

UNIFIED SCHOOL DISTRICT NO. 415

Hiawatha, Kansas

Financial Statements

For the Year Ended June 30, 2012

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UNIFIED SCHOOL DISTRICT NO. 415
Financial Statements
For the Year Ended June 30, 2012

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

Board of Education
Unified School District No. 415
Hiawatha, Kansas

We have audited the summary statement of cash receipts, expenditures, and unencumbered cash balances of Unified School District No. 415, Hiawatha, Kansas, (the District), as of and for the year ended June 30, 2012. This financial statement is the responsibility of the District's management. Our responsibility is to express an opinion on the financial statement based on our audit. The prior year partial comparative information has been derived from the District's financial statements for the year ended June 30, 2011. In our report dated October 19, 2011, on these financial statements we expressed an adverse opinion as to presentation on the basis of generally accepted accounting principles and a qualified opinion as to presentation on the Kansas prescribed basis of accounting.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States and the "Kansas Municipal Audit Guide." Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the District has prepared this financial statement using the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between these statutory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Unified School District No. 415, Hiawatha, Kansas, as of June 30, 2012, or the respective changes in financial position and changes in cash flows, where applicable, for the year then ended.

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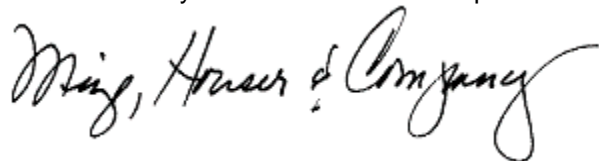
534 S Kansas Ave, Suite 700 ■ Topeka, KS 66603-3465 ■ 785.233.0536 p ■ 785.233.1078 f
534 S Kansas Ave, Suite 400 ■ Topeka, KS 66603-3454 ■ 785.234.5573 p ■ 785.234.1037 f
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120 E Ninth ■ Lawrence, KS 66044-2682 ■ 785.842.8844 p ■ 785.842.9049 f
900 Massachusetts, Suite 301 ■ Lawrence, KS 66044-2868 ■ 785.749.5050 p ■ 785.749.5061 f

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

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

In accordance with "Government Auditing Standards", we have also issued our report dated October 29, 2012, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with "Government Auditing Standards" and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statement. The summary of expenditures-actual and budget, individual fund schedules of cash receipts and expenditures-actual and budget, schedule of cash receipts, cash disbursements and cash-agency funds, the schedule of cash receipts, expenditures and unencumbered cash-district activity funds and the schedule of cash receipts, expenditures and unencumbered cash-fiduciary funds (Schedules 1, 2, 3, 4 and 5 as listed in the table of contents) are presented for analysis and are not a required part of the statutory financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statement as a whole.

A handwritten signature in black ink, appearing to read "Ming, Horner & Company". The signature is written in a cursive, flowing style.

October 29, 2012

UNIFIED SCHOOL DISTRICT NO. 415
Summary of Cash Receipts, Expenditures and Unencumbered Cash
For the Year Ended June 30, 2012

<u>Funds</u>	Beginning Unencumbered Cash <u>Balance</u>	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash <u>Balance</u>	Outstanding Encumbrances and Accounts Payable	Ending Cash <u>Balance</u>
Governmental Fund Types:							
General Funds:							
General Fund	\$ -	\$ -	\$ 6,188,630	\$ 6,188,630	\$ -	\$ 130,992	\$ 130,992
Supplemental General	153,765	-	2,121,110	2,127,231	147,644	2,338	149,982
Special Purpose Funds:							
At Risk (K-12)	73,294	1,461	744,000	743,951	74,804	1,872	76,676
Capital Outlay	1,300,662	-	677,976	675,895	1,302,743	347,124	1,649,867
Driver Training	15,376	-	7,350	21,350	1,376	-	1,376
Food Service	132,304	9	470,173	469,138	133,348	33,396	166,744
Professional Development	60,000	-	39,528	39,528	60,000	814	60,814
Parent Education	10,000	-	8,300	8,300	10,000	-	10,000
Special Education	425,905	1,505	1,156,103	1,271,987	311,526	72	311,598
Vocational Education	33,784	24	255,107	250,148	38,767	10,298	49,065
KPERS Special Retirement							
Contribution	-	-	561,342	561,342	-	-	-
Gifts and Grants	67,828	-	92,597	92,314	68,111	13,290	81,401
Textbook Rental	96,494	-	83,740	83,753	96,481	49,303	145,784
Federal Funds	-	-	277,504	277,504	-	-	-
Student Materials Revolving	23,363	303	31,453	32,735	22,384	2,554	24,938
Contingency Reserve	550,000	-	-	50,000	500,000	-	500,000
Debt Service Fund:							
Bond and Interest	688,432	-	612,953	584,140	717,245	-	717,245
Fiduciary Fund Types:							
Private Purpose Trusts	191,137	-	7,063	3,495	194,705	-	194,705
District Activity	42,025	-	156,552	162,387	36,190	-	36,190
Total	<u>\$ 3,864,369</u>	<u>\$ 3,302</u>	<u>\$ 13,491,481</u>	<u>\$ 13,643,828</u>	<u>\$ 3,715,324</u>	<u>\$ 592,053</u>	<u>\$ 4,307,377</u>

Composition of Cash:

Morrill and Janes Bank		
Checking Account	\$ 8,800	
Savings Accounts	8,320	
Certificate of Deposit	<u>183,057</u>	200,177
Farmers State Bank		
Savings Accounts		25,551
Hiawatha National Bank		
Checking Accounts	\$ 82,957	
Money Market	3,450,330	
Certificate of Deposit	<u>537,500</u>	4,070,787
Citizens State Bank		
Checking Accounts	\$ 8,939	
Savings Account	302	
Certificate of Deposit	<u>43,451</u>	52,692
Cash Balance		4,349,207
Less: Agency Funds per Schedule 3		<u>[41,830]</u>
Total Reporting Entity (Excluding Agency Funds)		<u>\$ 4,307,377</u>

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

UNIFIED SCHOOL DISTRICT NO. 415
Notes to the Financial Statements
For the Year Ended June 30, 2012

NOTE 1 - Summary of Significant Accounting Policies

Municipal Financial Reporting Entity

Unified School District No. 415 (the District) is a municipal corporation governed by an elected seven-member board. These financial statements include all the accounts for which the District is considered to be financially accountable. The District had no related municipal entities.

Basis of Accounting

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

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

Departure from Generally Accepted Accounting Principles

The basis of accounting described above results in a financial statement presentation which shows cash receipts (except as noted), cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented.

Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with accounting principles generally accepted in the United States of America. Capital assets that account for the land, buildings and equipment owned by the District are not presented in the financial statements. Also, long-term debt such as general obligation bonds, temporary notes and compensated absences are not presented in the financial statements. Inventories and prepaid expenses which benefit future periods are recorded as an expenditure during the year of purchase, as required by state statutes.

Regulatory Basis Fund Types

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

UNIFIED SCHOOL DISTRICT NO. 415
Notes to the Financial Statements
For the Year Ended June 30, 2012

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Regulatory Basis Fund Types (Continued)

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

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

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

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

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

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), principal and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The budget was amended for the At Risk (K-12) Fund.

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

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

UNIFIED SCHOOL DISTRICT NO. 415
Notes to the Financial Statements
For the Year Ended June 30, 2012

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Budgetary Information (Continued)

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

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

Ad Valorem Tax Revenues

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

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

NOTE 2 - Deposits and Investments

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

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

Concentration of credit risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

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

At June 30, 2012, the District's carrying amount of deposits was \$4,349,207 and the bank balance was \$4,752,931. The bank balance was held by four banks resulting in a concentration of credit risk. Of the bank balance, \$578,243 was covered by federal depository insurance and the balance of \$4,174,688 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

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

UNIFIED SCHOOL DISTRICT NO. 415
Notes to the Financial Statements
For the Year Ended June 30, 2012

NOTE 2 - Deposits and Investments (Continued)

Substance receipt in transit. The District received \$361,540 in General State Aid and \$12,676 in Supplemental General State Aid subsequent to June 30, 2012 and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2012.

NOTE 3 - Long-Term Debt

Following is a detailed listing of the District's long-term debt outstanding at June 30, 2012:

<u>Debt Issue</u>	<u>Date Issued</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Original Amount</u>	<u>Outstanding Amount</u>
G.O. 2005 Refunding Bonds	3/1/2005	3.00 to 3.60%	9/1/2018	<u>\$ 5,580,000</u>	<u>\$ 3,710,000</u>

The District is subject to statutes of the State of Kansas which limit the bonded debt outstanding to 14% of the assessed valuation. The District requested and received approval under applicable Kansas law which allows the issuance of bonded debt in excess of the general bonded debt limitation. The ratio of outstanding bonded debt to the assessed valuation as of June 30, 2012 was 4.58%.

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

<u>Type of Issue</u>	<u>Beginning Principal Outstanding</u>	<u>Additions to Principal</u>	<u>Reductions of Principal</u>	<u>Ending Principal Outstanding</u>	<u>Interest Paid Year Ended 6/30/2012</u>
G.O. Bonds To Be Paid With: Tax Levies					
2005 Refunding Bonds	<u>\$ 4,160,000</u>	<u>\$ -</u>	<u>\$ 450,000</u>	<u>\$ 3,710,000</u>	<u>\$ 134,140</u>
Total	<u>\$ 4,160,000</u>	<u>\$ -</u>	<u>\$ 450,000</u>	<u>\$ 3,710,000</u>	<u>\$ 134,140</u>

Annual debt service requirements to maturity for general obligation bonds to be paid with tax levies:

<u>Year</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Due</u>
2012-13	\$ 480,000	\$ 119,950	\$ 599,950
2013-14	500,000	103,760	603,760
2014-15	525,000	86,348	611,348
2015-16	555,000	68,250	623,250
2016-17	585,000	48,578	633,578
2017-2019	<u>1,065,000</u>	<u>35,910</u>	<u>1,100,910</u>
Total	<u>\$ 3,710,000</u>	<u>\$ 462,795</u>	<u>\$ 4,172,795</u>

UNIFIED SCHOOL DISTRICT NO. 415
Notes to the Financial Statements
For the Year Ended June 30, 2012

NOTE 4 - Operating Lease

The District has leased four copiers with payments totaling \$31,096 during the current year and payments in future years as follows:

<u>Year</u>	<u>Amount</u>
2012 - 13	\$ 31,095
2013 - 14	26,882
2014 - 15	<u>8,029</u>
Total	<u>\$ 66,006</u>

NOTE 5 - Interfund Transfers

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
General	At Risk (K-12)	K.S.A. 72-6428	\$ 59,000
General	Capital Outlay	K.S.A. 72-6428	199,786
General	Food Service	K.S.A. 72-6428	5,671
General	Special Education	K.S.A. 72-6428	961,103
General	Vocational Education	K.S.A. 72-6428	21,000
Supplemental General	Parent Education	K.S.A. 72-6433	8,300
Supplemental General	At Risk (K-12)	K.S.A. 72-6433	685,000
Supplemental General	Professional Development	K.S.A. 72-6433	39,528
Supplemental General	Special Education	K.S.A. 72-6433	195,000
Supplemental General	Vocational Education	K.S.A. 72-6433	185,000
Supplemental General	Textbook Rental	K.S.A. 72-6433	68,680
Driver Training	General	K.S.A. 72-6423	<u>14,000</u>
Total			<u>\$ 2,442,068</u>

NOTE 6 - Defined Benefit Pension Plan

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

Funding Policy. K.S.A. 74-4919 and K.S.A. 74-4921 establishes the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate of 4% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. Member employees' contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the statutory required employers share. Estimated Kansas contributions to KPERS for the District employees for the years ending June 30, 2012, 2011, and 2010 were \$561,342, \$326,409, and \$388,208, respectively, equal to the required contributions for each year.

UNIFIED SCHOOL DISTRICT NO. 415
Notes to the Financial Statements
For the Year Ended June 30, 2012

NOTE 7 - Compensated Absences

Most administrative and classified personnel employed on a twelve month full-time (40 hours per week) status are eligible for a paid two week vacation. Following the completion of ten years of employment, the employee is eligible for three weeks paid vacation. Only one week of unused vacation may be carried into the next year. A week is defined as five working days.

It is the District's policy to pay employees accrued vacation pay upon termination of employment. As of June 30, 2012, the liability for accrued vacation pay was \$1,055.

The District also has available sick leave for all. Employees accrue sick leave at the rate of fifteen (15) days per year, with the maximum accumulation of one hundred (100) days. Upon termination, employees are not paid for any accumulated sick leave.

NOTE 8 - Termination Benefits

The District also has a plan which covers personnel who are eligible to receive retirement benefits from either the Kansas Public Employees Retirement System or the Social Security Administration. To be eligible, the District must receive the employee's retirement resignation by February 15 of the year in which the retirement occurs for teachers and administrators or by April 15 of the year in which the retirement occurs for classified employees. Eligible employees will receive a one time payment based on the number of years of service in the District, payable in a lump sum at the end of the school year. The amount of the compensation is determined as follows:

<u>Years of Service to the District</u>	<u>Certified Compensation</u>	<u>Classified Compensation</u>
10 Years	\$ 2,000	\$ 800
15 Years	2,250	1,050
20 Years	2,500	1,300
25 Years	2,750	1,550
30 Years	3,000	1,800

The certified and administrative employees who retire under the plan are eligible to continue in the health insurance plan of the District as well as receive the District's contribution for the single health insurance policy until the employee reaches age 65. Additionally, administrators and teachers also receive \$10 per day of unused sick leave at the end of their final contract.

The amount paid by the District on behalf of the retirees during the year ended June 30, 2012, was \$93,216. The amount of the District's accrued contribution for the health insurance of retirees until age 65 is \$434,458 as of June 30, 2012.

The estimated cost of future early retirement program commitments, including health insurance and sick leave, is as follows:

	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>
Estimated Cost of Early Retirement Benefits	\$ 125,441	\$ 119,286	\$ 100,671	\$ 93,257	\$ 93,526

UNIFIED SCHOOL DISTRICT NO. 415
Notes to the Financial Statements
For the Year Ended June 30, 2012

NOTE 9 - Commitments and Contingencies

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

NOTE 10 - Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters and other events for which the District carries commercial insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 11 – Other Post Employment Benefits

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

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

UNIFIED SCHOOL DISTRICT NO. 415
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2012

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustment to Comply with Legal Max</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year Budget</u>	<u>Variance Positive [Negative]</u>
General Funds:						
General Fund	\$ 6,283,130	\$ [94,500]	\$ -	\$ 6,188,630	\$ 6,188,630	\$ -
Supplemental General	2,127,231	-	-	2,127,231	2,127,231	-
Special Purpose Funds:						
At Risk (K-12)	745,000	-	-	745,000	743,951	1,049
Capital Outlay	870,000	-	-	870,000	675,895	194,105
Driver Training	22,000	-	-	22,000	21,350	650
Food Service	536,250	-	-	536,250	469,138	67,112
Professional Development	60,000	-	-	60,000	39,528	20,472
Parent Education	10,000	-	-	10,000	8,300	1,700
Special Education	1,430,256	-	-	1,430,256	1,271,987	158,269
Vocational Education	338,184	-	-	338,184	250,148	88,036
KPERS Special Retirement Contribution	600,592	-	-	600,592	561,342	39,250
Gifts and Grants	128,750	-	-	128,750	92,314	36,436
Federal Funds	288,481	-	-	288,481	277,504	10,977
Debt Service Fund:						
Bond and Interest	584,140	-	-	584,140	584,140	-

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UNIFIED SCHOOL DISTRICT NO. 415
General Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	\$ 1,423,752	\$ 1,476,505	\$ 1,398,464	\$ 78,041
Delinquent taxes	9,523	11,967	15,611	[3,644]
State Aid:				
Equalization aid	3,523,316	3,722,318	3,867,794	[145,476]
Special education aid	863,333	961,103	987,261	[26,158]
Federal aid	300,143	2,737	-	2,737
Transfer in	-	14,000	14,000	-
Total Cash Receipts	<u>6,120,067</u>	<u>6,188,630</u>	<u>\$ 6,283,130</u>	<u>\$ [94,500]</u>
Expenditures				
Instruction	2,873,302	2,919,653	\$ 2,912,500	\$ [7,153]
Student support services	256,638	256,010	274,750	18,740
Instructional support services	296,195	301,687	311,150	9,463
General administration	272,576	279,372	277,750	[1,622]
School administration	582,068	605,259	600,100	[5,159]
Operations and maintenance	20,660	12,160	23,175	11,015
Other support services	203,959	227,259	216,100	[11,159]
Transportation	366,108	340,670	312,325	[28,345]
Transfers out	1,248,561	1,246,560	1,355,280	108,720
Adjustments to comply with legal max	-	-	[94,500]	[94,500]
Total Expenditures	<u>6,120,067</u>	<u>6,188,630</u>	<u>\$ 6,188,630</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 415
Supplemental General Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

		Current Year		Variance
	Prior Year	Actual	Budget	Positive
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>[Negative]</u>
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	\$ 1,603,280	\$1,753,409	\$ 1,803,886	\$ [50,477]
Delinquent taxes	14,538	17,350	17,574	[224]
Motor vehicle tax	116,045	127,164	136,458	[9,294]
Recreational vehicle tax	2,061	2,303	2,200	103
State aid	<u>385,035</u>	<u>220,884</u>	<u>215,341</u>	<u>5,543</u>
Total Cash Receipts	<u>2,120,959</u>	<u>2,121,110</u>	<u>\$ 2,175,459</u>	<u>\$ [54,349]</u>
Expenditures				
Instruction	60,356	-	\$ -	\$ -
General administration	4,133	-	-	-
Operations and maintenance	984,642	945,723	928,000	[17,723]
Transfers out	1,018,254	1,181,508	1,223,302	41,794
Adjustments to comply with legal max	<u>-</u>	<u>-</u>	<u>[24,071]</u>	<u>[24,071]</u>
Total Expenditures	<u>2,067,385</u>	<u>2,127,231</u>	<u>\$ 2,127,231</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	53,574	[6,121]		
Unencumbered Cash, Beginning	<u>100,191</u>	<u>153,765</u>		
Unencumbered Cash, Ending	<u>\$ 153,765</u>	<u>\$ 147,644</u>		

UNIFIED SCHOOL DISTRICT NO. 415
At Risk (K-12) Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Transfers in	\$ 679,000	\$ 744,000	\$ 732,519	\$ 11,481
Total Cash Receipts	<u>679,000</u>	<u>744,000</u>	<u>\$ 732,519</u>	<u>\$ 11,481</u>
Expenditures				
Instruction	<u>668,495</u>	<u>743,951</u>	<u>\$ 745,000</u>	<u>\$ 1,049</u>
Total Expenditures	<u>668,495</u>	<u>743,951</u>	<u>\$ 745,000</u>	<u>\$ 1,049</u>
Receipts Over [Under] Expenditures	10,505	49		
Unencumbered Cash, Beginning	62,789	73,294		
Prior year cancelled encumbrances	<u>-</u>	<u>1,461</u>		
Unencumbered Cash, Ending	<u>\$ 73,294</u>	<u>\$ 74,804</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 415
Capital Outlay Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	\$ 306,539	\$ 318,149	\$ 300,687	\$ 17,462
Delinquent taxes	2,934	3,358	3,357	1
Motor vehicle tax	24,886	24,481	26,238	[1,757]
Recreational vehicle tax	442	443	423	20
Investment income	48,184	36,172	44,000	[7,828]
Miscellaneous	100,615	95,587	-	95,587
State aid	-	-	70,000	[70,000]
Transfer in	-	199,786	-	199,786
Total Cash Receipts	<u>483,600</u>	<u>677,976</u>	<u>\$ 444,705</u>	<u>\$ 233,271</u>
Expenditures				
Property and equipment - instruction	44,142	217,572	\$ 210,000	\$ [7,572]
Property and equipment - student support services	-	1,600	3,000	1,400
Property and equipment - instructional support staff	-	6,226	3,000	[3,226]
Property and equipment - other support services	-	5,765	3,000	[2,765]
Property and equipment - school administration	-	-	3,000	3,000
Property and equipment - general administration	3,177	19,747	10,000	[9,747]
Property and equipment - transportation	-	2,971	88,000	85,029
Operations and maintenance	20,408	67,427	30,000	[37,427]
Site improvement services	-	56,224	10,000	[46,224]
Site acquisition services	-	35,289	-	[35,289]
Architectural and engineering services	446	817	10,000	9,183
Building repair and remodeling	<u>262,483</u>	<u>262,257</u>	<u>500,000</u>	<u>237,743</u>
Total Expenditures	<u>330,656</u>	<u>675,895</u>	<u>\$ 870,000</u>	<u>\$ 194,105</u>
Receipts Over [Under] Expenditures	152,944	2,081		
Unencumbered Cash, Beginning	<u>1,147,718</u>	<u>1,300,662</u>		
Unencumbered Cash, Ending	<u>\$ 1,300,662</u>	<u>\$ 1,302,743</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 415
Driver Training Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Charges for services	\$ 6,270	\$ 7,350	\$ 8,000	\$ [650]
Total Cash Receipts	<u>6,270</u>	<u>7,350</u>	<u>\$ 8,000</u>	<u>\$ [650]</u>
Expenditures				
Instruction	6,270	7,350	\$ 8,000	\$ 650
Transfer out	-	14,000	14,000	-
Total Expenditures	<u>6,270</u>	<u>21,350</u>	<u>\$ 22,000</u>	<u>\$ 650</u>
Receipts Over [Under] Expenditures	-	[14,000]		
Unencumbered Cash, Beginning	<u>15,376</u>	<u>15,376</u>		
Unencumbered Cash, Ending	<u>\$ 15,376</u>	<u>\$ 1,376</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 415
Food Service Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Federal aid	\$ 260,190	\$ 283,516	\$ 250,539	\$ 32,977
State aid	5,144	7,190	4,145	3,045
Charges for services	181,745	173,086	169,980	3,106
Miscellaneous	412	710	400	310
Transfers in	-	5,671	70,000	[64,329]
Total Cash Receipts	<u>447,491</u>	<u>470,173</u>	<u>\$ 495,064</u>	<u>\$ [24,891]</u>
Expenditures				
Food service operation	428,673	466,662	\$ 505,000	\$ 38,338
Operations and maintenance	<u>14,000</u>	<u>2,476</u>	<u>31,250</u>	<u>28,774</u>
Total Expenditures	<u>442,673</u>	<u>469,138</u>	<u>\$ 536,250</u>	<u>\$ 67,112</u>
Receipts Over [Under] Expenditures	4,818	1,035		
Unencumbered Cash, Beginning	127,486	132,304		
Prior year cancelled encumbrances	<u>-</u>	<u>9</u>		
Unencumbered Cash, Ending	<u>\$ 132,304</u>	<u>\$ 133,348</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 415
Professional Development Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Transfers in	\$ 24,723	\$ 39,528	\$ 60,000	\$ [20,472]
Total Cash Receipts	<u>24,723</u>	<u>39,528</u>	<u>\$ 60,000</u>	<u>\$ [20,472]</u>
Expenditures				
Instructional support services	<u>24,723</u>	<u>39,528</u>	<u>\$ 60,000</u>	<u>\$ 20,472</u>
Total Expenditures	<u>24,723</u>	<u>39,528</u>	<u>\$ 60,000</u>	<u>\$ 20,472</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	<u>60,000</u>	<u>60,000</u>		
Unencumbered Cash, Ending	<u>\$ 60,000</u>	<u>\$ 60,000</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 415
Parent Education Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Transfers in	\$ 9,300	\$ 8,300	\$ 9,000	\$ [700]
Total Cash Receipts	<u>9,300</u>	<u>8,300</u>	<u>\$ 9,000</u>	<u>\$ [700]</u>
Expenditures				
Student support services	<u>8,300</u>	<u>8,300</u>	<u>\$ 10,000</u>	<u>\$ 1,700</u>
Total Expenditures	<u>8,300</u>	<u>8,300</u>	<u>\$ 10,000</u>	<u>\$ 1,700</u>
Receipts Over [Under] Expenditures	1,000	-		
Unencumbered Cash, Beginning	<u>9,000</u>	<u>10,000</u>		
Unencumbered Cash, Ending	<u>\$ 10,000</u>	<u>\$ 10,000</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 415
Special Education Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Transfers in	\$ 1,225,333	\$ 1,156,103	\$ 1,382,656	\$ [226,553]
Total Cash Receipts	<u>1,225,333</u>	<u>1,156,103</u>	<u>\$ 1,382,656</u>	<u>\$ [226,553]</u>
Expenditures				
Instruction	1,213,275	1,268,730	\$ 1,422,856	\$ 154,126
Operations and maintenance	<u>7,028</u>	<u>3,257</u>	<u>7,400</u>	<u>4,143</u>
Total Expenditures	<u>1,220,303</u>	<u>1,271,987</u>	<u>\$ 1,430,256</u>	<u>\$ 158,269</u>
Receipts Over [Under] Expenditures	5,030	[115,884]		
Unencumbered Cash, Beginning	420,875	425,905		
Prior year cancelled encumbrances	<u>-</u>	<u>1,505</u>		
Unencumbered Cash, Ending	<u>\$ 425,905</u>	<u>\$ 311,526</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 415
Vocational Education Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Miscellaneous	\$ 400	\$ 820	\$ 400	\$ 420
Federal aid	57,540	48,287	58,000	[9,713]
Transfers in	<u>239,183</u>	<u>206,000</u>	<u>273,907</u>	<u>[67,907]</u>
Total Cash Receipts	<u>297,123</u>	<u>255,107</u>	<u>\$ 332,307</u>	<u>\$ [77,200]</u>
Expenditures				
Instruction	273,008	233,248	\$ 319,684	\$ 86,436
Instructional support services	13,409	14,486	15,000	514
Support services	<u>3,134</u>	<u>2,414</u>	<u>3,500</u>	<u>1,086</u>
Total Expenditures	<u>289,551</u>	<u>250,148</u>	<u>\$ 338,184</u>	<u>\$ 88,036</u>
Receipts Over [Under] Expenditures	7,572	4,959		
Unencumbered Cash, Beginning	25,873	33,784		
Prior year cancelled encumbrances	<u>339</u>	<u>24</u>		
Unencumbered Cash, Ending	<u>\$ 33,784</u>	<u>\$ 38,767</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 415
KPERs Special Retirement Contribution Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
State aid	\$ 326,409	\$ 561,342	\$ 600,592	\$ [39,250]
Total Cash Receipts	<u>326,409</u>	<u>561,342</u>	<u>\$ 600,592</u>	<u>\$ [39,250]</u>
Expenditures				
Instruction	209,799	352,169	\$ 352,592	\$ 423
Student support services	15,933	20,336	30,000	9,664
Instructional support services	11,889	24,319	30,000	5,681
General administration	13,573	22,864	30,000	7,136
School administration	28,232	52,913	60,000	7,087
Other supplemental services	7,489	20,990	20,000	[990]
Operations and maintenance	21,329	39,119	40,000	881
Student transportation services	9,998	14,323	20,000	5,677
Food service	<u>8,167</u>	<u>14,309</u>	<u>18,000</u>	<u>3,691</u>
Total Expenditures	<u>326,409</u>	<u>561,342</u>	<u>\$ 600,592</u>	<u>\$ 39,250</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 415
Gifts and Grants Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year	Current Year		Variance
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Positive [Negative]
Cash Receipts				
Contributions and donations	\$ 34,999	\$ 70,242	\$ 125,000	\$ [54,758]
Investment income	707	518	-	518
Federal aid	21,138	21,837	-	21,837
Total Cash Receipts	<u>56,844</u>	<u>92,597</u>	<u>\$ 125,000</u>	<u>\$ [32,403]</u>
Expenditures				
Instruction	29,649	64,738	\$ 99,200	\$ 34,462
Student support services	19,892	24,425	24,000	[425]
Instructional support services	828	1,582	2,000	418
General administration	1,346	1,519	1,750	231
Operations and maintenance	-	-	1,250	1,250
Transportation	350	50	550	500
Total Expenditures	<u>52,065</u>	<u>92,314</u>	<u>\$ 128,750</u>	<u>\$ 36,436</u>
Receipts Over [Under] Expenditures	4,779	283		
Unencumbered Cash, Beginning	<u>63,049</u>	<u>67,828</u>		
Unencumbered Cash, Ending	<u>\$ 67,828</u>	<u>\$ 68,111</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 415
Textbook Rental Fund *
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis
For the Years Ended June 30, 2012 and 2011

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Charges for services	\$ 16,678	\$ 15,060
Transfers in	<u>89,276</u>	<u>68,680</u>
Total Cash Receipts	<u>105,954</u>	<u>83,740</u>
Expenditures		
Instruction	<u>103,703</u>	<u>83,753</u>
Total Expenditures	<u>103,703</u>	<u>83,753</u>
Receipts Over [Under] Expenditures	2,251	[13]
Unencumbered Cash, Beginning	<u>94,243</u>	<u>96,494</u>
Unencumbered Cash, Ending	<u>\$ 96,494</u>	<u>\$ 96,481</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 415
Federal Funds
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2012

	Teacher <u>Quality</u>	<u>Title I</u>	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Cash Receipts					
Federal aid	\$ 57,976	\$ 219,528	\$ 277,504	\$ 288,481	\$ [10,977]
Total Cash Receipts	<u>57,976</u>	<u>219,528</u>	<u>277,504</u>	<u>\$ 288,481</u>	<u>\$ [10,977]</u>
Expenditures					
Instruction	<u>57,976</u>	<u>219,528</u>	<u>277,504</u>	<u>\$ 288,481</u>	<u>\$ 10,977</u>
Total Expenditures	<u>57,976</u>	<u>219,528</u>	<u>277,504</u>	<u>\$ 288,481</u>	<u>\$ 10,977</u>
Receipts Over [Under] Expenditures	-	-	-		
Unencumbered Cash, Beginning	-	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 415
Student Materials Revolving Fund *
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis
For the Years Ended June 30, 2012 and 2011

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Charges for services	\$ 35,843	\$ 31,453
Total Cash Receipts	<u>35,843</u>	<u>31,453</u>
Expenditures		
Instruction	29,123	31,853
Instructional support services	<u>3,038</u>	<u>882</u>
Total Expenditures	<u>32,161</u>	<u>32,735</u>
Receipts Over [Under] Expenditures	3,682	[1,282]
Unencumbered Cash, Beginning	19,681	23,363
Prior year cancelled encumbrances	<u>-</u>	<u>303</u>
Unencumbered Cash, Ending	<u>\$ 23,363</u>	<u>\$ 22,384</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 415
Contingency Reserve Fund *
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis
For the Years Ended June 30, 2012 and 2011

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Transfers in	\$ -	\$ -
Total Cash Receipts	<u>-</u>	<u>-</u>
Expenditures		
Instruction	-	21,750
General administration	-	1,930
School administration	-	9,357
Operations and maintenance	-	16,963
Total Expenditures	<u>-</u>	<u>50,000</u>
Receipts Over [Under] Expenditures	-	[50,000]
Unencumbered Cash, Beginning	<u>550,000</u>	<u>550,000</u>
Unencumbered Cash, Ending	<u>\$ 550,000</u>	<u>\$ 500,000</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 415
Bond and Interest Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	\$ 550,452	\$ 558,880	\$ 526,157	\$ 32,723
Delinquent taxes	6,191	6,514	6,002	512
Motor vehicle tax	53,357	46,716	49,685	[2,969]
Recreational vehicle tax	949	843	801	42
State aid	<u>23,500</u>	-	-	-
Total Cash Receipts	<u>634,449</u>	<u>612,953</u>	<u>\$ 582,645</u>	<u>\$ 30,308</u>
Expenditures				
Principal	440,000	450,000	\$ 450,000	\$ -
Interest	<u>147,490</u>	<u>134,140</u>	<u>134,140</u>	-
Total Expenditures	<u>587,490</u>	<u>584,140</u>	<u>\$ 584,140</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	46,959	28,813		
Unencumbered Cash, Beginning	<u>641,473</u>	<u>688,432</u>		
Unencumbered Cash, Ending	<u>\$ 688,432</u>	<u>\$ 717,245</u>		

See independent auditor's report on the financial statements.

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UNIFIED SCHOOL DISTRICT NO. 415
Agency Funds
Schedule of Cash Receipts, Cash Disbursements and Cash
Regulatory Basis
For the Year Ended June 30, 2012

<u>FUND</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
MIDDLE SCHOOL FUNDS				
Student Council	\$ 10,904	\$ 14,002	\$ 18,492	\$ 6,414
TOTAL MIDDLE SCHOOL ACTIVITY FUNDS	<u>10,904</u>	<u>14,002</u>	<u>18,492</u>	<u>6,414</u>
HIGH SCHOOL FUNDS				
Red Hawk Bank	4,419	13,595	10,828	7,186
Art Club	59	-	-	59
BPA	1,438	3,671	3,325	1,784
Cheerleaders	1,812	6,569	7,196	1,185
Class of '11	52	-	52	-
Class of '12	1,759	256	1,976	39
Class of '13	10	10,235	9,880	365
Class of '14	18	34	31	21
Class of '15	-	23	19	4
Flags	271	1,041	1,126	186
Red Hawk Store	812	9,903	9,142	1,573
Drill Team	1,350	1,338	1,310	1,378
FFA	6,651	24,003	22,916	7,738
FHA (FCCLA)	224	514	409	329
Forensics	7	-	-	7
Keys	170	2,459	2,482	147
Biology Club	11,357	52,471	63,494	334
Weightroom	490	1,165	1,216	439
Readers Club	194	36	90	140
National Honor Society	349	590	608	331
Red Hawks	303	681	960	24
Scholars Bowl	318	760	754	324
International Club	826	183	131	878
Student Council	1,570	11,071	12,648	[7]
Basketball	-	5,472	5,472	-
Cross Country	-	577	576	1
Softball	540	-	38	502
Football	441	3,160	2,931	670
Volleyball	2,029	6,508	6,553	1,984
Wrestling	-	130	77	53
Track	105	-	-	105
Powerlifting	-	1,107	818	289
Music/Vocal	612	3,344	3,564	392
Musical/Instrumental	13,094	59,708	69,907	2,895
Integration	<u>5,346</u>	<u>-</u>	<u>1,309</u>	<u>4,037</u>
TOTAL HIGH SCHOOL ACTIVITY FUNDS	<u>56,626</u>	<u>220,604</u>	<u>241,838</u>	<u>35,392</u>
DISTRICT				
Petty Cash	<u>310</u>	<u>-</u>	<u>286</u>	<u>24</u>
TOTAL DISTRICT	<u>310</u>	<u>-</u>	<u>286</u>	<u>24</u>
TOTAL STUDENT ORGANIZATION FUNDS	<u>\$ 67,840</u>	<u>\$ 234,606</u>	<u>\$ 260,616</u>	<u>\$ 41,830</u>

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 415
District Activity Funds
Schedule of Cash Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2012

FUND	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
<u>Gate Receipts:</u>							
Middle School	\$ 6,867	\$ -	\$ 16,927	\$ 17,286	\$ 6,508	\$ -	\$ 6,508
High School	8,584	-	100,546	98,054	11,076	-	11,076
Total Gate Receipts	15,451	-	117,473	115,340	17,584	-	17,584
<u>School Projects:</u>							
Hiawatha Elementary							
Miscellaneous	926	-	-	813	113	-	113
Pictures	7,903	-	1,893	1,199	8,597	-	8,597
Taxes	6	-	99	85	20	-	20
Petty cash	200	-	7	-	207	-	207
Total Hiawatha Elementary	9,035	-	1,999	2,097	8,937	-	8,937
Hiawatha Middle School							
School wide	992	-	2,735	2,880	847	-	847
School pictures	2,916	-	667	-	3,583	-	3,583
Yearbook	89	-	2,648	2,531	206	-	206
Miscellaneous	160	-	-	-	160	-	160
Book orders	-	-	153	153	-	-	-
Dispensers	11	-	-	-	11	-	11
Sales tax	218	-	83	211	90	-	90
Total Hiawatha Middle School	4,386	-	6,286	5,775	4,897	-	4,897
High School							
All school play	2,748	-	2,972	3,162	2,558	-	2,558
Sales Tax	107	-	10,349	10,369	87	-	87
Yearbook	9,486	-	6,850	15,139	1,197	-	1,197
Miscellaneous	14	-	877	776	115	-	115
Drivers Ed	-	-	7,350	7,350	-	-	-
PSAT	3	-	644	644	3	-	3
ACT Prep Class	295	-	780	435	640	-	640
PLAN Test	20	-	472	320	172	-	172
Weightlifting	480	-	500	980	-	-	-
Total High School	13,153	-	30,794	39,175	4,772	-	4,772
Total School Projects	26,574	-	39,079	47,047	18,606	-	18,606
Total District Activity Funds	\$ 42,025	\$ -	\$ 156,552	\$ 162,387	\$ 36,190	\$ -	\$ 36,190

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 415
Fiduciary Funds
Schedule of Cash Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2012

<u>FUND</u>	Beginning Unencumbered Cash <u>Balance</u>	Prior Year Cancelled <u>Encumbrances</u>	Cash <u>Receipts</u>	<u>Expenditures</u>	Ending Unencumbered Cash <u>Balance</u>	Outstanding Encumbrances and Accounts <u>Payable</u>	Ending Cash <u>Balance</u>
Radke scholarship	\$ 65	\$ -	\$ 1	\$ -	\$ 66	\$ -	\$ 66
Cox scholarship	1,047	-	9	-	1,056	-	1,056
Crow memorial	2,480	-	21	75	2,426	-	2,426
Kidwell memorial	4,109	-	25	120	4,014	-	4,014
Elliott scholarship	2,236	-	19	300	1,955	-	1,955
Schilling scholarship	1,361	-	12	-	1,373	-	1,373
Ruth scholarship	<u>179,839</u>	<u>-</u>	<u>6,976</u>	<u>3,000</u>	<u>183,815</u>	<u>-</u>	<u>183,815</u>
Total Private Purpose Trust Funds	<u>\$ 191,137</u>	<u>\$ -</u>	<u>\$ 7,063</u>	<u>\$ 3,495</u>	<u>\$ 194,705</u>	<u>\$ -</u>	<u>\$ 194,705</u>

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 415
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Beginning Unencumbered Cash	Receipts	Expenditures	Ending Unencumbered Cash
Passed through Kansas					
Department of Education (KSDE):					
Title I	84.010	\$ -	\$ 219,528	\$ 219,528	\$ -
Title II-A Teacher Quality	84.367	-	57,976	57,976	-
Program Improvement	84.048	-	48,287	48,287	-
Education Jobs Funding	84.410	-	2,737	2,737	-
Total Passed Through KSDE		-	328,528	328,528	-
Passed Through Others					
Indian Education Assistance to Schools	15.130	-	21,837	21,837	-
Total Passed Through Others		-	21,837	21,837	-
Total Department of Education		-	350,365	350,365	-
U.S. Department of Agriculture					
Passed through Kansas					
Department of Education (KSDE):					
School Breakfast	10.553	-	67,673	67,673	-
National School Lunch Program	10.555	-	213,047	213,047	-
Summer Food Service	10.559	-	2,086	2,086	-
Team Nutrition Grants	10.574	-	710	710	-
Total Department of Agriculture					
Passed Through KSDE		-	283,516	283,516	-
Total		\$ -	\$ 633,881	\$ 633,881	\$ -

The accompanying notes are an integral part of this schedule.

UNIFIED SCHOOL DISTRICT NO. 415
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012

1. General

The accompanying Schedule of Expenditures of Federal Awards presents the expenditures of all federal financial assistance programs of Unified School District No. 415. All expenditures of federal financial assistance received directly from federal agencies, if any as well as federal financial assistance passed through other government agencies is included on the schedule.

2. Basis of Accounting

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

UNIFIED SCHOOL DISTRICT NO. 415
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2012

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Adverse - GAAP
Unqualified - Prescribed Basis

Internal control over financial reporting:

Material weakness(es) identified? Yes X No

Significant deficiency (ies) identified that are not considered to be material weaknesses? Yes X None reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? Yes X No

Significant deficiency (ies) identified that are not considered to be material weaknesses? Yes X None reported

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? Yes X No

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

84.010
10.553, 10.555, and 10.559

Title I Cluster
Child Nutrition Cluster

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee? Yes X No

UNIFIED SCHOOL DISTRICT NO. 415
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2012

Section II - Financial Statement Findings

None Noted

Section III - Federal Award Findings and Questioned Costs

Current Year Findings

None Noted

Prior Year Findings

None Noted



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

Board of Education
Unified School District No. 415
Hiawatha, Kansas

We have audited the financial statements of the Unified School District No. 415, (the District), Hiawatha, Kansas, as of and for the year ended June 30, 2012, and have issued our report thereon dated October 29, 2012, which is a special report on the financial statements prepared in accordance with a basis of accounting prescribed by the State of Kansas. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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Compliance and Other Matters

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

However, we noted certain other matters that we reported to management of the District in a separate letter dated October 29, 2012.

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

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

October 29, 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
Unified School District No. 415
Hiawatha, Kansas

Compliance

We have audited the compliance of the Unified School District No. 415 (the District), Hiawatha, Kansas, with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2012. Major federal financial programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control Over Compliance

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

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

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

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

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

October 29, 2012