	(	12,434)	1,969		
Unencumbered Cash, Beginning		29,000	28,615		
Prior Year Encumbrances Cancelled		12,049	27		
Unencumbered Cash, Ending		<u>28,615</u>	<u>30,611</u>		

Gifts and Grants Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2012

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

		Current Year		
		Prior Year Actual	Current Year Actual	Budget
				Variance Favorable (Unfavor)
Cash Receipts				
Revenue from Local Sources				
Donations	\$	2,291	1,910	50,000
Total Cash Receipts		2,291	1,910	50,000
Expenditures and Transfers				
Instruction				
Supplies and Materials		57	2,063	(2,063)
Technology Supplies				25,000
Total Instruction		57	2,063	25,000
Support Services - Students				
Purchased Professional and Technical Services			194	(194)
Property (Equipment & Furnishings)				25,195
Total Support Services - Students			194	25,195
Total Expenditures and Transfers		57	2,257	50,195
Receipts Over (Under)				
Expenditures and Transfers		2,234	(347)	
Unencumbered Cash, Beginning		195	2,429	
Unencumbered Cash, Ending		2,429	2,082	

Unified School District No. 413
KPERs Special Retirement Contribution Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

Schedule 2
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For the Year Ended June 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

		Current Year		
		Prior Year Actual	Current Year Actual	Budget
				Variance Favorable (Unfavor)
Cash Receipts				
Revenue from State Sources				
Other State Aid	\$	917,641	982,193	1,115,659
Total Cash Receipts		<u>917,641</u>	<u>982,193</u>	<u>1,115,659</u>
Expenditures and Transfers				
Instruction				
Employee Benefits		536,989	407,953	757,799
Support Services - Students				
Employee Benefits		36,148	38,427	50,956
Support Services - Instructional Staff				
Employee Benefits		39,281	28,931	61,520
Support Services - General Administration				
Employee Benefits		19,872	17,849	32,353
Support Services - School Administration				
Employee Benefits		57,383	50,658	90,778
Fiscal Services				
Employee Benefits		3,255	2,789	(2,789)
Support Services - Plant Operation and Maintenance				
Employee Benefits		35,309	30,724	62,164
Student Transportation Services				
Employee Benefits		10,031	9,969	15,648
Food Service Operations				
Employee Benefits		30,779	24,649	44,441
Total Expenditures and Transfers		<u>769,047</u>	<u>611,949</u>	<u>1,115,659</u>
Receipts Over (Under)				
Expenditures and Transfers		148,594	370,244	
Unencumbered Cash, Beginning	(330,451)	(370,244)		
Beginning Balance Adjustment	(188,387)			
Unencumbered Cash, Ending	<u>(370,244)</u>			

Unified School District No. 413
Contingency Reserve Fund
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis

Schedule 2
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For the Year Ended June 30, 2012

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
None	\$	
Expenditures and Transfers		
Instruction		
Certified Salaries		21,890
General Supplies and Materials		111,651
Total Instruction		133,541
Support Services - School Administration		
Certified Salaries		6,290
Total Expenditures and Transfers		139,831
Receipts Over (Under)		
Expenditures and Transfers		(139,831)
Unencumbered Cash, Beginning	1,409,865	1,409,865
Unencumbered Cash, Ending	1,409,865	1,270,034

Unified School District No. 413
Textbook & Student Material Revolving Fund
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis

Schedule 2
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For the Year Ended June 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Local Sources		
User Charges and Fines	\$ 42,098	40,869
Operating Transfers		
Transfer from General Fund	189,968	
Total Cash Receipts	<u>232,066</u>	<u>40,869</u>
Expenditures and Transfers		
Instruction		
Textbooks	56,040	32,627
Total Expenditures and Transfers	<u>56,040</u>	<u>32,627</u>
Receipts Over (Under)		
Expenditures and Transfers	176,026	8,242
Unencumbered Cash, Beginning	91,870	268,125
Prior Year Encumbrances Cancelled	229	128
Unencumbered Cash, Ending	<u><u>268,125</u></u>	<u><u>276,495</u></u>

Unified School District No. 413
Recreation Commission Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

Schedule 2
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For the Year Ended June 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

		Current Year		
	Prior Year Actual	Current Year Actual	Budget	Variance Favorable (Unfavor)
Cash Receipts				
Revenue from Local Sources				
Ad Valorem Taxes	\$ 167,091	207,383	197,379	10,004
Delinquent Taxes	4,302	6,208	2,647	3,561
Total Revenue from Local Sources	<u>171,393</u>	<u>213,591</u>	<u>200,026</u>	<u>13,565</u>
Revenue from County Sources				
Motor Vehicle Tax	26,142	26,752	32,629	(5,877)
Recreational Vehicle Tax	359	322	431	(109)
Revenue in Lieu of Taxes	335	357	326	31
Total Revenue from County Sources	<u>26,836</u>	<u>27,431</u>	<u>33,386</u>	<u>(5,955)</u>
Total Cash Receipts	<u>198,229</u>	<u>241,022</u>	<u>233,412</u>	<u>7,610</u>
Expenditures and Transfers				
Community Services Operations				
Other	200,000	227,655	227,655	
Total Expenditures and Transfers	<u>200,000</u>	<u>227,655</u>	<u>227,655</u>	
Receipts Over (Under)				
Expenditures and Transfers	(1,771)	13,367		
Unencumbered Cash, Beginning	<u>70,324</u>	<u>68,553</u>		
Unencumbered Cash, Ending	<u>68,553</u>	<u>81,920</u>		

Unified School District No. 413
Rec Comm Emp Benf & Spec Liab Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

Schedule 2
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For the Year Ended June 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

		Prior Year Actual	Current Year		Variance Favorable (Unfavor)
			Current Year Actual	Budget	
Cash Receipts					
Revenue from Local Sources					
Ad Valorem Taxes	\$	60,481	28,422	28,022	400
Delinquent Taxes		781	1,477	984	493
Total Revenue from Local Sources		<u>61,262</u>	<u>29,899</u>	<u>29,006</u>	<u>893</u>
Revenue from County Sources					
Motor Vehicle Tax		4,612	6,543	7,904	(1,361)
Recreational Vehicle Tax		63	80	104	(24)
Revenue in Lieu of Taxes		62	133	79	54
Total Revenue from County Sources		<u>4,737</u>	<u>6,756</u>	<u>8,087</u>	<u>(1,331)</u>
Total Cash Receipts		<u>65,999</u>	<u>36,655</u>	<u>37,093</u>	<u>(438)</u>
Expenditures and Transfers					
Community Services Operations					
Other		<u>58,050</u>	<u>52,775</u>	<u>52,775</u>	
Total Expenditures and Transfers		<u>58,050</u>	<u>52,775</u>	<u>52,775</u>	
Receipts Over (Under)					
Expenditures and Transfers		7,949	(16,120)		
Unencumbered Cash, Beginning		<u>13,864</u>	<u>21,813</u>		
Unencumbered Cash, Ending		<u>21,813</u>	<u>5,693</u>		

Unified School District No. 413
Technology Literacy Challenge (Title II-D) Fund
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis

Schedule 2
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For the Year Ended June 30, 2012

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Passed Through State of Kansas	\$ 7,578	1,459
Total Cash Receipts	<u>7,578</u>	<u>1,459</u>
Expenditures and Transfers		
Instruction		
Certified Salaries	915	506
Social Security Contributions	50	
Other Employee Benefits		1
Purchased Professional and Technical Services	2,401	
Other Purchased Services	90	
Property (Equipment & Furnishings)	3,241	
Total Expenditures and Transfers	<u>6,697</u>	<u>507</u>
Receipts Over (Under)		
Expenditures and Transfers	881	952
Unencumbered Cash, Beginning	(1,833)	(952)
Unencumbered Cash, Ending	<u>(952)</u>	<u></u>

Unified School District No. 413
Physical Education for Progress Fund
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis

Schedule 2
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For the Year Ended June 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Local Sources		
Other Revenue From Local Sources	\$	278
Revenue from Federal Sources		
Direct From Federal Government	5,600	
Total Cash Receipts	5,600	278
Expenditures and Transfers		
Instruction		
Certified Salaries	214	
Social Security Contributions	50	
Total Expenditures and Transfers	264	
Receipts Over (Under)		
Expenditures and Transfers	5,336	278
Unencumbered Cash, Beginning		
Prior Year Encumbrances Cancelled	337	
Beginning Balance Adjustment	(5,673)	
Unencumbered Cash, Ending		278

Unified School District No. 413
Special Mini-Grants Fund
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis

Schedule 2
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For the Year Ended June 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Revenue from Federal Sources		
Passed Through State of Kansas	\$ 1,700	1,300
Total Cash Receipts	<u>1,700</u>	<u>1,300</u>
Expenditures and Transfers		
Support Services - Instructional Staff		
Purchased Professional and Technical Services	<u>1,717</u>	<u>1,283</u>
Total Expenditures and Transfers	<u>1,717</u>	<u>1,283</u>
Receipts Over (Under)		
Expenditures and Transfers	(17)	17
Unencumbered Cash, Beginning		(17)
Unencumbered Cash, Ending	<u>(17)</u>	<u></u>

Unified School District No. 413
Low Income ESEA (Title I) Fund
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis

Schedule 2
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For the Year Ended June 30, 2012

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Passed Through State of Kansas	\$ 506,615	427,684
ARRA Grant	119,297	
Total Cash Receipts	<u>625,912</u>	<u>427,684</u>
Expenditures and Transfers		
Instruction		
Certified Salaries	298,447	280,403
Non-Certified Salaries	115,684	118,233
Employee Benefits	48,431	100
Social Security Contributions	464	2
Other Employee Benefits	31,140	80,140
Purchased Professional and Technical Services	6,444	1,298
Purchased Property Services	524	3,570
Supplies and Materials	23,324	16,988
Total Instruction	<u>524,458</u>	<u>500,734</u>
Support Services		
Other Purchased Services	9,049	7,799
Support Services - Students		
Purchased Professional and Technical Services		53,650
Supplies and Materials		5,639
Total Support Services - Students		<u>59,289</u>
Total Expenditures and Transfers	<u>533,507</u>	<u>567,822</u>
Receipts Over (Under)		
Expenditures and Transfers	92,405	(140,138)
Unencumbered Cash, Beginning	(123,912)	(29,625)
Prior Year Encumbrances Cancelled	1,882	
Unencumbered Cash, Ending	<u>(29,625)</u>	<u>(169,763)</u>

Unified School District No. 413
Improving Teacher Quality (Title II-A) Fund
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis

Schedule 2
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For the Year Ended June 30, 2012

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Passed Through State of Kansas	\$ 102,458	52,566
Total Cash Receipts	<u>102,458</u>	<u>52,566</u>
Expenditures and Transfers		
Instruction		
Certified Salaries	71,859	
Other Employee Benefits	11,524	564
Purchased Professional and Technical Services	14,308	
Other Purchased Services	7,576	
Supplies and Materials	359	6
Total Instruction	<u>105,626</u>	<u>570</u>
Support Services - Instructional Staff		
Certified Salaries	651	
Supplies and Materials	1,860	
Total Support Services - Instructional Staff	<u>2,511</u>	
Total Expenditures and Transfers	<u>108,137</u>	<u>570</u>
Receipts Over (Under)		
Expenditures and Transfers	(5,679)	51,996
Unencumbered Cash, Beginning	(46,936)	(52,615)
Prior Year Encumbrances Cancelled		619
Unencumbered Cash, Ending	<u>(52,615)</u>	<u></u>

Unified School District No. 413
IDL Services Fund
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis

Schedule 2
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For the Year Ended June 30, 2012

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Passed Through State of Kansas	\$	6,000
Total Cash Receipts		6,000
Expenditures and Transfers		
Support Services		
Certified Salaries		4,800
Support Services - Students		
Other Employee Benefits		362
Total Expenditures and Transfers		5,162
Receipts Over (Under)		
Expenditures and Transfers		838
Unencumbered Cash, Beginning		
Unencumbered Cash, Ending		838

Unified School District No. 413
Innovative Educ Prog Strategies (Title V) Fund
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis

Schedule 2
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For the Year Ended June 30, 2012

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Passed Through State of Kansas	\$	3,583
Total Cash Receipts		3,583
Expenditures and Transfers		
Instruction		
Certified Salaries		28,165
Other Employee Benefits		2,238
Other Purchased Services		1,206
General Supplies and Materials		3,450
Total Expenditures and Transfers		35,059
Receipts Over (Under)		
Expenditures and Transfers		(31,476)
Unencumbered Cash, Beginning		
Unencumbered Cash, Ending		(31,476)

Unified School District No. 413
 Kan-Ed Fund
 Schedule of Cash Receipts and Expenditures - Actual
 Regulatory Basis

Schedule 2
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For the Year Ended June 30, 2012
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Local Sources		
Other Revenue From Local Sources	\$	5,345
Revenue from Federal Sources		
Passed Through State of Kansas	11,064	
Total Cash Receipts	11,064	5,345
Expenditures and Transfers		
Instruction		
Other Purchased Services	1,520	
Miscellaneous Supplies	(5,345)	
Total Instruction	(3,825)	
Support Services - Students		
Miscellaneous Supplies	14,889	
Total Expenditures and Transfers	11,064	
Receipts Over (Under)		
Expenditures and Transfers		5,345
Unencumbered Cash, Beginning		
Unencumbered Cash, Ending		5,345

Unified School District No. 413
Title II Math and Science Fund
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis

Schedule 2
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For the Year Ended June 30, 2012

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Passed Through State of Kansas	\$	59,500
Total Cash Receipts		59,500
Expenditures and Transfers		
Instruction		
Certified Salaries		55,823
Other Employee Benefits		8,864
Other Purchased Services		765
Other		1,753
Total Instruction		67,205
Support Services - Students		
Certified Salaries		7,500
Purchased Professional and Technical Services		28,481
Supplies and Materials		4,804
Total Support Services - Students		40,785
Total Expenditures and Transfers		107,990
Receipts Over (Under)		
Expenditures and Transfers		(48,490)
Unencumbered Cash, Beginning		
Unencumbered Cash, Ending		(48,490)

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2012

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

		Prior Year Actual	Current Year		Variance Favorable (Unfavor)
			Current Year Actual	Budget	
Cash Receipts					
Revenue from Local Sources					
Ad Valorem Taxes	\$	688,139	1,178,563	1,117,348	61,215
Delinquent Taxes		14,503	22,042	11,056	10,986
Earnings on Investments		27,288		50,000	(50,000)
Accrued Interest			4,196		4,196
Total Revenue from Local Sources		<u>729,930</u>	<u>1,204,801</u>	<u>1,178,404</u>	<u>26,397</u>
Revenue from County Sources					
Motor Vehicle Tax		85,313	92,439	112,366	(19,927)
Recreational Vehicle Tax		1,166	1,121	1,484	(363)
Revenue in Lieu of Taxes		1,042	1,489	1,124	365
Total Revenue from County Sources		<u>87,521</u>	<u>95,049</u>	<u>114,974</u>	<u>(19,925)</u>
Revenue from State Sources					
State Financial Aid		950,976	1,031,351	1,059,401	(28,050)
Operating Transfers					
Residual Equity Transfer		290,000			
Total Cash Receipts		<u>2,058,427</u>	<u>2,331,201</u>	<u>2,352,779</u>	<u>(21,578)</u>
Expenditures and Transfers					
Debt Service					
Interest (Coupons)		2,023,356	2,022,256	2,022,256	
Commission and Postage				100	100
Redemption of Principal			55,000	55,000	
Total Expenditures and Transfers		<u>2,023,356</u>	<u>2,077,256</u>	<u>2,077,356</u>	<u>100</u>
Receipts Over (Under)					
Expenditures and Transfers		35,071	253,945		
Unencumbered Cash, Beginning		<u>407,403</u>	<u>442,474</u>		
Unencumbered Cash, Ending		<u>442,474</u>	<u>696,419</u>		

Unified School District No. 413
School Building Remodeling Project Fund
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis

Schedule 2
Page 31 of 35

For the Year Ended June 30, 2012

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Local Sources		
Lease Purchase Proceeds	\$	1,286,672
Total Cash Receipts		1,286,672
Expenditures and Transfers		
Facilities Acquisition and Construction Services		
Building Repair and Remodeling		1,236,197
Total Expenditures and Transfers		1,236,197
Receipts Over (Under)		
Expenditures and Transfers		50,475
Unencumbered Cash, Beginning		
Unencumbered Cash, Ending		50,475

Unified School District No. 413
Stadium Capital Project Fund
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis

Schedule 2
Page 32 of 35

For the Year Ended June 30, 2012

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Local Sources		
Donations	\$ 36,000	
Total Cash Receipts	<u>36,000</u>	
Expenditures and Transfers		
Debt Service		
Redemption of Principal	<u>36,000</u>	
Total Expenditures and Transfers	<u>36,000</u>	
Receipts Over (Under)		
Expenditures and Transfers		
Unencumbered Cash, Beginning		
Unencumbered Cash, Ending		

Unified School District No. 413
School Building Capital Project Fund
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis

Schedule 2
Page 33 of 35

For the Year Ended June 30, 2012

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
None	\$	
Expenditures and Transfers		
Facilities Acquisition and Construction Services		
Architecture and Engineering Services	3,381	
New Buildings Acquisition and Construction		21,960
Total Facilities Acquisition and Construction Services	<u>3,381</u>	<u>21,960</u>
Fund Transfers		
Residual Equity Transfer Out	<u>290,000</u>	
Total Expenditures and Transfers	<u>293,381</u>	<u>21,960</u>
Receipts Over (Under)		
Expenditures and Transfers	(293,381)	(21,960)
Unencumbered Cash, Beginning	<u>2,220,443</u>	<u>1,927,062</u>
Unencumbered Cash, Ending	<u><u>1,927,062</u></u>	<u><u>1,905,102</u></u>

Unified School District No. 413
School Nurse - Needy Family Fund
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis

Schedule 2
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For the Year Ended June 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Local Sources		
Other Revenue From Local Sources	\$ 1,454	1,099
Total Cash Receipts	<u>1,454</u>	<u>1,099</u>
Expenditures and Transfers		
Support Services - Students		
Supplies and Materials	1,786	2,455
Total Expenditures and Transfers	<u>1,786</u>	<u>2,455</u>
Receipts Over (Under)		
Expenditures and Transfers	(332)	(1,356)
Unencumbered Cash, Beginning	6,389	6,057
Unencumbered Cash, Ending	<u>6,057</u>	<u>4,701</u>

Unified School District No. 413
Snyder Library Fund
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis

Schedule 2
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For the Year Ended June 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
None	\$	
Expenditures and Transfers		
Instruction		
Other	164	
Total Expenditures and Transfers	164	
Receipts Over (Under)		
Expenditures and Transfers	(164)	
Unencumbered Cash, Beginning	164	
Unencumbered Cash, Ending		

Unified School District No. 413
Chanute, Kansas
Fiduciary Funds
Statement of Cash Receipts and Disbursements
For the Year Ended June 30, 2012

Schedule 3

<u>Fund</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Student Organization Funds:				
Junior High:				
Band Club	\$ 264	1,812	2,019	57
Circus of the Kids	4,110	31,493	31,532	4,071
Journalism	871	5,408	5,935	344
Library	297	68		365
Office	88	868	794	162
Recycling Club	69			69
Special Ed Club	479	2,257	2,131	605
Student Council	132	865	962	35
Students	991	41,469	40,732	1,728
Teacher's Fund	23	547	542	28
Boosters		3,233	1,419	1,814
High School:				
Art		30		30
Band	8	741	744	5
Chess Club	1,757	533	989	1,301
Chess Scholarshit	(100)			(100)
Chorus	224	3,551	3,411	364
Class of 10	16		16	
Class of 11	306		306	
Class of 12	618		618	
Class of 13	445	10,897	11,269	73
Class of 14		463	60	403
Debate	2,093	3,212	3,931	1,374
Drama	2,773	3,581	3,621	2,733
FBLA	3,302	14,663	11,633	6,332
FCA	240	97	26	311
FCLAA	566	4,068	4,510	124
French Club	555	2,422		2,977
History Club	162	2,195	2,252	105
Juan Hidalgo	1,805	250	1,000	1,055
KFEA	1,821	6,444	5,255	3,010
KMSE	124			124
Leadership - Studend Govt.	1,472	13,682	13,000	2,154
Library	252	13	250	15
Lost Textbooks		258	250	8
Newspaper	1,920	1,195	1,942	1,173
NHS	402	362	212	552
Office Scholarship	173		150	23
Scholars Bowl	19	730	638	111
Skills USA	39	3,287	3,158	168
Softball		357		357
Spanish Club	3,477	4,433	5,976	1,934
Special Education	351	140	5	486
Spirit Squad	1,844	4,753	4,665	1,932
Student Planner - Agenda	788	1,237	1,606	419
Teen Mothers	13			13
Testing	87	754	756	85
Weight Lifting	22			22
Total Student Organizations	<u>34,898</u>	<u>172,368</u>	<u>168,315</u>	<u>38,951</u>
Arbitrage Reserve	<u>98,346</u>			<u>98,346</u>
Sales Tax	<u>1,161</u>	<u>11,943</u>	<u>10,318</u>	<u>2,786</u>
Other Fiduciary Funds	<u>1,423</u>	<u>181,582</u>	<u>178,259</u>	<u>4,746</u>

See accompanying notes to financial statements.

Unified School District No. 413
Chanute, Kansas
District Activity Funds
Statement of Cash Receipts, Expenditures and Unencumbered Cash
For the Year Ended June 30, 2012

<u>Fund</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Ending Cash Balance</u>
<u>Gate Receipts:</u>				
Junior High: Athletics	\$ 289	9,528	8,881	936
High School: Athletics	33,899	87,975	98,032	23,842
Subtotal Gate Receipts	34,188	97,503	106,913	24,778
<u>Special Projects:</u>				
Junior High: F&SC	18	1,621	1,617	22
Interest		162	162	
Scholastic Books		98	98	
Tobacco Media Grant		1,500	1,109	391
High School: Year Book	820	19,090	19,041	869
Concessions and Vending	1,427	1,237	1,179	1,485
Subtotal Special Projects	2,265	23,708	23,206	2,767
Total District Activity Funds	36,453	121,211	130,119	27,545

Unified School District No. 413
Chanute, Kansas
Reconciliation of Expenditures
For the Year Ended June 30, 2012

Total Expenditures per Schedule 1	\$ 28,552,450
Plus Non Budgeted Funds:	
Contingency Reserve	139,831
Textbook & Student Material Revolving	32,627
Technology Literacy Challenge Grant	507
Low Income ESES Title I Grant	567,822
Improving Teacher Quality Grant	570
Special Mini Grants	1,283
IDL Services	5,162
V)	35,059
Title II Math and Science	107,990
Gate Receipts	106,913
Special Projects	23,206
School Building Remodeling Project	1,236,197
School Building Construction Project	21,960
School Nurse and Other	<u>2,455</u>
Total Expenditures per Summary Statement	<u><u>26,270,868</u></u>

**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
Chanute Unified School District No. 413
Chanute, Kansas

We have audited the financial statements of Chanute Unified School District No. 413 as of and for the year ended June 30, 2012, and have issued our report thereon dated December 14, 2012. 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 Chanute Unified School District No. 413'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 Chanute Unified School District No. 413's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Chanute Unified School District No. 413'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 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Chanute Unified School District No. 413'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*.

This report is intended solely for the information and use of the governing body and management of Chanute Unified School District No. 413, and for filing with the Kansas Department of Education, the Kansas Department of Administration, Division of Accounts and Reports, the cognizant federal agency, and other federal audit agencies and is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Respectfully Submitted,

Schlotterbeck and Burns, L.L.C.

December 14, 2012

**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
Chanute Unified School District No. 413
Chanute, Kansas

Compliance

We have audited Chanute Unified School District No. 413's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Chanute Unified School District No. 413's major federal programs for the year ended June 30, 2012. Chanute Unified School District No. 413's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Chanute Unified School District No. 413's management. Our responsibility is to express an opinion on Chanute Unified School District No. 413'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 Chanute Unified School District No. 413'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 of Chanute Unified School District No. 413's compliance with those requirements.

In our opinion, Chanute Unified School District No. 413 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

Management of Chanute Unified School District No. 413 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 Chanute Unified School District No. 413's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Chanute Unified School District No. 413's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not

identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

This report is intended solely for the information and use of the governing body and management of Chanute Unified School District No. 413, and for filing with the Kansas Department of Education, the Kansas Department of Administration, Division of Accounts and Reports, the cognizant federal agency, and other federal audit agencies and is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Respectfully Submitted,

Schlatterbeck and Burns, L.L.C.

December 14, 2012

Unified School District No. 413
Chanute, Kansas
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended June 30, 2012

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the statutory basis financial statement of Unified School District No. 413 .
2. No reportable conditions were disclosed during the audit of the financial statements
3. No instances of noncompliance material to the financial statements of Unified School District No. 413 were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award programs are reported.
5. The auditor's report on compliance for the major federal award programs for Unified School District No. 413 expresses an unqualified opinion.
6. No audit findings relative to the major federal award programs for Unified School District No. 413 are reported.
7. The programs tested as major programs included:

Audited as a cluster:

10.553	School Breakfast Program
10.555	National School Lunch Program
10.556	Special Milk
10.559	Summer Food Service Program
10.582	Fresh Fruits & Vegetables Program

8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Unified School District No. 413 was determined to be a low-risk auditee.

B. FINDINGS-FINANCIAL STATEMENTS AUDIT

(None Reported)

C. FEDERAL AWARD FINDINGS and QUESTIONED COSTS

(None Reported)

Unified School District No. 413
Chanute, Kansas
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal Expenditures</u>
U.S. Department of Agriculture		
Passed through State Department of Education		
Child Nutrition Cluster:		
School Breakfast Program	10.553	178,440 (1)
National School Lunch Program	10.555	524,905 (1)
Special Milk	10.556	1,296 (1)
Summer Food Service Program	10.559	11,406 (1)
Fresh Fruits & Vegetables Program	10.582	<u>30,505 (1)</u>
Total U.S. Department of Agriculture		<u>746,552</u>
U.S. Department of Education		
Passed through State Department of Education		
ESEA Title I	84.010	521,873
Vocational Education - Secondary Improvement	84.048	19,896
Rural Schools	84.358	35,059
Improving Teacher Quality (Title II-A)	84.367	159,986
Title I Grants to Local Educational Agencies (LEAs), Recovery Act	84.389	45,949
State Fiscal Stabilization Fund	84.386	1,282
Education Jobs Fund	84.410	<u>5,317</u>
Total U.S. Department of Education		<u>789,362</u>
Total Expenditures of Federal Awards		<u><u>1,535,914</u></u>

(1) These programs were audited as major programs. (Audited as a cluster)

(2) The School District follows a regulatory basis of accounting in preparing this schedule.

This basis is consistent with the method used in the preparation of the School District's financial statements.