

UNIFIED SCHOOL DISTRICT NO. 230

Spring Hill, Kansas

Financial Statements

For the Year Ended June 30, 2012

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UNIFIED SCHOOL DISTRICT NO. 230
Financial Statements
For the Year Ended June 30, 2012

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

Board of Education
Unified School District No. 230
Spring Hill, Kansas

We have audited the summary statement of cash receipts, expenditures and unencumbered cash balances of the Unified School District No. 230 (the District), Spring Hill, 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 December 30, 2011, on these financial statements we expressed an adverse opinion as to presentation on the basis of generally accepted accounting principles and a qualified opinion as to presentation on the Kansas prescribed basis of accounting.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in "Government Auditing Standards," issued by the Comptroller General of the United States, and the "Kansas Municipal Audit Guide." Those standards require 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 the 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 has prepared this financial statement using the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between these statutory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. Such legally separate entities are referred to as component units. The primary government financial statements referred to above do not include the financial data of the component unit of the District as of June 30, 2012.

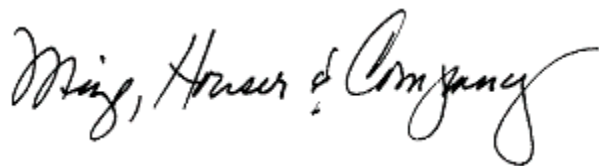
In our opinion, because of the effects of the matters discussed in the two preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Unified School District No. 230, Spring Hill, 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.

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

In accordance with "Government Auditing Standards", we have also issued our report dated November 27, 2012, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with "Government Auditing Standards" and should be considered in assessing the results of our audit.

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

A handwritten signature in cursive script that reads "King, Horner & Company". The signature is written in dark ink and is positioned above the date.

November 27, 2012

UNIFIED SCHOOL DISTRICT NO. 230
Summary of Cash Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2012

Funds	Beginning Unencumbered Cash <u>Balance</u>	Prior Year Cancelled <u>Encumbrances</u>	Cash <u>Receipts</u>	<u>Expenditures</u>	Ending Unencumbered Cash <u>Balance</u>	Outstanding Encumbrances and Accounts <u>Payable</u>	Ending Cash <u>Balance</u>
Governmental Fund Types:							
General Funds							
General	\$ -	\$ -	\$ 14,830,757	\$ 14,830,757	\$ -	361,019	\$ 361,019
Supplemental General	593,043	-	5,350,515	4,938,362	1,005,196	-	1,005,196
Special Purpose Funds							
Capital Outlay	812,952	-	83,624	143,440	753,136	-	753,136
Driver Training	32,753	-	27,910	26,950	33,713	-	33,713
Food Service	112,255	-	1,104,313	1,102,737	113,831	-	113,831
Parent Education	15,000	-	41,300	42,797	13,503	-	13,503
Special Education	686,167	-	2,905,780	3,278,969	312,978	74,068	387,046
Vocational Education	59,311	-	311,948	321,927	49,332	16,506	65,838
Special Assessment	532,443	-	222,550	129,098	625,895	-	625,895
KPERs Special Retirement Contribution	-	-	1,562,330	1,562,330	-	-	-
Professional Development	15,958	-	46,440	49,983	12,415	-	12,415
At Risk (4 Year Old)	10,014	-	30,000	31,051	8,963	-	8,963
At Risk (K-12)	77,301	-	860,000	866,880	70,421	15,252	85,673
Bilingual Education	4,759	-	32,000	32,458	4,301	1,415	5,716
Extraordinary Growth Facility	10,377	-	489,327	471,900	27,804	-	27,804
Special Liability	83,799	-	45,466	10,546	118,719	-	118,719
Federal Funds	-	-	183,041	181,191	1,850	7,189	9,039
Virtual Education	-	-	2,419,200	2,419,200	-	-	-
Textbook Rental	130,247	-	160,081	112,734	177,594	-	177,594
Gifts and Grants	18,458	-	58,542	37,725	39,275	-	39,275
Contingency Reserve	500,419	-	-	-	500,419	-	500,419
2012 Bond Construction Fund	-	-	39,356,140	14,057,584	25,298,556	3,287,076	28,585,632
District Activities	98,557	-	247,793	231,747	114,603	-	114,603
Debt Service Fund:							
Bond and Interest	<u>5,994,686</u>	<u>-</u>	<u>32,738,579</u>	<u>31,064,621</u>	<u>7,668,644</u>	<u>-</u>	<u>7,668,644</u>
Total	<u>\$ 9,788,499</u>	<u>\$ -</u>	<u>\$ 103,107,636</u>	<u>\$ 75,944,987</u>	<u>\$ 36,951,148</u>	<u>\$ 3,762,525</u>	<u>\$ 40,713,673</u>

Composition of Cash:

State Bank of Spring Hill	
Checking Accounts	\$ [1,549,231]
Certificate of Deposit	15,000
First Option Bank	
Money Market	11,144,725
Security Bank of Kansas City	
Investments	31,141,711
Kansas Municipal Investment Pool	
Investments	<u>99,119</u>
Cash Balance	40,851,324
Less: Agency Funds per Schedule 3	<u>[137,651]</u>
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 40,713,673</u>

UNIFIED SCHOOL DISTRICT NO. 230
Notes to the Financial Statements
For the Year Ended June 30, 2012

NOTE 1 - Summary of Significant Accounting Policies

Municipal Financial Reporting Entity

Unified School District No. 230 (the District) is a municipal corporation governed by an elected seven-member board. These financial statements present the District (the primary government). The District's only component unit, the Recreation Commission, has not been presented.

The District's Recreation Commission oversees recreational activities. The Recreation Commission operates as a separate governing body but the District levies taxes for the Recreation Commission and the Recreation Commission has only the powers granted by statute K.S.A. 12-1928. Two of the five members of the Recreation Commission's governing body are appointed by the District, two other members are appointed by the City and the final member is appointed by the other four previously appointed members. The separately audited financial statements of the Recreation Commission are available upon request at the Recreation Commission office.

Basis of Accounting

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

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

Departure from Generally Accepted Accounting Principles

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

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

Regulatory Basis Fund Types

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

UNIFIED SCHOOL DISTRICT NO. 230
Notes to the Financial Statements
For the Year Ended June 30, 2012

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Regulatory Basis Fund Types (Continued)

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

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

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

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

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

Budgetary Information

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

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

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

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

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

UNIFIED SCHOOL DISTRICT NO. 230
Notes to the Financial Statements
For the Year Ended June 30, 2012

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Budgetary Information (Continued)

A legal operating budget is not required for capital project funds, fiduciary funds, and the following special purpose funds: Textbook Rental, Contingency Reserve, 2012 Bond Construction, Gate Receipts and School Projects.

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

Expenditures in the amount of \$258,284 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.

Ad Valorem Tax Revenues

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

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

NOTE 2 - Deposits and Investments

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

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Rating</u>
Kansas Municipal Investment Pool	\$ 99,119	S&P AA+/S1+
U.S. Government Securities	31,141,711	N/A

UNIFIED SCHOOL DISTRICT NO. 230
Notes to the Financial Statements
For the Year Ended June 30, 2012

NOTE 2 - Deposits and Investments (Continued)

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.

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 of, or 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 10 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.

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 \$15,157,214. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$500,000 was covered by federal depository insurance and the balance of \$14,657,214 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 \$642,317 in General State Aid and \$88,914 in Supplemental General State Aid subsequent to June 30, 2012 and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2012.

NOTE 3 - Long-Term Debt

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

	Date	Original	Interest	Final
<u>General Obligation Bonds</u>	<u>Issued</u>	<u>Amount</u>	<u>Rates</u>	<u>Maturity</u>
2004 Improvement Series	3/1/04	\$ 26,000,000	2.75 - 4.75%	9/1/24
2005 Improvement Series	7/28/05	22,600,000	3.50 - 5.00%	9/1/24
2007 Refunding Series	3/15/07	6,115,000	3.625 - 4.00%	9/1/23
2008 Refunding Series	9/1/2008	5,745,000	3.25 - 3.75%	9/1/13
2011A Improvement Series	8/1/2011	39,000,000	4.00 - 5.50%	9/1/31
2011B Refunding Series	8/1/2011	15,130,000	2.00 - 4.00%	9/1/21
2012 Refunding Series	4/26/2012	9,440,000	2.00 - 3.00%	9/1/31

UNIFIED SCHOOL DISTRICT NO. 230
Notes to the Financial Statements
For the Year Ended June 30, 2012

NOTE 3 - Long-Term Debt (Continued)

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

<u>Type of Issue</u>	<u>Beginning Principal Outstanding</u>	<u>Additions to Principal</u>	<u>Reductions of Principal</u>	<u>Ending Principal Outstanding</u>
G.O. Bonds To Be Paid With:				
Tax Levies				
2004 Series	\$ 19,765,000	\$ -	\$ 18,515,000	\$ 1,250,000
2005 Series	22,550,000	-	5,775,000	16,775,000
2007 Refunding Bonds	6,010,000	-	30,000	5,980,000
2008 Refunding Bonds	3,530,000	-	1,180,000	2,350,000
2011A Series	-	39,000,000	-	39,000,000
2011B Refunding Bonds	-	15,130,000	-	15,130,000
2012 Refunding Bonds	-	9,440,000	-	9,440,000
Total	<u>\$ 51,855,000</u>	<u>\$ 63,570,000</u>	<u>\$ 25,500,000</u>	<u>\$ 89,925,000</u>

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

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 1,990,000	\$ 3,753,485	\$ 5,743,485
2014	2,250,000	3,723,706	5,973,706
2015	2,580,000	3,643,189	6,223,189
2016	2,765,000	3,547,069	6,312,069
2017	3,110,000	3,431,681	6,541,681
2018 - 2022	21,235,000	14,899,397	36,134,397
2023 - 2027	24,720,000	10,224,544	34,944,544
2028 - 2031	<u>31,275,000</u>	<u>4,254,834</u>	<u>35,529,834</u>
Total	<u>\$ 89,925,000</u>	<u>\$ 47,477,905</u>	<u>\$ 137,402,905</u>

The District issued Series 2011A general obligation bonds in the amount of \$39,000,000 on August 1, 2011 to provide financing for the construction of a new elementary school. The interest rate on the bonds is 4.00% to 5.50% and has a final maturity of September 1, 2031. The District issued Series 2011B general obligation refunding bonds with an interest rate of 2.00% to 4.00% and a final maturity of September 1, 2021 in the amount of \$15,130,000 on August 1, 2011 to partially refund \$14,900,000 of Series 2004 general obligation bonds. The net proceeds were used to establish an escrow account invested in U.S. Government Securities to pay the outstanding principal of the Series 2004 general obligation bonds and the interest due on the refunding general obligation bonds. As a result, this portion of the Series 2004 bonds was 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 \$235,334 and a reduction of \$160,678 in future debt payments. The District issued Series 2012 general obligation refunding bonds with an interest rate of 2.00% to 3.00% and a final maturity of September 1, 2031 in the amount of \$9,440,000 on April 26, 2012 to partially refund \$3,215,000 of Series 2004 general obligation bonds and \$5,645,000 of Series 2005 general obligation bonds. The net proceeds were used to establish an escrow account invested in U.S. Government Securities to pay the outstanding principal of the Series 2004 and Series 2005 general obligation bonds and the interest due on the refunding general obligation bonds. As a result, this portion of the Series 2004 and Series 2005 bonds was 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 \$680,863 and a reduction of \$586,526 in future debt payments.

UNIFIED SCHOOL DISTRICT NO. 230
Notes to the Financial Statements
For the Year Ended June 30, 2012

NOTE 3 - Long-Term Debt (Continued)

At June 30, 2012, the remaining principal balance of outstanding debt issues previously defeased is \$29,495,000. The principal and interest payments for these bonds will be paid by the trustee for the related escrow securities on the scheduled payment dates. This amount is not recorded in these financial statements.

The District entered into a sixty (60) month lease agreement for its copiers in August of 2008. The agreement calls for monthly payments of \$2,362. Operating lease payments for the year ended June 30, 2012 were \$28,346. Lease payments for the remaining term of the lease are as follows:

Year Ended <u>June 30,</u>	Operating Lease <u>Payments</u>
2013	\$ 28,346
2014	<u>2,362</u>
Total	<u>\$ 30,708</u>

NOTE 4 - Interfund Transfers

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
General	At Risk (4 Year Old)	K.S.A. 72-6428	\$ 30,000
General	At Risk (K-12)	K.S.A. 72-6428	860,000
General	Special Education	K.S.A. 72-6428	2,206,960
General	Virtual Education	K.S.A. 72-6428	2,419,200
General	Bilingual Education	K.S.A. 72-6428	17,000
General	2012 Bond Construction	K.S.A. 72-6428	2,830
Supplemental General	Special Education	K.S.A. 72-6433	26,586
Supplemental General	Food Service	K.S.A. 72-6433	35,000
Supplemental General	Vocational Education	K.S.A. 72-6433	300,000
Supplemental General	Professional Development	K.S.A. 72-6433	45,000
Supplemental General	Parent Education	K.S.A. 72-6433	41,300
Supplemental General	Bilingual Education	K.S.A. 72-6433	15,000

UNIFIED SCHOOL DISTRICT NO. 230
Notes to the Financial Statements
For the Year Ended June 30, 2012

NOTE 5 - Defined Benefit Pension Plan

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

Funding Policy. K.S.A. 74-4919 and K.S.A. 74-4921 establishes the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member-employee contribution rate of 4% of covered salary for Tier 1 members and at 6% of covered salary for Tier 2 members. Member employees' contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the statutory required employers share. Estimated Kansas contributions to KPERS for the District employees for the years ending June 30, 2012, 2011, and 2010 were \$1,562,330, \$890,039, and \$1,006,558, respectively, equal to the required contributions for each year.

NOTE 6 – Sick Leave Buyback

Under terms of the District's personnel policy, the District can buy back unused sick leave from employees at a rate of pay that varies depending on whether the employee is classified or certified and their length of service with the District. For the year ended June 30, 2012, the District purchased \$19,296 in sick leave from District employees.

NOTE 7 - Compensated Absences

Classified employees' vacation days can be carried over to the twelve months following the end of the year in which they were earned. The amount of unused vacation for classified employees as of June 30, 2012 is \$91,309.

NOTE 8 - Commitments and Contingencies

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

NOTE 9 - Risk Management

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

UNIFIED SCHOOL DISTRICT NO. 230
Notes to the Financial Statements
For the Year Ended June 30, 2012

NOTE 10 – Other Post Employment Benefits

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

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

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UNIFIED SCHOOL DISTRICT NO. 230
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2012

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustment to Comply with Legal Max</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year Budget</u>	<u>Variance Over [Under]</u>
Governmental Type Funds:						
General Funds						
General	\$ 14,572,473	\$ [3,365,517]	\$ 258,284	\$ 14,830,757	\$ 14,830,757	\$ -
Supplemental General	6,141,257	[1,202,895]	-	4,938,362	4,938,362	-
Special Purpose Funds:						
Capital Outlay	932,952	-	-	932,952	143,440	789,512
Driver Training	50,000	-	-	50,000	26,950	23,050
Food Service	1,277,620	-	-	1,277,620	1,102,737	174,883
Parent Education	60,000	-	-	60,000	42,797	17,203
Special Education	3,342,225	-	-	3,342,225	3,278,969	63,256
Vocational Education	544,312	-	-	544,312	321,927	222,385
Special Assessment	500,000	-	-	500,000	129,098	370,902
KPERs Special Retirement Contribution	1,780,076	-	-	1,780,076	1,562,330	217,746
Professional Development	50,000	-	-	50,000	49,983	17
At Risk (4 Year Old)	45,000	-	-	45,000	31,051	13,949
At Risk (K-12)	969,500	-	-	969,500	866,880	102,620
Bilingual Education	48,050	-	-	48,050	32,458	15,592
Extraordinary Growth Facility	471,900	-	-	471,900	471,900	-
Special Liability	95,000	-	-	95,000	10,546	84,454
Federal Funds	237,961	-	-	237,961	181,191	56,770
Virtual Education	5,622,750	-	-	5,622,750	2,419,200	3,203,550
Gifts and Grants	68,458	-	-	68,458	37,725	30,733
Debt Service Fund:						
Bond and Interest	5,304,301	-	27,366,231	32,670,532	31,064,621	1,605,911

UNIFIED SCHOOL DISTRICT NO. 230
General Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	\$ 2,324,551	\$ 2,366,631	\$ 2,213,661	\$ 152,970
Delinquent taxes	68,377	4,390	28,343	[23,953]
Mineral taxes	27	931	-	931
Federal grants	743,389	7,839	-	7,839
State aid/grants	13,530,158	12,192,682	15,695,986	[3,503,304]
Reimbursements	<u>246,061</u>	<u>258,284</u>	<u>-</u>	<u>258,284</u>
Total Cash Receipts	<u>16,912,563</u>	<u>14,830,757</u>	<u>\$ 17,937,990</u>	<u>\$ [3,107,233]</u>
Expenditures				
Instruction	4,270,018	3,822,920	\$ 4,052,910	\$ 229,990
Student support services	1,091,400	1,096,808	1,113,500	16,692
General administration	356,251	346,754	347,250	496
School administration	1,217,536	1,273,303	1,237,600	[35,703]
Operations and maintenance	1,155,682	1,194,769	1,181,400	[13,369]
Transportation	811,659	868,272	870,000	1,728
Other support services	719,457	691,941	737,500	45,559
Transfers out	7,290,560	5,535,990	8,397,830	2,861,840
Adjustments to comply with legal max	-	-	[3,365,517]	[3,365,517]
Adjustments for qualifying budget credits	<u>-</u>	<u>-</u>	<u>258,284</u>	<u>258,284</u>
Total Expenditures	<u>16,912,563</u>	<u>14,830,757</u>	<u>\$ 14,830,757</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 230
Supplemental General Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

		Current Year		Variance
	Prior Year			Over
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	\$ 2,302,933	\$ 2,404,683	\$ 2,495,830	\$ [91,147]
Delinquent taxes	76,982	1,628	28,108	[26,480]
Motor vehicle taxes	285,516	262,630	251,798	10,832
Recreational vehicle taxes	4,455	3,709	4,265	[556]
State aid/grants	<u>2,787,010</u>	<u>2,677,865</u>	<u>3,210,244</u>	<u>[532,379]</u>
Total Cash Receipts	<u>5,456,896</u>	<u>5,350,515</u>	<u>\$ 5,990,245</u>	<u>\$ [639,730]</u>
Expenditures				
Instruction	2,823,687	3,419,347	\$ 3,301,657	\$ [117,690]
Operations and maintenance	1,220,806	1,053,290	1,247,000	193,710
Other support services	2,386	2,839	2,600	[239]
Transfers out	1,524,649	462,886	1,590,000	1,127,114
Adjustments to comply with legal max	<u>-</u>	<u>-</u>	<u>[1,202,895]</u>	<u>[1,202,895]</u>
Total Expenditures	<u>5,571,528</u>	<u>4,938,362</u>	<u>\$ 4,938,362</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	[114,632]	412,153		
Unencumbered Cash, Beginning	<u>707,675</u>	<u>593,043</u>		
Unencumbered Cash, Ending	<u>\$ 593,043</u>	<u>\$ 1,005,196</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 230
Capital Outlay Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Cash Receipts				
Taxes and Shared Revenues:				
Delinquent taxes	\$ 406	\$ 38	\$ -	\$ 38
Miscellaneous revenue	116,555	83,586	115,000	[31,414]
Investment income	-	-	5,000	[5,000]
Total Cash Receipts	<u>116,961</u>	<u>83,624</u>	<u>\$ 120,000</u>	<u>\$ [36,376]</u>
Expenditures				
Instruction	-	52,947	\$ 470,000	\$ 417,053
Operations and maintenance	-	4,763	100,000	95,237
Transportation	-	59,400	-	[59,400]
Facilities acquisition and construction	-	26,330	100,000	73,670
Building improvements	-	-	262,952	262,952
Total Expenditures	<u>-</u>	<u>143,440</u>	<u>\$ 932,952</u>	<u>\$ 789,512</u>
Receipts Over [Under] Expenditures	116,961	[59,816]		
Unencumbered Cash, Beginning	<u>695,991</u>	<u>812,952</u>		
Unencumbered Cash, Ending	<u>\$ 812,952</u>	<u>\$ 753,136</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 230
Driver Training Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Charges for services	\$ 19,306	\$ 21,330	\$ 25,000	\$ [3,670]
State aid	<u>8,010</u>	<u>6,580</u>	<u>7,400</u>	<u>[820]</u>
Total Cash Receipts	<u>27,316</u>	<u>27,910</u>	<u>\$ 32,400</u>	<u>\$ [4,490]</u>
Expenditures				
Instruction	24,805	22,198	\$ 44,000	\$ 21,802
Vehicle operating and maintenance	<u>4,030</u>	<u>4,752</u>	<u>6,000</u>	<u>1,248</u>
Total Expenditures	<u>28,835</u>	<u>26,950</u>	<u>\$ 50,000</u>	<u>\$ 23,050</u>
Receipts Over [Under] Expenditures	[1,519]	960		
Unencumbered Cash, Beginning	<u>34,272</u>	<u>32,753</u>		
Unencumbered Cash, Ending	<u>\$ 32,753</u>	<u>\$ 33,713</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 230
Food Service Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over [Under]
		Actual	Budget	
Cash Receipts				
Federal aid	\$ 356,455	\$ 392,738	\$ 289,164	\$ 103,574
State aid	9,679	10,741	7,805	2,936
Charges for services	591,233	631,510	798,395	[166,885]
Miscellaneous	14,799	14,324	25,000	[10,676]
Investment income	15,000	20,000	15,000	5,000
Transfers in	30,000	35,000	30,000	5,000
Total Cash Receipts	<u>1,017,166</u>	<u>1,104,313</u>	<u>\$ 1,165,364</u>	<u>\$ [61,051]</u>
Expenditures				
Operation and maintenance	31,694	30,643	\$ 65,620	\$ 34,977
Food service operation	<u>961,372</u>	<u>1,072,094</u>	<u>1,212,000</u>	<u>139,906</u>
Total Expenditures	<u>993,066</u>	<u>1,102,737</u>	<u>\$ 1,277,620</u>	<u>\$ 174,883</u>
Receipts Over [Under] Expenditures	24,100	1,576		
Unencumbered Cash, Beginning	<u>88,155</u>	<u>112,255</u>		
Unencumbered Cash, Ending	<u>\$ 112,255</u>	<u>\$ 113,831</u>		

UNIFIED SCHOOL DISTRICT NO. 230
Parent Education Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Transfers in	\$ 26,300	\$ 41,300	\$ 45,000	\$ [3,700]
Total Cash Receipts	<u>26,300</u>	<u>41,300</u>	<u>\$ 45,000</u>	<u>\$ [3,700]</u>
Expenditures				
Student support services	<u>21,300</u>	<u>42,797</u>	<u>\$ 60,000</u>	<u>\$ 17,203</u>
Total Expenditures	<u>21,300</u>	<u>42,797</u>	<u>\$ 60,000</u>	<u>\$ 17,203</u>
Receipts Over [Under] Expenditures	5,000	[1,497]		
Unencumbered Cash, Beginning	<u>10,000</u>	<u>15,000</u>		
Unencumbered Cash, Ending	<u>\$ 15,000</u>	<u>\$ 13,503</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 230
Special Education Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Federal aid	\$ 757,820	\$ 526,801	\$ 500,000	\$ 26,801
Reimbursements	79,039	73,977	-	73,977
Miscellaneous revenue	12,354	10,776	10,000	776
Investment income	58,923	60,680	10,000	50,680
Transfers in	<u>2,556,340</u>	<u>2,233,546</u>	<u>2,765,080</u>	<u>[531,534]</u>
Total Cash Receipts	<u>3,464,476</u>	<u>2,905,780</u>	<u>\$ 3,285,080</u>	<u>\$ [379,300]</u>
Expenditures				
Instruction	2,279,402	2,474,065	\$ 2,567,000	\$ 92,935
Student support services	501,194	547,915	534,500	[13,415]
General administration	15,113	29,318	16,725	[12,593]
Transportation	<u>199,422</u>	<u>227,671</u>	<u>224,000</u>	<u>[3,671]</u>
Total Expenditures	<u>2,995,131</u>	<u>3,278,969</u>	<u>\$ 3,342,225</u>	<u>\$ 63,256</u>
Receipts Over [Under] Expenditures	469,345	[373,189]		
Unencumbered Cash, Beginning	<u>216,822</u>	<u>686,167</u>		
Unencumbered Cash, Ending	<u>\$ 686,167</u>	<u>\$ 312,978</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 230
Vocational Education Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Federal aid	\$ 14,974	\$ -	\$ 20,000	\$ [20,000]
Miscellaneous revenue	10,048	8,353	15,000	[6,647]
Reimbursements	-	3,595	-	3,595
Transfers in	<u>384,468</u>	<u>300,000</u>	<u>450,000</u>	<u>[150,000]</u>
Total Cash Receipts	<u>409,490</u>	<u>311,948</u>	<u>\$ 485,000</u>	<u>\$ [173,052]</u>
Expenditures				
Instruction	<u>350,179</u>	<u>321,927</u>	<u>\$ 544,312</u>	<u>\$ 222,385</u>
Total Expenditures	<u>350,179</u>	<u>321,927</u>	<u>\$ 544,312</u>	<u>\$ 222,385</u>
Receipts Over [Under] Expenditures	59,311	[9,979]		
Unencumbered Cash, Beginning	<u>-</u>	<u>59,311</u>		
Unencumbered Cash, Ending	<u>\$ 59,311</u>	<u>\$ 49,332</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 230
Special Assessment Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	\$ 72,165	\$ 217,858	\$ 196,050	\$ 21,808
Delinquent taxes	1,582	880	895	[15]
Motor vehicle taxes	2,032	3,762	3,944	[182]
Recreational vehicle taxes	31	50	66	[16]
Total Cash Receipts	<u>75,810</u>	<u>222,550</u>	<u>\$ 200,955</u>	<u>\$ 21,595</u>
Expenditures				
Facilities acquisition	<u>130,948</u>	<u>129,098</u>	<u>\$ 500,000</u>	<u>\$ 370,902</u>
Total Expenditures	<u>130,948</u>	<u>129,098</u>	<u>\$ 500,000</u>	<u>\$ 370,902</u>
Receipts Over [Under] Expenditures	[55,138]	93,452		
Unencumbered Cash, Beginning	<u>587,581</u>	<u>532,443</u>		
Unencumbered Cash, Ending	<u>\$ 532,443</u>	<u>\$ 625,895</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 230
KPERs Special Retirement Contribution Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Cash Receipts				
State aid	\$ 890,039	\$ 1,562,330	\$ 1,780,076	\$ [217,746]
Total Cash Receipts	<u>890,039</u>	<u>1,562,330</u>	<u>\$ 1,780,076</u>	<u>\$ [217,746]</u>
Expenditures				
Instruction	588,329	1,155,011	\$ 1,215,076	\$ 60,065
Student support services	56,954	58,353	105,000	46,647
Instructional support services	39,635	45,374	75,000	29,626
General administration	13,016	47,246	25,000	[22,246]
School administration	61,120	104,606	110,000	5,394
Other support services	36,053	48,605	65,000	16,395
Operations and maintenance	66,638	75,350	130,000	54,650
Food service	28,294	27,008	55,000	27,992
Transportation	-	777	-	[777]
Total Expenditures	<u>890,039</u>	<u>1,562,330</u>	<u>\$ 1,780,076</u>	<u>\$ 217,746</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. 230
Professional Development Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Transfers in	\$ 40,000	\$ 45,000	\$ 40,000	\$ 5,000
Miscellaneous	-	1,440	-	1,440
Total Cash Receipts	<u>40,000</u>	<u>46,440</u>	<u>\$ 40,000</u>	<u>\$ 6,440</u>
Expenditures				
Instructional support services	29,947	45,141	\$ 50,000	\$ 4,859
Other support services	<u>3,047</u>	<u>4,842</u>	-	<u>[4,842]</u>
Total Expenditures	<u>32,994</u>	<u>49,983</u>	<u>\$ 50,000</u>	<u>\$ 17</u>
Receipts Over [Under] Expenditures	7,006	[3,543]		
Unencumbered Cash, Beginning	<u>8,952</u>	<u>15,958</u>		
Unencumbered Cash, Ending	<u>\$ 15,958</u>	<u>\$ 12,415</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 230
At Risk (4 Year Old) Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Transfers in	\$ 40,000	\$ 30,000	\$ 40,000	\$ [10,000]
Total Cash Receipts	<u>40,000</u>	<u>30,000</u>	<u>\$ 40,000</u>	<u>\$ [10,000]</u>
Expenditures				
Instruction	<u>30,553</u>	<u>31,051</u>	<u>\$ 45,000</u>	<u>\$ 13,949</u>
Total Expenditures	<u>30,553</u>	<u>31,051</u>	<u>\$ 45,000</u>	<u>\$ 13,949</u>
Receipts Over [Under] Expenditures	9,447	[1,051]		
Unencumbered Cash, Beginning	<u>567</u>	<u>10,014</u>		
Unencumbered Cash, Ending	<u>\$ 10,014</u>	<u>\$ 8,963</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 230
At Risk (K-12) Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Cash Receipts				
Transfers in	\$ 890,000	\$ 860,000	\$ 950,000	\$ [90,000]
Total Cash Receipts	<u>890,000</u>	<u>860,000</u>	<u>\$ 950,000</u>	<u>\$ [90,000]</u>
Expenditures				
Instruction	787,533	852,674	\$ 939,500	\$ 86,826
Transportation	<u>25,781</u>	<u>14,206</u>	<u>30,000</u>	<u>15,794</u>
Total Expenditures	<u>813,314</u>	<u>866,880</u>	<u>\$ 969,500</u>	<u>\$ 102,620</u>
Receipts Over [Under] Expenditures	76,686	[6,880]		
Unencumbered Cash, Beginning	<u>615</u>	<u>77,301</u>		
Unencumbered Cash, Ending	<u>\$ 77,301</u>	<u>\$ 70,421</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 230
Bilingual Education Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year	Current Year		Variance Over
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Cash Receipts				
Transfers in	\$ 30,000	\$ 32,000	\$ 45,000	\$ [13,000]
Total Cash Receipts	<u>30,000</u>	<u>32,000</u>	<u>\$ 45,000</u>	<u>\$ [13,000]</u>
Expenditures				
Instruction	<u>26,137</u>	<u>32,458</u>	<u>\$ 48,050</u>	<u>\$ 15,592</u>
Total Expenditures	<u>26,137</u>	<u>32,458</u>	<u>\$ 48,050</u>	<u>\$ 15,592</u>
Receipts Over [Under] Expenditures	3,863	[458]		
Unencumbered Cash, Beginning	<u>896</u>	<u>4,759</u>		
Unencumbered Cash, Ending	<u>\$ 4,759</u>	<u>\$ 4,301</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 230
Extraordinary Growth Facility Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	\$ 637,918	\$ 437,449	\$ 452,545	\$ [15,096]
Delinquent taxes	3,765	6,476	7,873	[1,397]
Motor vehicle taxes	-	44,789	45,095	[306]
Recreational vehicle taxes	-	613	764	[151]
Extraordinary growth facility	<u>10,377</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Cash Receipts	<u>652,060</u>	<u>489,327</u>	<u>\$ 506,277</u>	<u>\$ [16,950]</u>
Expenditures				
State payment	<u>641,683</u>	<u>471,900</u>	<u>\$ 471,900</u>	<u>\$ -</u>
Total Expenditures	<u>641,683</u>	<u>471,900</u>	<u>\$ 471,900</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	10,377	17,427		
Unencumbered Cash, Beginning	<u>-</u>	<u>10,377</u>		
Unencumbered Cash, Ending	<u>\$ 10,377</u>	<u>\$ 27,804</u>		

UNIFIED SCHOOL DISTRICT NO. 230
Special Liability Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	\$ 37,529	\$ 42,692	\$ 39,154	\$ 3,538
Delinquent taxes	751	440	464	[24]
Motor vehicle taxes	1,490	2,303	2,373	[70]
Recreational vehicle taxes	23	31	40	[9]
Total Cash Receipts	<u>39,793</u>	<u>45,466</u>	<u>\$ 42,031</u>	<u>\$ 3,435</u>
Expenditures				
Instruction	<u>32,465</u>	<u>10,546</u>	<u>\$ 95,000</u>	<u>\$ 84,454</u>
Total Expenditures	<u>32,465</u>	<u>10,546</u>	<u>\$ 95,000</u>	<u>\$ 84,454</u>
Receipts Over [Under] Expenditures	7,328	34,920		
Unencumbered Cash, Beginning	<u>76,471</u>	<u>83,799</u>		
Unencumbered Cash, Ending	<u>\$ 83,799</u>	<u>\$ 118,719</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 230
Federal Funds
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2012

	<u>Title I</u>	<u>Title II</u>	<u>Learn and Serve</u>	<u>Actual</u>	<u>Budget</u>	Variance Over [Under]
Cash Receipts						
Federal aid	\$ 142,933	\$ 36,258	\$ 2,000	\$ 181,191	\$ 237,961	\$ [56,770]
Miscellaneous	-	-	1,850	1,850	-	1,850
Total Cash Receipts	<u>142,933</u>	<u>36,258</u>	<u>3,850</u>	<u>183,041</u>	<u>\$ 237,961</u>	<u>\$ [54,920]</u>
Expenditures						
Instruction	134,498	36,258	2,000	172,756	\$ 237,961	\$ 65,205
School administration	<u>8,435</u>	<u>-</u>	<u>-</u>	<u>8,435</u>	<u>-</u>	<u>[8,435]</u>
Total Expenditures	<u>142,933</u>	<u>36,258</u>	<u>2,000</u>	<u>181,191</u>	<u>\$ 237,961</u>	<u>\$ 56,770</u>
Receipts Over [Under] Expenditures	-	-	1,850	1,850		
Unencumbered Cash, Beginning	-	-	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,850</u>	<u>\$ 1,850</u>		

UNIFIED SCHOOL DISTRICT NO. 230
Virtual Education Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Cash Receipts				
Transfers in	\$ 4,668,101	\$ 2,419,200	\$ 5,622,750	\$ [3,203,550]
Total Cash Receipts	<u>4,668,101</u>	<u>2,419,200</u>	<u>\$ 5,622,750</u>	<u>\$ [3,203,550]</u>
Expenditures				
Instruction	4,613,327	2,419,200	\$ 5,560,045	\$ 3,140,845
Operations and maintenance	<u>54,774</u>	<u>-</u>	<u>62,705</u>	<u>62,705</u>
Total Expenditures	<u>4,668,101</u>	<u>2,419,200</u>	<u>\$ 5,622,750</u>	<u>\$ 3,203,550</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. 230
Textbook Rental Fund *
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis
For the Years Ended June 30, 2012 and 2011

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Charges for services	<u>\$ 160,495</u>	<u>\$ 160,081</u>
Total Cash Receipts	<u>160,495</u>	<u>160,081</u>
Expenditures		
Instruction	<u>94,182</u>	<u>112,734</u>
Total Expenditures	<u>94,182</u>	<u>112,734</u>
Receipts Over [Under] Expenditures	66,313	47,347
Unencumbered Cash, Beginning	<u>63,934</u>	<u>130,247</u>
Unencumbered Cash, Ending	<u>\$ 130,247</u>	<u>\$ 177,594</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 230
Gifts and Grants Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year	Current Year		Variance Over
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Cash Receipts				
Miscellaneous revenue	\$ 19,249	\$ 58,542	\$ 50,000	\$ 8,542
Total Cash Receipts	<u>19,249</u>	<u>58,542</u>	<u>\$ 50,000</u>	<u>\$ 8,542</u>
Expenditures				
Instruction	<u>25,757</u>	<u>37,725</u>	<u>\$ 68,458</u>	<u>\$ 30,733</u>
Total Expenditures	<u>25,757</u>	<u>37,725</u>	<u>\$ 68,458</u>	<u>\$ 30,733</u>
Receipts Over [Under] Expenditures	[6,508]	20,817		
Unencumbered Cash, Beginning	<u>24,966</u>	<u>18,458</u>		
Unencumbered Cash, Ending	<u>\$ 18,458</u>	<u>\$ 39,275</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 230
Contingency Reserve Fund *
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis
For the Years Ended June 30, 2012 and 2011

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Transfers in	\$ 150,000	\$ -
Total Cash Receipts	<u>150,000</u>	<u>-</u>
Expenditures		
Instruction	-	-
Total Expenditures	<u>-</u>	<u>-</u>
Receipts Over [Under] Expenditures	150,000	-
Unencumbered Cash, Beginning	<u>350,419</u>	<u>500,419</u>
Unencumbered Cash, Ending	<u>\$ 500,419</u>	<u>\$ 500,419</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 230
2012 Bond Construction Fund *
Schedule of Cash Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended June 30, 2012

Cash Receipts	
Bond proceeds	\$ 39,000,000
Bond premium	280,080
Prepaid interest	73,230
Transfer in	<u>2,830</u>
Total Cash Receipts	<u>39,356,140</u>
Expenditures	
Capital outlay	13,667,584
Issuance costs	<u>390,000</u>
Total Expenditures	<u>14,057,584</u>
Receipts Over [Under] Expenditures	25,298,556
Unencumbered Cash, Beginning	<u>-</u>
Unencumbered Cash, Ending	<u>\$ 25,298,556</u>

UNIFIED SCHOOL DISTRICT NO. 230
Bond and Interest Fund
Schedule of Cash Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2012
(With Comparative Actual Amounts for the Year Ended June 30, 2011)

	Prior Year <u>Actual</u>	<u>Current Year</u>		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	<u>[Under]</u>
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	\$ 2,631,843	\$ 2,677,348	\$ 2,521,195	\$ 156,153
Delinquent taxes	84,460	8,007	32,133	[24,126]
Motor vehicle taxes	291,266	295,878	284,018	11,860
Recreational vehicle taxes	4,540	4,180	4,811	[631]
State aid/grants	1,393,533	2,386,935	2,386,935	-
Bond proceeds	-	24,570,000	-	24,570,000
Bond premium	-	2,796,231	1,282,254	1,513,977
Total Cash Receipts	<u>4,405,642</u>	<u>32,738,579</u>	<u>\$ 6,511,346</u>	<u>\$ 26,227,233</u>
Expenditures				
Interest	2,169,981	-	\$ 3,564,301	\$ 3,564,301
Principal	1,510,000	4,669,252	1,740,000	[2,929,252]
Issuance costs	-	281,193	-	[281,193]
Refunded interest	-	2,354,176	-	[2,354,176]
Refunded principal	-	23,760,000	-	[23,760,000]
Adjustments for qualifying budget credits	-	-	27,366,231	27,366,231
Total Expenditures	<u>3,679,981</u>	<u>31,064,621</u>	<u>\$ 32,670,532</u>	<u>\$ 1,605,911</u>
Receipts Over [Under] Expenditures	725,661	1,673,958		
Unencumbered Cash, Beginning	<u>5,269,025</u>	<u>5,994,686</u>		
Unencumbered Cash, Ending	<u>\$ 5,994,686</u>	<u>\$ 7,668,644</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 230
Agency Funds
Schedule of Cash Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2012

<u>FUND</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Prairie Creek Elementary School				
Library	\$ 484	\$ 131	\$ 393	\$ 222
Art fees	357	390	549	198
EFG	-	2,400	-	2,400
Interest	1,661	12	112	1,561
Lifetouch	631	833	457	1,007
Pepsi cola	60	-	52	8
Watch Dogs	37	92	109	20
Petty cash	-	12,657	12,657	-
Student council	1,058	896	1,240	714
Music department	185	108	-	293
Donations	1,308	3,316	964	3,660
Total Prairie Creek Elementary Activity Funds	<u>5,781</u>	<u>20,835</u>	<u>16,533</u>	<u>10,083</u>
Spring Hill Elementary School				
Library	1,331	206	566	971
EFG	-	3,375	500	2,875
Field trip	1,489	1,408	1,418	1,479
Interest	337	28	125	240
Petty cash	-	3,620	3,620	-
Pop	1,227	1,490	2,026	691
Rebates	5,928	2,342	314	7,956
SOM	241	-	-	241
Watch Dogs	189	1,114	1,039	264
Teachers' fund	1,140	2,009	2,153	996
Student council	1,279	315	1,030	564
Math	94	-	-	94
Total Spring Hill Elementary Activity Funds	<u>13,255</u>	<u>15,907</u>	<u>12,791</u>	<u>16,371</u>

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 230
Agency Funds
Schedule of Cash Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2012

<u>FUND</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Spring Hill Intermediate School				
Art	\$ -	\$ 4,479	\$ 2,988	\$ 1,491
Counseling programs	-	143	139	4
Library	1,725	830	689	1,866
Field trip	985	5,532	5,700	817
Interest	1,605	-	-	1,605
Isaiah Johnson Fundraiser	-	2,371	2,371	-
Petty cash	-	2,800	2,800	-
Pop machine	1,006	805	925	886
Rebates	1,124	4,980	3,140	2,964
Sprint Foundation	250	-	-	250
Student of the Month	13	565	525	53
Watch Dogs	44	278	273	49
Teachers' fund	1,816	1,140	1,243	1,713
Student council	1,937	2,592	2,642	1,887
Math	592	476	478	590
Total Spring Hill Intermediate Activity Funds	<u>11,097</u>	<u>26,991</u>	<u>23,913</u>	<u>14,175</u>
Spring Hill Middle School				
Music	3,263	5,034	5,007	3,290
Drama	5,785	1,104	1,167	5,722
National Honor Society	731	5	736	-
Kids against drugs	736	5	741	-
Earth environmental	655	5	660	-
S.A.C.	14,673	9,438	8,355	15,756
8th Grade	764	5,781	6,545	-
7th Grade	2,610	6,713	6,717	2,606
6th Grade	854	8,390	7,151	2,093
Teachers fund	4,221	1,521	1,220	4,522
Library	3,376	209	20	3,565
CRP	657	6	-	663
Career day activities	1,000	-	-	1,000
Taxes	29	4,726	4,726	29
Family and consumer science	1,148	1,257	1,101	1,304
Shop	910	5	90	825
Cheerleaders	545	1,051	1,326	270
Pep club	913	5	-	918
Total Spring Hill Middle Activity Funds	<u>42,870</u>	<u>45,255</u>	<u>45,562</u>	<u>42,563</u>

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 230
Agency Funds
Schedule of Cash Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2012

<u>FUND</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Spring Hill High School				
Music	\$ 3,198	\$ 3,447	\$ 3,631	\$ 3,014
Stuco	7,514	11,850	14,831	4,533
Stampede newsletter	332	-	68	264
Band	-	806	806	-
SADD	1,740	2,666	1,948	2,458
Sp prom	2,678	1,323	-	4,001
Scholastic competition	2,043	850	1,045	1,848
Student activity	72	-	-	72
Volunteer	670	1,600	1,175	1,095
National Honor Society	275	691	896	70
Debate/forensics	2,474	2,466	3,231	1,709
Drama	2,661	2,707	3,171	2,197
Musical-drama	3,370	6,645	10,015	-
Strings	1,527	3,739	5,231	35
Seniors	1,323	1,088	250	2,161
Juniors	2,261	8,957	10,918	300
Sophomores	4,513	3,077	3,242	4,348
Freshman	1,288	2,270	1,329	2,229
Teachers fund	962	2,357	3,079	240
Library	736	2,166	2,123	779
School Development	370	2,533	-	2,903
Misc/St. activities	1,521	7,205	8,100	626
Youth services	184	9	162	31
Uniform/Equipment	-	15,009	15,009	-
Career Development	1,123	2,001	1,785	1,339
Art	177	9	75	111
FHA	462	502	622	342
Industrial Art	581	8	-	589
Foreign language	76	8	-	84
Business club	289	8	-	297
Science club	618	85	44	659
Spring Hill FFA	105	14,155	11,327	2,933
FFA Horticulture	6,185	800	2,528	4,457
Job club	265	-	-	265
Spirit club	7,185	1,187	4,142	4,230
Cheerleaders	939	12,465	11,967	1,437
Drill team	50	15,792	13,039	2,803
Total Spring Hill High School Activity Funds	<u>59,767</u>	<u>130,481</u>	<u>135,789</u>	<u>54,459</u>
Total Agency Funds	<u>\$ 132,770</u>	<u>\$ 239,469</u>	<u>\$ 234,588</u>	<u>\$ 137,651</u>

See independent auditor's report on the financial statements.

SCHEDULE 4

UNIFIED SCHOOL DISTRICT NO. 230
 District Activities - Gate Receipts and School Project Funds
 Schedule of Cash Receipts, Expenditures and Unencumbered Cash
 Regulatory Basis
 For the Year Ended June 30, 2012

<u>FUND</u>	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
<u>Gate Receipts:</u>							
Spring Hill Middle School	\$ 22,645	\$ -	\$ 19,870	\$ 15,295	\$ 27,220	\$ -	\$ 27,220
Spring Hill High School	<u>46,952</u>	<u>-</u>	<u>142,219</u>	<u>137,011</u>	<u>52,160</u>	<u>-</u>	<u>52,160</u>
Total Gate Receipts	<u>69,597</u>	<u>-</u>	<u>162,089</u>	<u>152,306</u>	<u>79,380</u>	<u>-</u>	<u>79,380</u>
<u>School Projects:</u>							
Spring Hill Elementary School							
Yearbook	<u>1,951</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,951</u>	<u>-</u>	<u>1,951</u>
Total Spring Hill Elementary School	<u>1,951</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,951</u>	<u>-</u>	<u>1,951</u>
Spring Hill Intermediate School							
Yearbook	<u>2,529</u>	<u>-</u>	<u>545</u>	<u>180</u>	<u>2,894</u>	<u>-</u>	<u>2,894</u>
Total Spring Hill Intermediate School	<u>2,529</u>	<u>-</u>	<u>545</u>	<u>180</u>	<u>2,894</u>	<u>-</u>	<u>2,894</u>
Spring Hill Middle School							
Yearbook	<u>530</u>	<u>-</u>	<u>5,554</u>	<u>5,362</u>	<u>722</u>	<u>-</u>	<u>722</u>
Concessions	<u>16,784</u>	<u>-</u>	<u>11,109</u>	<u>14,021</u>	<u>13,872</u>	<u>-</u>	<u>13,872</u>
Total Spring Hill Middle School	<u>17,314</u>	<u>-</u>	<u>16,663</u>	<u>19,383</u>	<u>14,594</u>	<u>-</u>	<u>14,594</u>
Spring Hill High School							
Yearbook	<u>2,944</u>	<u>-</u>	<u>27,122</u>	<u>19,310</u>	<u>10,756</u>	<u>-</u>	<u>10,756</u>
Concessions	<u>4,222</u>	<u>-</u>	<u>41,374</u>	<u>40,568</u>	<u>5,028</u>	<u>-</u>	<u>5,028</u>
Total Spring Hill High School	<u>7,166</u>	<u>-</u>	<u>68,496</u>	<u>59,878</u>	<u>15,784</u>	<u>-</u>	<u>15,784</u>
Total School Projects	<u>28,960</u>	<u>-</u>	<u>85,704</u>	<u>79,441</u>	<u>35,223</u>	<u>-</u>	<u>35,223</u>
Total District Activity Funds	<u>\$ 98,557</u>	<u>\$ -</u>	<u>\$ 247,793</u>	<u>\$ 231,747</u>	<u>\$ 114,603</u>	<u>\$ -</u>	<u>\$ 114,603</u>

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 230
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2012

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Beginning Unencumbered Cash	Receipts	Expenditures	Ending Unencumbered Cash
<u>U.S. Department of Education</u>					
Passed Through State Department of Education:					
Title I Grants to Local Educational Agencies	84.010	\$ -	\$ 142,933	\$ 142,933	\$ -
Special Education Grants to States	84.027	-	513,579	513,579	-
Special Education - Preschool Grants	84.173	-	13,222	13,222	-
School Preparedness	84.302	1,250	-	-	1,250
Improving Teacher Quality State Grants	84.367	-	36,389	36,389	-
Education Jobs Fund	84.410	-	7,839	7,839	-
Total U.S. Department of Education			713,962	713,962	
<u>Corporation for National and Community Service</u>					
Passed Through State Department of Education:					
Learn & Serve	94.004	-	2,000	2,000	-
Total U.S. Department of Health and Human Services			2,000	2,000	
<u>U.S. Department of Agriculture</u>					
Passed Through State Department of Education:					
School Breakfast Program	10.553	-	74,626	74,626	-
National School Lunch Program	10.555	-	315,296	315,296	-
Special Milk	10.556	-	1,126	1,126	-
Team Nutrition Training	10.574	-	1,690	1,690	-
Total U.S. Department of Agriculture			392,738	392,738	
Total Expenditures of Federal Awards			\$ 1,108,700	\$ 1,108,700	

The accompanying notes are an integral part of this schedule.

UNIFIED SCHOOL DISTRICT NO. 230
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. 230. All expenditures of federal financial assistance received directly from federal agencies, if any as well as federal financial assistance passed through other government agencies is included on the schedule.

2. Basis of Accounting

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

UNIFIED SCHOOL DISTRICT NO. 230
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2012

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified - Statutory Basis
Adverse - GAAP

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes X No

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

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____ Yes X No

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

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

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

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

84.010
84.027, 84.173

Title I
Special Education Cluster

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

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

UNIFIED SCHOOL DISTRICT NO. 230
Schedule of Findings and Questioned Costs - Continued
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

<u>Program</u>	<u>Finding</u>	<u>Conditions</u>	<u>Criteria</u>	<u>Questioned Costs</u>	<u>Recommendation</u>	<u>Management Response</u>
None noted						

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>
Special Education Grants to States	2011-1	No semi annual certifications for Special Education Grants to States teachers or paras charged 100% to grant.	OMB Circular 87 Attachment B	A- Not determined	Adopt policy requiring compliance with the federal time keeping rules.	Semi annual certifications were maintained by district for year ended June 30, 2012.

**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. 230
Spring Hill, Kansas

We have audited the financial statements of the Unified School District No. 230 (the District), Spring Hill, Kansas, as of and for the year ended June 30, 2012, and have issued our report thereon dated November 27, 2012, which is a special report on the financial statements prepared in accordance with a basis of accounting prescribed by the State of Kansas. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

However we noted certain other matters that we reported to management of Unified School District No. 230, Spring Hill, Kansas, in a separate letter dated November 27, 2012.

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

A handwritten signature in cursive script that reads "King, Horner & Company". The signature is written in dark ink and is positioned above the date.

November 27, 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. 230
Spring Hill, Kansas

Compliance

We have audited the compliance of the Unified School District No. 230 (the District), Spring Hill, Kansas, with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2012. Major federal financial programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

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

Internal Control Over Compliance

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

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

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

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

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

November 27, 2012