

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

FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2012

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

Fiscal Year Ended June 30, 2012

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

Fiscal Year Ended June 30, 2012

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the summary statement of cash receipts, expenditures, and unencumbered cash balances of Unified School District Number 418, McPherson, Kansas, as of and for the year ended June 30, 2012. This financial statement is the responsibility of the School District'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 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 accounting practices prescribed by the State of Kansas to demonstrate compliance with 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 District as of June 30, 2012, or the changes in its financial position 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 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.

Our audit was conducted for the purpose of forming an opinion on the June 30, 2012 financial statement as a whole. The summary of expenditures—actual and budget, individual fund schedules of cash receipts and expenditures, agency funds—schedule of cash receipts and cash disbursements, and district activity funds—schedule of cash receipts and cash disbursements (Schedules 1, 2, 3 and 4 as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the June 30, 2012 financial statement. Such information is the responsibility of management and the June 30, 2012 supplementary information was derived from and relates directly to the underlying accounting and other records used to prepare the June 30, 2012 financial statement. The June 30, 2012 information has been subjected to the auditing procedures applied in the audit of the June 30, 2012 financial statement and

certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the June 30, 2012 financial statement or to the June 30, 2012 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 June 30, 2012 financial statement as a whole.

The June 30, 2011 Actual column presented in the individual fund schedules of cash receipts and expenditure (Schedule 2 as listed in the table of contents) is also presented for comparative analysis and is not a required part of the June 30, 2011 financial statement upon which we rendered an unqualified opinion dated September 20, 2011. The June 30, 2011 financial statement and our accompanying report are not presented herein, but are available in electronic form from the website of the Kansas Department of Administration, Office of Management Analysis and Standards at the following link: <http://da.ks.gov/ar/muniserv/>. Such June 30, 2011 comparative information is the responsibility of management and was derived from and relates to the underlying accounting and other records used to prepare the June 30, 2011 financial statement. The June 30, 2011 comparative information was subjected to the auditing procedures applied in the audit of June 30, 2011 financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the June 30, 2011 financial statement or to the June 30, 2011 financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the June 30, 2011 comparative information is fairly stated in all material respects in relation to the June 30, 2011 financial statement as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2012, on our consideration of the Unified School District Number 418's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statement that collectively comprise Unified School District Number 418, McPherson, Kansas' financial statement as a whole. 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 statement of Unified School District Number 418, McPherson, Kansas. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting records used to prepare the financial 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 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 taken as a whole, on the basis of accounting described in Note 1.

Swindoll, Janzen, Hawk & Loyd, LLC

Certified Public Accountants

September 21, 2012



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

Board of Education
Unified School District Number 418
McPherson, Kansas

We have audited the financial statements of the Unified School District Number 418 as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements and have issued our report thereon dated September 21, 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, and the *Kansas Municipal Auditing Guide*.

Internal Control Over Financial Reporting

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

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies in internal control over financial reporting (12-01 and 12-02). A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

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

We noted certain matters that we reported to management of the District, in a separate letter dated September 21, 2012.

The District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the District's response and, accordingly, we express no opinion on it.

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

Swindoll, Janzen, Hawk & Loyd, LLC

Swindoll Janzen Hawk & Loyd, LLC

September 21, 2012



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD
HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Education
Unified School District Number 418
McPherson, Kansas

Compliance

We have audited the compliance of the Unified School District Number 418 with the types of compliance requirements described in the OMB Circular A-133 *Compliance Supplement* that could have a direct and material effect on the District's major federal programs for the year ended June 30, 2012. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

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

Internal Control Over Compliance

Management of the Unified School District Number 418 is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of internal control over compliance. Accordingly we do not express an opinion on the effectiveness of the District's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control 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.

The District's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the District's responses and, accordingly, we express no opinion on the responses.

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

Swindoll, Janzen, Hawk & Loyd, LLC

Swindoll Janzen Hawk & Loyd, LLC

September 21, 2012

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

SUMMARY OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
For the Year Ended June 30, 2012

Fund	Beginning Unencumbered Cash Balance 7-1-11	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance 6-30-12	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance 6-30-12
GOVERNMENTAL TYPE FUNDS:						
GENERAL OPERATING FUNDS						
General Fund	\$ 1	\$ 13,375,530	\$ 13,375,530	\$ 1	\$ 688,042	\$ 688,043
Supplemental General Fund	381,745	4,566,364	4,434,524	513,585	-	513,585
SPECIAL REVENUE FUNDS						
At Risk (4 Year Old) Fund	-	42,352	42,352	-	-	-
At Risk (K-12) Fund	372,960	1,257,571	1,116,428	514,103	-	514,103
Bilingual Education Fund	-	54,217	54,217	-	-	-
Capital Outlay Fund	2,310,289	1,862,933	1,618,356	2,554,866	3,828	2,558,694
Carl Perkins Fund	1,603	15,002	16,605	-	-	-
Contingency Reserve Fund	558,392	42,913	55,514	545,791	-	545,791
Early Childhood Passthrough Fund	-	27,300	27,300	-	-	-
Food Service Fund	19,725	1,119,804	1,110,553	28,976	-	28,976
Head Start Program Fund	-	1,075,147	1,075,147	-	79,096	79,096
Professional Development Fund	235,884	175,000	161,703	249,181	-	249,181
Recreation Commission Fund	11,771	1,091,540	1,103,311	-	-	-
Recreation Commission Employee Benefits Fund	-	57	57	-	-	-
Special Assessments Fund	15,898	28,394	35,108	9,184	-	9,184
Special Education Fund	1,321,233	3,892,487	3,710,145	1,503,575	-	1,503,575
Special Education Cooperative Fund	835,751	7,163,894	7,654,621	345,024	161	345,185
Sunflower Grant Fund	-	-	-	-	-	-
Textbook/Student Material Revolving Fund	420,008	162,234	132,216	450,026	31	450,057
Title I Fund	-	282,010	282,010	-	-	-
Title IIA Teacher Quality Fund	-	68,116	68,116	-	-	-
Title IID Educational Technology Fund	-	-	-	-	-	-
Title VI-B Discretionary Fund	-	38,785	38,785	-	-	-
Title VI-B Passthrough Fund	-	930,192	930,192	-	-	-
Vocational Education Fund	-	539,887	444,151	95,736	23,513	119,249
KPERS Special Retirement Contribution Fund	-	1,785,020	1,785,020	-	-	-
AP Grant Fund	-	15,000	12,837	2,163	-	2,163
Grants and Gifts Fund	56,235	118,562	97,891	76,906	-	76,906
Gate Receipt Funds	48,761	282,216	263,059	67,918	-	67,918
DEBT SERVICE FUND						
Bond and Interest Fund	1,705,928	1,224,353	1,215,181	1,715,100	-	1,715,100
Total Reporting Entity	8,296,184	41,236,880	40,860,929	8,672,135	794,671	9,466,806
DISCRETELY PRESENTED COMPONENT UNIT						
McPherson USD 418 Education Fund	355,539	13,139	26,754	341,924	-	341,924
Total (Excluding Agency Funds)	\$ 8,651,723	\$ 41,250,019	\$ 40,887,683	\$ 9,014,059	\$ 794,671	\$ 9,808,730
COMPOSITION OF CASH:						
Board Money Market Checking Account					\$	305,842
Board Money Market Savings Account						(526,691)
Activity Funds Account - High School Checking						104,861
Activity Funds Account - Middle School Checking						7,759
Lincoln Petty Cash Checking						500
Roosevelt Petty Cash Checking						500
Washington Petty Cash Checking						500
CKAVTS Petty Cash						500
Head Start Petty Cash						500
Eisenhower Petty Cash						500
Activity Funds Account - High School Cash on Hand						25
Board Petty Cash Checking						1,500
Investments - Municipal Investment Pool						9,613,213
Activity Funds Account - High School Certificates of Deposit						25,543
Total Cash						9,535,052
Agency Funds per Statement 5						(68,246)
Total (Excluding Agency Funds)						9,466,806
McPherson USD 418 Education Fund Cash and Investments						341,924
Total Reporting Entity						\$ 9,808,730

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

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

NOTES TO THE FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting Entity

Unified School District Number 418 (the "District") is a municipal corporation governed by an elected seven-member board. These financial statements present Unified School District Number 418, the primary government. There were component units for the year ended June 30, 2012.

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

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

(b) Reimbursed Expenditures

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

(c) Basis of Presentation - Fund Accounting

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

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

Governmental Fund Types

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

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

Fiduciary Fund Types

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

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

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

(d) Statutory Basis of Accounting

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

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

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

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

(f) Budget and Tax Cycle

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

(f) Budget and Tax Cycle (cont.)

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no budget amendments for fiscal year ended June 30, 2012.

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

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

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

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

2. DEPOSITS AND INVESTMENTS

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

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

Concentration of credit risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. At June 30, 2012, the District held 100% of their investments in the Kansas Municipal Investment Pool.

Custodial credit risk. Custodial credit risk is the risk that in the event of bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were adequately secured at June 30, 2012.

2. DEPOSITS AND INVESTMENTS (CONT.)

(a) Deposits

At June 30, 2012, the carrying amount of the District's deposits, including certificates of deposit, was (\$78,186) and the bank balance was \$1,411,838. The bank balance was held by two banks resulting in a concentration of credit risk. The difference between the carrying amount and the bank balance is outstanding checks and deposits in transit. Of the bank balance, \$250,513 was covered by federal depository insurance, \$1,161,325 was covered by collateral held by third-party banks in the District's name. The third party bank holding the pledged securities is independent of the pledging bank. The pledged securities are held under a tri-party custodial agreement signed by all three parties: The District, the pledging bank, and the independent third-party bank holding the pledged securities.

(b) Investments

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

At June 30, 2012, the District had invested in funds in the State's municipal investment pool. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

As of June 30, 2012, the District had the following investments.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity in Years</u>	
		<u>Less than 1</u>	<u>Rating</u>
Kansas Municipal Investment Pool	<u>\$ 9,613,213</u>	<u>\$ 9,613,213</u>	S&P AAAF/SLT

3. RELATED PARTY TRANSACTIONS

Unified School District Number 418 is the taxing authority for the McPherson Recreation Commission. During the fiscal year ended June 30, 2012, the District levied a total tax of 6.00 mills for the Recreation Commission Fund and the Recreation Commission Employee Benefits Fund, which in turn is appropriated to the McPherson Recreation Commission for its operations. Also, there is an informal agreement between the District and the Recreation Commission for use of District facilities when they are not otherwise being used by the District.

4. LEAVE POLICIES

Sick leave is granted to employees in the following manner:

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

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

Upon termination of employment, all employees are paid for unused sick leave at an average rate of \$3 per hour for classified employees, and one-half of substitute pay for certified employees. As of June 30, 2012 and 2011, accumulated sick leave at the employees' contract rate is approximately \$570,507 and \$560,773, respectively.

5. LONG-TERM DEBT

Changes in long-term liabilities for the Entity for the year ended June 30, 2012, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
General Obligation Bonds:										
Series 2004	2.50% to 5.00%	8-01-04	3,930,000	9-1-14	\$ 1,970,000	\$ -	\$ 450,000	\$ (450,000)	\$ 1,520,000	\$ 74,200
Series 2009	3.25%	3-15-09	3,215,000	9-1-14	2,040,000	-	635,000	(635,000)	1,405,000	55,981
Total General Obligation Bonds					4,010,000	-	1,085,000	(1,085,000)	2,925,000	130,181
Capital Leases:										
Apple Computer Equipment	4.69%	6-20-08	335,440	7-15-11	85,953	-	85,953	(85,953)	-	4,047
Apple Computer Equipment	1.71%	7-11-10	237,846	7-11-13	176,860	-	57,954	(57,954)	118,906	3,031
Apple Computer Equipment	6.50%	7-15-09	429,998	7-15-12	214,548	-	103,798	(103,798)	110,750	14,369
Apple Computer Equipment	1.90%	6-22-11	24,068	7-15-14	-	240,068	61,722	178,346	178,346	-
Total Capital Leases					477,361	240,068	309,427	(69,359)	408,002	21,447
Special Assessments Payable:										
High School Parking	5.50%	11-1-97	182,809	11-1-11	17,263	-	17,263	(17,263)	-	1,229
Washington Elementary/Lakeside	5.26%	11-1-04	169,545	11-1-19	116,781	-	10,481	(10,481)	106,300	6,136
Total Special Assessments Payable					134,044	-	27,744	(27,744)	106,300	7,365
Total Indebtedness					4,621,405	240,068	1,422,171	(1,182,103)	3,439,302	158,993
Compensated Absences					560,773	9,734	-	9,734	570,507	-
Total Long-Term Debt					\$ 5,182,178	\$ 249,802	\$ 1,422,171	\$ (1,172,369)	\$ 4,009,809	\$ 158,993

5. LONG-TERM DEBT (cont.)

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

Debt Issue	2013	2014	2015	2016	2017	2018-2022	Total
Principal:							
General Obligation Bonds:							
Series 2004	\$ 475,000	\$ 510,000	\$ 535,000	\$ -	\$ -	\$ -	\$ 1,520,000
Series 2009	665,000	665,000	75,000	-	-	-	1,405,000
Total General Obligation Bonds	<u>1,140,000</u>	<u>1,175,000</u>	<u>610,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,925,000</u>
Capital Leases:							
Apple Computer Equipment	58,948	59,958	-	-	-	-	118,906
Apple Computer Equipment	110,750	-	-	-	-	-	110,750
Apple Computer Equipment	58,333	59,442	60,571	-	-	-	178,346
Total Capital Leases	<u>228,031</u>	<u>119,400</u>	<u>60,571</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>408,002</u>
Special Assessments Payable:							
Washington Elementary/Lakeside	11,031	11,611	12,221	12,863	13,539	45,036	106,300
Total Special Assessments Payable	<u>11,031</u>	<u>11,611</u>	<u>12,221</u>	<u>12,863</u>	<u>13,539</u>	<u>45,036</u>	<u>106,300</u>
Total Principal	<u>1,379,062</u>	<u>1,306,011</u>	<u>682,792</u>	<u>12,863</u>	<u>13,539</u>	<u>45,036</u>	<u>3,439,302</u>
Interest:							
General Obligation Bonds:							
Series 2004	51,075	29,765	10,165	-	-	-	91,005
Series 2009	34,856	13,244	1,219	-	-	-	49,319
Total General Obligation Bonds	<u>85,931</u>	<u>43,009</u>	<u>11,384</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>140,324</u>
Capital Leases:							
Apple Computer Equipment	2,038	1,028	-	-	-	-	3,066
Apple Computer Equipment	7,417	-	-	-	-	-	7,417
Apple Computer Equipment	3,389	2,280	1,151	-	-	-	6,820
Total Capital Leases:	<u>12,844</u>	<u>3,308</u>	<u>1,151</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,820</u>
Special Assessments Payable:							
Washington Elementary/Lakeside	5,586	5,006	4,396	3,754	3,078	4,813	26,633
Total Special Assessments Payable	<u>5,586</u>	<u>5,006</u>	<u>4,396</u>	<u>3,754</u>	<u>3,078</u>	<u>4,813</u>	<u>26,633</u>
Total Interest	<u>104,361</u>	<u>51,323</u>	<u>16,931</u>	<u>3,754</u>	<u>3,078</u>	<u>4,813</u>	<u>173,777</u>
Total Principal and Interest	<u>\$ 1,483,423</u>	<u>\$ 1,357,333</u>	<u>\$ 699,722</u>	<u>\$ 16,617</u>	<u>\$ 16,617</u>	<u>\$ 49,849</u>	<u>\$ 3,613,079</u>

6. TRANSFERS

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General	At Risk (4 Year Old)	K.S.A. 72-6428	\$ 42,352
General	At Risk (K-12)	K.S.A. 72-6428	473,445
General	Bilingual Education	K.S.A. 72-6428	54,217
General	Capital Outlay	K.S.A. 72-6428	402,603
General	Special Education	K.S.A. 72-6428	2,728,989
General	Contingency Reserve	K.S.A. 72-6428	42,913
Supplemental General	At Risk (K-12)	K.S.A. 72-6433	784,126
Supplemental General	Professional Development	K.S.A. 72-6433	175,000
Supplemental General	Special Education	K.S.A. 72-6433	1,083,142
Supplemental General	Vocational Education	K.S.A. 72-6433	472,887
Special Education	Special Education Coop	K.S.A. 72-6420	3,710,145

7. DEFINED BENEFIT PENSION PLAN

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

Funding Policy. K.S.A. 74-4919 establishes the KPERs member-employee contribution rate at 4% of covered salary. Member-employees' contributions are withheld by their employer and paid to KPERs according to the provisions of section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. Kansas contributed 9.77% of covered payroll. These contribution requirements are established by KPERs and are periodically revised. Kansas' contributions to KPERs for all Kansas public school employees for the years ending June 30, 2012, 2011, and 2010 were \$298,635,383 received as of June 30, 2012, \$188,864,352 received as of June 30, 2011, (with the remaining balance due from the state of \$64,969,692, received by July 12, 2011), and \$140,318,394 received as of June 30, 2010, (with the remaining balance due from the state of \$108,149,792, received by July 9, 2010), respectively, equal to the statutory required contributions for each year.

8. OPERATING LEASES

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

	Year Ending June 30	
	2011	2012
Minimum rentals:		
Copiers	\$ 21,720	\$ 21,720
Buildings	15,600	15,600
Stadium	95,897	95,897
	<u>\$ 133,217</u>	<u>\$ 133,217</u>

8. OPERATING LEASES (cont.)

Operating lease obligations for subsequent years are as follows:

	<u>Copier Leases</u>	<u>Stadium Lease</u>	<u>Total</u>
2013	\$ 21,720	\$ 575,382	\$ 597,102
2014	21,720	-	21,720
2015	<u>21,720</u>	<u>-</u>	<u>21,720</u>
	<u>\$ 65,160</u>	<u>\$ 575,382</u>	<u>\$ 640,542</u>

9. LEASE AGREEMENTS WITH MCPHERSON COLLEGE

Football Stadium Facilities

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

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

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

The operating charge is computed to approximately pay one-half of the utilities and maintenance of the stadium facility premises. During fiscal year ended June 30, 2011, the operating charge to the District was \$7,601. For subsequent years, the operating charge shall increase by three percent per year. However, if undue hardship or substantial unfairness occurs upon either party, the parties shall engage in good faith negotiations.

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

10. EARLY RETIREMENT INCENTIVE

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

10. EARLY RETIREMENT INCENTIVE (cont.)

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

1st Year	19%
2nd Year	17%
3rd Year	15%
4th Year	13%
5th Year	11%

Payments to retired employees under this plan were \$361,676 for the year ended June 30, 2012.

11. CLAIMS AND JUDGMENTS

The District participates in federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of September 21, 2012, grant expenditures have not been audited, but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the individual governmental funds or the overall financial position of the District.

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage from fiscal year end June 30, 2011 to fiscal year end June 30, 2012, and there were no settlements that exceeded insurance coverage in the past three years.

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

12. OTHER POST EMPLOYMENT BENEFITS

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

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

13. RESTATEMENT OF BEGINNING BALANCES

Due to a technical amendment to the 2011 Kansas Municipal Audit Guide, which governs the format and accounting for this financial statement, beginning unencumbered balances have been restated from (\$247,600) to \$1 in the General Fund and from \$316,237 to \$381,745 in the Supplemental General Fund. These changes reflect the change in policy of the Kansas Municipal Audit Guide as to when the final State Aid payments are posted. The previous policy dictated that the payment received in July of the subsequent fiscal year be posted in the subsequent fiscal year. The technical amendment for the statutory statements now states that the payment should be posted in the prior fiscal year. The balances have been adjusted for this change in policy.

14. SUBSEQUENT EVENTS

Management has evaluated the effects on the financial statements of subsequent events occurring through September 21, 2012 which is the date at which the financial statements were available to be issued.

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

OTHER SUPPLEMENTAL INFORMATION

FISCAL YEAR ENDED JUNE 30, 2012

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

**SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
(Budgeted Funds Only)
For the Year Ended June 30, 2012**

<u>Fund</u>	<u>Certified Budget</u>	<u>Adjustment to Comply With Legal Max</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Favorable (Unfavorable)</u>
GOVERNMENTAL TYPE FUNDS:						
GENERAL OPERATING FUNDS						
General Fund	\$ 14,046,858	\$ (671,328)	\$ -	\$ 13,375,530	\$ 13,375,530	\$ -
Supplemental General Fund	4,581,611	(147,087)	-	4,434,524	4,434,524	-
SPECIAL REVENUE FUNDS						
At Risk (4 Year Old) Fund	130,000	-	-	130,000	42,352	87,648
At Risk(K-12) Fund	1,547,959	-	-	1,547,959	1,116,428	431,531
Bilingual Education Fund	70,000	-	-	70,000	54,217	15,783
Capital Outlay Fund	3,628,000	-	-	3,628,000	1,618,356	2,009,644
Food Service Fund	1,450,814	-	-	1,450,814	1,110,553	340,261
Professional Development Fund	235,882	-	-	235,882	161,703	74,179
Recreation Commission Fund	1,175,000	-	-	1,175,000	1,103,311	71,689
Recreation Commission Employee Benefits Fund	5,000	-	-	5,000	57	4,943
Special Education Fund	4,370,287	-	-	4,370,287	3,710,145	660,142
Special Education Cooperative Fund	10,066,955	-	-	10,066,955	7,654,621	2,412,334
Vocational Education Fund	610,000	-	-	610,000	444,151	165,849
KPERS Special Retirement Contribution Fund	1,883,993	-	-	1,883,993	1,785,020	98,973
DEBT SERVICE FUND						
Bond and Interest Fund	1,215,181	-	-	1,215,181	1,215,181	-
Total	\$ 45,017,540	\$ (818,415)	\$ -	\$ 44,199,125	\$ 37,826,149	\$ 6,372,976

UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS

GENERAL OPERATING FUND

GENERAL FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2012

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

	2011 Actual	2012		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Taxes and Shared Revenue -				
Ad valorem property tax:				
Prior year	\$ 49,683	\$ 65,412	\$ 42,724	\$ 22,688
Current year	2,909,038	2,960,724	2,729,475	231,249
Delinquent	21,391	64,380	45,407	18,973
Mineral production tax	734	622	-	622
State aid	7,410,393	7,549,675	8,246,700	(697,025)
Federal aid - ARRA	221,066	-	-	-
Federal aid - Education Jobs	387,085	5,728	-	5,728
Special education aid	2,358,458	2,728,989	2,728,989	-
Total Cash Receipts	13,357,848	13,375,530	\$ 13,793,295	\$ (417,765)
Expenditures:				
Instruction -				
Certified salaries	4,531,294	5,226,783	\$ 4,714,823	\$ (511,960)
Certified salaries - ARRA	221,066	-	-	-
Certified salaries - Education Jobs	387,085	5,728	5,728	-
Non-certified salaries	368,862	340,236	359,650	19,414
Insurance	(118,664)	417,537	408,471	(9,066)
Social security	394,332	394,092	397,434	3,342
Other employee benefits	130,464	164,930	120,000	(44,930)
Property and equipment	-	-	356,955	356,955
Purchased professional services	5,413	15,250	6,500	(8,750)
Other purchased services	189,927	1,805	5,000	3,195
Supplies	92,179	148,045	274,231	126,186
Textbooks	-	278	8,000	7,722
Miscellaneous supplies	209	329	5,390	5,061
Student Support Services -				
Certified salaries	290,512	367,729	548,906	181,177
Non-certified salaries	89,328	64,151	78,926	14,775
Insurance	32,956	29,454	29,551	97
Social security	29,361	31,837	30,000	(1,837)
Other employee benefits	3,202	3,435	4,400	965
Purchased professional services	-	-	100	100
Other purchased services	258	2,068	650	(1,418)
Supplies	48,354	85,970	11,150	(74,820)
Property and equipment	1,687	2,111	400	(1,711)
Instruction Support Staff -				
Certified salaries	296,151	244,066	409,269	165,203
Non-certified salaries	173,528	173,189	158,683	(14,506)
Insurance	46,193	33,607	57,871	24,264
Social security	31,963	26,380	41,850	15,470

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

GENERAL OPERATING FUND

GENERAL FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2012

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

	2011 Actual	2012		Variance Favorable (Unfavorable)
		Actual	Budget	
Expenditures (cont.):				
Instruction Support Staff (cont.) -				
Other employee benefits	\$ 3,419	\$ 2,797	\$ 4,588	\$ 1,791
Purchased professional services	-	-	75	75
Other purchased services	22,533	16,697	48,595	31,898
Supplies	9,937	22,480	519	(21,961)
Books and periodicals	7,021	24,178	27,441	3,263
Audio visual/instructional software	9,728	3,471	10,850	7,379
Equipment	44,188	(13,373)	20,010	33,383
General Administration -				
Certified salaries	200,819	185,431	212,604	27,173
Non-certified salaries	67,956	74,166	69,999	(4,167)
Insurance	18,220	19,164	18,171	(993)
Social security	16,990	17,772	17,498	(274)
Other employee benefits	1,842	2,751	2,500	(251)
Purchased professional services	39,411	56,474	45,000	(11,474)
Communication services	7,943	8,310	6,321	(1,989)
Other purchased services	22,664	23,708	11,679	(12,029)
Supplies	29,560	19,873	49,499	29,626
Property and equipment	466	-	5,500	5,500
Other miscellaneous expenditures	26,610	10,842	25,000	14,158
School Administration -				
Certified salaries	590,081	603,917	637,615	33,698
Non-certified salaries	273,542	269,664	275,981	6,317
Insurance	74,738	72,383	87,198	14,815
Social security	60,507	60,654	62,000	1,346
Other employee benefits	6,701	6,765	7,000	235
Purchased professional services	5,456	7,848	8,000	152
Communication services	8,461	9,093	7,278	(1,815)
Other purchased services	1,278	3,030	200	(2,830)
Supplies	10,608	10,465	7,670	(2,795)
Other	(75)	-	-	-
Operations and Maintenance -				
Other employee benefits	1,023	1,051	3,500	2,449
Repairs and maintenance	3,775	6,347	17,000	10,653
Rentals	-	1,000	-	(1,000)
Property insurance	-	-	2,500	2,500
Other	2,212	2,215	2,500	285
Other miscellaneous expenditures	51	51	1,500	1,449
Student Transportation Services/Supervision -				
Non-certified salaries	43,665	49,862	31,042	(18,820)
Insurance	5,913	5,717	1,900	(3,817)
Social security	7,860	8,454	2,122	(6,332)
Other employee benefits	5,544	5,925	2,000	(3,925)
Purchased property services	-	-	16,500	16,500
Other purchased services	-	150	55,000	54,850
Supplies	3,285	3,750	48,104	44,354
Equipment	-	-	1,400	1,400

UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS

GENERAL OPERATING FUND

GENERAL FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2012

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

	2011		2012	
	Actual	Actual	Budget	Variance Favorable (Unfavorable)
Expenditures (cont.):				
Student Transportation Services/				
Vehicle Operating Services -				
Certified salaries	\$ 9,339	\$ 9,470	\$ -	\$ (9,470)
Non-certified salaries	22,145	22,517	61,289	38,772
Insurance	1,950	1,957	5,653	3,696
Social security	2,118	2,245	9,100	6,855
Other employee benefits	1,906	1,936	7,000	5,064
Rent of vehicles	14,300	15,600	-	(15,600)
Other purchased services	44,154	62,391	-	(62,391)
General supplies	75	191	2,500	2,309
Motor fuel	51,200	77,302	-	(77,302)
Equipment	1,006	780	-	(780)
Student Transportation Services/				
Vehicle & Maintenance Services -				
Other purchased services	-	-	29,500	29,500
Supplies	37,803	54,530	-	(54,530)
Other Student Transportation Services				
Non-certified salaries	-	-	5,847	5,847
Insurance	-	-	20	20
Social security	-	-	500	500
Other employee benefits	-	-	100	100
Transfer to At Risk (4 Year Old) Fund	100,000	42,352	80,000	37,648
Transfer to At Risk (K-12) Fund	925,000	473,445	925,000	451,555
Transfer to Bilingual Fund	47,957	54,217	50,000	(4,217)
Transfer to Capital Outlay Fund	887,089	402,603	-	(402,603)
Transfer to Contingency Reserve Fund	39,025	42,913	-	(42,913)
Transfer to Special Education Fund	2,293,188	2,728,989	2,982,552	253,563
Adjustment to comply with legal max	-	-	(671,328)	(671,328)
Total Expenditures	<u>13,357,847</u>	<u>13,375,530</u>	<u>\$ 13,375,530</u>	<u>\$ -</u>
Receipts over (under) Expenditures	1	-		
Unencumbered Cash, Beginning of Year	-	1		
Unencumbered Cash, End of Year	<u>\$ 1</u>	<u>\$ 1</u>		

UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS

GENERAL OPERATING FUND

SUPPLEMENTAL GENERAL FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2012

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

	2011		2012	
	Actual	Actual	Budget	Variance Favorable (Unfavorable)
Cash Receipts:				
Taxes and Shared Revenue -				
Ad valorem property tax:				
Prior year	\$ 50,733	\$ 70,258	\$ 50,400	\$ 19,858
Current year	2,986,837	2,948,964	3,084,934	(135,970)
Delinquent	23,864	64,589	46,677	17,912
Motor vehicle tax	294,488	259,469	248,904	10,565
Recreational vehicle tax	5,620	4,720	4,760	(40)
Supplemental state aid	1,115,948	1,218,364	1,213,453	4,911
Total Cash Receipts	4,477,490	4,566,364	\$ 4,649,128	\$ (82,764)
Expenditures:				
Instruction -				
Certified salaries	-	-	\$ 319,615	\$ 319,615
Insurance	617,589	-	-	-
Purchased property services	5,069	5,069	-	(5,069)
Supplies	1,022	83	10,000	9,917
Other	-	-	166,899	166,899
Instruction Support Staff -				
Other purchased services	(1,800)	-	-	-
Supplies	49	454	-	(454)
General Administration -				
Purchased professional services	-	46,000	-	(46,000)
Supplies	35,564	13,719	15,000	1,281
Dues and fees	-	19,402	5,000	(14,402)
Operations and Maintenance -				
Non-certified salaries	827,321	859,250	1,351,666	492,416
Insurance	133,702	213,778	130,000	(83,778)
Social security	61,255	61,077	68,045	6,968
Purchased property services	1,406	3,914	1,000	(2,914)
Other employee benefits	68,680	69,734	72,000	2,266
Water/sewer	33,657	38,723	29,110	(9,613)
Cleaning services	24,486	21,952	9,500	(12,452)
Repairs and maintenance	75,380	70,283	229,180	158,897
Insurance	2,750	2,750	-	(2,750)
Other purchased services	86,831	79,581	110,125	30,544
Supplies	152,768	163,382	119,000	(44,382)
Heating	161,599	199,981	184,639	(15,342)
Motor fuel	19,519	18,983	19,000	17
Other	204	1,077	500	(577)

UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS

GENERAL OPERATING FUND

SUPPLEMENTAL GENERAL FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2012

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

	2011 Actual	2012		Variance Favorable (Unfavorable)
		Actual	Budget	
Expenditures (cont.):				
Other Supplemental Services -				
Non-certified salaries	\$ 76,927	\$ 67,664	\$ 41,055	\$ (26,609)
Insurance	9,836	9,655	16,395	6,740
Social security	5,781	5,094	7,375	2,281
Other employee benefits	(80,137)	(85,213)	-	85,213
Purchased professional services	-	-	25	25
Other purchased services	9,824	10,899	8,000	(2,899)
Other	-	-	30,000	30,000
Other -				
Special assessments	22,537	22,078	11,395	(10,683)
Transfer to K - 12 At Risk Fund	175,000	784,126	250,000	(534,126)
Transfer to Professional Development Fund	221,536	175,000	-	(175,000)
Transfer to Special Education Fund	1,100,000	1,083,142	947,087	(136,055)
Transfer to Vocational Education Fund	356,113	472,887	430,000	(42,887)
Transfer to Student Material Revolving Fund	200,000	-	-	-
Adjustment to comply with legal max	-	-	(147,087)	(147,087)
Total Expenditures	<u>4,404,468</u>	<u>4,434,524</u>	<u>\$ 4,434,524</u>	<u>\$ -</u>
Receipts over (under) Expenditures	73,022	131,840		
Unencumbered Cash Beginning of Year	<u>308,723</u>	<u>381,745</u>		
Unencumbered Cash, End of Year	<u>\$ 381,745</u>	<u>\$ 513,585</u>		

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

SPECIAL REVENUE FUND

AT RISK (4 YEAR OLD) FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2012

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

	<u>2011 Actual</u>	<u>2012</u>		<u>Variance Favorable (Unfavorable)</u>
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts:				
Transfer from General Fund	\$ 100,000	\$ 42,352	\$ 80,000	\$ (37,648)
Expenditures:				
Instruction -				
Certified salaries	86,201	34,967	\$ 45,490	\$ 10,523
Non-certified salaries	-	-	9,894	9,894
Insurance	7,321	4,958	4,444	(514)
Social security	5,857	2,155	199	(1,956)
Other employee benefits	621	272	21	(251)
Other purchased services	-	-	8,868	8,868
Teaching supplies	-	-	500	500
Miscellaneous supplies	-	-	4,000	4,000
Other	-	-	56,584	56,584
Total Expenditures	<u>100,000</u>	<u>42,352</u>	<u>\$ 130,000</u>	<u>\$ 87,648</u>
Receipts over (under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

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

SPECIAL REVENUE FUND

AT RISK (K-12) FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2012

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

	2011 Actual	2012		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Transfer from General Fund	\$ 925,000	\$ 473,445	\$ 925,000	\$ (451,555)
Transfer from Supplemental General Fund	175,000	784,126	250,000	534,126
Total Receipts	1,100,000	1,257,571	\$ 1,175,000	\$ 82,571
Expenditures:				
Instruction -				
Certified salaries	585,450	525,385	\$ 600,362	\$ 74,977
Non-certified salaries	106,746	191,055	141,287	(49,768)
Insurance	67,531	60,763	89,763	29,000
Social Security	45,951	43,278	58,517	15,239
Other employee benefits	5,105	4,685	6,613	1,928
Other purchased services	-	173,502	-	(173,502)
Teaching supplies	2,122	20,803	10,200	(10,603)
Property	4,385	-	-	-
Other	-	-	455,940	455,940
Student Support Services -				
Certified salaries	141,499	86,445	134,642	48,197
Non-certified salaries	-	-	18,160	18,160
Insurance	9,705	4,292	16,504	12,212
Social Security	9,456	5,547	12,349	6,802
Other employee benefits	1,115	673	1,407	734
Instructional Support Staff -				
Certified salaries	-	-	2,000	2,000
Insurance	-	-	76	76
Social Security	-	-	96	96
Other employee benefits	-	-	5	5
Other purchased services	2,942	-	38	38
Total Expenditures	982,007	1,116,428	\$ 1,547,959	\$ 431,531
Receipts over (under) Expenditures	117,993	141,143		
Unencumbered Cash, Beginning	254,967	372,960		
Unencumbered Cash, Ending	\$ 372,960	\$ 514,103		

UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS

SPECIAL REVENUE FUND

BILINGUAL EDUCATION FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2012

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

	2011 Actual	2012		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Transfer from General Fund	\$ 47,957	\$ 54,217	\$ 50,000	\$ 4,217
Expenditures:				
Instruction -				
Certified salaries	42,819	43,768	\$ 53,085	\$ 9,317
Insurance	738	732	4,374	3,642
Social security	3,252	3,322	2,892	(430)
Other employee benefits	1,212	1,164	9,649	8,485
Supplies	(64)	5,231	-	(5,231)
Total Expenditures	<u>47,957</u>	<u>54,217</u>	<u>\$ 70,000</u>	<u>\$ 15,783</u>
Receipts over (under) Expenditures	-	-		
Unencumbered Cash, Beginning of Year	-	-		
Unencumbered Cash, End of Year	<u>\$ -</u>	<u>\$ -</u>		

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

SPECIAL REVENUE FUND

CAPITAL OUTLAY FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2012

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

	2011		2012	
	Actual	Actual	Budget	Variance Favorable (Unfavorable)
Cash Receipts:				
Taxes and Shared Revenue -				
Ad valorem property tax:				
Prior year	\$ 23,561	\$ 29,584	\$ 20,976	\$ 8,608
Current year	1,257,456	1,278,395	1,176,781	101,614
Delinquent tax	10,081	27,768	19,649	8,119
Motor vehicle tax	122,231	117,450	104,797	12,653
Recreational vehicle tax	2,328	2,134	2,003	131
Interest on idle funds	9,655	4,999	10,000	(5,001)
Transfer from General Fund	887,089	402,603	-	402,603
	<u>2,312,401</u>	<u>1,862,933</u>	<u>\$ 1,334,206</u>	<u>\$ 528,727</u>
Expenditures:				
Instruction -				
Property and equipment	530,087	688,032	\$ 644,000	\$ (44,032)
General Administration -				
Other purchased services	1,000	1,350	5,000	3,650
Supplies	-	-	-	-
Property and equipment	22,469	31,542	145,000	113,458
Central Services -				
Property and equipment	3,392	242	25,000	24,758
Operations and Maintenance -				
Repairs and maintenance	16,066	-	-	-
Property and equipment	119,454	98,134	375,000	276,866
Student Transportation Services -				
Property and equipment	575	-	-	-
Facilities Acquisition Services -				
Architectural & engineering services	3,718	-	3,000	3,000
Site improvement	95,190	89,516	125,000	35,484
Repair and remodeling buildings	1,819,531	709,540	2,006,000	1,296,460
Other facilities acquisition services	-	-	300,000	300,000
	<u>2,611,482</u>	<u>1,618,356</u>	<u>\$ 3,628,000</u>	<u>\$ 2,009,644</u>
Receipts over (under) Expenditures	(299,081)	244,577		
Unencumbered Cash, Beginning of Year	<u>2,609,370</u>	<u>2,310,289</u>		
Unencumbered Cash, End of Year	<u>\$ 2,310,289</u>	<u>\$ 2,554,866</u>		

UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS

SPECIAL REVENUE FUND

CARL PERKINS FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
For the Year Ended June 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	<u>2011 Actual</u>	<u>2012 Actual</u>
Cash Receipts:		
Special project aid	\$ 15,368	\$ 15,002
Expenditures:		
Instruction - Supplies	<u>14,695</u>	<u>16,605</u>
Receipts over (under) Expenditures	673	(1,603)
Unencumbered Cash, Beginning of Year	<u>930</u>	<u>1,603</u>
Unencumbered Cash, End of Year	<u>\$ 1,603</u>	<u>\$ -</u>

UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS

SPECIAL REVENUE FUND

CONTINGENCY RESERVE FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

For the Year Ended June 30, 2012

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

	<u>2011 Actual</u>	<u>2012 Actual</u>
Cash Receipts:		
Transfer from General Fund	\$ 39,025	\$ 42,913
Expenditures:		
Instruction -		
Supplies	38,718	24,864
General Administration -		
Other miscellaneous expense	-	30,650
General Administration -		
Supplies	<u>9,561</u>	<u>-</u>
Total expenditures	<u>48,279</u>	<u>55,514</u>
Receipts over Expenditures	(9,254)	(12,601)
Unencumbered Cash, Beginning of Year	<u>567,646</u>	<u>558,392</u>
Unencumbered Cash, End of Year	<u>\$ 558,392</u>	<u>\$ 545,791</u>

UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS

SPECIAL REVENUE FUND

EARLY CHILDHOOD PASSTHROUGH FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

For the Year Ended June 30, 2012

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

	<u>2011</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
Cash Receipts:		
Federal aid	\$ 27,377	\$ 27,300
Federal aid - ARRA	<u>20,939</u>	<u>-</u>
Total Receipts	<u>48,316</u>	<u>27,300</u>
Expenditures:		
Instruction -		
Certified salaries	28,419	27,300
Certified salaries - ARRA	<u>20,939</u>	<u>-</u>
Total Expenditures	<u>49,358</u>	<u>27,300</u>
Receipts over (under) Expenditures	(1,042)	-
Unencumbered Cash, Beginning of Year	<u>1,042</u>	<u>-</u>
Unencumbered Cash, End of Year	<u>\$ -</u>	<u>\$ -</u>

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

SPECIAL REVENUE FUND

FOOD SERVICE FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2012

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

	2011 Actual	2012		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Student sales - lunch	\$ 517,051	\$ 516,822	\$ 612,750	\$ (95,928)
Student sales - breakfast	573	463	14,750	(14,287)
Student sales - milk	-	-	4,500	(4,500)
Adult sales - lunch	25,770	26,257	80,850	(54,593)
Adult sales - breakfast	470	481	-	481
Ala carte meals	14,871	13,988	20,000	(6,012)
State aid	9,751	9,901	12,950	(3,049)
Federal aid	496,073	551,043	697,584	(146,541)
Miscellaneous income	7,087	849	-	849
Total Cash Receipts	1,071,646	1,119,804	\$ 1,443,384	\$ (323,580)
Expenditures:				
General Administration -				
Certified salaries	9,339	9,470	\$ -	\$ (9,470)
Insurance	474	485	-	(485)
Social security	685	694	-	(694)
Other employee benefits	74	75	-	(75)
Operations and Maintenance -				
Other	-	-	334,205	334,205
Food Service Operation -				
Certified salaries	-	-	8,885	8,885
Non-certified salaries	372,306	355,238	361,542	6,304
Insurance	43,179	46,378	34,242	(12,136)
Social security	26,621	25,348	26,540	1,192
Other employee benefits	27,970	26,046	25,854	(192)
Purchased professional services	2,272	2,820	-	(2,820)
Purchased property services	2,843	-	11,346	11,346
Repairs and maintenance	39,833	22,751	30,000	7,249
Other purchased services	1,470	1,375	31,765	30,390
Supplies	53,473	62,482	85,000	22,518
Food and milk	478,182	548,662	474,435	(74,227)
Miscellaneous supplies	1,506	1,862	-	(1,862)
Property and equipment	27,704	6,663	5,000	(1,663)
Other miscellaneous expenditures	(8)	204	22,000	21,796
Total Expenditures	1,087,923	1,110,553	\$ 1,450,814	\$ 340,261
Receipts over (under) Expenditures	(16,277)	9,251		
Unencumbered Cash, Beginning of Year	36,002	19,725		
Unencumbered Cash, End of Year	<u>\$ 19,725</u>	<u>\$ 28,976</u>		

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

SPECIAL REVENUE FUND

HEAD START PROGRAM FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

For the Year Ended June 30, 2012

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

	<u>2011</u>	<u>2012</u>
	<u>Actual</u>	<u>Actual</u>
Cash Receipts:		
Federal aid	\$ 1,075,147	\$ 1,075,147
Expenditures:		
Instruction -		
Certified salaries	271,100	194,414
Non-certified salaries	120,724	118,267
Insurance	34,698	28,839
Social security	19,845	17,599
Other employee benefits	2,694	3,667
Other purchased services	497	951
Teaching supplies	58,112	46,957
Purchased professional services	11,839	42,329
Property and equipment	-	55,497
Student Support Services -		
Social security	1,261	1,300
Purchased professional services	7,976	8,348
Other purchased services	50	-
Supplies	1,850	1,457
Instruction Support Staff -		
Certified salaries	92,611	92,930
Non-certified salaries	10,741	11,384
Insurance	4,921	4,962
Social security	5,391	5,558
Other employee benefits	747	759
Other purchased services	20,392	15,199
Supplies	708	532
General Administration -		
Certified salaries	60,060	85,638
Non-certified salaries	34,478	37,608
Insurance	8,882	11,339
Social security	5,470	7,542
Other employee benefits	741	956
Other purchased services	1,602	6,436
Supplies	3,074	10,060
Property and equipment	9,113	132
Other	3,264	3,152

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

SPECIAL REVENUE FUND

HEAD START PROGRAM FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

For the Year Ended June 30, 2012

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

	<u>2011</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
Expenditures (cont.):		
School Administration -		
Certified salaries	\$ 25,197	\$ 20,545
Insurance	1,183	1,147
Social security	1,514	1,529
Other employee benefits	161	162
Other Support Services -		
Non-certified salaries	79,176	84,018
Insurance	17,654	17,449
Social security	5,330	6,318
Other employee benefits	629	669
Other purchased services	(35,708)	(38,033)
Supplies	720	419
Operations and Maintenance -		
Non-certified salaries	25,133	23,904
Insurance	239	4,170
Social security	213	1,798
Other employee benefits	24	1,968
Purchased property services	929	723
Other purchased services	8,904	8,678
Supplies	20,136	4,041
Student Transportation Services -		
Non-certified salaries	29,862	30,552
Insurance	2,674	2,686
Social security	2,287	2,339
Other employee benefits	1,955	2,020
Other purchased services	-	1,069
Supplies	26,053	17,247
Miscellaneous supplies	1,519	1,924
Food Service Operation -		
Non-certified salaries	30,099	38,929
Insurance	7,599	2,601
Social security	1,985	2,638
Other employee benefits	2,140	2,851
Supplies	(36,278)	(46,340)
Repair and Remodeling Buildings -		
Construction services	<u>60,977</u>	<u>63,314</u>
Total Expenditures	<u>1,075,147</u>	<u>1,075,147</u>
Receipts over (under) Expenditures	-	-
Unencumbered Cash, Beginning of Year	<u>-</u>	<u>-</u>
Unencumbered Cash, End of Year	<u>\$ -</u>	<u>\$ -</u>

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

SPECIAL REVENUE FUND

PROFESSIONAL DEVELOPMENT FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2012

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

	2011 Actual	2012		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Transfer from Supplemental General Fund	\$ 221,536	\$ 175,000	\$ -	\$ 175,000
Expenditures:				
Instruction -				
Non-certified salaries	-	6,339	\$ -	\$ (6,339)
Insurance	-	381	-	(381)
Social security	-	282	-	(282)
Other employee benefits	-	30	-	(30)
Instruction Support Staff -				
Certified salaries	23,500	49,336	22,235	(27,101)
Non-certified salaries	-	19,836	79,394	59,558
Insurance	1,518	9,808	1,500	(8,308)
Social security	1,741	6,079	6,371	292
Other employee benefits	187	658	2,000	1,342
Purchased professional services	25,165	45,725	30,000	(15,725)
Other purchased services	8,056	9,360	10,000	640
Other supplies	5,692	13,869	-	(13,869)
Other	-	-	7,500	7,500
Other Supplemental Service -				
Other	-	-	76,882	76,882
Total Expenditures	<u>65,859</u>	<u>161,703</u>	<u>\$ 235,882</u>	<u>\$ 74,179</u>
Receipts over (under) Expenditures	155,677	13,297		
Unencumbered Cash, Beginning of Year	<u>80,207</u>	<u>235,884</u>		
Unencumbered Cash, End of Year	<u>\$ 235,884</u>	<u>\$ 249,181</u>		

UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS

SPECIAL REVENUE FUND

RECREATION COMMISSION FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2012

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

	2011 Actual	2012		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Taxes and Shared Revenue -				
Ad valorem property tax:				
Prior year	\$ 17,665	\$ 22,183	\$ 15,610	\$ 6,573
Current year	942,997	958,916	882,585	76,331
Delinquent	7,422	20,753	14,734	6,019
Motor vehicle tax	89,162	88,088	78,572	9,516
Recreational vehicle tax	1,697	1,600	1,503	97
Total Cash Receipts	<u>1,058,943</u>	<u>1,091,540</u>	<u>\$ 993,004</u>	<u>\$ 98,536</u>
Expenditures:				
Appropriation to McPherson Recreation Commission	<u>1,050,000</u>	<u>1,103,311</u>	<u>\$ 1,175,000</u>	<u>\$ 71,689</u>
Receipts over (under) Expenditures	8,943	(11,771)		
Unencumbered Cash, Beginning of Year	<u>2,828</u>	<u>11,771</u>		
Unencumbered Cash, End of Year	<u>\$ 11,771</u>	<u>\$ -</u>		

UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS

SPECIAL REVENUE FUND

RECREATION COMMISSION EMPLOYEE BENEFITS FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2012

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

	2011 Actual	2012		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Taxes and Shared Revenue -				
Ad valorem property tax:				
Prior year	\$ 4	\$ -	\$ -	\$ -
Current year	(7)	-	-	-
Delinquent tax	140	57	-	57
Motor vehicle tax	33	-	-	-
Recreational vehicle tax	12	-	-	-
Total Cash Receipts	182	57	\$ -	\$ 57
Expenditures:				
Appropriation to McPherson Recreation Commission	182	57	\$ 5,000	\$ 4,943
Receipts over (under) Expenditures	-	-		
Unencumbered Cash, Beginning of Year	-	-		
Unencumbered Cash, End of Year	\$ -	\$ -		

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

SPECIAL REVENUE FUND

SPECIAL ASSESSMENTS FUND

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
For the Year Ended June 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)**

	<u>2011</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
Cash Receipts:		
Taxes and Shared Revenue -		
Ad valorem property tax:		
Prior year	\$ 1,499	\$ 1,369
Current year	58,112	19,243
Delinquent tax	629	720
Motor vehicle tax	7,222	6,936
Recreational vehicle tax	137	126
	<hr/>	<hr/>
Total Cash Receipts	67,599	28,394
Expenditures:		
Special assessments	<hr/> 87,274	<hr/> 35,108
Receipts over (under) Expenditures	(19,675)	(6,714)
Unencumbered Cash, Beginning of Year	<hr/> 35,573	<hr/> 15,898
Unencumbered Cash, End of Year	<hr/> <u>\$ 15,898</u>	<hr/> <u>\$ 9,184</u>

UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS

SPECIAL REVENUE FUND

SPECIAL EDUCATION FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2012

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

	2011 Actual	2012		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Federal/State aid	\$ 12,412	\$ 80,356	\$ -	\$ 80,356
Transfer From General Fund	2,293,188	2,728,989	2,982,552	(253,563)
Transfer From Supplemental General Fund	1,100,000	1,083,142	800,000	283,142
Total Cash Receipts	3,405,600	3,892,487	\$ 3,782,552	\$ 109,935
Expenditures:				
Transfer to Special Education Cooperative Fund	3,216,787	3,710,145	\$ 4,370,287	\$ 660,142
Receipts over Expenditures	188,813	182,342		
Unencumbered Cash, Beginning of Year	1,132,420	1,321,233		
Unencumbered Cash, End of Year	\$ 1,321,233	\$ 1,503,575		

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

SPECIAL REVENUE FUND

SPECIAL EDUCATION COOPERATIVE FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2012

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

	<u>2012</u>			Variance Favorable (Unfavorable)
	<u>2011 Actual</u>	<u>Actual</u>	<u>Budget</u>	
Cash Receipts:				
Payments from other school districts	\$ 1,451,564	\$ 850,309	\$ 1,031,606	\$ (181,297)
State aid	2,181,409	2,380,770	1,536,786	843,984
Federal/State Aid	256,983	222,670	290,000	(67,330)
City/County contributions	-	-	60,000	(60,000)
Transfer from Special Education Fund	3,216,787	3,710,145	5,236,433	(1,526,288)
Total Cash Receipts	7,106,743	7,163,894	\$ 8,154,825	\$ (990,931)
Expenditures:				
Instruction -				
Certified salaries	1,005,554	1,446,728	\$ 2,886,811	\$ 1,440,083
Non-certified salaries	1,924,545	2,063,157	1,732,416	(330,741)
Insurance	662,889	678,875	684,206	5,331
Social security	247,758	260,568	280,892	20,324
Other employee benefits	30,495	30,277	33,612	3,335
Purchased professional services	28,435	33,629	20,704	(12,925)
Purchased property services	10,010	-	-	-
Other purchased services	23,811	18,392	25,000	6,608
Supplies	14,733	23,817	15,000	(8,817)
Textbooks	2,100	-	-	-
Technology supplies	3,519	4,108	5,000	892
Equipment	-	-	3,000	3,000
Other	-	-	1,712,942	1,712,942
Student Support Services -				
Certified salaries	951,000	1,243,787	990,498	(253,289)
Non-certified salaries	135,603	194,170	155,741	(38,429)
Insurance	95,608	132,655	112,892	(19,763)
Social security	82,359	104,988	82,144	(22,844)
Other employee benefits	8,817	11,381	9,206	(2,175)
Purchased professional services	749,992	689,135	775,000	85,865
Other purchased services	46,184	55,096	50,000	(5,096)
Supplies	26,324	21,769	30,000	8,231
Property and equipment	2,749	2,424	10,000	7,576
Instruction Support Staff -				
Certified salaries	15,504	39,718	15,578	(24,140)
Insurance	1,188	3,651	1,000	(2,651)
Other purchased services	16,442	29,886	20,000	(9,886)
Supplies	1,312	6,457	-	(6,457)
Other	-	1,117	2,000	883
Special Area Administrative Services -				
Certified salaries	136,916	113,270	114,776	1,506
Non-certified salaries	83,689	93,555	58,169	(35,386)
Insurance	25,139	23,672	22,724	(948)
Social security	15,137	14,676	11,774	(2,902)
Other employee benefits	2,142	2,658	1,303	(1,355)
Other purchased services	10,848	7,900	7,000	(900)
Supplies	8,580	8,186	10,000	1,814

UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS

SPECIAL REVENUE FUND

SPECIAL EDUCATION COOPERATIVE FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2012

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

	2011 Actual	2012		Variance Favorable (Unfavorable)
		Actual	Budget	
Expenditures (cont.):				
School Administration -				
Certified salaries	\$ 14,582	\$ 14,784	\$ 42,787	\$ 28,003
Insurance	872	867	5,225	4,358
Social security	1,091	1,086	3,142	2,056
Other employee benefits	116	117	339	222
Business Support Services -				
Non-certified salaries	35,940	34,781	16,632	(18,149)
Insurance	3,818	4,750	2,352	(2,398)
Social security	2,643	2,541	1,348	(1,193)
Other employee benefits	309	275	-	(275)
Operations and Maintenance -				
Non-certified salaries	5,162	5,924	7,129	1,205
Insurance	1,079	1,181	1,243	62
Social security	388	445	536	91
Other employee benefits	419	490	590	100
Repairs and maintenance	75	-	-	-
Other purchased services	1,497	1,510	3,650	2,140
General supplies	19,088	32,233	13,400	(18,833)
Heating	355	-	14,445	14,445
Property and equipment	9,061	30,035	30,000	(35)
Student Transportation Services -				
Non-certified salaries	54,559	77,572	24,458	(53,114)
Insurance	166	2,667	-	(2,667)
Social security	4,179	5,759	1,750	(4,009)
Other employee benefits	3,286	4,705	381	(4,324)
Contracting of bus services	18,028	32,266	12,000	(20,266)
Supplies	6,954	5,230	-	(5,230)
Vehicle and Maintenance Services -				
Other Support Services -				
Non-certified salaries	3,263	3,489	3,381	(108)
Social security	250	267	259	(8)
Other employee benefits	26	54	1,020	966
Food Service Operations -				
Food	4,385	-	1,500	1,500
Building Improvements -				
Purchased property services	-	31,891	-	(31,891)
Total Expenditures	<u>6,560,973</u>	<u>7,654,621</u>	<u>\$ 10,066,955</u>	<u>\$ 2,412,334</u>
Receipts over Expenditures	545,770	(490,727)		
Unencumbered Cash, Beginning of Year	<u>289,981</u>	<u>835,751</u>		
Unencumbered Cash, End of Year	<u>\$ 835,751</u>	<u>\$ 345,024</u>		

UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS

SPECIAL REVENUE FUND

SUNFLOWER GRANT FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
For the Year Ended June 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	<u>2011 Actual</u>	<u>2012 Actual</u>
Cash Receipts:		
Miscellaneous revenue	\$ 10,350	\$ -
Expenditures:		
Instruction -		
Purchased professional and technical services	400	-
Supplies	9,950	-
Total Expenditures	<u>10,350</u>	<u>-</u>
Receipts over (under) Expenditures	-	-
Unencumbered Cash, Beginning of Year	<u>-</u>	<u>-</u>
Unencumbered Cash, End of Year	<u>\$ -</u>	<u>\$ -</u>

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

SPECIAL REVENUE FUND

TEXTBOOK/STUDENT MATERIALS REVOLVING FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

For the Year Ended June 30, 2012

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

	<u>2011</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
Cash Receipts:		
Rental fees and books	\$ 111,584	\$ 115,221
Miscellaneous reimbursements	60,411	46,013
Miscellaneous income	-	1,000
Transfer from Supplemental General Fund	200,000	-
	<u>371,995</u>	<u>162,234</u>
Total Receipts		
Expenditures:		
Instruction -		
General supplies	4,824	3,256
Textbooks	257,119	71,248
Workbooks	53,938	57,267
Miscellaneous supplies	5,504	891
Other miscellaneous expenditures	1,371	(446)
	<u>322,756</u>	<u>132,216</u>
Total Expenditures		
Receipts over Expenditures	49,239	30,018
Unencumbered Cash, Beginning of Year	<u>370,769</u>	<u>420,008</u>
Unencumbered Cash, End of Year	<u>\$ 420,008</u>	<u>\$ 450,026</u>

UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS

SPECIAL REVENUE FUND

TITLE I FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

For the Year Ended June 30, 2012

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

	<u>2011</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
Cash Receipts:		
Federal aid	\$ 220,215	\$ 282,010
Federal aid - ARRA	<u>65,386</u>	<u>-</u>
Total Receipts	<u>285,601</u>	<u>282,010</u>
Expenditures:		
Instruction -		
Certified salaries	-	107,231
Certified salaries - ARRA	65,303	-
Non-certified salaries	144,384	68,096
Insurance	49,721	51,654
Social security	17,799	20,273
Other employee benefits	2,034	2,234
Supplies	-	10,418
Property and equipment	3,143	4,775
Instruction Support Staff -		
Insurance	-	723
Social security	-	683
Other employee benefits	-	69
Purchased professional and technical services	-	8,750
Textbooks - ARRA	83	-
Other purchased services	<u>3,134</u>	<u>7,104</u>
Total Expenditures	<u>285,601</u>	<u>282,010</u>
Receipts over (under) Expenditures	-	-
Unencumbered Cash, Beginning of Year	<u>-</u>	<u>-</u>
Unencumbered Cash, End of Year	<u>\$ -</u>	<u>\$ -</u>

UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS

SPECIAL REVENUE FUND

TITLE IIA TEACHER QUALITY FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

For the Year Ended June 30, 2012

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

	<u>2011</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
Cash Receipts:		
Federal aid	\$ 77,004	\$ 68,116
Expenditures:		
Instruction Support Staff -		
Non-certified salaries	50,000	50,809
Insurance	4,774	4,854
Social security	3,717	3,678
Purchased professional services	8,455	-
Other purchased services	10,058	9,229
Supplies	-	(454)
Total Expenditures	<u>77,004</u>	<u>68,116</u>
Receipts over (under) Expenditures	-	-
Unencumbered Cash, Beginning of Year	-	-
Unencumbered Cash, End of Year	<u>\$ -</u>	<u>\$ -</u>

UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS

SPECIAL REVENUE FUND

TITLE IID EDUCATIONAL TECHNOLOGY FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

For the Year Ended June 30, 2012

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

	<u>2011 Actual</u>	<u>2012 Actual</u>
Cash Receipts:		
Federal aid	\$ 745	\$ -
Expenditures:		
Instruction -		
Instruction Support Staff -		
Supplies	<u>745</u>	<u>-</u>
Receipts over (under) Expenditures	-	-
Unencumbered Cash, Beginning of Year	<u>-</u>	<u>-</u>
Unencumbered Cash, End of Year	<u>\$ -</u>	<u>\$ -</u>

UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS

SPECIAL REVENUE FUND

TITLE VI-B DISCRETIONARY FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

For the Year Ended June 30, 2012

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

	<u>2011 Actual</u>	<u>2012 Actual</u>
Cash Receipts:		
Federal aid	\$ 38,385	\$ 38,785
Expenditures:		
Instruction -		
Certified salaries	-	1,838
Insurance	(14,848)	-
Instructional Support Staff -		
Certified salaries	41,119	27,215
Insurance	4,369	2,783
Social security	3,147	2,082
Other employee benefits	328	217
General Administration -		
Purchased professional services	4,320	4,650
Total Expenditures	<u>38,435</u>	<u>38,785</u>
Receipts over (under) Expenditures	(50)	-
Unencumbered Cash, Beginning of Year	<u>50</u>	<u>-</u>
Unencumbered Cash, End of Year	<u>\$ -</u>	<u>\$ -</u>

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

SPECIAL REVENUE FUND

TITLE VI-B PASSTHROUGH FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

For the Year Ended June 30, 2012

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

	<u>2011 Actual</u>	<u>2012 Actual</u>
Cash Receipts:		
Federal aid	\$ 928,872	\$ 930,192
Federal aid - ARRA	<u>497,160</u>	<u>-</u>
Total Receipts	<u>1,426,032</u>	<u>930,192</u>
Expenditures:		
Instruction -		
Certified salaries	596,496	797,773
Certified salaries - ARRA	497,160	-
Insurance	76,284	68,927
Social security	44,791	50,219
Other employee benefits	4,940	5,529
Student Support Services -		
Certified salaries	178,241	6,645
Insurance	13,888	562
Social security	12,796	485
Other employee benefits	<u>1,436</u>	<u>52</u>
Total Expenditures	<u>1,426,032</u>	<u>930,192</u>
Receipts over (under) Expenditures	-	-
Unencumbered Cash, Beginning of Year	<u>-</u>	<u>-</u>
Unencumbered Cash, End of Year	<u>\$ -</u>	<u>\$ -</u>

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

SPECIAL REVENUE FUND

VOCATIONAL EDUCATION FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2012

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

		<u>2012</u>		
	<u>2011</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
	<u>Actual</u>			<u>Favorable</u>
				<u>(Unfavorable)</u>
Cash Receipts:				
Miscellaneous income	\$ 71,560	\$ 67,000	\$ 80,000	\$ (13,000)
Transfer from Supplemental General Fund	356,113	472,887	430,000	42,887
Total Cash Receipts	<u>427,673</u>	<u>539,887</u>	<u>510,000</u>	<u>29,887</u>
Expenditures:				
Instruction -				
Certified salaries	288,230	285,756	314,057	28,301
Insurance	19,443	18,797	20,150	1,353
Social security	20,421	20,702	22,269	1,567
Other employee benefits	2,205	2,223	2,409	186
Other purchased services	30	73	100,000	99,927
Supplies	7,881	6,852	15,231	8,379
Textbooks	66,136	82,043	52,825	(29,218)
Property and equipment	21,785	26,280	39,970	13,690
Student Support Services -				
Other	-	-	41,664	41,664
Instruction Support Services -				
Other purchased services	1,542	1,425	1,425	-
Total Expenditures	<u>427,673</u>	<u>444,151</u>	<u>\$ 610,000</u>	<u>\$ 165,849</u>
Receipts over (under) Expenditures	-	95,736		
Unencumbered Cash, Beginning of Year	-	-		
Unencumbered Cash, End of Year	<u>\$ -</u>	<u>\$ 95,736</u>		

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

SPECIAL REVENUE FUND

KPERS SPECIAL RETIREMENT CONTRIBUTION

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2012

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

	<u>2012</u>			
	<u>2011</u>			<u>Variance</u>
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Favorable</u>
				<u>(Unfavorable)</u>
Cash Receipts:				
State Sources - KPERS	\$ 1,651,260	\$ 1,785,020	\$ 1,318,669	\$ 466,351
Expenditures:				
Employee Benefits -				
Instruction	660,434	1,138,842	1,445,759	306,917
Student Support	46,582	80,326	54,522	(25,804)
Instructional Support	38,301	66,046	44,830	(21,216)
General Administration	67,285	116,026	78,388	(37,638)
School Administration	78,672	135,662	92,082	(43,580)
Other Supplemental Services	11,387	19,635	13,327	(6,308)
Operations & Maintenance	99,375	171,362	116,314	(55,048)
Student Transportation Services	1,035	1,785	1,210	(575)
Food Service	32,090	55,336	37,561	(17,775)
Total Expenditures	<u>1,035,161</u>	<u>1,785,020</u>	<u>\$ 1,883,993</u>	<u>\$ 98,973</u>
Receipts Over (Under) Expenditures	616,099	-		
Unencumbered Cash, Beginning	<u>(616,099)</u>	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS

SPECIAL REVENUE FUND

AP GRANT FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
For the Year Ended June 30, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	<u>2011</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
Cash Receipts:		
Federal aid	\$ -	\$ 15,000
Expenditures:		
Instruction -		
Certified salaries	-	3,082
Insurance	-	362
Social Security	-	233
Other employee benefits	-	25
Other purchased services	3,198	-
Instructional Support Staff -		
Other purchased services	7,942	9,135
Supplies	60	-
Total Expenditures	<u>11,200</u>	<u>12,837</u>
Receipts over (under) Expenditures	(11,200)	2,163
Unencumbered Cash, Beginning of Year	<u>11,200</u>	<u>-</u>
Unencumbered Cash, End of Year	<u>\$ -</u>	<u>\$ 2,163</u>

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

SPECIAL REVENUE FUND

GIFTS AND GRANTS FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

For the Year Ended June 30, 2012

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

	<u>2011 Actual</u>	<u>2012 Actual</u>
Cash Receipts:		
Gifts and grants	\$ 111,696	\$ 118,562
Reimbursements		
Expenditures:		
Instruction -		
Teaching supplies	70,177	70,028
Miscellaneous supplies	29,851	24,842
General Administration -		
Social security	92	115
Other employee benefits	10	12
Purchased professional services	1,656	2,894
Supplies	15	-
Operations -		
Heating	26,475	-
Total Expenditures	<u>128,276</u>	<u>97,891</u>
Receipts over (under) Expenditures	(16,580)	20,671
Unencumbered Cash, Beginning of Year	<u>72,815</u>	<u>56,235</u>
Unencumbered Cash, End of Year	<u>\$ 56,235</u>	<u>\$ 76,906</u>

UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS

DEBT SERVICE FUND

BOND AND INTEREST FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

For the Year Ended June 30, 2012

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

	2011 Actual	2012		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts:				
Taxes and Shared Revenue:				
Ad valorem property tax -				
Prior year	\$ 815,119	\$ 952,289	\$ 871,984	\$ 80,305
Current year	8,019	20,106	12,426	7,680
Motor vehicle tax	76,290	92,312	66,240	26,072
Recreational vehicle tax	1,443	1,672	1,267	405
State aid	131,282	157,974	157,974	-
Total Cash Receipts	<u>1,032,153</u>	<u>1,224,353</u>	<u>\$ 1,109,891</u>	<u>\$ 114,462</u>
Expenditures:				
Interest	168,382	130,181	\$ 319,210	\$ 189,029
Commission and postage	-	-	200	200
Principal	1,030,000	1,085,000	895,771	(189,229)
Total Expenditures	<u>1,198,382</u>	<u>1,215,181</u>	<u>\$ 1,215,181</u>	<u>\$ -</u>
Receipts over Expenditures	(166,229)	9,172		
Unencumbered Cash, Beginning of Year	<u>1,872,157</u>	<u>1,705,928</u>		
Unencumbered Cash, End of Year	<u>\$ 1,705,928</u>	<u>\$ 1,715,100</u>		

Unified School District Number 418
McPherson, Kansas

DISCRETELY PRESENTED COMPONENT UNIT

MCPHERSON USD 418 EDUCATION FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL

For the Year Ended June 30, 2012

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

	<u>2011</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
Receipts:		
Donations	\$ 38,072	\$ 5,229
Investment income	9,719	12,873
Other	972	-
Unrealized gain/(loss)	<u>32,754</u>	<u>(4,963)</u>
Total Receipts	<u>81,517</u>	<u>13,139</u>
Expenditures:		
Grants Paid	19,742	23,141
Management fees	5,532	3,006
Program expense	<u>-</u>	<u>607</u>
Total Expenditures	<u>25,274</u>	<u>26,754</u>
Receipts Over (Under) Expenditures	56,243	(13,615)
Unencumbered Cash, Beginning	<u>299,296</u>	<u>355,539</u>
Unencumbered Cash, Ending	<u>\$ 355,539</u>	<u>\$ 341,924</u>

UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS

STUDENT ORGANIZATION FUNDS

SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS

For the Year Ended June 30, 2012

	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Middle School -				
Student Projects	\$ 1,975	\$ 4,984	\$ 5,783	\$ 1,176
Student Council	2,568	2,235	1,720	3,083
High School -				
Art Club	101	1	20	82
AVID	133	2	-	135
Band	1,157	5,763	4,762	2,158
Baseball Fundraising	3,568	20,955	23,466	1,057
Basketball Fundraising	3,098	439	361	3,176
Bowling	757	2,092	1,571	1,278
Boys Golf	303	607	553	357
Boys Swimming Fundraising	829	3,103	2,981	951
Class of 2010	1,755	19	-	1,774
Class of 2011	557	6	-	563
Class of 2012	2,166	49	299	1,916
Class of 2013	2,036	8,805	9,019	1,822
Class of 2014	1,578	1,804	1,114	2,268
Class of 2015	-	1,307	-	1,307
Cross Country Fundraising	279	1,280	805	754
Football Fundraising	1,796	20,414	13,063	9,147
Friends of Rachel	91	1	-	92
Future Farmers of America	1,982	4,535	5,642	875
FCCLA	140	395	502	33
Girls Basketball Fundraising	3,593	6,046	5,886	3,753
Girls Soccer Fundraising	628	227	520	335
Girls Swimming Fundraising	511	2,444	2,163	792
Girls Tennis	305	995	1,045	255
Global Power Club	388	5	-	393
International Club	459	501	389	571
KAY	393	1,680	1,409	664
Mac Hi-Steppers	1,989	1,922	2,531	1,380
M Club	284	3	-	287
Money/Management Club	1,232	302	575	959
National Forensics League	900	6,448	3,445	3,903
National Honor Society	471	923	1,177	217
Pavers Project	2,403	26	2,429	-
Pep Club	73	12,844	12,474	443
Science Club	2,191	403	326	2,268
Scholars Bowl	173	361	491	43
Soccer Fundraising	151	183	-	334
Softball Fundraising	2,200	371	525	2,046
Student Government	1,775	5,791	7,564	2
Students Against Drunk Driving	932	10	-	942
Take a Second	1,271	14	-	1,285
Tennis	66	41	10	97
Thespians	1	3,445	3,050	396
Track & Field Fundraising	605	1,407	303	1,709
Vending/Concession	2,691	4,989	6,365	1,315
Vending/Management	-	26,968	25,692	1,276
Vocal Music	2,550	4,087	5,694	943
Volleyball Fundraising	2,649	4,466	3,468	3,647
VICA	405	3,499	2,882	1,022
Wrestling Fundraising	1,144	4,097	2,638	2,603
Total Student Organization Funds	59,302	173,294	164,712	67,884
Sales Tax	109	15,419	15,166	362
Total Agency Funds	\$ 59,411	\$ 188,713	\$ 179,878	\$ 68,246

UNIFIED SCHOOL DISTRICT NUMBER 418
MCPHERSON, KANSAS

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES
For the Year Ended June 30, 2012

GATE RECEIPT FUNDS

	<u>Beginning Cash Balance 7-1-11</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance 6-30-12</u>
Middle School - Athletics	\$ 3,129	\$ 22,190	\$ 22,819	\$ 2,500
High School - Athletics	44,570	256,946	238,340	63,176
Musical	822	2,075	677	2,220
Play	<u>240</u>	<u>1,005</u>	<u>1,223</u>	<u>22</u>
 Total Gate Receipts	 <u>\$ 48,761</u>	 <u>\$ 282,216</u>	 <u>\$ 263,059</u>	 <u>\$ 67,918</u>

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2012**

<u>Pass-Through Grantor/ Federal Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass Through Entity Identifying Number</u>	<u>Expenditures</u>
<u>U.S. Department of Agriculture</u>			
Passed through Kansas Department of Education -			
School Breakfast Program	10.553	DO418	\$ 88,852
National School Lunch Program	10.555	DO418	429,047
Child and Adult Care Food Program	10.558	DO418	97,015
Fresh Fruit and Vegetable Program	10.582	DO418	<u>40,567</u>
 Total U.S. Department of Agriculture			 <u>655,481</u>
<u>U.S. Department of Education</u>			
Passed through Kansas Department of Education -			
Title I Grants to Local Educational Agencies	84.010	DO418	282,010
Title I, Part C - Carl Perkins Vocational Education	84.048	DO418	16,605
Advanced Placement	84.330	DO418	12,837
Title II-A - Improving Teacher Quality	84.367	DO418	68,116
Special Education - Grants to States - IDEA Part B	84.027	DO418	968,977
Special Education - Preschool Grants	84.173	DO418	27,300
Title III, Part A English Language Acquisition	84.365	DO418	4,667
Education Jobs Funds	84.410	DO418	<u>5,728</u>
 Total U.S. Department of Education			 <u>1,386,240</u>
<u>U.S. Department of Health and Human Services</u>			
Directly received -			
Head Start	93.600	07CHO448/17	1,075,147
 Total U.S. Department of Health and Human Services			 <u>1,075,147</u>
 Total Expenditures of Federal Awards			 <u>\$ 3,116,868</u>

Note 1 - Basis of Presentation

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

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

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2012

FINDINGS AND QUESTIONED COSTS- MAJOR FEDERAL AWARD PROGRAMS AUDIT

U.S. DEPARTMENT OF EDUCATION

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

Number 11-03 Compliance Issue – Special Tests and Provisions

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

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

Questioned costs: Not applicable

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

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

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

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

Education Jobs Fund - CFDA Number 84.410
Grant Number DO418
NONE

U.S. DEPARTMENT OF AGRICULTURE (PASSED THROUGH KANSAS DEPARTMENT OF EDUCATION)

Child Nutrition Cluster – CFDA Numbers 10.553 and 10.555
Grant Number DO418
NONE

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

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2012

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of Unified School District Number 418, McPherson, Kansas.
2. Significant deficiencies relating to the audit of the financial statements are reported in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Unified School District Number 418, McPherson, Kansas, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the Report on Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for Unified School District Number 418, McPherson, Kansas expresses an unqualified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this Schedule.
7. The programs tested as a major program included:

	<u>CFDA No.</u>
Special Education Cluster (IDEA):	
Special Education – Grants to States	84.027
Special Education – Preschool Grants	84.173
US Dept. of Health and Human Services	
Head Start	93.600

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

B. FINDINGS - FINANCIAL STATEMENTS AUDIT

SIGNIFICANT DEFICIENCY

Number 12-01 **Lack of Segregation of Duties**

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

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

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

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

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

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

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

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

Number 12-02 **Financial Statement Reporting**

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

Number 12-02 Financial Statement Reporting (cont.)

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

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

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

The Associate Superintendent for Business has attended a KMAG training session to enhance his understanding of the financial statements. Current management and the governing body should continually review the opportunity to enhance the internal control structure at a minimal cost to the District. Please review the noted actions listed below in our recommendation.

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

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

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

U.S. DEPARTMENT OF EDUCATION

Special Education Cluster - CFDA Numbers 84.027 and 84.173.

NONE

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Head Start Cluster – CFDA Numbers 93.600

NONE