

**UNIFIED SCHOOL DISTRICT NO. 430**  
**Horton, Kansas**  
**Financial Statements**  
**For the Year Ended June 30, 2012**

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UNIFIED SCHOOL DISTRICT NO. 430  
 Financial Statements  
 For the Year Ended June 30, 2012

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For the Year Ended June 30, 2012

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

Board of Education  
Unified School District No. 430  
Horton, Kansas

We have audited the summary statement of cash receipts, expenditures, and unencumbered cash balances of Unified School District No. 430, Horton, Kansas, (the District), as of and for the year ended June 30, 2012. This financial statement is the responsibility of the District's management. Our responsibility is to express an opinion on the financial statement based on our audit. The prior year partial comparative information has been derived from the District's financial statements for the year ended June 30, 2011. In our report dated February 28, 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 we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

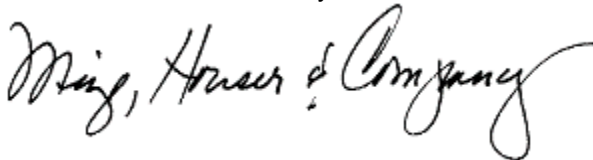
In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Unified School District No. 430, Horton, 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 statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the District as of June 30, 2012, and the aggregate cash receipts and expenditures for the year then ended, on the basis of accounting described in Note 1.

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

In accordance with "Government Auditing Standards," we have also issued our report dated January 14, 2013, 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-private purpose trust fund (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.



January 14, 2013

UNIFIED SCHOOL DISTRICT NO. 430  
 Summary of Cash Receipts, Expenditures and Unencumbered Cash  
 Regulatory Basis  
 For the Year Ended June 30, 2012

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds:							
General Funds							
General Fund	\$ -	\$ -	\$ 4,848,998	\$ 4,848,998	\$ -	\$ 665	\$ 665
Supplemental General	89,625	-	1,686,734	1,671,446	104,913	41,083	145,996
Special Purpose Funds:							
At Risk	-	-	649,404	649,404	-	-	-
Bilingual Education	-	-	31,374	31,374	-	-	-
Capital Outlay	981,717	-	350,896	365,375	967,238	92,545	1,059,783
Driver Training	29,832	-	9,616	7,020	32,428	-	32,428
Food Service	206,825	-	335,687	327,779	214,733	903	215,636
Special Education	451,280	-	883,821	1,062,350	272,751	-	272,751
Vocational Education	358,198	-	234,000	248,370	343,828	21,033	364,861
KPERs Special Retirement Contribution	-	-	440,056	440,056	-	-	-
Contingency Reserve	516,062	-	-	32,336	483,726	-	483,726
Grant	111,516	-	350,093	395,202	66,407	62,091	128,498
Coordinated School Health Program	-	-	-	-	-	-	-
Student Material	432	-	15,274	13,627	2,079	7,554	9,633
Debt Service Fund:							
Bond and Interest	620,533	-	447,385	462,210	605,708	-	605,708
District Activity Funds	67,388	-	136,770	129,565	74,593	-	74,593
Private Purpose Trust Fund:							
Donations	2,822	-	-	2,822	-	-	-
<b>Total</b>	<b>\$ 3,436,230</b>	<b>\$ -</b>	<b>\$ 10,420,108</b>	<b>\$ 10,687,934</b>	<b>\$ 3,168,404</b>	<b>\$ 225,874</b>	<b>\$ 3,394,278</b>
(excluding Agency Funds)							

COMPOSITION OF CASH:

Horton National Bank	
Checking	\$ 108,722
C.D.	500,000
Money Market	<u>2,060</u>
Total Horton National Bank	<u>610,782</u>
Union State Bank	
Checking	76,156
C.D.	1,000,000
Money Market	<u>2,427,762</u>
Total Union State Bank	<u>3,503,918</u>
Total Cash	4,114,700
Plus: Deposits in Transit	437,128
Less: Outstanding Checks	[884,547]
Less: Payroll Liabilities	[228,892]
Less: Agency Funds per Schedule 3	<u>[44,111]</u>
Total (excluding Agency Funds)	<u>\$ 3,394,278</u>

UNIFIED SCHOOL DISTRICT NO. 430  
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. 430 (the District) is a municipal corporation governed by an elected seven-member board. These financial statements include all the accounts for which the District is considered to be financially accountable. The District had no related municipal entities.

Basis of Accounting

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

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

Departure from Generally Accepted Accounting Principles

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

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

Regulatory Basis Fund Types

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



UNIFIED SCHOOL DISTRICT NO. 430  
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 during the 2011-2012 year.

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. 430  
Notes to the Financial Statements  
For the Year Ended June 30, 2012

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Budgetary Information (Continued)

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

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

Ad Valorem Tax Revenues

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

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

NOTE 2 - Deposits and Investments

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

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

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

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

At June 30, 2012, the District's carrying amount of deposits was \$3,438,389 and the bank balance was \$4,114,699. 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 \$3,614,699 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

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

UNIFIED SCHOOL DISTRICT NO. 430  
Notes to the Financial Statements  
For the Year Ended June 30, 2012

NOTE 2 - Deposits and Investments (Continued)

*Substance receipt in transit.* The District received \$384,081 in General State Aid and \$53,047 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 - Interfund Transactions

Transfers were as follows:

From	To	Statutory Authority	Amount
General	Capital Outlay	K.S.A. 72-6428	\$ 286,591
General	Special Education	K.S.A. 72-6428	633,268
General	Vocational Education	K.S.A. 72-6428	208,853
Supplemental General	Bilingual Education	K.S.A. 72-6433	31,374
Supplemental General	Vocational Education	K.S.A. 72-6433	25,147
Supplemental General	At Risk	K.S.A. 72-6433	649,404
Supplemental General	Food Service	K.S.A. 72-6433	40,000
Supplemental General	Special Education	K.S.A. 72-6433	221,444
Contingency Reserve	Driver Training	K.S.A. 72-6426	2,533
			<u>\$ 2,098,614</u>

NOTE 4 - 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 Avenue, Topeka, Kansas 66603-3803).

*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. 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 \$440,056, \$256,635, and \$303,841 respectively, equal to the required contributions for each year.

NOTE 5 - Compensated Absences & Termination Benefits

Employees may accumulate up to 100 days of sick leave. No payment is made for unused vacation or sick time upon employee retirement or termination.

The District will cover for eligible retirees the cost of the retiree's health premiums under the District's health insurance policy. For the coming year, the cost to the district is estimated to be \$29,880.

UNIFIED SCHOOL DISTRICT NO. 430  
Notes to the Financial Statements  
For the Year Ended June 30, 2012

NOTE 6 - Long-Term Debt

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

<u>Debt Issue</u>	<u>Date Issued</u>	<u>Original Amount</u>	<u>Interest Rates</u>	<u>Final Maturity Date</u>
G.O. Bonds				
2003 Bonds	7/14/2003	\$ 5,330,000	2.00 - 3.50%	9/1/2017
Leases				
Copier	8/13/2008	62,757	10.00%	8/13/2011
Copier 2011/12	9/5/2011	86,187	-	9/5/2015

The District is subject to statutes of the State of Kansas which limit the bonded debt outstanding to 14 percent of the assessed value of all tangible property within the District. The District requested and received approval under K.S.A 75-2315 which allows the issuance of bonded debt in excess of the general bond debt limitation. As of June 30, 2012, the District's bonded indebtedness was 14% of the assessed value of all tangible property within the District. Following is a summary of changes in long-term debt of 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				
2003 Bonds	\$ 2,890,000	\$ -	\$ 375,000	\$ 2,515,000
Leases				
Copier	4,000	-	4,000	-
Copier 2011/12	-	86,187	17,956	68,231
<b>Total</b>	<b>\$ 2,894,000</b>	<b>\$ 86,187</b>	<b>\$ 396,956</b>	<b>\$ 2,583,231</b>

Annual debt service requirements to maturity for the above general obligation bond debt:

<u>Year</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Due</u>
2012-13	\$ 390,000	\$ 76,110	\$ 466,110
2013-14	400,000	64,060	464,060
2014-15	410,000	51,300	461,300
2015-16	425,000	37,728	462,728
2016-17	435,000	23,320	458,320
2017-18	455,000	7,963	462,963
<b>Total</b>	<b>\$ 2,515,000</b>	<b>\$ 260,481</b>	<b>\$ 2,775,481</b>

UNIFIED SCHOOL DISTRICT NO. 430  
Notes to the Financial Statements  
For the Year Ended June 30, 2012

NOTE 6 - Long-Term Debt (Continued)

Annual payment service requirements to maturity for the above copier leases:

Year	<u>Total Due</u>
2012-13	\$ 21,547
2013-14	21,547
2014-15	21,547
2015-16	<u>3,590</u>
Total	<u>\$ 68,231</u>

NOTE 7 - 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 negative effect on the financial statements of the District at June 30, 2012.

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; injuries to employees; 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.

SCHEDULE 1

UNIFIED SCHOOL DISTRICT NO. 430  
 Summary of Expenditures - Actual and Budget  
 (Budgeted Funds Only)  
 Regulatory Basis  
 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 Over [Under]</u>
Governmental Type Funds:						
General Funds						
General Fund	\$ 4,980,528	\$ [143,262]	\$ 11,732	\$ 4,848,998	\$ 4,848,998	\$ -
Supplemental General	1,712,939	[41,493]	-	1,671,446	1,671,446	-
Special Purpose Funds:						
At Risk	712,530	-	-	712,530	649,404	63,126
Bilingual Education	55,944	-	-	55,944	31,374	24,570
Capital Outlay	900,000	-	-	900,000	365,375	534,625
Driver Training	31,312	-	-	31,312	7,020	24,292
Food Service	494,398	-	-	494,398	327,779	166,619
Special Education	1,393,319	-	-	1,393,319	1,062,350	330,969
Vocational Education	330,713	-	-	330,713	248,370	82,343
KPERS Special Retirement Contribution	513,270	-	-	513,270	440,056	73,214
Grant	682,083	-	-	682,083	395,202	286,881
Debt Service Fund:						
Bond and Interest	462,210	-	-	462,210	462,210	-

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 430  
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>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem tax	\$ 357,820	\$ 373,637	\$ 350,289	\$ 23,348
Delinquent tax	-	-	7,360	[7,360]
Federal Aid:				
Impact aid	109,643	73,622	70,000	3,622
State fiscal stabilization funds	93,503	-	-	-
Education jobs fund	163,724	2,312	-	2,312
State aid	4,435,930	4,387,695	4,552,879	[165,184]
Reimbursement	11,411	11,732	-	11,732
Total Cash Receipts	<u>5,172,031</u>	<u>4,848,998</u>	<u>\$ 4,980,528</u>	<u>\$ [131,530]</u>
Expenditures and Transfers				
Instruction	2,024,205	2,166,509	\$ 2,430,289	\$ 263,780
Student support services	261,477	251,111	280,576	29,465
Instructional support services	125,321	107,721	120,231	12,510
General administration	329,951	256,515	281,548	25,033
School administration	554,923	480,683	525,410	44,727
Operations and maintenance	421,785	283,347	317,872	34,525
Transfers out	1,205,937	1,128,712	820,000	[308,712]
Transportation	248,432	174,400	204,602	30,202
Adjustments for qualifying budget credit	-	-	11,732	11,732
Adjustments to comply with legal max budget	-	-	[143,262]	[143,262]
Total Expenditures and Transfers	<u>5,172,031</u>	<u>4,848,998</u>	<u>\$ 4,848,998</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. 430  
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)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem tax	\$ 599,159	\$ 659,718	\$ 697,747	\$ [38,029]
Delinquent tax	15,507	12,862	12,330	532
Motor vehicle tax	68,044	69,717	72,762	[3,045]
Recreational vehicle tax	903	1,097	930	167
State aid	<u>1,071,826</u>	<u>943,340</u>	<u>931,950</u>	<u>11,390</u>
Total Cash Receipts	<u>1,755,439</u>	<u>1,686,734</u>	<u>\$ 1,715,719</u>	<u>\$ [28,985]</u>
Expenditures and Transfers				
Instruction	-	161,116	\$ 144,150	\$ [16,966]
Student support services	-	4,997	2,550	[2,447]
Instructional support staff	-	12,767	13,500	733
General administration	-	98,858	89,725	[9,133]
School administration	-	14,373	12,550	[1,823]
Operations and maintenance	189,505	339,456	399,950	60,494
Transportation	-	72,510	-	[72,510]
Transfers out	1,559,208	967,369	1,050,514	83,145
Adjustments to comply with legal max budget	-	-	[41,493]	[41,493]
Total Expenditures and Transfers	<u>1,748,713</u>	<u>1,671,446</u>	<u>\$ 1,671,446</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	6,726	15,288		
Unencumbered Cash, Beginning	<u>82,899</u>	<u>89,625</u>		
Unencumbered Cash, Ending	<u>\$ 89,625</u>	<u>\$ 104,913</u>		

See independent auditor's report on the financial statements.



UNIFIED SCHOOL DISTRICT NO. 430  
At Risk 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>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Transfer in	\$ 778,345	\$ 649,404	\$ 712,530	\$ [63,126]
Total Cash Receipts	<u>778,345</u>	<u>649,404</u>	<u>\$ 712,530</u>	<u>\$ [63,126]</u>
Expenditures and Transfers				
Instruction	<u>778,345</u>	<u>649,404</u>	<u>\$ 712,530</u>	<u>\$ 63,126</u>
Total Expenditures and Transfers	<u>778,345</u>	<u>649,404</u>	<u>\$ 712,530</u>	<u>\$ 63,126</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. 430  
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 <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Transfers in	\$ 50,787	\$ 31,374	\$ 55,944	\$ [24,570]
Total Cash Receipts	<u>50,787</u>	<u>31,374</u>	<u>\$ 55,944</u>	<u>\$ [24,570]</u>
Expenditures and Transfers				
Instruction	<u>50,787</u>	<u>31,374</u>	\$ 55,944	\$ 24,570
Total Expenditures and Transfers	<u>50,787</u>	<u>31,374</u>	<u>\$ 55,944</u>	<u>\$ 24,570</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. 430  
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 Actual	Current Year		Variance Over [Under]
		Actual	Budget	
Cash Receipts				
Investment income	\$ 21,361	\$ 21,395	\$ 20,000	\$ 1,395
Transfers in	484,592	286,591	-	286,591
Miscellaneous	24,449	42,910	-	42,910
Total Cash Receipts	<u>530,402</u>	<u>350,896</u>	<u>\$ 20,000</u>	<u>\$ 330,896</u>
Expenditures and Transfers				
Capital outlay	<u>464,685</u>	<u>365,375</u>	<u>\$ 900,000</u>	<u>\$ 534,625</u>
Total Expenditures and Transfers	<u>464,685</u>	<u>365,375</u>	<u>\$ 900,000</u>	<u>\$ 534,625</u>
Receipts Over [Under] Expenditures	65,717	[14,479]		
Unencumbered Cash, Beginning	<u>916,000</u>	<u>981,717</u>		
Unencumbered Cash, Ending	<u>\$ 981,717</u>	<u>\$ 967,238</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 430  
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>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Transfer in	\$ -	\$ 2,533	\$ -	\$ 2,533
Charges for services	5,674	5,203	-	5,203
State aid	<u>1,554</u>	<u>1,880</u>	<u>1,480</u>	<u>400</u>
Total Cash Receipts	<u>7,228</u>	<u>9,616</u>	<u>\$ 1,480</u>	<u>\$ 8,136</u>
Expenditures and Transfers				
Instruction	8,533	7,020	\$ 26,112	\$ 19,092
Operations and maintenance	<u>-</u>	<u>-</u>	<u>5,200</u>	<u>5,200</u>
Total Expenditures and Transfers	<u>8,533</u>	<u>7,020</u>	<u>\$ 31,312</u>	<u>\$ 24,292</u>
Receipts Over [Under] Expenditures	[1,305]	2,596		
Unencumbered Cash, Beginning	<u>31,137</u>	<u>29,832</u>		
Unencumbered Cash, Ending	<u>\$ 29,832</u>	<u>\$ 32,428</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 430  
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	\$ 208,925	\$ 217,652	\$ 183,810	\$ 33,842
State aid	3,074	3,223	2,261	962
Charges for services	67,848	74,812	61,503	13,309
Transfers in	89,999	40,000	40,000	-
Total Cash Receipts	<u>369,846</u>	<u>335,687</u>	<u>\$ 287,574</u>	<u>\$ 48,113</u>
Expenditures and Transfers				
Food service operation	<u>324,405</u>	<u>327,779</u>	<u>\$ 494,398</u>	<u>\$ 166,619</u>
Total Expenditures and Transfers	<u>324,405</u>	<u>327,779</u>	<u>\$ 494,398</u>	<u>\$ 166,619</u>
Receipts Over [Under] Expenditures	45,441	7,908		
Unencumbered Cash, Beginning	<u>161,384</u>	<u>206,825</u>		
Unencumbered Cash, Ending	<u>\$ 206,825</u>	<u>\$ 214,733</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 430  
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>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Federal aid	\$ 10,008	\$ 29,109	\$ -	\$ 29,109
Transfers in	<u>1,051,345</u>	<u>854,712</u>	<u>942,040</u>	<u>[87,328]</u>
Total Cash Receipts	<u>1,061,353</u>	<u>883,821</u>	<u>\$ 942,040</u>	<u>\$ [58,219]</u>
Expenditures and Transfers				
Instruction	<u>1,013,448</u>	<u>1,062,350</u>	<u>\$ 1,393,319</u>	<u>\$ 330,969</u>
Total Expenditures and Transfers	<u>1,013,448</u>	<u>1,062,350</u>	<u>\$ 1,393,319</u>	<u>\$ 330,969</u>
Receipts Over [Under] Expenditures	47,905	[178,529]		
Unencumbered Cash, Beginning	<u>403,375</u>	<u>451,280</u>		
Unencumbered Cash, Ending	<u>\$ 451,280</u>	<u>\$ 272,751</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 430  
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>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Transfers in	\$ 310,077	\$ 234,000	\$ 120,000	\$ 114,000
Total Cash Receipts	<u>310,077</u>	<u>234,000</u>	<u>\$ 120,000</u>	<u>\$ 114,000</u>
Expenditures and Transfers				
Instruction	<u>251,114</u>	<u>248,370</u>	<u>\$ 330,713</u>	<u>\$ 82,343</u>
Total Expenditures and Transfers	<u>251,114</u>	<u>248,370</u>	<u>\$ 330,713</u>	<u>\$ 82,343</u>
Receipts Over [Under] Expenditures	58,963	[14,370]		
Unencumbered Cash, Beginning	<u>299,235</u>	<u>358,198</u>		
Unencumbered Cash, Ending	<u>\$ 358,198</u>	<u>\$ 343,828</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 430  
 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>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
State aid	\$ 256,635	\$ 440,056	\$ 513,270	\$ [73,214]
Total Cash Receipts	<u>256,635</u>	<u>440,056</u>	<u>\$ 513,270</u>	<u>\$ [73,214]</u>
Expenditures and Transfers				
Instruction	165,529	283,836	\$ 331,060	\$ 47,224
Student support	14,372	24,643	28,743	4,100
Instructional support	14,115	24,203	28,230	4,027
General administration	8,982	15,402	17,964	2,562
School administration	22,327	38,285	44,654	6,369
Operations and maintenance	14,372	24,643	28,743	4,100
Transportation	8,726	14,962	17,451	2,489
Food service	8,212	14,082	16,425	2,343
Total Expenditures and Transfers	<u>256,635</u>	<u>440,056</u>	<u>\$ 513,270</u>	<u>\$ 73,214</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. 430  
Contingency Reserve Fund\*  
Schedule of Cash Receipts and Expenditures - Actual  
Regulatory Basis  
For the Year 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	17,380	29,803
Transfers out	-	2,533
Total Expenditures and Transfers	<u>17,380</u>	<u>32,336</u>
Receipts Over [Under] Expenditures	[17,380]	[32,336]
Unencumbered Cash, Beginning	<u>533,442</u>	<u>516,062</u>
Unencumbered Cash, Ending	<u>\$ 516,062</u>	<u>\$ 483,726</u>

\* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 430  
Grant Funds  
Schedule of Cash Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2012

	<u>Cash Receipts</u>		
	<u>Federal Aid</u>	<u>Miscellaneous</u>	<u>Total</u>
Title VII	\$ 30,424	\$ -	\$ 30,424
Carl Perkins	3,397	-	3,397
Mini Grant	-	14,291	14,291
P.L. 81-874	57,268	-	57,268
Johnson O'Malley	14,623	-	14,623
Title I	178,701	-	178,701
Title III	12,650	-	12,650
Title II-A	<u>38,739</u>	<u>-</u>	<u>38,739</u>
Totals - Current Year Actual	\$ 335,802	\$ 14,291	\$ 350,093
Total Budget	<u>331,935</u>	<u>-</u>	<u>331,935</u>
Variance Positive [Negative]	<u>\$ 3,867</u>	<u>\$ 14,291</u>	<u>\$ 18,158</u>

<u>Expenditures and Transfers</u>				Receipts Over [Under] <u>Expenditures</u>	Unencumbered Cash, <u>Beginning</u>	Unencumbered Cash, <u>Ending</u>
<u>Instruction</u>	<u>Student Support Services</u>	<u>General Administration</u>	<u>Total</u>			
\$ 29,494	\$ -	\$ 930	\$ 30,424	\$ -	\$ -	\$ -
3,397	-	-	3,397	-	-	-
14,291	-	-	14,291	-	-	-
97,655	8,424	-	106,079	[48,811]	107,732	58,921
10,921	-	-	10,921	3,702	3,784	7,486
170,370	8,331	-	178,701	-	-	-
12,650	-	-	12,650	-	-	-
<u>34,865</u>	<u>3,874</u>	<u>-</u>	<u>38,739</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ 373,643	\$ 20,629	\$ 930	\$ 395,202	\$ [45,109]	\$ 111,516	\$ 66,407
<u>606,583</u>	<u>55,500</u>	<u>20,000</u>	<u>682,083</u>			
<u>\$ 232,940</u>	<u>\$ 34,871</u>	<u>\$ 19,070</u>	<u>\$ 286,881</u>			

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 430  
Coordinated School Health Program Fund\*  
Schedule of Cash Receipts and Expenditures - Actual  
Regulatory Basis  
For the Year Ended June 30, 2012 and 2011

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
State grant	\$ -	\$ -
Total Cash Receipts	<u>-</u>	<u>-</u>
Expenditures and Transfers		
Instruction	1,816	-
Total Expenditures and Transfers	<u>1,816</u>	<u>-</u>
Receipts Over [Under] Expenditures	[1,816]	-
Unencumbered Cash, Beginning	<u>1,816</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>

\* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 430  
Student Material Fund\*  
Schedule of Cash Receipts and Expenditures - Actual  
Regulatory Basis  
For the Year Ended June 30, 2012 and 2011

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Charges for services	\$ 17,332	\$ 15,274
Total Cash Receipts	<u>17,332</u>	<u>15,274</u>
Expenditures and Transfers		
Instructional support services	<u>24,083</u>	<u>13,627</u>
Total Expenditures and Transfers	<u>24,083</u>	<u>13,627</u>
Receipts Over [Under] Expenditures	[6,751]	1,647
Unencumbered Cash, Beginning	<u>7,183</u>	<u>432</u>
Unencumbered Cash, Ending	<u>\$ 432</u>	<u>\$ 2,079</u>

\* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 430  
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>	Current Year		Variance Over <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem tax	\$ 190,604	\$ 198,368	\$ 188,651	\$ 9,717
Delinquent tax	6,409	4,459	3,918	541
Motor vehicle tax	21,866	22,346	23,159	[813]
Recreational vehicle tax	290	351	295	56
State aid	<u>233,543</u>	<u>221,861</u>	<u>221,861</u>	-
Total Cash Receipts	<u>452,712</u>	<u>447,385</u>	<u>\$ 437,884</u>	<u>\$ 9,501</u>
Expenditures and Transfers				
Principal	370,000	375,000	\$ 375,000	\$ -
Interest and other charges	<u>97,085</u>	<u>87,210</u>	<u>87,210</u>	-
Total Expenditures and Transfers	<u>467,085</u>	<u>462,210</u>	<u>\$ 462,210</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	[14,373]	[14,825]		
Unencumbered Cash, Beginning	<u>634,906</u>	<u>620,533</u>		
Unencumbered Cash, Ending	<u>\$ 620,533</u>	<u>\$ 605,708</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 430  
 Student Organization 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 Expenditures</u>	<u>Ending Cash Balance</u>
<b>MIDDLE SCHOOL</b>				
Everest Middle School				
Concessions	\$ 296	\$ -	\$ 296	\$ -
Drama	84	-	84	-
Hand club	257	-	257	-
Pep club	746	576	1,009	313
PTO teacher	33	-	-	33
Student council	1,139	1,814	1,980	973
Total Everest Middle School	<u>2,555</u>	<u>2,390</u>	<u>3,626</u>	<u>1,319</u>
<b>TOTAL MIDDLE SCHOOL FUNDS</b>	<u>2,555</u>	<u>2,390</u>	<u>3,626</u>	<u>1,319</u>
<b>HIGH SCHOOL FUNDS</b>				
Horton High School				
Business, Inc.	6,540	977	921	6,596
Cheerleaders	1,555	9,920	8,479	2,996
Class of 2012	4,423	13,750	18,173	-
Class of 2013	1,668	22,391	19,255	4,804
Class of 2014	1,012	586	27	1,571
Class of 2015	130	626	5	751
Class of 2016	-	70	-	70
Drama	313	1,635	1,600	348
FCA	1,004	735	522	1,217
FFA	7,379	9,044	10,115	6,308
FCCLA	404	3,541	3,396	549
Forensics	166	61	209	18
Kay club	721	828	1,138	411
Music - instrumental	20	-	-	20
Music - vocal	131	-	-	131
National Honor Society	67	893	918	42
Native American Student Awareness	1,204	125	5	1,324
Pom pom	3,639	2,464	2,890	3,213
Scholars bowl	2,016	935	605	2,346
Science department	233	-	5	228
Spanish	1,575	592	827	1,340
Student council	7,940	6,984	7,809	7,115
Vocational Industrial Club of America	1,091	5,387	5,084	1,394
Total Horton High School	<u>43,231</u>	<u>81,544</u>	<u>81,983</u>	<u>42,792</u>
<b>TOTAL HIGH SCHOOL ACTIVITY FUNDS</b>	<u>43,231</u>	<u>81,544</u>	<u>81,983</u>	<u>42,792</u>
<b>TOTAL STUDENT ORGANIZATION FUNDS</b>	<u>\$ 45,786</u>	<u>\$ 83,934</u>	<u>\$ 85,609</u>	<u>\$ 44,111</u>

See independent auditor's report on the financial statements.

SCHEDULE 4

UNIFIED SCHOOL DISTRICT NO. 430  
 District Activity Funds  
 Schedule of Cash Receipts, Expenditures and Unencumbered Cash  
 Regulatory Basis  
 For the Year Ended June 30, 2012

<u>FUND</u>	Beginning Unencumbered Cash <u>Balance</u>	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>
Gate Receipts:						
Everest Middle School Athletic	\$ 5,805	\$ 10,502	\$ 9,505	\$ 6,802	\$ -	\$ 6,802
Horton High School Athletic	<u>38,044</u>	<u>26,131</u>	<u>22,396</u>	<u>41,779</u>	<u>-</u>	<u>41,779</u>
Total Gate Receipts	<u>43,849</u>	<u>36,633</u>	<u>31,901</u>	<u>48,581</u>	<u>-</u>	<u>48,581</u>
School Projects:						
Horton Elementary School	6,691	15,736	14,452	7,975	-	7,975
Everest Middle School	7,913	24,091	25,256	6,748	-	6,748
Horton High School	<u>8,935</u>	<u>60,310</u>	<u>57,956</u>	<u>11,289</u>	<u>-</u>	<u>11,289</u>
Total School Projects	<u>23,539</u>	<u>100,137</u>	<u>97,664</u>	<u>26,012</u>	<u>-</u>	<u>26,012</u>
Total District Activity Funds	<u>\$ 67,388</u>	<u>\$ 136,770</u>	<u>\$ 129,565</u>	<u>\$ 74,593</u>	<u>\$ -</u>	<u>\$ 74,593</u>

See independent auditor's report on the financial statements.



UNIFIED SCHOOL DISTRICT NO. 430  
 Private Purpose Trust Fund  
 Schedule of Cash Receipts, Expenditures and Unencumbered Cash  
 Regulatory Basis  
 For the Year Ended June 30, 2012

<u>Fund</u>	Beginning Unencumbered Cash <u>Balance</u>	Prior Year Cancelled <u>Encumbrances</u>	Cash <u>Receipts</u>	<u>Expenditures</u>	Ending Unencumbered Cash <u>Balance</u>	Outstanding Encumbrances and Accounts <u>Payable</u>	Ending Cash <u>Balance</u>
PRIVATE PURPOSE TRUST FUND							
Donations	\$ 2,822	\$ -	\$ -	\$ 2,822	\$ -	\$ -	\$ -
Total Private Purpose Trust Fund	<u>\$ 2,822</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,822</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT 430  
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.S. Department of Education					
Passed through Kansas Department of Education (KSDE):					
Title I Grants to Local Educational Agencies	84.010	\$ -	\$ 178,721	\$ 178,721	\$ -
English Language Acquisition	84.365	-	12,650	12,650	-
Education Jobs Fund (ARRA)	84.410	-	2,312	2,312	-
Title II	84.367	-	<u>38,739</u>	<u>38,739</u>	-
Total Department of Education Passed Through KSDE			<u>232,422</u>	<u>232,422</u>	
U.S. Department of Health and Human Services					
Passed through Kansas Department of Education (KSDE):					
Coordinated School Health	97.042	-	<u>340</u>	<u>340</u>	-
Total Department of Agriculture Passed Through KSDE			<u>340</u>	<u>340</u>	
U.S. Department of Agriculture					
Passed through Kansas Department of Education (KSDE):					
Special Milk Program for Children	10.556	-	434	434	-
National School Lunch Program	10.555	-	165,083	165,083	-
School Breakfast Program	10.553	-	51,795	51,795	-
Team Nutrition Training Grant	10.574	-	<u>340</u>	<u>340</u>	-
Total Department of Agriculture Passed Through KSDE			<u>217,652</u>	<u>217,652</u>	
Direct Programs					
Impact Aid	84.041	227,383	152,472	191,433	188,422
Carl Perkins	84.048	-	3,397	3,397	-
Indian Education: Grants to Local Educational Agencies	84.060	-	30,424	30,424	-
Indian Education: Assistance to Schools	15.130	3,784	<u>14,622</u>	<u>6,568</u>	11,838
Total Direct Programs			<u>200,915</u>	<u>231,822</u>	
Total			<u>\$ 651,329</u>	<u>\$ 682,236</u>	

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 430  
Notes to 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 federal financial assistance programs of the District. 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. 430  
 Schedule of Findings and Questioned Costs  
 For the Year Ended June 30, 2012

Section I - Summary of Auditor's Results

Financial Statements

Adverse - GAAP  
Unqualified - Prescribed Basis

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>
84.010	Title I
84.041	Impact Aid

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. 430  
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

None Noted



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COMPANY P.A.

**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. 430  
Horton, Kansas

We have audited the financial statements of the Unified School District No. 430 (the District), Horton, Kansas, as of and for the year ended June 30, 2012, and have issued our report thereon dated January 14, 2013, 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 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.

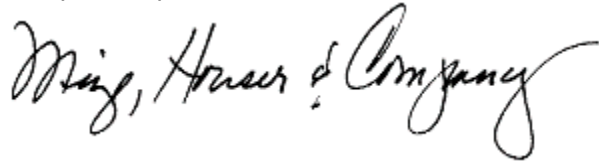
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. 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 the District in a separate letter dated January 14, 2013.

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 "Ming, Houser & Company". The signature is written in black ink and is positioned above the date.

January 14, 2013



MIZE & HOUSER  
COMPANY P.A.

**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. 430  
Horton, Kansas

Compliance

We have audited the compliance of the Unified School District No. 430 (the District), Horton, Kansas, with the types of compliance requirements described in the "OMB Circular A-133 Compliance Supplement" that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2012. Major federal financial programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

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

Internal Control Over Compliance

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

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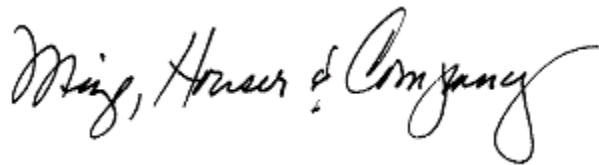
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A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct,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

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

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

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

January 14, 2013