

UNIFIED SCHOOL DISTRICT NO. 500

Kansas City, Kansas

Financial Statements

For the Year Ended June 30, 2012

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UNIFIED SCHOOL DISTRICT NO. 500
 Financial Statements
 For the Year Ended June 30, 2012

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MIZE & HOUSER
COMPANY P.A.

**INDEPENDENT AUDITOR'S REPORT ON
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION**

Board of Education
Unified School District No. 500
Kansas City, Kansas

We have audited the accompanying financial statements of the Unified School District No. 500 (the District), Kansas City, Kansas, as of and for the year ended June 30, 2012, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year partial comparative information has been derived from the District's financial statements for the year ended June 30, 2011. In our report dated February 23, 2012 on these financial statements, we expressed an adverse opinion as to presentation on the basis of generally accepted accounting principles and a qualified opinion as to presentation on the Kansas prescribed basis of accounting.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; 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 statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial presentation. We believe that our audit provides a reasonable basis for our opinion.

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

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles, generally accepted in the United States of America, the financial position of the Unified School District No. 500, Kansas City, Kansas, as of June 30, 2012, or the respective changes in financial position and changes in cash flows, where applicable, for the year then ended.

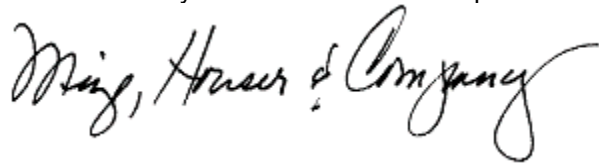
Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the aggregate cash and unencumbered cash balance of the District, as of June 30, 2012, and the aggregate cash receipts and expenditures for the year then ended, on the basis of accounting described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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2012, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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



December 5, 2012

UNIFIED SCHOOL DISTRICT NO. 500
 Summary of Cash Receipts, Expenditures and Unencumbered Cash
 For the Year Ended June 30, 2012

<u>Funds</u>	Beginning Unencumbered Cash <u>Balance</u>	Prior Year <u>Adjustment</u>	Cash <u>Receipts</u>
Governmental Fund Types:			
General Funds:			
General Fund	\$ 360,078	\$ [318,300]	\$ 134,837,711
Supplemental General	2,337,627	-	47,293,988
Special Purpose Funds:			
At Risk (K-12)	-	-	34,556,308
At Risk (4 year old)	-	-	1,271,507
Parent Education Program	-	-	657,103
Bilingual Education	-	-	6,457,808
Capital Outlay	45,033,408	196,369	12,514,699
Driver Training	95,690	-	71
Food Service	2,981,602	-	11,253,544
Summer School	100,000	-	129,650
Special Education	7,500,000	-	22,539,187
Coop Special Education	14,979,141	-	31,335,711
Area Vocational Technical School	-	-	1,288,646
Vocational Education	-	-	2,325,212
Special Projects	4,045,098	-	18,510,811
Employees' Retirement	889,717	-	938,753
KPERs Special Retirement Contribution	-	-	15,337,330
Contingency Reserve	8,550,221	-	-
Student Materials Revolving	121,475	-	127,648
Public Library Board	6,090,005	-	8,013,912
Public Library Board Employee Benefits	917,306	-	766,686
Gate Receipts	21,514	[5,086]	64,765
Debt Service Fund:			
Bond and Interest	8,548,069	-	61,468,203
Capital Project Funds:			
Capital Projects	1,458,088	-	-
Capital Projects Two	252	-	5,468,383
Business Fund:			
School Workers' Compensation Reserve	8,278,392	-	385,027
Fiduciary Fund:			
Private Purpose Trust Fund-			
Virginia Schinkle Scholarship	26,991	-	-
Total Reporting Entity	<u>\$ 112,334,674</u>	<u>[127,017]</u>	<u>\$ 417,542,663</u>
(Excluding Agency Funds)			

<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Outstanding Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
\$ 134,879,489	\$ -	\$ 5,622,539	\$ 5,622,539
45,495,582	4,136,033	5,489,173	9,625,206
33,630,907	925,401	4,364,181	5,289,582
1,274,217	[2,710]	141,990	139,280
657,103	-	42,284	42,284
6,457,808	-	1,013,470	1,013,470
5,881,435	51,863,041	4,850,278	56,713,319
95,761	-	-	-
11,026,964	3,208,182	307,640	3,515,822
104,650	125,000	1,778	126,778
22,531,527	7,507,660	573,651	8,081,311
32,639,728	13,675,124	6,348,972	20,024,096
948,596	340,050	105	340,155
2,303,739	21,473	407,533	429,006
19,439,974	3,115,935	3,684,351	6,800,286
1,067,110	761,360	1,067,110	1,828,470
15,337,330	-	-	-
2,000,000	6,550,221	-	6,550,221
28,813	220,310	5,861	226,171
6,413,625	7,690,292	223,873	7,914,165
783,554	900,438	-	900,438
70,713	10,480	-	10,480
63,242,978	6,773,294	-	6,773,294
-	1,458,088	-	1,458,088
4,545,348	923,287	-	923,287
1,427,759	7,235,660	12,783	7,248,443
<u>1,744</u>	<u>25,247</u>	<u>-</u>	<u>25,247</u>
<u>\$ 412,286,454</u>	<u>\$ 117,463,866</u>	<u>\$ 34,157,572</u>	<u>\$ 151,621,438</u>

COMPOSITION OF CASH:

UMB Bank	
Checking	\$ 31,011,568
United States Treasury Note	47,895,810
Brotherhood Bank	
Certificates of Deposit	5,000,000
First State Bank	
Certificates of Deposit	1,400,000
Commerce	
Certificates of Deposit	17,100,000
United States Treasury Note	46,018,224
Security Bank	
Checking	1,592,145
US Bank	
United States Treasury Note	<u>3,000,257</u>
Cash Balance	153,018,004
Less: Agency Funds per Statement 3	<u>[1,396,566]</u>
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 151,621,438</u>

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

UNIFIED SCHOOL DISTRICT NO. 500
Notes to the Financial Statements
For the Year Ended June 30, 2012

NOTE 1 - Summary of Significant Accounting Policies

Reporting Entity

Unified School District No. 500 (the District) is a municipal corporation governed by an elected seven-member board. These financial statements include all the accounts for which the District is considered to be financially accountable. The District has no component units.

Reimbursed Expenses

Expenditures in the amount of \$1,950,119 are classified as reimbursed expenses in the General Fund. The purpose of these expenditures is payments for goods and services in which fees are collected and such expenditures are exempt from the budget law under K.S.A. 79-2934.

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

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

Basis of Accounting

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

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

Departure from Generally Accepted Accounting Principles

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

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

UNIFIED SCHOOL DISTRICT NO. 500
Notes to the Financial Statements
For the Year Ended June 30, 2012

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Regulatory Basis Fund Types

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

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

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

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

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

Capital Project Fund – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Business Fund – fund financed in whole or in part by fees charged to users of the goods or services.

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

Budgetary Information

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

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

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

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. Encumbrances are commitments by the District for future payments and are supported by a document evidencing

UNIFIED SCHOOL DISTRICT NO. 500
Notes to the Financial Statements
For the Year Ended June 30, 2012

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Budgetary Information (Continued)

the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

A legal operating budget is not required for the following special purpose funds: Area Vocational Technical School, Contingency Reserve, Student Material Revolving and Gate Receipts.

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

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

Ad Valorem Tax Revenues

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

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

NOTE 2 – Deposits and Investments

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

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

Some of the District's investments are of bond proceeds invested pursuant to K.S.A. 10-131. This statute allows additional investment authority beyond that of K.S.A. 12-1675. Investments of bond proceeds may follow K.S.A. 12-1675 or include other investments such as the KMIP, direct obligations of the U.S. government or any agency thereof, and various other investments as specified in K.S.A. 10-131.

At June 30, 2012, the District has the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Rating</u>
U.S. Treasury	\$ 96,914,291	NA
Certificate of Deposit	<u>23,500,000</u>	NA
Total fair value	<u>\$ 120,414,291</u>	

UNIFIED SCHOOL DISTRICT NO. 500
Notes to the Financial Statements
For the Year Ended June 30, 2012

NOTE 2 - Deposits and Investments (Continued)

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

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

At June 30, 2012, the District's bank balance was \$47,987,966. The bank balance was held by five banks resulting in a concentration of credit risk. Of the bank balance, \$1,250,000 was covered by federal depository insurance and the balance of \$46,737,966 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

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

Substance receipt in transit. The District received \$13,817,391 subsequent to June 30, 2012 and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2012.

NOTE 3 – Operating Leases

The District has entered into an operating lease agreement for copy machines, beginning August 2007, and ending in the year ended June 30, 2013. The payments made on this operating lease for the year ended June 30, 2012 totaled \$315,108. The following are the lease amounts for the remainder of the agreement:

Year	
<u>Ending</u>	<u>Amount</u>
June 30, 2013	<u>\$ 26,259</u>
Total	<u>\$ 26,259</u>

UNIFIED SCHOOL DISTRICT NO. 500
Notes to the Financial Statements
For the Year Ended June 30, 2012

NOTE 4 - Long-Term Debt

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

<u>Debt Issue</u>	<u>Date Issued</u>	<u>Maturity Date</u>	<u>Original Amount</u>	<u>Outstanding Amount</u>	<u>Interest Rates</u>
General Obligation Bonds					
Series 2002	06/15/02	09/01/12	\$ 80,000,000	\$ 4,005,000	4.10 to 5.50%
Series 2003	10/01/03	09/01/19	47,025,000	6,415,000	2.30 to 5.00%
Series 2004	01/01/04	09/01/21	9,660,000	80,000	3.10 to 4.20%
Series 2005	02/01/05	09/01/20	18,120,000	18,120,000	5.20 to 5.25%
Series 2010	10/13/10	09/01/21	6,160,000	6,160,000	2.75 to 5.00%
Series 2012	03/01/12	09/01/21	53,455,000	53,455,000	0.37 to 2.67%
			<u>\$ 214,420,000</u>	<u>\$ 88,235,000</u>	
Certificates of Participation					
Series 2005	12/22/05	12/22/20	\$ 1,500,000	\$ 1,500,000	1.67%
Series 2009	10/15/09	09/01/25	15,125,000	15,125,000	2.15%
Series 2011	07/01/11	07/01/27	5,465,000	5,465,000	5.29%
			<u>\$ 22,090,000</u>	<u>\$ 22,090,000</u>	

The District is subject to statutes of the State of Kansas which limit the bonded debt outstanding to 14% of the assessed valuation. The District's statutory limit for such bonded indebtedness is approximately \$95 million at June 30, 2012. The District has received authorization from the State of Kansas to exceed this limit.

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

<u>Type of Issue</u>	<u>Beginning Principal Outstanding</u>	<u>Additions/Restatement</u>	<u>Reductions</u>	<u>Ending Principal Outstanding</u>
General Obligation Bonds:				
2001 Construction	\$ 1,750,000	\$ -	\$ 1,750,000	\$ -
2002 Construction	7,670,000	-	3,665,000	4,005,000
2003 Refunding	46,035,000	-	39,620,000	6,415,000
2004 Refunding	9,270,000	-	9,190,000	80,000
2005 Refunding	18,120,000	-	-	18,120,000
2010 Refunding	6,160,000	-	-	6,160,000
2012 Refunding	-	53,455,000	-	53,455,000
Certificates of Participation:				
2005 Series	1,500,000	-	-	1,500,000
2009 Series	15,125,000	-	-	15,125,000
2011 Series	-	5,465,000	-	5,465,000
Total	<u>\$ 105,630,000</u>	<u>\$ 58,920,000</u>	<u>\$ 54,225,000</u>	<u>\$ 110,325,000</u>

UNIFIED SCHOOL DISTRICT NO. 500
Notes to the Financial Statements
For the Year Ended June 30, 2012

NOTE 4 - Long-Term Debt (Continued)

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ended June 30,	Principal	Interest	Total
2013	\$ 6,490,000	\$ 4,735,926	\$ 11,225,926
2014	7,470,000	4,416,008	11,886,008
2015	8,115,000	1,880,528	9,995,528
2016	8,335,000	1,813,052	10,148,052
2017	8,480,000	1,676,808	10,156,808
2018 - 2022	<u>49,345,000</u>	<u>4,366,593</u>	<u>53,711,593</u>
Total	<u>\$ 88,235,000</u>	<u>\$ 18,888,916</u>	<u>\$ 107,123,916</u>

Annual debt service requirements to maturity for the Certificates of Participation are as follows:

Year Ended June 30,	Principal	Interest	Total
2013	\$ -	\$ 639,172	\$ 639,172
2014	-	639,172	639,172
2015	-	639,172	639,172
2016	-	639,172	639,172
2017	-	639,172	639,172
2018 - 2022	1,500,000	3,170,810	4,670,810
2023 - 2027	15,125,000	2,420,235	17,545,235
2028	<u>5,465,000</u>	<u>144,467</u>	<u>5,609,467</u>
Total	<u>\$ 22,090,000</u>	<u>\$ 8,931,373</u>	<u>\$ 31,021,373</u>

The District issued \$53,455,000 in general obligation refunding bonds with interest rates ranging from 0.37 to 2.67% to refund a portion of the Series 2003 general obligation bonds with interest rates ranging from 2.30 to 5.00% and to refund a portion of the Series 2004 general obligation bonds with interest rates ranging from 3.10 to 4.20%. As a result, portions of the Series 2003 and 2004 general obligation bonds are considered to be defeased and the liability for the defeased bonds has been removed from the District's financial statements. The transaction resulted in an economic gain of \$2,947,747 and a decrease of \$2,755,583 in future debt payments.

Subsequent Event

The District entered into an operating lease agreement for copy machines on August 29, 2012. The lease payments include a monthly hardware lease cost of \$23,463 and a \$18,206 monthly service cost. The lease term is for a period of sixty months.

UNIFIED SCHOOL DISTRICT NO. 500
Notes to the Financial Statements
For the Year Ended June 30, 2012

NOTE 5 - Compensated Absences

Under terms of the District's personnel policy, District employees working twelve months per year receive vacation pay in varying amounts. In the event of termination, an employee is paid for accumulated vacation days.

Sick leave benefits are extended to all employees for whom deductions are made for the District's retirement plans. Annual benefits are allowed at the rate of 10 to 12 days per year, depending upon the number of days per year the employee works. Payment of accumulated sick leave is made in the following circumstances:

1. Upon resignation provided that the employee has completed thirty (30) years of service in the District or twenty (20) years of service and attained the age of fifty-five (55). Any individual initially employed by the District after 7/31/96 is not eligible.
2. Upon retirement or death. Any individual initially employed by the District after 7/31/96 is not eligible.

Seventy-five percent of the accumulated sick leave shall be paid, not to exceed 144 days.

The District records an expense for vacation days and sick leave when paid. Utilization of accumulated vacation and sick leave by employees in future years is not expected to have a material impact on District expenditures in any one year. As of June 30, 2012, the liability for compensated absence payable was \$4,608,277.

NOTE 6 - Defined Benefit Pension Plan

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

Funding Policy. K.S.A. 74-4919 and K.S.A. 74-4921 establishes the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate of 4% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. Member employees' contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the statutory required employers share. Kansas contributions to KPERS for the District employees for the years ending June 30, 2012, 2011, and 2010, were \$15,337,330, \$9,130,572, and \$10,574,053 respectively, equal to the required contributions for each year.

Effective July 1, 1995, the Kansas City, Kansas Employees' Retirement Fund (Fund) was merged into KPERS. As of July 1, 1994, the present value of accumulated benefits was \$16,494,543 and the unfunded liability was \$10,477,040. On the merger date, Fund assets of \$5,988,323 were transferred to KPERS. The District has elected to amortize the unfunded liability over a twenty year period. This liability will primarily be funded by property taxes levied in the District's Employee Retirement Fund. The payment made toward the unfunded liability during the years ending June 30, 2012, 2011 and 2010, were \$1,067,110, \$1,067,110, and \$1,067,110, respectively.

NOTE 7 – Early Separation Liability

The District also has a plan which covers District teachers who voluntarily take early retirement. A teacher is eligible for early retirement if the teacher was under contract with the District on or before August 1, 1996, on the year that separation is to begin the teacher must be at least 55 years old and not more than 61 years old, and the teacher must have completed twenty-five years of contracted teaching experience with at least seventeen years with USD 500 and have retired from KPERS.

UNIFIED SCHOOL DISTRICT NO. 500
Notes to the Financial Statements
For the Year Ended June 30, 2012

NOTE 7 – Early Separation Liability (Continued)

The benefits from this plan are computed using a formula based upon the employees' experience factor and the employees' final total annual salary. The employees approved for the early separation benefits will be paid not more than one hundred sixty-nine semi-monthly payments with payments beginning on July 15 of the year separation begins and ending on the first day of the month in which the employee dies or becomes sixty-two years old, whichever occurs first. The cost of this plan in the fiscal year ended June 30, 2012, was \$2,775,973. Future payments are estimated as follows:

Year <u>Ended</u>	
2012-13	\$ 2,636,703
2013-14	2,516,954
2014-15	2,462,743
2015-16	2,544,398
2016-17	<u>2,794,406</u>
Total	<u>\$ 12,955,204</u>

NOTE 8 - Risk Management

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

Workers' Compensation. The District has established a self insurance retention program in order to deal with workers compensation claims. Claims in excess of the self insured retention amount are covered through a third party limited coverage policy. The District is self insured with a \$250,000 retention and statutory limit of coverage.

Liabilities below do not include an amount for claims that have been incurred but not reported (IBNRs). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. Actual payment of claims and judgments is reported in the School Workers' Compensation Reserve Fund. Changes in the balance of claims liabilities are as follows:

Incurred claims from inception	\$ 20,574,817
Claim payments and adjustments from inception	<u>[18,542,107]</u>
Unpaid claims, June 30, 2012	<u>\$ 2,032,710</u>

NOTE 9 - Contingencies

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

UNIFIED SCHOOL DISTRICT NO. 500
Notes to the Financial Statements
For the Year Ended June 30, 2012

NOTE 9 – Contingencies (Continued)

The District is a defendant in various lawsuits. The outcome of these lawsuits is not presently determinable. However, in the opinion of management, the resolution of these matters will not likely have a material adverse effect on the financial condition of the District.

NOTE 10 – Transfers

Transfers were as follows:

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
General	At Risk (K-12)	K.S.A. 72-6428	\$ 34,556,308
General	At Risk (4 Year Old)	K.S.A. 72-6428	1,271,507
General	Parent Education Program	K.S.A. 72-6428	151,489
General	Bilingual Education	K.S.A. 72-6428	2,005,249
General	Special Education	K.S.A. 72-6428	22,539,187
General	Summer School	K.S.A. 72-6428	109,090
General	Vocational Education	K.S.A. 72-6428	2,009,618
General	Area Vocational Technical School	K.S.A. 72-6428	1,005,746
General	Capital Outlay	K.S.A. 72-6428	8,642,415
Driver Training	General	Fund Close Out	95,761
Supplemental General	Bilingual Education	K.S.A. 72-6433	3,114,459
Special Projects	Workmans Comp	K.S.A. 44-505e	60,000
Public Library Board	Workmans Comp	K.S.A. 44-505e	40,000
Coop Special Education	Workmans Comp	K.S.A. 44-505e	275,000
Special Education	Coop Special Education	K.S.A. 72-968	<u>18,502,774</u>
			<u>\$ 94,378,603</u>

NOTE 11 – Restatement

Several beginning unencumbered cash balances have been restated for items classified as outstanding encumbrances in the prior year and items classified between the General Fund and the Capital Outlay Fund. The effects of which are as follows:

	<u>Capital Outlay Fund</u>	<u>General Fund</u>	<u>Gate Receipts Fund</u>
Unencumbered Cash, Beginning	\$ 45,033,408	\$ 360,078	\$ 21,514
Prior Period Adjustment	<u>196,369</u>	<u>[318,300]</u>	<u>[5,086]</u>
Unencumbered Cash, Beginning, Restated	<u>\$ 45,229,777</u>	<u>\$ 41,778</u>	<u>\$ 16,428</u>

UNIFIED SCHOOL DISTRICT NO. 500
Summary of Expenditures - Actual and Budget
(Budgeted Funds Only)
For the Year Ended June 30, 2012

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustment to Comply with Legal Max Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year Budget</u>	<u>Variance Positive [Negative]</u>
Governmental Type Funds:						
General Funds:						
General Fund	\$ 132,704,460	\$ 224,910	\$ 1,950,119	\$ 134,879,489	\$ 134,879,489	\$ -
Supplemental General	45,495,582	-	-	45,495,582	45,495,582	-
Special Purpose Funds:						
At Risk (K-12)	34,868,693	-	-	34,868,693	33,630,907	1,237,786
At Risk (4 year old)	1,274,217	-	-	1,274,217	1,274,217	-
Parent Education Program	650,053	-	30,000	680,053	657,103	22,950
Bilingual Education	5,442,350	-	1,338,100	6,780,450	6,457,808	322,642
Capital Outlay	40,804,581	-	-	40,804,581	5,881,435	34,923,146
Driver Training	-	-	-	-	95,761	[95,761]
Food Service	11,666,924	-	-	11,666,924	11,026,964	639,960
Summer School	205,000	-	-	205,000	104,650	100,350
Special Education	26,307,889	-	-	26,307,889	22,531,527	3,776,362
Coop Special Education	37,981,439	-	-	37,981,439	32,639,728	5,341,711
Vocational Education	1,988,145	-	315,594	2,303,739	2,303,739	-
Special Projects	18,019,291	-	-	18,019,291	19,439,974	[1,420,683]
Employees' Retirement	1,100,000	-	-	1,100,000	1,067,110	32,890
KPERs Special Retirement Contribution	16,617,641	-	-	16,617,641	15,337,330	1,280,311
Public Library Board	8,829,650	-	-	8,829,650	6,413,625	2,416,025
Public Library Board Employee Benefits	995,082	-	-	995,082	783,554	211,528
Debt Service Fund:						
Bond and Interest	9,798,918	-	53,455,000	63,253,918	63,242,978	10,940

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Cash Receipts and Expenditures - Actual and Budget
General Fund
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem property taxes	\$ 11,190,285	\$ 11,055,693	\$ 9,879,470	\$ 1,176,223
Delinquent tax	976,403	694,167	673,451	20,716
Revenue in lieu of taxes	311,624	252,245	195,135	57,110
State Aid:				
Equalization aid	102,322,674	105,431,963	105,886,046	[454,083]
Special education aid	13,683,408	15,171,919	15,918,909	[746,990]
Federal aid	6,764,502	63,303	-	63,303
Transfer in	-	95,761	-	95,761
Miscellaneous	353,599	122,541	-	122,541
Reimbursed expenses	36,235	1,950,119	-	1,950,119
Total Cash Receipts	<u>135,638,730</u>	<u>134,837,711</u>	<u>\$ 132,553,011</u>	<u>\$ 2,284,700</u>
Expenditures and Transfers				
Instruction	22,784,988	15,215,100	\$ 13,479,546	\$ [1,735,554]
Student support services	1,943,879	141,306	255,845	114,539
Instructional support	2,325,590	3,972,986	5,346,032	1,373,046
General administration	1,664,431	1,435,171	2,600,176	1,165,005
School administration	9,650,709	10,007,578	12,739,125	2,731,547
Operations and maintenance	21,345,464	23,978,623	25,411,660	1,433,037
Transportation	4,855,822	4,670,727	4,413,182	[257,545]
Other supplemental service	2,410,742	3,167,389	8,919,034	5,751,645
Transfers out	68,650,626	72,290,609	59,539,860	[12,750,749]
Adjustment to comply with legal max budget	-	-	224,910	224,910
Adjustment for qualifying budget credits	-	-	1,950,119	1,950,119
Total Expenditures and Transfers	<u>135,632,251</u>	<u>134,879,489</u>	<u>\$ 134,879,489</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	<u>6,479</u>	<u>[41,778]</u>		
Unencumbered Cash, Beginning	353,599	360,078		
Prior Period Adjustment	-	[318,300]		
Unencumbered Cash, Beginning, Restated	<u>353,599</u>	<u>41,778</u>		
Unencumbered Cash, Ending	<u>\$ 360,078</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Cash Receipts and Expenditures - Actual and Budget
Supplemental General Fund
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem property taxes	\$ 15,156,020	\$ 18,649,863	\$ 18,923,806	\$ [273,943]
Delinquent tax	1,256,601	1,024,713	922,961	101,752
Motor vehicle tax	1,795,911	1,969,924	1,738,733	231,191
Revenue in lieu of taxes	382,710	383,744	310,560	73,184
Supplemental state aid	<u>25,205,814</u>	<u>25,265,744</u>	<u>24,356,060</u>	<u>909,684</u>
Total Cash Receipts	<u>43,797,056</u>	<u>47,293,988</u>	<u>\$ 46,252,120</u>	<u>\$ 1,041,868</u>
Expenditures and Transfers				
Instruction	21,755,484	25,308,724	\$ 35,401,274	\$ 10,092,550
Student support services	1,105,673	3,272,295	3,144,776	[127,519]
Instructional support	3,802,236	6,249,229	1,704,629	[4,544,600]
Operations and maintenance	4,758,547	2,339,061	2,359,220	20,159
Other supplemental services	4,601,285	5,211,814	-	[5,211,814]
Transportation	5,594,519	-	-	-
Transfers out	<u>3,384,312</u>	<u>3,114,459</u>	<u>2,885,683</u>	<u>[228,776]</u>
Total Expenditures and Transfers	<u>45,002,056</u>	<u>45,495,582</u>	<u>\$ 45,495,582</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	[1,205,000]	1,798,406		
Unencumbered Cash, Beginning	<u>3,542,627</u>	<u>2,337,627</u>		
Unencumbered Cash, Ending	<u>\$ 2,337,627</u>	<u>\$ 4,136,033</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Cash Receipts and Expenditures - Actual and Budget
At Risk (K-12) Fund
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Transfers in	\$ 35,307,016	\$ 34,556,308	\$ 34,868,693	\$ [312,385]
Total Cash Receipts	<u>35,307,016</u>	<u>34,556,308</u>	<u>\$ 34,868,693</u>	<u>\$ [312,385]</u>
Expenditures and Transfers				
Instruction	35,150,619	33,074,076	\$ 33,661,142	\$ 587,066
Student support services	-	501,645	-	[501,645]
General administration	31,306	3,913	-	[3,913]
Transportation	-	41,076	1,207,551	1,166,475
Other supplemental service	125,091	10,197	-	[10,197]
Total Expenditures and Transfers	<u>35,307,016</u>	<u>33,630,907</u>	<u>\$ 34,868,693</u>	<u>\$ 1,237,786</u>
Receipts Over [Under] Expenditures	-	925,401		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 925,401</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Cash Receipts and Expenditures - Actual and Budget
At-Risk (4 Year Old) Fund
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Transfers in	\$ 1,122,045	\$ 1,271,507	\$ 1,274,217	\$ [2,710]
Total Cash Receipts	<u>1,122,045</u>	<u>1,271,507</u>	<u>\$ 1,274,217</u>	<u>\$ [2,710]</u>
Expenditures and Transfers				
Instruction	1,085,618	1,190,808	\$ 1,171,621	\$ [19,187]
Instructional support	-	-	43,208	43,208
School administration	36,427	83,409	58,827	[24,582]
Operations and maintenance	-	-	561	561
Total Expenditures and Transfers	<u>1,122,045</u>	<u>1,274,217</u>	<u>\$ 1,274,217</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	-	[2,710]		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ [2,710]</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Cash Receipts and Expenditures - Actual and Budget
Parent Education Program Fund
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Local source	\$ 325,557	\$ 409,286	\$ 477,298	\$ [68,012]
Transfers in	184,948	151,489	172,755	[21,266]
Reimbursed expenses	30,139	30,000	-	30,000
Other	<u>26,924</u>	<u>66,328</u>	<u>-</u>	<u>-</u>
Total Cash Receipts	<u>567,568</u>	<u>657,103</u>	<u>\$ 650,053</u>	<u>\$ 7,050</u>
Expenditures and Transfers				
Instructional support services	567,568	657,103	\$ 650,053	\$ [7,050]
Adjustment for qualifying budget credits	<u>-</u>	<u>-</u>	<u>30,000</u>	<u>30,000</u>
Total Expenditures and Transfers	<u>567,568</u>	<u>657,103</u>	<u>\$ 680,053</u>	<u>\$ 22,950</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Cash Receipts and Expenditures - Actual and Budget
Bilingual Education Fund
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Federal aid	\$ 930,006	\$ 1,338,100	\$ 619,770	\$ 718,330
Transfers in	<u>5,373,513</u>	<u>5,119,708</u>	<u>4,822,580</u>	<u>297,128</u>
Total Cash Receipts	<u>6,303,519</u>	<u>6,457,808</u>	<u>\$ 5,442,350</u>	<u>\$ 1,015,458</u>
Expenditures and Transfers				
Instruction	6,302,506	6,454,655	\$ 5,284,017	\$ [1,170,638]
Instructional support	1,013	3,153	158,333	155,180
Adjustment for qualifying budget credits	-	-	1,338,100	1,338,100
Total Expenditures and Transfers	<u>6,303,519</u>	<u>6,457,808</u>	<u>\$ 6,780,450</u>	<u>\$ 322,642</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Cash Receipts and Expenditures - Actual and Budget
Capital Outlay Fund
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem property taxes	\$ 4,903,365	\$ 2,642,634	\$ 2,446,745	\$ 195,889
Delinquent tax	334,854	291,471	301,018	[9,547]
Motor vehicle tax	380,382	549,693	493,946	55,747
Revenue in lieu of taxes	121,850	52,499	88,162	[35,663]
Interest on idle funds	168,277	-	100,000	[100,000]
Transfer in	6,647,461	8,642,415	-	8,642,415
Miscellaneous	3,163,704	335,987	300,000	35,987
Total Cash Receipts	<u>15,719,893</u>	<u>12,514,699</u>	<u>\$ 3,729,871</u>	<u>\$ 8,784,828</u>
Expenditures and Transfers				
Instruction	-	-	\$ 5,315,796	\$ 5,315,796
Operations and maintenance	-	-	1,959,213	1,959,213
Central services	-	-	2,343,000	2,343,000
Facility acquisition and construction services	<u>2,694,970</u>	<u>5,881,435</u>	<u>31,186,572</u>	<u>25,305,137</u>
Total Expenditures and Transfers	<u>2,694,970</u>	<u>5,881,435</u>	<u>\$ 40,804,581</u>	<u>\$ 34,923,146</u>
Receipts Over [Under] Expenditures	<u>13,024,923</u>	<u>6,633,264</u>		
Unencumbered Cash, Beginning	31,552,907	45,033,408		
Prior Period Adjustment	<u>455,578</u>	<u>196,369</u>		
Unencumbered Cash, Beginning, Restated	<u>32,008,485</u>	<u>45,229,777</u>		
Unencumbered Cash, Ending	<u>\$ 45,033,408</u>	<u>\$ 51,863,041</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Cash Receipts and Expenditures - Actual and Budget
Driver Training Fund
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
State aid	\$ 8,806	\$ -	\$ -	\$ -
Charges for services	<u>140</u>	<u>71</u>	<u>-</u>	<u>71</u>
Total Cash Receipts	<u>8,946</u>	<u>71</u>	<u>\$ -</u>	<u>\$ 71</u>
Expenditures and Transfers				
Instruction	13,256	-	\$ -	\$ -
Transfer out	<u>-</u>	<u>95,761</u>	<u>-</u>	<u>[95,761]</u>
Total Expenditures and Transfers	<u>13,256</u>	<u>95,761</u>	<u>\$ -</u>	<u>\$ [95,761]</u>
Receipts Over [Under] Expenditures	[4,310]	[95,690]		
Unencumbered Cash, Beginning	<u>100,000</u>	<u>95,690</u>		
Unencumbered Cash, Ending	<u>\$ 95,690</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Cash Receipts and Expenditures - Actual and Budget
Food Service Fund
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Federal aid	\$ 11,441,143	\$ 10,132,885	\$ 9,533,040	\$ 599,845
State aid	360,253	117,338	97,510	19,828
Charges for services	<u>1,176,858</u>	<u>1,003,321</u>	<u>540,553</u>	<u>462,768</u>
Total Cash Receipts	<u>12,978,254</u>	<u>11,253,544</u>	<u>\$ 10,171,103</u>	<u>\$ 1,082,441</u>
Expenditures and Transfers				
Operations and maintenance	18,644	28,766	\$ -	\$ [28,766]
Food service operation	<u>10,118,168</u>	<u>10,998,198</u>	<u>11,666,924</u>	<u>668,726</u>
Total Expenditures and Transfers	<u>10,136,812</u>	<u>11,026,964</u>	<u>\$ 11,666,924</u>	<u>\$ 639,960</u>
Receipts Over [Under] Expenditures	<u>2,841,442</u>	<u>226,580</u>		
Unencumbered Cash, Beginning	120,490	2,981,602		
Prior Period Adjustment	<u>19,670</u>	<u>-</u>		
Unencumbered Cash, Beginning, Restated	<u>140,160</u>	<u>2,981,602</u>		
Unencumbered Cash, Ending	<u>\$ 2,981,602</u>	<u>\$ 3,208,182</u>		

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Cash Receipts and Expenditures - Actual and Budget
Summer School Fund
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Charges for services	\$ 16,258	\$ 20,560	\$ 105,000	\$ [84,440]
Transfers in	<u>24,394</u>	<u>109,090</u>	<u>-</u>	<u>109,090</u>
Total Cash Receipts	<u>40,652</u>	<u>129,650</u>	<u>\$ 105,000</u>	<u>\$ 24,650</u>
Expenditures and Transfers				
Instruction	<u>40,652</u>	<u>104,650</u>	<u>\$ 205,000</u>	<u>\$ 100,350</u>
Total Expenditures and Transfers	<u>40,652</u>	<u>104,650</u>	<u>\$ 205,000</u>	<u>\$ 100,350</u>
Receipts Over [Under] Expenditures	-	25,000		
Unencumbered Cash, Beginning	<u>100,000</u>	<u>100,000</u>		
Unencumbered Cash, Ending	<u>\$ 100,000</u>	<u>\$ 125,000</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Cash Receipts and Expenditures - Actual and Budget
Special Education Fund
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Transfers in	\$ 21,254,268	\$ 22,539,187	\$ 19,299,153	\$ 3,240,034
Total Cash Receipts	<u>21,254,268</u>	<u>22,539,187</u>	<u>\$ 19,299,153</u>	<u>\$ 3,240,034</u>
Expenditures and Transfers				
Instruction	2,839,876	4,016,096	\$ 26,231,944	\$ 22,215,848
Instructional support	63,287	12,657	75,945	63,288
Transfers out	19,299,319	18,502,774	-	[18,502,774]
Total Expenditures and Transfers	<u>22,202,482</u>	<u>22,531,527</u>	<u>\$ 26,307,889</u>	<u>\$ 3,776,362</u>
Receipts Over [Under] Expenditures	<u>[948,214]</u>	<u>7,660</u>		
Unencumbered Cash, Beginning	8,605,827	7,500,000		
Prior Period Adjustment	<u>[157,613]</u>	<u>-</u>		
Unencumbered Cash, Beginning, Restated	<u>8,448,214</u>	<u>7,500,000</u>		
Unencumbered Cash, Ending	<u>\$ 7,500,000</u>	<u>\$ 7,507,660</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Cash Receipts and Expenditures - Actual and Budget
Coop Special Education Fund
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Local - other district contributions	\$ 4,829,132	\$ 5,248,022	\$ 17,152,685	\$ [11,904,663]
Federal aid	10,077,975	7,474,637	-	7,474,637
Local sources	46,908	110,278	-	110,278
Miscellaneous	366	-	-	-
Transfers in	19,299,319	18,502,774	-	18,502,774
Total Cash Receipts	<u>34,253,700</u>	<u>31,335,711</u>	<u>\$ 17,152,685</u>	<u>\$ 14,183,026</u>
Expenditures and Transfers				
Instruction	20,964,345	22,869,721	\$ 25,997,652	\$ 3,127,931
Student support services	2,233,101	2,404,908	2,178,122	[226,786]
Instructional support	616,644	465,156	-	[465,156]
Special area administration	3,235,397	3,113,961	1,026,429	[2,087,532]
Operations and maintenance	196,869	312,856	114,479	[198,377]
Transportation	5,283,328	3,198,126	3,950,000	751,874
Other supplemental service	-	-	4,714,757	4,714,757
Transfers out	250,000	275,000	-	[275,000]
Total Expenditures and Transfers	<u>32,779,684</u>	<u>32,639,728</u>	<u>\$ 37,981,439</u>	<u>\$ 5,341,711</u>
Receipts Over [Under] Expenditures	<u>1,474,016</u>	<u>[1,304,017]</u>		
Unencumbered Cash, Beginning	13,347,512	14,979,141		
Prior Period Adjustment	<u>157,613</u>	<u>-</u>		
Unencumbered Cash, Beginning, Restated	<u>13,505,125</u>	<u>14,979,141</u>		
Unencumbered Cash, Ending	<u>\$ 14,979,141</u>	<u>\$ 13,675,124</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Cash Receipts and Expenditures - Actual Only
Area Vocational Technical School Fund *
For the Years Ended June 30, 2012 and 2011

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Local sources		
Other government sources	\$ 308,240	\$ 282,900
Transfers in	<u>271,817</u>	<u>1,005,746</u>
Total Cash Receipts	<u>580,057</u>	<u>1,288,646</u>
 Expenditures and Transfers		
Instruction	250,927	638,661
General administration	950	985
Operations and maintenance	<u>328,180</u>	<u>308,950</u>
Total Expenditures and Transfers	<u>580,057</u>	<u>948,596</u>
 Receipts Over [Under] Expenditures	-	340,050
 Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
 Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 340,050</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Cash Receipts and Expenditures - Actual and Budget
Vocational Education Fund
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Transfers in	\$ 1,849,476	\$ 2,009,618	\$ 1,988,145	\$ 21,473
Federal aid	403,898	315,594	-	315,594
Total Cash Receipts	<u>2,253,374</u>	<u>2,325,212</u>	<u>\$ 1,988,145</u>	<u>\$ 337,067</u>
Expenditures and Transfers				
Instruction	2,253,374	2,303,739	\$ 1,988,145	\$ [315,594]
Adjustment for qualifying budget credits	-	-	315,594	315,594
Total Expenditures and Transfers	<u>2,253,374</u>	<u>2,303,739</u>	<u>\$ 2,303,739</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	-	21,473		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 21,473</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Cash Receipts and Expenditures - Actual and Budget
Special Projects Fund
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Federal aid	\$ 26,859,536	\$ 16,639,022	\$ 12,000,000	\$ 4,639,022
Local sources	<u>3,234,785</u>	<u>1,871,789</u>	<u>3,000,000</u>	<u>[1,128,211]</u>
Total Cash Receipts	<u>30,094,321</u>	<u>18,510,811</u>	<u>\$ 15,000,000</u>	<u>\$ 3,510,811</u>
Expenditures and Transfers				
Direct expenditure	31,184,612	19,379,974	\$ 18,019,291	\$ [1,360,683]
Transfer out	<u>-</u>	<u>60,000</u>	<u>-</u>	<u>[60,000]</u>
Total Expenditures and Transfers	<u>31,184,612</u>	<u>19,439,974</u>	<u>\$ 18,019,291</u>	<u>\$ [1,420,683]</u>
Receipts Over [Under] Expenditures	[1,090,291]	[929,163]		
Unencumbered Cash, Beginning	<u>5,135,389</u>	<u>4,045,098</u>		
Unencumbered Cash, Ending	<u>\$ 4,045,098</u>	<u>\$ 3,115,935</u>		

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Cash Receipts and Expenditures - Actual and Budget
Employees' Retirement Fund
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem property taxes	\$ 1,315,758	\$ 765,904	\$ 701,191	\$ 64,713
Delinquent tax	68,852	59,112	82,116	[23,004]
Motor vehicle tax	99,113	98,645	94,355	4,290
Revenue in lieu of taxes	<u>32,898</u>	<u>15,092</u>	<u>16,761</u>	<u>[1,669]</u>
Total Cash Receipts	<u>1,516,621</u>	<u>938,753</u>	<u>\$ 894,423</u>	<u>\$ 44,330</u>
Expenditures and Transfers				
Fringe benefits	<u>1,067,110</u>	<u>1,067,110</u>	<u>\$ 1,100,000</u>	<u>\$ 32,890</u>
Total Expenditures and Transfers	<u>1,067,110</u>	<u>1,067,110</u>	<u>\$ 1,100,000</u>	<u>\$ 32,890</u>
Receipts Over [Under] Expenditures	449,511	[128,357]		
Unencumbered Cash, Beginning	<u>440,206</u>	<u>889,717</u>		
Unencumbered Cash, Ending	<u>\$ 889,717</u>	<u>\$ 761,360</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Cash Receipts and Expenditures - Actual and Budget
KPERS Special Retirement Contribution Fund
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
State aid	\$ 9,130,572	\$ 15,337,330	\$ 16,617,641	\$ [1,280,311]
Total Cash Receipts	<u>9,130,572</u>	<u>15,337,330</u>	<u>\$ 16,617,641</u>	<u>\$ [1,280,311]</u>
Expenditures and Transfers				
Employee benefits	<u>9,130,572</u>	<u>15,337,330</u>	\$ 16,617,641	\$ 1,280,311
Total Expenditures and Transfers	<u>9,130,572</u>	<u>15,337,330</u>	<u>\$ 16,617,641</u>	<u>\$ 1,280,311</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Cash Receipts and Expenditures - Actual Only
Contingency Reserve Fund *
For the Years Ended June 30, 2012 and 2011

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Transfers in	\$ -	\$ -
Total Cash Receipts	<u>-</u>	<u>-</u>
Expenditures and Transfers		
Instruction	-	2,000,000
Total Expenditures and Transfers	<u>-</u>	<u>2,000,000</u>
Receipts Over [Under] Expenditures	-	[2,000,000]
Unencumbered Cash, Beginning	<u>8,550,221</u>	<u>8,550,221</u>
Unencumbered Cash, Ending	<u>\$ 8,550,221</u>	<u>\$ 6,550,221</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Cash Receipts and Expenditures - Actual Only
Student Materials Revolving Fund *
For the Years Ended June 30, 2012 and 2011

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Charges for services	\$ 102,346	\$ 127,648
Total Cash Receipts	<u>102,346</u>	<u>127,648</u>
 Expenditures and Transfers		
Instruction	<u>105,116</u>	<u>28,813</u>
Total Expenditures and Transfers	<u>105,116</u>	<u>28,813</u>
 Receipts Over [Under] Expenditures	 [2,770]	 98,835
 Unencumbered Cash, Beginning	 <u>124,245</u>	 <u>121,475</u>
 Unencumbered Cash, Ending	 <u>\$ 121,475</u>	 <u>\$ 220,310</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Cash Receipts and Expenditures - Actual and Budget
Public Library Board Fund
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Taxes and Shared Revenue:				
Ad valorem property taxes	\$ 4,085,964	\$ 4,298,780	\$ 4,025,930	\$ 272,850
Delinquent tax	350,964	265,681	250,987	14,694
Motor vehicle tax	500,670	453,890	408,376	45,514
Revenue in lieu of taxes	103,760	87,936	72,886	15,050
Other revenue from a local source	2,946,203	2,085,346	2,229,801	[144,455]
Interest	10,575	-	-	-
Donations	1,190,750	736,546	-	736,546
Other	97,249	85,733	-	85,733
Total Cash Receipts	<u>9,286,135</u>	<u>8,013,912</u>	<u>\$ 6,987,980</u>	<u>\$ 1,025,932</u>
Expenditures and Transfers				
Community service operations	8,230,316	6,345,391	\$ 8,829,650	\$ 2,484,259
Building Improvements	29,600	28,234	-	[28,234]
Transfers out	37,500	40,000	-	[40,000]
Total Expenditures and Transfers	<u>8,297,416</u>	<u>6,413,625</u>	<u>\$ 8,829,650</u>	<u>\$ 2,416,025</u>
Receipts Over [Under] Expenditures	988,719	1,600,287		
Unencumbered Cash, Beginning	<u>5,101,286</u>	<u>6,090,005</u>		
Unencumbered Cash, Ending	<u>\$ 6,090,005</u>	<u>\$ 7,690,292</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Cash Receipts and Expenditures - Actual and Budget
Public Library Board Employee Benefits Fund
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Taxes and Shared Revenue:				
Ad valorem property taxes	\$ 793,250	\$ 627,213	\$ 585,002	\$ 42,211
Delinquent tax	54,417	45,271	48,900	[3,629]
Motor vehicle tax	75,070	81,529	74,127	7,402
Revenue in lieu of taxes	<u>19,910</u>	<u>12,673</u>	<u>13,218</u>	<u>[545]</u>
Total Cash Receipts	<u>942,647</u>	<u>766,686</u>	<u>\$ 721,247</u>	<u>\$ 45,439</u>
Expenditures and Transfers				
Community service operations	<u>767,881</u>	<u>783,554</u>	<u>\$ 995,082</u>	<u>\$ 211,528</u>
Total Expenditures and Transfers	<u>767,881</u>	<u>783,554</u>	<u>\$ 995,082</u>	<u>\$ 211,528</u>
Receipts Over [Under] Expenditures	174,766	[16,868]		
Unencumbered Cash, Beginning	<u>742,540</u>	<u>917,306</u>		
Unencumbered Cash, Ending	<u>\$ 917,306</u>	<u>\$ 900,438</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Cash Receipts and Expenditures - Actual and Budget
Bond and Interest Fund
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Taxes and Shared Revenue:				
Ad valorem property taxes	\$ 3,343,916	\$ 2,810,698	\$ 2,617,376	\$ 193,322
Delinquent tax	308,095	216,456	206,687	9,769
Motor vehicle tax	431,446	326,230	298,708	27,522
Revenue in lieu of taxes	85,407	56,998	53,230	3,768
State aid	4,245,463	4,593,057	4,593,741	[684]
Reimbursed expenses	13,950	9,764	-	9,764
Bond proceeds	6,160,000	53,455,000	-	53,455,000
Bond premium	448,733	-	-	-
Transfer in	2,000,000	-	-	-
Total Cash Receipts	<u>17,037,010</u>	<u>61,468,203</u>	<u>\$ 7,769,742</u>	<u>\$ 53,698,461</u>
Expenditures and Transfers				
Bond principal	11,395,000	54,225,000	\$ 5,570,000	\$ [48,655,000]
Interest	4,468,297	4,217,979	4,228,918	10,939
Issuance costs	358,733	661,631	-	[661,631]
Payment to escrow agent	-	4,138,368	-	[4,138,368]
Adjustment for qualifying budget credits	-	-	53,455,000	53,455,000
Total Expenditures and Transfers	<u>16,222,030</u>	<u>63,242,978</u>	<u>\$ 63,253,918</u>	<u>\$ 10,940</u>
Receipts Over [Under] Expenditures	814,980	[1,774,775]		
Unencumbered Cash, Beginning	<u>7,733,089</u>	<u>8,548,069</u>		
Unencumbered Cash, Ending	<u>\$ 8,548,069</u>	<u>\$ 6,773,294</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Cash Receipts and Expenditures - Actual Only
Capital Projects Fund*
For the Years Ended June 30, 2012 and 2011

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Reimbursements	\$ 206	\$ -
Total Cash Receipts	<u>206</u>	<u>-</u>
Expenditures and Transfers		
Transfer out	<u>2,000,000</u>	<u>-</u>
Total Expenditures and Transfers	<u>2,000,000</u>	<u>-</u>
Receipts Over [Under] Expenditures	[1,999,794]	-
Unencumbered Cash, Beginning	<u>3,457,882</u>	<u>1,458,088</u>
Unencumbered Cash, Ending	<u>\$ 1,458,088</u>	<u>\$ 1,458,088</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Cash Receipts and Expenditures - Actual Only
Capital Projects Two Fund*
For the Year Ended June 30, 2012 and 2011

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Bond proceeds	\$ -	\$ 5,465,000
Investment income	<u>5,825</u>	<u>3,383</u>
Total Cash Receipts	<u>5,825</u>	<u>5,468,383</u>
Expenditures and Transfers		
Capital outlay	<u>7,657,237</u>	<u>4,545,348</u>
Total Expenditures and Transfers	<u>7,657,237</u>	<u>4,545,348</u>
Receipts Over [Under] Expenditures	[7,651,412]	923,035
Unencumbered Cash, Beginning	<u>7,651,664</u>	<u>252</u>
Unencumbered Cash, Ending	<u>\$ 252</u>	<u>\$ 923,287</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Cash Receipts and Expenditures - Actual Only
School Workers' Compensation Reserve Fund *
For the Years Ended June 30, 2012 and 2011

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Investment income	\$ 15,695	\$ -
Transfers in	287,500	375,000
Local sources	<u>1,918</u>	<u>10,027</u>
Total Cash Receipts	<u>305,113</u>	<u>385,027</u>
 Expenditures and Transfers		
General administration	<u>1,057,510</u>	<u>1,427,759</u>
Total Expenditures and Transfers	<u>1,057,510</u>	<u>1,427,759</u>
 Receipts Over [Under] Expenditures	 [752,397]	 [1,042,732]
 Unencumbered Cash, Beginning	 <u>9,030,789</u>	 <u>8,278,392</u>
 Unencumbered Cash, Ending	 <u>\$ 8,278,392</u>	 <u>\$ 7,235,660</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 500
 Summary of Cash Receipts and Cash Expenditures
 Agency Funds
 For the Year Ended June 30, 2012

<u>FUNDS</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
High Schools				
Clubs and Societies	\$ 326,100	\$ 1,039,727	\$ 1,052,989	\$ 312,838
Total High Schools	<u>326,100</u>	<u>1,039,727</u>	<u>1,052,989</u>	<u>312,838</u>
District				
QZAB Escrow	1,422,357	1,500	755,000	668,857
Total District	<u>1,422,357</u>	<u>1,500</u>	<u>755,000</u>	<u>668,857</u>
Middle Schools				
Clubs and Societies	196,415	427,189	411,092	212,512
Total Middle Schools	<u>196,415</u>	<u>427,189</u>	<u>411,092</u>	<u>212,512</u>
Elementary Schools				
Clubs and Societies	204,671	369,573	371,885	202,359
Total Agency Funds	<u>\$ 2,149,543</u>	<u>\$ 1,837,989</u>	<u>\$ 2,590,966</u>	<u>\$ 1,396,566</u>

See independent auditor's report on the financial statements.

SCHEDULE 4

UNIFIED SCHOOL DISTRICT NO. 500
 Schedule of Cash Receipts, Expenditures, and Unencumbered Cash
 Private Purpose Trust Fund
 For the Year Ended June 30, 2012

<u>FUNDS</u>	Beginning Cash <u>Balance</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Ending Unencumbered Cash <u>Balance</u>	Outstanding Encumbrances and Accounts Payable	Ending Cash <u>Balance</u>
Virginia Schinkle Scholarship Fund	<u>\$ 26,991</u>	<u>\$ -</u>	<u>\$ 1,744</u>	<u>\$ 25,247</u>	<u>\$ -</u>	<u>\$ 25,247</u>

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500
 Schedule of Cash Receipts, Expenditures, and Unencumbered Cash
 Gate Receipts Fund
 For the Year Ended June 30, 2012

<u>FUNDS</u>	Beginning Cash Balance	Prior Period Adjustment	Beginning Cash Balance Restated	Cash Receipts	Cash Disbursements	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Gate Receipts - Athletics Fund	\$ 21,514	\$ [5,086]	\$ 16,428	\$ 64,765	\$ 70,713	\$ 10,480	\$ -	\$ 10,480

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Restated Beginning Unencumbered Cash	Receipts	Expenditures	Ending Unencumbered Cash
<u>U.S. Department of Education</u>					
Passed Through Kansas State Department of Education					
Title I Grants to Local Educational Agencies	84.010	\$ [65,634]	\$ 10,915,124	\$ 12,443,237	\$ [1,593,747]
Migrant Education State Grant Program	84.011	-	544,000	502,519	41,481
Special Education Grants to States	84.027	81,124	5,493,303	5,321,786	252,641
Vocational Education Basic Grants to States	84.048	4,900	315,594	320,494	-
Special Education Preschool Grants	84.173	[40,930]	207,450	207,450	[40,930]
Homeless Grant	84.196	-	113,675	120,225	[6,550]
Safe and Drug Free Schools and Communities State Grants	84.186	[39,997]	50,001	9,939	65
Education for Homeless Children and Youth	84.196	10,737	-	-	10,737
Charter School	84.282	42,358	145,000	187,358	-
Twenty First Century Community Learning Centers	84.287	[4,713]	894,744	1,026,992	[136,961]
Education Technology State Grants	84.318	2,305	37,666	39,852	119
Music Teachers	84.351	19,654	50,000	45,485	24,169
English Language Acquisition Grant	84.365	[200,000]	794,100	594,100	-
Reading First State Grants	84.357	60,707	-	60,707	-
Improving Teacher Quality State Grants	84.367	1,515,933	1,629,111	3,154,105	[9,061]
Title VI	84.369	-	265	265	-
Section 1003 (g)	84.377	72,000	-	2,000	70,000
Title II D - ARRA	84.386	196,217	-	196,217	-
Homeless Grant - ARRA	84.387	940	-	-	940
School Improvement 1003g - ARRA	84.388	313,412	2,286,019	2,554,503	44,928
Title I - ARRA	84.389	630,975	-	630,975	-
Education Jobs	84.410	-	63,303	63,303	-
Total Passed Through Kansas State Department of Education		<u>2,599,988</u>	<u>23,539,355</u>	<u>27,481,512</u>	<u>[1,342,169]</u>
Total U.S. Department of Education		<u>2,599,988</u>	<u>23,539,355</u>	<u>27,481,512</u>	<u>[1,342,169]</u>
<u>U.S. Department of Health and Human Services</u>					
Passed Through Kansas State Department of Education					
Cooperative Agreements to Support Comprehensive School Health	93.938	-	1,035	-	1,035
Total U.S. Department of Health and Human Services		<u>-</u>	<u>1,035</u>	<u>-</u>	<u>1,035</u>
<u>Corporation for National and Community Service</u>					
Passed Through Kansas State Department of Education					
Learn and Serve America	94.004	12,146	-	12,146	-
Total National Endowment for the Arts		<u>12,146</u>	<u>-</u>	<u>12,146</u>	<u>-</u>
<u>U.S. Department of Agriculture</u>					
Team Nutrition Training	10.574	599	1,690	349	1,940
School Breakfast Program	10.553	-	2,200,672	2,200,672	-
National School Lunch Program	10.555	-	7,689,890	7,689,890	-
Summer Food Service Program for Children	10.559	-	242,322	242,322	-
Federal School Food Service	10.560	-	50	50	-
Total U.S. Department of Agriculture		<u>599</u>	<u>10,134,624</u>	<u>10,133,283</u>	<u>1,940</u>
Total		<u>\$ 2,612,733</u>	<u>\$33,675,014</u>	<u>\$ 37,626,941</u>	<u>\$ [1,339,194]</u>

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

UNIFIED SCHOOL DISTRICT NO. 500
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012

1. General

The accompanying Schedule of Expenditures of Federal Awards presents the expenditures of all federal financial assistance programs of Unified School District No. 500. All expenditures of federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies are included on the schedule.

2. Basis of Accounting

The accompanying schedule of expenditures of federal awards is presented on the Kansas prescribed basis of accounting which includes cash disbursements, accounts payable and encumbrances.

UNIFIED SCHOOL DISTRICT NO. 500
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2012

Section I - Summary of Auditor's Results

Financial Statements

Unqualified (Prescribed Basis)
Adverse (GAAP)

Type of auditor's report issued:

Internal control over financial reporting:

Material weakness(es) identified? ___ Yes X No

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

Noncompliance material to financial statements noted? ___ Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? ___ Yes X No

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

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555, 10.559 84.027, 84.173 84.367	Child Nutrition Cluster Special Education Cluster Improving Teacher Quality State Grants

Dollar threshold used to distinguish between type A and type B programs: \$1,128,808

Auditee qualified as low-risk auditee? ___ Yes X No

UNIFIED SCHOOL DISTRICT NO. 500
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2012

Section II - Financial Statement Findings

Current Year Findings

None Noted

Prior Year Findings

None Noted

Section III - Federal Award Findings and Questioned Costs

Current Year Findings

None Noted

Prior Year Findings

<u>Program</u>	<u>Finding</u>	<u>Conditions</u>	<u>Criteria</u>	<u>Questioned Costs</u>	<u>Recommendation</u>	<u>Status</u>
Title I Cluster	2011-1	Several semi annual certifications for teachers paid 100% from the Title I grant were not completed.	OMB Circular A-87 Attachment B	Not determined	Enforce policy requiring compliance with the federal time keeping rules.	Resolved



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

Board of Education
Unified School District No. 500
Kansas City, Kansas

We have audited the financial statements of the Unified School District No. 500 (the District), Kansas City, Kansas, as of and for the year ended June 30, 2012, and have issued our report thereon dated December 5, 2012, which is a special report on the financial statements prepared in accordance with a basis of accounting prescribed by the State of Kansas. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in "Government Auditing Standards," issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

However, we noted certain other matter that we have reported to management in a separate letter dated December 5, 2012.

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

Ming, Howard & Company

December 5, 2012



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

Board of Education
Unified School District No. 500
Kansas City, Kansas

Compliance

We have audited the compliance of the Unified School District No. 500 (the District), Kansas City, Kansas, with the types of compliance requirements described in the "U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement" that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. Major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

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

Internal Control Over Compliance

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

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

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

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

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

December 5, 2012