

UNIFIED SCHOOL DISTRICT NO. 453,
LEAVENWORTH, KANSAS.

FINANCIAL STATEMENT
(with Independent Auditors' Reports thereon)

For the Year Ended June 30, 2012

UNIFIED SCHOOL DISTRICT NO. 453, LEAVENWORTH, KANSAS

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Kramer & Associates CPAs, LLC

Making the right move for your business

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INDEPENDENT AUDITORS' REPORT

To the Board of Education
Unified School District No. 453,
Leavenworth, Kansas

We have audited the summary statement of cash receipts, expenditures, and unencumbered cash balances of Unified School District No. 453, Leavenworth, Kansas, 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.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

As described in Note 1, Unified School District No. 453, Leavenworth, Kansas, has prepared this financial statement in conformity with the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, 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 Unified School District No. 453, Leavenworth, Kansas as of June 30, 2012, or the changes in its financial position for the year 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 Unified School District No. 453, Leavenworth, Kansas, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2012, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements. 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 for assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the 2012 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 disbursements - agency funds, the schedule of cash receipts, expenditures, and unencumbered cash - district activity funds (Schedules 1, 2, 3, and 4 as listed in the Table of Contents) are presented for the purpose of additional analysis and are not a required part of the statutory financial statement. 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 also not a required part of the financial statement. Such information is the responsibility of management and the 2012 supplementary information was derived from and relates directly to the underlying accounting and other records used to prepare the 2012 financial statement. The 2012 information has been subjected to the auditing procedures applied in the audit of the 2012 financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2012 financial statement or to the 2012 financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 2012 financial statement taken as a whole.

The 2011 Actual columns presented in the individual fund schedules of cash receipts and expenditures - actual and budget (Schedule 2 as listed in the Table of Contents) are also presented for comparative analysis and are not a required part of the 2011 financial statement upon which we rendered an unqualified opinion dated December 19, 2011. The 2011 financial statement and our accompanying report are not presented herein, but are available in electronic form from the website of the Kansas Department of Administration, Office of Management Analysis and Standards at the following link <http://da.ks.gov/ar/muniserv/>. Such 2011 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2011 financial statement. The 2011 comparative information has been subjected to the auditing procedures applied in the audit of the 2011 financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2011 financial statement or to the 2011 financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2011 comparative information is fairly stated in all material respects in relation to the 2011 financial statement taken as a whole.

This report is intended solely for the information of the Board of Education and committees thereto, management, others within the entity, U.S. Department of Education, U.S. Department of Agriculture, U.S. Department of Homeland Security, the Kansas Division of Emergency Management, the Kansas Division of Accounts and Reports, and the Kansas State Department of Education and is not intended to be and should not be used by anyone other than these specified parties.

Kramer & Associates CPAs, L.L.C.

Kramer & Associates CPAs, LLC
Leavenworth, Kansas
December 17, 2012

UNIFIED SCHOOL DISTRICT NO. 453, LEAVENWORTH, KANSAS
SUMMARY OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
FOR THE YEAR ENDED JUNE 30, 2012

Funds	Beginning unencumbered cash balance	Prior year canceled encumbrances	Cash receipts	Expenditures	Ending unencumbered cash balance	Outstanding encumbrances and accounts payable	Ending cash balance
Governmental type funds:							
General	\$ 18,720	\$ 12,778	\$ 24,123,106	\$ 24,141,826	\$ 12,778	\$ 2,013,947	\$ 2,026,725
Supplemental general	124,830	4,058	7,398,506	7,106,000	421,394	362,984	784,378
Special revenue funds:							
Special education co-op	2,597,060	10,269	17,654,673	18,131,628	2,130,374	2,066,477	4,196,851
Capital outlay	4,770,012	246,401	1,149,364	1,663,412	4,502,365	462,091	4,964,456
Drivers education	132,798	-	44,409	34,957	142,250	8,116	150,366
Food service	250,141	-	2,134,710	2,003,635	381,216	57,696	438,912
Professional development	-	-	-	-	-	-	-
Parent education	36,400	-	334,259	326,846	43,813	55,800	99,613
Special education	2,138,413	45	5,371,384	5,657,101	1,852,741	31,500	1,884,241
At risk K-12	411,371	-	4,102,056	3,927,445	585,982	177,913	763,895
At risk 4 year old	-	-	256,514	256,514	-	41,901	41,901
Vocational education	306,552	-	504,381	589,672	221,261	42,328	263,589
Virtual education	237,860	-	427,684	381,688	283,856	201,660	485,516
KPERS retirement contribution	-	-	3,631,607	3,631,607	-	-	-
Bilingual education	1	-	94,164	94,164	1	15,294	15,295
Textbook rental	400,922	-	196,719	62,025	535,616	32,491	568,107
Contingency reserve	2,400,000	-	-	-	2,400,000	-	2,400,000
Special assessment	83,124	-	18,074	101,198	-	-	-
Federal funds	56,368	2,710	1,592,074	1,691,334	(40,182)	280,653	240,471
Grant funds	50,756	60	483,005	489,618	44,203	17,136	61,339
Gate receipts	90	-	82,564	82,654	-	-	-
School projects	12,612	-	47,401	43,849	16,164	-	16,164
Debt service fund:							
Bond and interest	4,255,281	-	6,290,143	5,822,658	4,722,766	-	4,722,766
Capital project fund:							
Bond Construction	-	-	-	-	-	-	-
Fiduciary type funds:							
Private purpose trust funds	144,081	-	4,056	5,200	142,937	-	142,937
Total reporting entity (excluding agency fund)	\$ 18,427,392	\$ 276,321	\$ 75,940,853	\$ 76,245,031	\$ 18,399,535	\$ 5,867,987	\$ 24,267,522

Composition of cash:

Checking	\$ 3,376,603
Checking - activity accounts	113,899
Petty cash	3,130
Scholarship savings	142,689
Municipal investment pool	20,728,936
Total cash	24,365,257
Less agency funds	(97,735)
Total reporting entity (excluding agency funds)	\$ 24,267,522

The accompanying notes are an integral part of the financial statement.

UNIFIED SCHOOL DISTRICT NO. 453, LEAVENWORTH, KANSAS
NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED JUNE 30, 2012

1. Summary of significant accounting policies

a. Reporting entity

Unified School District No. 453, Leavenworth, ("the District") is a municipal corporation governed by an elected seven-member board. This financial statement presents Unified School District No. 453, Leavenworth (the primary government). There are no component units presented.

b. Reimbursed expenses

Certain expenditures are classified as reimbursed expenses. The purpose of these expenditures is payment for goods and services in which fees are collected and such expenditures are exempt from the budget law under K.S.A. 79-2934. The following expenditures are classified as reimbursed expenses for the year ended June 30, 2012:

General fund	\$696,693
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Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. The reimbursements in the General Fund are shown on two separate lines in the General Fund Schedule of Cash Receipts and Expenditures - Actual and Budget as Excess PL-382 impact aid of \$11,193 and Reimbursed expenses of \$685,500, totaling \$696,693. All reimbursed expenses shown in the financial statement and related schedules 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.

c. Basis of accounting

1. Statutory basis of accounting

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

1. Statutory basis of accounting (continued)

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

2. Departure from accounting principles generally accepted in the United States of America

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

Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles.

Capital assets that account for the land, buildings, and equipment owned by the District are not presented in the financial statement. Also, long-term debt such as general obligation bonds, revenue bonds, capital leases, temporary notes, and compensated absences are not presented in the financial statement.

d. Cash and investments

Cash consists of checking accounts, savings accounts, and certificates of deposit. Certificates of deposit are carried at cost, which approximates market value. See Note 3 for additional cash information.

Investments consist of deposits in the State Municipal Investment Pool (MIP). These investments are carried at cost. See Note 3 for additional investment information.

Cash balances in all funds are considered in determining the amount to be invested and further, unless specifically designated, all investment income is credited to the capital outlay fund.

e. Inventories and prepaid expenses

Inventories and prepaid expenses which benefit future periods are recorded as an expenditure during the year of purchase, as required by state statutes.

f. Fund descriptions

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

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

1. Governmental funds

- a. General fund - to account for all unrestricted resources except those required to be accounted for in another fund.
- b. Special revenue funds - to account for the proceeds of specific revenue sources (other than major capital projects) that are restricted by law or administrative action to expenditure for specified purposes.
- c. Debt service funds - to account for the accumulation of resources for and the payments of, interest and principal and related costs, on general long-term debt.
- d. Capital project funds - to account for the activities for the acquisition or construction of major capital facilities.

2. Fiduciary funds

- a. Trust and agency funds - to account for assets held by the District in a trustee capacity or as an agent for individuals, other governmental units, private organizations, and/or other funds. Agency funds are custodial in nature and do not involve measurement of operations.

2. Stewardship, compliance, and accountability

a. Budgetary information

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

1. Preparation of the budget for the succeeding 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 budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of
4. Adoption of the final budget on or before August 25th.

a. Budgetary information (continued)

The statutes allow for the District to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The District's budget was republished on May 30, 2012 with the public hearing and subsequent board approval on June 18, 2012. The republished budget reflected additional revenues in the General Fund, Parent Education Fund, Special Education Fund, and the Special Education Cooperative Fund. General Fund budget increased from \$25,354,383 to \$25,554,383, Parent Education increased from \$299,519 to \$330,000, Special Education increased from \$6,542,723 to \$6,742,723, and Special Education Cooperative increased from \$17,936,699 to \$18,136,699.

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 schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

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

A legal operating budget is not required for capital projects funds, fiduciary funds, permanent funds, and the following special revenue funds: Textbook Fund, Contingency Reserve Fund, Federal Funds, Grants and Contributions.

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 District.

b. Compliance with finance-related legal and contractual provisions

Management is not aware of any statutory violations for the period covered by the audit.

3. Deposits and investments

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

Investment Type	Fair Value of investment maturities less than 1 year	Rating
Kansas Municipal Investment Pool	\$18,845,605	S&P AA Af/S1+
Total	\$18,845,605	

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 bank to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit custodial credit risk.

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

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. The District's allocation of investments as of June 30, 2012 is as follows:

Investments	Percentage of Investments
Kansas Municipal Investment Pool	100%

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. All deposits were legally secured at June 30, 2012.

At June 30, 2012, the District's carrying amount of deposits was \$3,636,321 and the bank balance was \$4,001,610. The bank balance was held by four banks resulting in a concentration of credit risk. Of the bank balance, \$532,696 was covered by federal depository insurance, and the remaining \$3,468,914 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.

3. Deposits and investments (continued)

At June 30, 2012, the District had invested \$18,845,605 in the State's municipal investment pool. The District's carrying amount of these investments was \$20,728,936. 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 ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreement with Kansas banks or with primary government securities dealers.

4. Interfund transfers

Operating transfers were as follows:

From	To	Statutory authority	Amount
General	Capital Outlay	K.S.A. 72-6428	\$ 756,000
General	Special Education	K.S.A. 72-6428	4,226,895
General	At Risk K-12	K.S.A. 72-6428	4,102,056
General	At Risk 4 Year Old	K.S.A. 72-6428	256,514
General	Vocational Education	K.S.A. 72-6428	446,043
General	Virtual Education	K.S.A. 72-6428	426,384
General	Bilingual Education	K.S.A. 72-6428	83,003
General	Textbook Rental	K.S.A. 72-6428	100,000
Subtotal general fund			10,396,895
Supplemental General	Parent Education	K.S.A. 72-6433	54,586
Supplemental General	Special Education	K.S.A. 72-6433	1,132,325
Subtotal supplemental general fund transfers			1,186,911
Special Education	Special Ed. Co-op	K.S.A. 72-6420	4,504,117
Subtotal special education fund transfers			4,504,117
Total operating transfers			\$ 16,087,923

5. Long-term debt

In May 2005, the District issued general obligation refunding bonds in the amount of \$14,640,000 for the purpose of redeeming and paying the District's outstanding general obligation bond Series 1993, 1997, and a portion of Series 1998. The bonds that were refunded represented all Series 1993 bonds maturing in the years 2005 and after, all Series 1997 bonds maturing in the years 2007 and after, and those Series 1998 bonds maturing in the years 2007 to 2015. The Series 2005 bonds bear interest from 2.85% to 4.50% and mature annually from September 1, 2005 through September 1, 2017. The proceeds of the bonds were placed in an irrevocable trust escrow account. A portion of those proceeds were used September 1, 2005 to refund all of the Series 1993 bonds. The remainder of the proceeds stayed in the escrow account until September 1, 2007, the first date on which the District could refund the Series 1997 bonds maturing in the years 2007 and after, and the portion of the Series 1998 bonds maturing in the years 2007 to 2015.

In December 2008, the District issued general obligation refunding and improvement bonds, Series 2008, in the amount of \$10,005,000. Of the net proceeds, \$5,000 was used September 1, 2009 to refund a portion of the Series 2005 bonds. The remaining \$10,000,000 was used for the purpose of financing capital improvements to the District's facilities used in connection with the District's delivery of educational services to the public. The improvements included (i) the construction of a new elementary school, (ii) renovations to Anthony Elementary and David Brewer Elementary Schools, and (iii) the construction of an athletic stadium and renovations to Leavenworth High School.

In February 2009, the District issued general obligation improvement and refunding bonds in the amount of \$50,013,205. The issuance of bonds was made in two series, Series 2009 A and 2009 B. Series 2009 A bonds were issued in the amount of \$47,798,205 with a true interest cost of 4.8% with the purpose of financing capital improvements to the District's facilities used in connection with the District's delivery of educational services to the public. The improvements included (i) the construction of a new elementary school, (ii) renovations to Anthony Elementary and David Brewer Elementary Schools, and (iii) the construction of an athletic stadium and renovations to Leavenworth High School. The remaining \$2,215,000 from the sale of the Series 2009 B Bonds was used to refund the District's outstanding General Obligation Improvement Bonds, Series 1998. The true interest cost is 3.309%.

A portion of the Series 2009 bond issue consisted of capital appreciation bonds. These bonds were sold at a discount and will be redeemed at maturity at their face value. For financial statement purposes, the discount is being accreted over the life of the bonds using the effective interest method. These bonds payable are reflected on the next page of the footnotes net of remaining unaccreted discount. At June 30, 2012, the cumulative discount accreted is \$728,543 and the remaining unaccreted discount is \$1,103,252.

Total interest expense charged against operations of the District was \$2,922,658 for the year ended June 30, 2012.

See the schedule of changes in long-term debt and the schedule of maturity of long-term debt on the following page.

5. Long-term debt (continued)

a. Schedule of changes in long-term debt

Issue	Interest rate	Date of issue	Amount of issue	Date of final maturity	Balance			Reductions/ payments	Balance end of year	Interest paid
					beginning of year	Additions	year			
General obligation bonds:										
Series 2005	2.85-4.50%	May 2005	\$ 14,640,000	Sept. 2017	\$ 10,205,000	\$ -	\$ 1,435,000	\$ 8,770,000	\$ 407,425	
Series 2008 A	3.5%-5.5%	Dec. 2008	\$ 10,000,000	Sept. 2029	9,500,000	-	100,000	9,400,000	459,875	
Series 2009 A	3.5%-5.125%	Feb. 2009	\$ 42,135,000	Sept. 2029	41,550,000	-	1,355,000	40,195,000	1,978,700	
Series 2009 a	3.5%-5.125%	Feb. 2009	\$ 5,663,205	Sept. 2029	6,143,544	248,204	-	6,391,748	-	
Series 2009 B	2.9%-3.5%	Feb. 2009	\$ 2,215,000	Sept. 2029	2,215,000	-	10,000	2,205,000	76,658	
Total long-term debt					\$ 69,613,544	\$ 248,204	\$ 2,900,000	\$ 66,961,748	\$ 2,922,658	

b. Schedule of maturity of long-term debt

	Year ended June 30th					TOTAL		
	2013	2014	2015	2016	2017			
Principal:								
<u>General obligation bonds:</u>								
Series 2005	\$ 1,545,000	\$ 1,640,000	\$ 1,745,000	\$ 1,865,000	\$ 955,000	\$ 8,770,000		
Series 2008 A	230,000	255,000	290,000	315,000	335,000	9,400,000		
Series 2009 A	1,610,000	835,000	-	-	10,510,000	16,475,000		
Series 2009 a	-	-	1,603,142	1,606,183	1,594,009	40,195,000		
Series 2009 B	10,000	10,000	10,000	10,000	1,588,414	6,391,748		
Total principal					\$ 3,929,009	\$ 16,438,414	\$ 13,295,000	\$ 66,961,748

Interest:

	Year ended June 30th					TOTAL			
	2013	2014	2015	2016	2017				
<u>General obligation bonds:</u>									
Series 2005	\$ 347,825	\$ 284,125	\$ 212,063	\$ 130,838	\$ 67,388	\$ 1,065,188			
Series 2008 A	454,100	445,613	436,075	424,700	411,700	5,311,151			
Series 2009 A	1,927,775	1,870,463	1,855,850	1,855,850	1,855,850	23,685,169			
Series 2009 a	-	-	-	-	8,383,506	839,434			
Series 2009 B	76,368	76,078	75,763	75,423	57,226	380,457			
Total interest					\$ 2,806,068	\$ 2,486,810	\$ 1,052,097	\$ 30,441,965	
Total Principal & Interest					\$ 6,201,068	\$ 5,416,279	\$ 6,227,893	\$ 14,347,097	\$ 97,403,713

6. 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 the funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statements of the District at June 30, 2012.

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. There has been no significant change in insurance coverage from the previous fiscal year.

7. Defined benefit plan

a. 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 S. Kansas, Suite 100, Topeka, KS 66603-3869) or by calling 1-888-275-5737.

b. Funding policy

K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% of covered salary. K.S.A. 74-49,210 establishes the KPERS member-employee contribution rate at 6% for employees hired after July 1, 2009. Member-employees' contributions are withheld by their employer and paid to KPERS according to the provisions of section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. Kansas currently contributes an average of 9.77% of covered payroll for fiscal year 2012, and an average of 9.17% of covered payroll for fiscal year 2011.

These contribution requirements are established by KPERS and are periodically revised. Kansas' contributions to KPERS for all Kansas public school employees for the years ending June 30 2012, 2011, and 2010 were \$298,635,383, \$253,834,044, and \$248,468,186, respectively, equal to the required contributions for each year as set forth by the legislature. The amounts attributable to the District for the years ending June 30, 2012, 2011, and 2010 were \$3,631,607, \$2,100,314, and \$2,418,602, respectively.

8. Commitments

The District has entered into the following operating leases:

The District signed a 60-month lease in September 2009 for 15 copy machines through Unisource, Inc. The District has added 11 copy machines in August 2010 and 2 copy machines in December 2011 to this lease. These operating leases call for base monthly rents based upon usage. During the year ended June 30, 2012 the District paid \$84,486 on these leases.

The District signed a 60-month lease in June 2007 with Xerox for 1 copy machine. This operating lease calls for a base monthly rent based upon usage. During the year ended June 30, 2012 the District paid \$12,928 on this lease. The District renewed a 60-month lease in May 2012 through Xerox.

The total future minimum required operating lease payments are as follows for the year ended June 30,:

2013	\$	86,360
2014		85,650
2015		28,056
2016		10,026
2017		7,270
Total	\$	217,362

9. Compensated absences

Administrative compensation absence days accrue 12 per school year, with a maximum of 115 days. Administrators are paid at the rate of \$80 per day for days over the maximum of 115 days. Classified employees compensated absence days accrue at 12 per school year, with a maximum of 108 days. Classified employees are paid at the rate of \$25 per day for days over the maximum of 108 days. Teachers compensated absence days accrue at 10 per school year, with a maximum of 100 days. Teachers are paid at the rate of \$50 per day for days over the maximum of 100 days. Payment is made during the fiscal year. The District has not determined the liability for the carryover days, if any; however, management feels such liability would be immaterial in amount.

10. Supplemental retirement plan

Any eligible teacher who is retiring under the Kansas Public Employees Retirement Systems may elect to take the District resignation incentive. Under this plan the benefit shall be 15% of the teacher's base salary for the final year of employment. Beginning July 1, 2009, the benefit shall be the lesser of a factor of 15% of the teacher's base salary for the final year of employment or \$8,000 per year. The benefit shall be paid annually in January from ages 57 to 61 of the eligible teacher.

Additionally, a teacher who elects the District early retirement, and who has participated in the District health insurance plan during the year of retirement, may elect to continue to participate in the health insurance plan until the age of 65. Under this plan the amount of the benefit will be equal to the amount of the defined health insurance benefit paid to the employed teacher. Beginning July 1, 2009, the amount of the benefit will be \$350 per month. Thus, retired teachers will be responsible for the payment of any excess premiums due under the policy.

The plan is not funded and is based on pay-as-you-go financing. During the year ended June 30, 2012, the District paid \$340,195 on this plan. The District has not determined the liability for early retirement benefits, if any; however, management feels such liability would be immaterial in amount.

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 district under this program.

11. Litigation

The District is a party to various claims, none of which is expected to have a material financial impact on the District.

12. Restatements of beginning unencumbered cash balances

Due to Technical Amendment 2011-01 to the Kansas Municipal Audit Guide, which governs the format and accounting for this financial statement, beginning unencumbered cash balances have been restated. These restated balances reflect the change in policy of the Guide as to when the final general state aid payments of the year are posted in the District's accounting records. The previous policy dictated that the final payment that was to be paid by the State in June, but was received by the District in July of the subsequent fiscal year, be posted when received in the subsequent fiscal year. The technical amendment stipulates that the final general state aid payments received by the District immediately after fiscal year end should now be recorded as a cash receipt in the preceding year. The following reconciles the balances previously reported with the restated amounts.

	06/30/2011 Balance previously reported	State aid payment received July 2011	06/30/2011 Balance restated
General fund	\$ (2,116,199)	\$ 2,134,919	\$ 18,720
Supplemental general fund	\$ (81,031)	\$ 205,861	\$ 124,830

SUPPLEMENTARY INFORMATION

UNIFIED SCHOOL DISTRICT NO. 453, LEAVENWORTH, KANSAS
 SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
 FOR THE YEAR ENDED JUNE 30, 2012

Funds	Certified budget	Adjustment to comply with legal max	Adjustment for qualifying budget credits	Total budget for comparison	Expenditures chargeable to current year	Variance - over (under)
Governmental type funds:						
General	\$ 25,554,383	\$ (2,109,250)	\$ 696,693	\$ 24,141,826	\$ 24,141,826	\$ -
Supplemental general	\$ 7,106,000	\$ -	\$ -	\$ 7,106,000	\$ 7,106,000	\$ -
Special revenue funds:						
Special education co-op	\$ 18,136,699	\$ -	\$ -	\$ 18,136,699	\$ 18,131,628	\$ 5,071
Capital outlay	\$ 2,500,000	\$ -	\$ -	\$ 2,500,000	\$ 1,663,412	\$ 836,588
Drivers education	\$ 98,190	\$ -	\$ -	\$ 98,190	\$ 34,957	\$ 63,233
Food service	\$ 2,004,247	\$ -	\$ -	\$ 2,004,247	\$ 2,003,635	\$ 612
Professional development	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Parent education	\$ 330,000	\$ -	\$ -	\$ 330,000	\$ 326,846	\$ 3,154
Special education	\$ 6,742,723	\$ -	\$ -	\$ 6,742,723	\$ 5,657,101	\$ 1,085,622
At risk K-12	\$ 4,389,822	\$ -	\$ -	\$ 4,389,822	\$ 3,927,445	\$ 462,377
At risk 4 year old	\$ 272,160	\$ -	\$ -	\$ 272,160	\$ 256,514	\$ 15,646
Vocational education	\$ 663,546	\$ -	\$ -	\$ 663,546	\$ 589,672	\$ 73,874
Virtual education	\$ 543,525	\$ -	\$ -	\$ 543,525	\$ 381,688	\$ 161,837
KPERS retirement contribution	\$ 3,802,408	\$ -	\$ -	\$ 3,802,408	\$ 3,631,607	\$ 170,801
Bilingual education	\$ 94,218	\$ -	\$ -	\$ 94,218	\$ 94,164	\$ 54
Special assessment	\$ 99,687	\$ -	\$ 1,511	\$ 101,198	\$ 101,198	\$ -
Federal funds	\$ 1,906,558	\$ -	\$ -	\$ 1,906,558	\$ 1,691,334	\$ 215,224
Debt service fund:						
Bond and interest	\$ 5,822,659	\$ -	\$ -	\$ 5,822,659	\$ 5,822,658	\$ 1

See independent auditors' report.

UNIFIED SCHOOL DISTRICT NO. 453, LEAVENWORTH, KANSAS
 GENERAL FUND
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 FOR THE YEAR ENDED JUNE 30, 2012
 (WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2011)

	Prior year actual	Current year		Variance - over (under)
		Actual	Budget	
Cash receipts:				
Taxes and shared revenue:				
Ad valorem property - taxes in process	\$ 117,071	\$ 140,860	\$ 115,420	\$ 25,440
Ad valorem property - current taxes	3,115,119	3,144,513	2,992,672	151,841
Delinquent	89,360	98,080	67,337	30,743
Motor vehicle	13,452	8,202	-	8,202
State aid:				
Equalization aid	16,240,351	16,041,042	16,386,950	(345,908)
Special education services	3,835,165	3,918,728	4,992,956	(1,074,228)
Machinery and equipment aid	-	-	-	-
Federal aid:				
PL-382 impact aid	75,628	64,135	45,500	18,635
Excess PL-382 impact aid	6,945	11,193	-	11,193
Equalization aid (ARRA)	429,390	-	-	-
Education Jobs fund (ARRA)	751,861	10,853	-	10,853
Transfer from Authorized Funds	-	-	934,827	(934,827)
Revenue from other local source	-	-	-	-
Reimbursed expenses	643,902	685,500	-	685,500
Total cash receipts	25,318,244	24,123,106	\$ 25,535,662	\$ (1,412,556)
Expenditures and transfers subject to budget:				
Instruction	4,743,912	3,706,301	\$ 4,652,213	\$ (945,912)
Student support services	1,272,826	1,229,015	1,306,762	(77,747)
Instructional support staff	496,940	503,300	522,884	(19,584)
General administration	1,049,107	1,076,820	1,168,695	(91,875)
School administration	1,713,450	1,945,804	1,847,932	97,872
Central services	504,856	571,319	514,970	56,349
Operations and maintenance	3,850,072	4,108,965	4,220,340	(111,375)
Student transportation services	405,308	432,973	376,938	56,035
Other support services	176,204	170,434	160,183	10,251
Transfers out	11,114,502	10,396,895	10,783,466	(386,571)
Adjustment to comply with legal max	-	-	(2,109,250)	2,109,250
Legal general fund budget	25,327,176	24,141,826	23,445,133	696,693
Adjustment for qualifying budget credits:				
Excess PL-382 funds	-	-	11,193	(11,193)
Reimbursements	-	-	685,500	(685,500)
Other	-	-	-	-
Total expenditures and transfers subject to budget	25,327,176	24,141,826	\$ 24,141,826	\$ (0)
Receipts over (under) expenditures	(8,932)	(18,720)		
Prior year canceled encumbrances	18,720	12,778		
Unencumbered cash, beginning of year	8,932	18,720		
Unencumbered cash, end of year	<u>\$ 18,720</u>	<u>\$ 12,778</u>		

See independent auditors' report.

UNIFIED SCHOOL DISTRICT NO. 453, LEAVENWORTH, KANSAS
 SUPPLEMENTAL GENERAL FUND
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 FOR THE YEAR ENDED JUNE 30, 2012
 (WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2011)

	Prior year actual	Current year		Variance - over (under)
		Actual	Budget	
Cash receipts:				
Taxes and shared revenue:				
Ad valorem property - taxes in process	\$ 136,920	\$ 155,117	\$ 131,032	\$ 24,085
Ad valorem property - current taxes	3,407,885	3,794,281	3,517,024	277,257
Delinquent	96,959	100,064	73,764	26,300
Motor vehicle	386,566	369,254	385,932	(16,678)
Recreational vehicle	3,990	3,254	4,051	(797)
State aid:				
Equalization aid	3,464,941	2,976,536	2,869,367	107,169
Federal aid:				
Equalization aid (ARRA)	-	-	-	-
Total cash receipts	7,497,261	7,398,506	\$ 6,981,170	\$ 417,336
Expenditures and transfers subject to budget:				
Instruction	4,616,119	4,790,688	\$ 4,894,018	\$ (103,330)
General administration	13,248	8,385	20,000	(11,615)
Operations and maintenance	1,148,004	1,120,016	1,372,135	(252,119)
Transfers out	1,857,629	1,186,911	819,847	367,064
Adjustment to comply with legal max	-	-	-	-
Legal supplemental general fund budget	7,635,000	7,106,000	7,106,000	-
Adjustments for qualifying budget credits:	-	-	-	-
Total expenditures and transfers subject to budget	7,635,000	7,106,000	\$ 7,106,000	\$ -
Receipts over (under) expenditures	(137,739)	292,506		
Prior year canceled encumbrances	190	4,058		
Unencumbered cash, beginning of year	262,379	124,830		
Unencumbered cash, end of year	\$ 124,830	\$ 421,394		

See independent auditors' report.

UNIFIED SCHOOL DISTRICT NO. 453, LEAVENWORTH, KANSAS
SPECIAL EDUCATION CO-OP FUND
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
FOR THE YEAR ENDED JUNE 30, 2012
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2011)

	Prior year actual	Current year		Variance - over (under)
		Actual	Budget	
Cash receipts:				
Revenue from other local source	\$ 8,990,747	\$ 10,352,276	\$ 14,783,565	\$ (4,431,289)
State aid:				
Deaf Blind aid	-	949	-	949
Federal aid:				
Special education	2,454,186	2,453,665	2,448,857	4,808
Special education (ARRA)	1,403,070	-	-	-
Transfers in:				
Special education fund	4,394,447	4,504,117	-	4,504,117
Miscellaneous	412,217	343,666	269,000	74,666
Total cash receipts	<u>17,654,667</u>	<u>17,654,673</u>	<u>\$ 17,501,422</u>	<u>\$ 153,251</u>
Expenditures and transfers subject to budget:				
Instruction	11,359,842	12,494,781	\$ 12,529,644	\$ (34,863)
Student support services	3,800,592	3,958,516	3,788,707	169,809
Instructional support staff	-	-	-	-
General administration	1,238,887	1,584,268	1,585,348	(1,080)
Operations and maintenance	21,925	8,856	42,000	(33,144)
Student transportation services	83,564	85,207	191,000	(105,793)
Adjustment for qualifying budget credits:	-	-	-	-
Total expenditures and transfers subject to budget	<u>16,504,810</u>	<u>18,131,628</u>	<u>\$ 18,136,699</u>	<u>\$ (5,071)</u>
Receipts over (under) expenditures	1,149,857	(476,955)		
Prior year canceled encumbrances	7,667	10,269		
Unencumbered cash, beginning of year	<u>1,439,536</u>	<u>2,597,060</u>		
Unencumbered cash, end of year	<u>\$ 2,597,060</u>	<u>\$ 2,130,374</u>		

See independent auditors' report.

UNIFIED SCHOOL DISTRICT NO. 453, LEAVENWORTH, KANSAS
 CAPITAL OUTLAY FUND
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 FOR THE YEAR ENDED JUNE 30, 2012
 (WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2011)

	Prior year actual	Current year		Variance - over (under)
		Actual	Budget	
Cash receipts:				
Taxes and shared revenue:				
Ad valorem property - taxes in process	\$ -	\$ -	\$ -	\$ -
Ad valorem property - current taxes	-	-	-	-
Delinquent	19,014	9,918	-	9,918
Motor vehicle	91,577	12	-	12
Recreational vehicle	892	-	-	-
State aid:				
Capital improvement	-	-	-	-
Machinery and equipment aid	-	-	-	-
Federal aid - PL-382 impact aid	32,412	27,487	-	27,487
Interest on idle funds	21,287	4,132	-	4,132
Transfers in:				
General fund	1,250,000	756,000	756,000	-
Miscellaneous	755,641	351,815	-	351,815
Total cash receipts	2,170,823	1,149,364	\$ 756,000	\$ 393,364
Expenditures and transfers subject to budget:				
Instruction	109,070	209,333	\$ 650,000	\$ (440,667)
General administration	23,667	34,912	50,000	(15,088)
School administration	-	26,919	-	26,919
Operations and maintenance	419,356	1,233,800	1,800,000	(566,200)
Facilities acquisition and construction	2,551,372	158,448	-	158,448
Adjustment for qualifying budget credits:	-	-	-	-
Total expenditures and transfers subject to budget	3,103,465	1,663,412	\$ 2,500,000	\$ (836,588)
Receipts over (under) expenditures	(932,642)	(514,048)		
Prior year canceled encumbrances	79,023	246,401		
Unencumbered cash, beginning of year	5,623,631	4,770,012		
Unencumbered cash, end of year	\$ 4,770,012	\$ 4,502,365		

See independent auditors' report.

UNIFIED SCHOOL DISTRICT NO. 453, LEAVENWORTH, KANSAS
 DRIVERS EDUCATION FUND
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 FOR THE YEAR ENDED JUNE 30, 2012
 (WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2011)

	Prior year actual	Current year		Variance - over (under)
		Actual	Budget	
Cash receipts:				
State aid:				
Driver training	\$ 11,322	\$ 10,434	\$ 11,100	\$ (666)
Fee and user charges	26,102	33,975	-	33,975
Total cash receipts	<u>37,424</u>	<u>44,409</u>	<u>\$ 11,100</u>	<u>\$ 33,309</u>
Expenditures and transfers subject to budget:				
Instruction	23,754	30,761	\$ 94,190	\$ (63,429)
Operations and maintenance	2,327	4,196	4,000	196
Adjustment for qualifying budget credits:	-	-	-	-
Total expenditures and transfers subject to budget	<u>26,081</u>	<u>34,957</u>	<u>\$ 98,190</u>	<u>\$ (63,233)</u>
Receipts over (under) expenditures	11,343	9,452		
Prior year canceled encumbrances	-	-		
Unencumbered cash, beginning of year	<u>121,455</u>	<u>132,798</u>		
Unencumbered cash, end of year	<u>\$ 132,798</u>	<u>\$ 142,250</u>		

See independent auditors' report.

UNIFIED SCHOOL DISTRICT NO. 453, LEAVENWORTH, KANSAS
 FOOD SERVICE FUND
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 FOR THE YEAR ENDED JUNE 30, 2012
 (WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2011)

	Prior year actual	Current year		Variance - over (under)
		Actual	Budget	
Cash receipts:				
State aid:				
School food assistance	\$ 16,635	\$ 18,611	\$ 16,240	\$ 2,371
Federal aid:				
Federal child nutrition program	1,092,268	1,342,171	1,173,900	168,271
Fresh fruits & vegetables	66,876	91,533	65,000	26,533
Team Nutrition training grant		3,160	-	3,160
Charge for service	664,167	675,054	522,775	152,279
Interest on idle funds	30	31	-	31
Transfers in:				
General fund	68,000	-	-	-
Miscellaneous	10,606	4,150	3,000	1,150
Total cash receipts	1,918,582	2,134,710	\$ 1,780,915	\$ 353,795
Expenditures and transfers subject to budget:				
Operations and maintenance	17,884	15,796	\$ 9,500	\$ 6,296
Food service operations	1,900,642	1,987,839	1,994,747	(6,908)
Adjustment for qualifying budget credits:	-	-	-	-
Total expenditures and transfers subject to budget	1,918,526	2,003,635	\$ 2,004,247	\$ (612)
Receipts over (under) expenditures	56	131,075		
Prior year canceled encumbrances	-	-		
Unencumbered cash, beginning of year	250,085	250,141		
Unencumbered cash, end of year	<u>\$ 250,141</u>	<u>\$ 381,216</u>		

See independent auditors' report.

UNIFIED SCHOOL DISTRICT NO. 453, LEAVENWORTH, KANSAS
 PROFESSIONAL DEVELOPMENT FUND
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 FOR THE YEAR ENDED JUNE 30, 2012
 (WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2011)

	Prior year actual	Current year		Variance - over (under)
		Actual	Budget	
Cash receipts:				
State aid:				
Professional development aid	\$ -	\$ -	\$ -	\$ -
Transfers in:				
General fund	6,112	-	-	-
Total cash receipts	6,112	-	\$ -	\$ -
Expenditures and transfers subject to budget:				
Instructional support staff	6,112	-	\$ -	\$ -
Adjustment for qualifying budget credits:	-	-	-	-
Total expenditures and transfers subject to budget	6,112	-	\$ -	\$ -
Receipts over (under) expenditures	-	-	-	-
Prior year canceled encumbrances	-	-	-	-
Unencumbered cash, beginning of year	-	-	-	-
Unencumbered cash, end of year	\$ -	\$ -	-	-

See independent auditors' report.

UNIFIED SCHOOL DISTRICT NO. 453, LEAVENWORTH, KANSAS
 PARENT EDUCATION FUND
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 FOR THE YEAR ENDED JUNE 30, 2012
 (WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2011)

	Prior year actual	Current year		Variance - over (under)
		Actual	Budget	
Cash receipts:				
Revenue from other local source	\$ 78,767	\$ 54,655	\$ 84,500	\$ (29,845)
State aid:				
Parent education	134,637	212,918	160,481	52,437
Miscellaneous	7,100	12,100	-	12,100
Transfers in:				
Supplemental general fund	37,500	54,586	56,000	(1,414)
Total cash receipts	<u>258,004</u>	<u>334,259</u>	<u>\$ 300,981</u>	<u>\$ 33,278</u>
Expenditures and transfers subject to budget:				
Student support services	255,857	326,567	\$ 330,000	\$ (3,433)
Instructional support staff	2,101	279	-	279
Adjustment for qualifying budget credits:	-	-	-	-
Total expenditures and transfers subject to budget	<u>257,958</u>	<u>326,846</u>	<u>\$ 330,000</u>	<u>\$ (3,154)</u>
Receipts over (under) expenditures	46	7,413		
Prior year canceled encumbrances	-	-		
Unencumbered cash, beginning of year	<u>36,354</u>	<u>36,400</u>		
Unencumbered cash, end of year	<u>\$ 36,400</u>	<u>\$ 43,813</u>		

See independent auditors' report.

UNIFIED SCHOOL DISTRICT NO. 453, LEAVENWORTH, KANSAS
SPECIAL EDUCATION FUND
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
FOR THE YEAR ENDED JUNE 30, 2012
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2011)

	Prior year actual	Current year		Variance - over (under)
		Actual	Budget	
Cash receipts:				
Federal aid - PL-382 impact aid	\$ 13,721	\$ 12,164	\$ 12,000	\$ 164
Miscellaneous	-	-	-	-
Transfers in:				
General fund	3,863,165	4,226,895	4,992,956	(766,061)
Supplemental general fund	1,820,129	1,132,325	763,910	368,415
Total cash receipts	<u>5,697,015</u>	<u>5,371,384</u>	<u>\$ 5,768,866</u>	<u>\$ (397,482)</u>
Expenditures and transfers subject to budget:				
Student transportation services	1,071,711	1,152,984	\$ 1,200,000	\$ (47,016)
Transfers out	4,394,447	4,504,117	5,542,723	(1,038,606)
Adjustment for qualifying budget credits:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers subject to budget	<u>5,466,158</u>	<u>5,657,101</u>	<u>\$ 6,742,723</u>	<u>\$ (1,085,622)</u>
Receipts over (under) expenditures	230,857	(285,717)		
Prior year canceled encumbrances	-	45		
Unencumbered cash, beginning of year	<u>1,907,556</u>	<u>2,138,413</u>		
Unencumbered cash, end of year	<u>\$ 2,138,413</u>	<u>\$ 1,852,741</u>		

See independent auditors' report.

UNIFIED SCHOOL DISTRICT NO. 453, LEAVENWORTH, KANSAS
 AT RISK K-12 FUND
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 FOR THE YEAR ENDED JUNE 30, 2012
 (WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2011)

	Prior year actual	Current year		Variance - over (under)
		Actual	Budget	
Cash receipts:				
Miscellaneous	\$ 495	\$ -	\$ -	\$ -
Transfers in:				
General fund	4,542,118	4,102,056	3,978,450	123,606
Total cash receipts	<u>4,542,613</u>	<u>4,102,056</u>	<u>\$ 3,978,450</u>	<u>\$ 123,606</u>
Expenditures and transfers subject to budget:				
Instruction	4,008,707	3,811,613	\$ 4,252,513	\$ (440,900)
Instructional support staff	133,317	115,832	137,309	(21,477)
School administration	-	-	-	-
Operations and maintenance	-	-	-	-
Adjustment for qualifying budget credits:	-	-	-	-
Total expenditures and transfers subject to budget	<u>4,142,024</u>	<u>3,927,445</u>	<u>\$ 4,389,822</u>	<u>\$ (462,377)</u>
Receipts over (under) expenditures	400,589	174,611		
Prior year canceled encumbrances	-	-		
Unencumbered cash, beginning of year	<u>10,782</u>	<u>411,371</u>		
Unencumbered cash, end of year	<u>\$ 411,371</u>	<u>\$ 585,982</u>		

See independent auditors' report.

UNIFIED SCHOOL DISTRICT NO. 453, LEAVENWORTH, KANSAS
 AT RISK 4 YEAR OLD FUND
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 FOR THE YEAR ENDED JUNE 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2011)

	Prior year actual	Current year		Variance - over (under)
		Actual	Budget	
Cash receipts:				
Transfers in:				
General fund	\$ 225,771	\$ 256,514	\$ 272,160	\$ (15,646)
Total cash receipts	225,771	256,514	\$ 272,160	\$ (15,646)
Expenditures and transfers subject to budget:				
Instruction	225,771	256,514	\$ 272,160	\$ (15,646)
Adjustment for qualifying budget credits:	-	-	-	-
Total expenditures and transfers subject to budget	225,771	256,514	\$ 272,160	\$ (15,646)
Receipts over (under) expenditures	-	-		
Prior year canceled encumbrances	-	-		
Unencumbered cash, beginning of year	-	-		
Unencumbered cash, end of year	\$ -	\$ -		

See independent auditors' report.

UNIFIED SCHOOL DISTRICT NO. 453, LEAVENWORTH, KANSAS
 VOCATIONAL EDUCATION FUND
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 FOR THE YEAR ENDED JUNE 30, 2012
 (WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2011)

	Prior year actual	Current year		Variance - over (under)
		Actual	Budget	
Cash receipts:				
Federal aid:				
Perkins Program Improvement	\$ 62,082	\$ 55,604	\$ 55,604	\$ -
Fee and user charges	3,677	2,734	1,391	1,343
Transfers in:				
General fund	594,882	446,043	300,000	146,043
Total cash receipts	<u>660,641</u>	<u>504,381</u>	<u>\$ 356,995</u>	<u>\$ 147,386</u>
Expenditures and transfers subject to budget:				
Instruction	453,201	539,566	\$ 602,855	\$ (63,289)
Instruction/Student support-Perkins	56,995	50,106	60,691	(10,585)
Adjustment for qualifying budget credits:	-	-	-	-
Total expenditures and transfers subject to budget	<u>510,196</u>	<u>589,672</u>	<u>\$ 663,546</u>	<u>\$ (73,874)</u>
Receipts over (under) expenditures	150,445	(85,291)		
Prior year canceled encumbrances	-	-		
Unencumbered cash, beginning of year	<u>156,107</u>	<u>306,552</u>		
Unencumbered cash, end of year	<u>\$ 306,552</u>	<u>\$ 221,261</u>		

See independent auditors' report.

UNIFIED SCHOOL DISTRICT NO. 453, LEAVENWORTH, KANSAS
 VIRTUAL EDUCATION FUND
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 FOR THE YEAR ENDED JUNE 30, 2012
 (WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2011)

	Prior year actual	Current year		Variance - over (under)
		Actual	Budget	
Cash receipts:				
Transfers in:				
General fund	\$ 394,881	\$ 426,384	\$ 396,900	\$ 29,484
Fee and user charges	804	1,300		1,300
Total cash receipts	<u>395,685</u>	<u>427,684</u>	<u>\$ 396,900</u>	<u>\$ 30,784</u>
Expenditures and transfers subject to budget:				
Instruction	328,464	314,857	\$ 426,555	\$ (111,698)
School Administration	59,972	66,831	116,970	(50,139)
Adjustment for qualifying budget credits:		-		-
Total expenditures and transfers subject to budget	<u>388,436</u>	<u>381,688</u>	<u>\$ 543,525</u>	<u>\$ (161,837)</u>
Receipts over (under) expenditures	7,249	45,996		
Prior year canceled encumbrances	-	-		
Unencumbered cash, beginning of year	<u>230,611</u>	<u>237,860</u>		
Unencumbered cash, end of year	<u>\$ 237,860</u>	<u>\$ 283,856</u>		

See independent auditors' report.

UNIFIED SCHOOL DISTRICT NO. 453, LEAVENWORTH, KANSAS
 KPERS RETIREMENT CONTRIBUTION FUND
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 FOR THE YEAR ENDED JUNE 30, 2012
 (WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2011)

	Prior year actual	Current year		Variance - over (under)
		Actual	Budget	
Cash receipts:				
KPERS Contributions	\$ 2,100,314	\$ 3,631,607	\$ 3,802,408	\$ (170,801)
Total cash receipts	<u>2,100,314</u>	<u>3,631,607</u>	<u>\$ 3,802,408</u>	<u>\$ (170,801)</u>
Expenditures and transfers subject to budget:				
Instruction	1,404,790	2,540,165	\$ 2,543,232	\$ (3,067)
Student support services	264,747	287,821	479,298	(191,477)
Instructional support staff	38,411	60,041	69,539	(9,498)
General administration	75,498	148,798	136,681	12,117
School administration	104,943	178,192	189,989	(11,797)
Central services	31,755	60,896	57,490	3,406
Operations and maintenance	132,147	268,254	239,238	29,016
Food service operations	48,023	87,440	86,941	499
Adjustment for qualifying budget credits:	-	-	-	-
Total expenditures and transfers subject to budget	<u>2,100,314</u>	<u>3,631,607</u>	<u>\$ 3,802,408</u>	<u>\$ (170,801)</u>
Receipts over (under) expenditures	-	-		
Prior year canceled encumbrances	-	-		
Unencumbered cash, beginning of year	-	-		
Unencumbered cash, end of year	<u>\$ -</u>	<u>\$ -</u>		

See independent auditors' report.

UNIFIED SCHOOL DISTRICT NO. 453, LEAVENWORTH, KANSAS
 BILINGUAL EDUCATION FUND
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 FOR THE YEAR ENDED JUNE 30, 2012
 (WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2011)

	Prior year actual	Current year		Variance - over (under)
		Actual	Budget	
Cash receipts:				
Federal aid:				
English language	\$ 11,014	\$ 11,161	\$ 7,218	\$ 3,943
Transfers in:				
General fund	79,026	83,003	87,000	(3,997)
Total cash receipts	<u>90,040</u>	<u>94,164</u>	<u>\$ 94,218</u>	<u>\$ (54)</u>
Expenditures and transfers subject to budget:				
Student support services	90,040	94,164	\$ 94,218	\$ (54)
Adjustment for qualifying budget credits:	-	-	-	-
Total expenditures and transfers subject to budget	<u>90,040</u>	<u>94,164</u>	<u>\$ 94,218</u>	<u>\$ (54)</u>
Receipts over (under) expenditures	-	-		
Prior year canceled encumbrances	-	-		
Unencumbered cash, beginning of year	<u>1</u>	<u>1</u>		
Unencumbered cash, end of year	<u>\$ 1</u>	<u>\$ 1</u>		

See independent auditors' report.

SCHEDULE 2.16

UNIFIED SCHOOL DISTRICT NO. 453, LEAVENWORTH, KANSAS
 TEXTBOOK RENTAL FUND*
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
 FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

	Prior year actual	Current year actual
Cash receipts:		
Charge for service	\$ 95,234	\$ 96,719
Transfers in:		
General fund	90,547	100,000
Total cash receipts	185,781	196,719
Expenditures:		
Instruction	78,440	62,025
Total expenditures	78,440	62,025
Receipts over (under) expenditures	107,341	134,694
Prior year canceled encumbrances	2,447	-
Unencumbered cash, beginning of year	291,134	400,922
Unencumbered cash, end of year	\$ 400,922	\$ 535,616

*This fund is not required to be budgeted.

SCHEDULE 2.17

UNIFIED SCHOOL DISTRICT NO. 453, LEAVENWORTH, KANSAS
 CONTINGENCY RESERVE FUND*
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
 FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

	Prior year actual	Current year actual
Cash receipts:		
Transfers in:		
General fund	\$ -	\$ -
Total cash receipts	-	-
Expenditures:		
Instruction	-	-
Total expenditures	-	-
Receipts over (under) expenditures	-	-
Prior year canceled encumbrances	-	-
Unencumbered cash, beginning of year	2,400,000	2,400,000
Unencumbered cash, end of year	<u>\$ 2,400,000</u>	<u>\$ 2,400,000</u>

*This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 453, LEAVENWORTH, KANSAS
SPECIAL ASSESSMENT FUND
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
FOR THE YEAR ENDED JUNE 30, 2012
(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2011)

	Prior year actual	Current year		Variance - over (under)
		Actual	Budget	
Cash receipts:				
Taxes and shared revenue:				
Ad valorem property - taxes in process	\$ 4,695	\$ 3,519	\$ 2,975	\$ 544
Ad valorem property - current taxes	77,310	-	-	-
Delinquent	3,671	3,045	1,674	1,371
Motor vehicle	14,301	11,410	11,789	(379)
Recreational vehicle	147	100	124	(24)
State aid:				
Machinery and equipment aid	-	-	-	-
Miscellaneous	-	-	-	-
Total cash receipts	<u>100,124</u>	<u>18,074</u>	<u>\$ 16,562</u>	<u>\$ 1,512</u>
Expenditures and transfers subject to budget:				
Facilities acquisition and construction	147,492	101,198	\$ 99,687	\$ 1,511
Adjustment for qualifying budget credits:				
Other	-	-	1,511	(1,511)
Total expenditures and transfers subject to budget	<u>147,492</u>	<u>101,198</u>	<u>\$ 101,198</u>	<u>\$ -</u>
Receipts over (under) expenditures	(47,368)	(83,124)		
Unencumbered cash, beginning of year	<u>130,492</u>	<u>83,124</u>		
Unencumbered cash, end of year	<u>\$ 83,124</u>	<u>\$ -</u>		

See independent auditors' report.

UNIFIED SCHOOL DISTRICT NO. 453, LEAVENWORTH, KANSAS
 FEDERAL FUNDS
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 FOR THE YEAR ENDED JUNE 30, 2012
 (WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2011)

	Prior year actual	Current year		Variance - over (under)
		Actual	Budget	
Cash receipts:				
Federal aid:				
Title I A	\$ 995,785	\$ 1,173,555	\$ 1,459,160	\$ (285,605)
Title I A-ARRA	338,405	-	-	-
Title I D	31,926	-	-	-
Title I D-ARRA	54,643	6,612	-	6,612
School Improvement grant	174,000	86,000	51,000	35,000
Title II A	255,717	218,554	249,137	(30,583)
Title II D	3,500	1,540	-	1,540
Title II D-ARRA	18,954	-	-	-
Title IV	8,700	5,148	7,789	(2,641)
Character Educ Initiative	1,000	-	-	-
Adv Placement Program	4,729	7,000	-	7,000
Physical Education Program grant	10,000	23,715	-	23,715
Math/Science Partnership grant	-	-	-	-
School Preparedness	-	-	-	-
Hazard Mitigation grant	1,802,655	69,950	-	69,950
Total cash receipts	3,700,014	1,592,074	\$ 1,767,086	\$ (175,012)
Expenditures and transfers subject to budget:				
Instruction	1,152,843	876,740	\$ 1,222,167	\$ (345,427)
Student support services	65,581	224,360	20,500	203,860
Instructional support staff	490,376	406,378	613,891	(207,513)
General administration	115,487	113,906	50,000	63,906
Construction services	664,328	69,950	-	69,950
Adjustment for qualifying budget credits:				
Federal funds received in excess of budget	-	-	-	-
Other	-	-	-	-
Total expenditures and transfers subject to budget	2,488,615	1,691,334	\$ 1,906,558	\$ (215,224)
Receipts over (under) expenditures	1,211,399	(99,260)		
Prior year canceled encumbrances	1,442	2,710		
Unencumbered cash, beginning of year	(1,156,473)	56,368		
Unencumbered cash, end of year	\$ 56,368	\$ (40,182)		

See independent auditors' report.

SCHEDULE 2.20

UNIFIED SCHOOL DISTRICT NO. 453, LEAVENWORTH, KANSAS
 GRANT FUNDS*
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
 FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

	Prior year actual	Current year actual
Cash receipts:		
Other contributions	\$ 527,679	\$ 483,005
Total cash receipts	527,679	483,005
Expenditures:		
Instruction	60,278	66,484
Student support services	221,467	241,449
Instructional support staff	13,734	7,471
General administration	6,544	7,586
Other support services	210,272	166,628
Total expenditures	512,295	489,618
Receipts over (under) expenditures	15,384	(6,613)
Prior year canceled encumbrances	26	60
Unencumbered cash, beginning of year	35,346	50,756
Unencumbered cash, end of year	\$ 50,756	\$ 44,203

*This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 453, LEAVENWORTH, KANSAS
 BOND & INTEREST FUND
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 FOR THE YEAR ENDED JUNE 30, 2012
 (WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2011)

	Prior year actual	Current year		Variance - over (under)
		Actual	Budget	
Cash receipts:				
Taxes and shared revenue:				
Ad valorem property - taxes in process	\$ 151,877	\$ 185,894	\$ 157,011	\$ 28,883
Ad valorem property - current taxes	4,084,083	3,842,402	3,668,399	174,003
Delinquent	67,159	93,667	88,400	5,267
Motor vehicle	218,363	417,670	439,221	(21,551)
Recreational vehicle	2,375	3,700	4,611	(911)
Other Revenue	-	-	-	-
State aid:				
Capital improvement aid	1,773,977	1,746,810	1,746,798	12
Total cash receipts	6,297,834	6,290,143	\$ 6,104,440	\$ 185,703
Expenditures and transfers subject to budget:				
Principal	2,400,000	2,900,000	\$ 2,900,000	\$ -
Interest	3,018,928	2,922,658	2,922,659	(1)
Fiscal charges	-	-	-	-
Adjustment for qualifying budget credits:	-	-	-	-
Total expenditures and transfers subject to budget	5,418,928	5,822,658	\$ 5,822,659	\$ (1)
Receipts over (under) expenditures	878,906	467,485		
Unencumbered cash, beginning of year	3,376,375	4,255,281		
Unencumbered cash, end of year	<u>\$ 4,255,281</u>	<u>\$ 4,722,766</u>		

See independent auditors' report.

SCHEDULE 2.22

UNIFIED SCHOOL DISTRICT NO. 453, LEAVENWORTH, KANSAS
 PRIVATE PURPOSE TRUST FUNDS*
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
 FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

	Prior year actual	Current year actual
Cash receipts:		
Interest	\$ 1,612	\$ 1,406
Donations	4,055	2,650
Total cash receipts	<u>5,667</u>	<u>4,056</u>
Expenditures:		
Scholarships	<u>7,800</u>	<u>5,200</u>
Total expenditures	<u>7,800</u>	<u>5,200</u>
Receipts over (under) expenditures	(2,133)	(1,144)
Unencumbered cash, beginning of year	<u>146,214</u>	<u>144,081</u>
Unencumbered cash, end of year	<u>\$ 144,081</u>	<u>\$ 142,937</u>

*This fund is not required to be budgeted.

See independent auditors' report.

UNIFIED SCHOOL DISTRICT NO. 453, LEAVENWORTH, KANSAS
 BOND CONSTRUCTION FUND*
 SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
 FOR THE YEARS ENDED JUNE 30, 2012 AND 2011

	Prior year actual	Current year actual
Cash receipts:		
Sale of bonds	\$ -	\$ -
Interest on idle funds	4,683	-
Total cash receipts	<u>4,683</u>	<u>-</u>
Expenditures:		
Facilities construction	3,054,954	-
Total expenditures	<u>3,054,954</u>	<u>-</u>
Receipts over (under) expenditures	(3,050,271)	-
Prior year canceled encumbrances	1,508,293	-
Unencumbered cash, beginning of year	<u>1,541,978</u>	<u>-</u>
Unencumbered cash, end of year	<u>\$ -</u>	<u>\$ -</u>

*This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 453, LEAVENWORTH, KANSAS
 SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - ACTUAL
 AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2012

	Beginning cash balance	Cash receipts	Cash disbursements	Ending cash balance
Student Organizations:				
Leavenworth High School:				
Ambassadors	\$ 379	\$ 943	\$ 440	\$ 882
Art club	912	570	100	1,382
Band	1,431	203	703	931
Baseball club	55	-	-	55
Big Brothers/Big Sisters	-	-	-	-
Bowling club	3	-	-	3
Boys basketball	1,047	2,281	1,840	1,488
Boys golf	60	-	38	22
Boys soccer	355	500	190	665
Boys swim	153	-	-	153
Boys tennis	11	-	-	11
Boys track	476	200	200	476
Cheerleaders	29	4,045	3,166	908
Choir	1,644	18,696	18,609	1,731
Dance team	122	-	-	122
Debate	510	-	-	510
DECA	718	1,026	1,341	403
Drama	3,876	1,642	4,428	1,090
FCA club	133	-	-	133
Football	79	-	-	79
Future Business Leaders	29	395	321	103
French club	983	157	167	973
Future Educators Association	63	691	424	330
German club	597	-	103	494
Girls basketball	792	1,691	1,068	1,415
Girls golf	31	-	23	8
Girls soccer	4	500	500	4
Girls swim	1	-	-	1
Girls track	904	4,685	4,264	1,325
Girls volleyball	202	-	-	202
Goodfellows	109	212	300	21
International club	485	491	432	544
KAYS	80	-	-	80
Math club	461	-	323	138
Model UN	72	-	-	72
National forensics league	129	-	-	129
National Honor Society	1,871	3,975	3,775	2,071
Odyssey of the Mind	1,235	-	-	1,235
Pioneer Pantry	326	1,202	592	936
Pioneer Pride	358	142	323	177
POC	182	813	446	549

See independent auditors' report.

SCHEDULE 3

UNIFIED SCHOOL DISTRICT NO. 453, LEAVENWORTH, KANSAS
 SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - ACTUAL
 AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2012

	Beginning cash balance	Cash receipts	Cash disbursements	Ending cash balance
Poetry club	100	-	-	100
Prom	8,493	6,320	7,086	7,727
Quill & Scroll	167	-	-	167
ROTC club	17,577	19,148	23,315	13,410
SADD	828	-	-	828
Scholars Bowl	569	630	582	617
Science club	424	584	614	394
Senior class	863	1,551	939	1,475
Sew creative	46	141	137	50
Skills USA	1,240	600	916	924
Softball	1,195	-	1,099	96
Store - DECA	4,775	20,726	17,339	8,162
Strength club	40	9,909	9,517	432
STUCO	2,038	7,090	7,534	1,594
TSA	793	3,589	2,884	1,498
U.S.A.L.L.	200	-	-	200
Wrestling	64	8,864	8,607	321
Writer's Corner	100	-	-	100
Subtotal Leavenworth High School	<u>60,419</u>	<u>124,212</u>	<u>124,685</u>	<u>59,946</u>
Warren Middle School:				
Student support fund	3,133	18,178	17,783	3,528
Technology club	569	-	569	-
Kay's	1,351	777	557	1,571
Drama	2,699	36	96	2,639
Band	2,031	4,498	4,038	2,491
Yearbook	16	2,962	2,687	291
STUCO	1,164	1,547	1,164	1,547
Science	-	244	-	244
Volleyball	-	338	312	26
Cheerleaders	-	200	-	200
Boys Basketball	-	591	591	-
P.E. club	210	-	210	-
IDEA club	216	-	216	-
Subtotal Warren Middle School	<u>11,389</u>	<u>29,371</u>	<u>28,223</u>	<u>12,537</u>
West Middle School:				
Student support fund	7,749	1,439	4,195	4,993
Band	1,428	-	-	1,428
Yearbook	2,227	3,012	3,116	2,123
STUCO	886	1,639	2,300	225
Cheerleaders	480	-	-	480
Subtotal West Middle School	<u>12,770</u>	<u>6,090</u>	<u>9,611</u>	<u>9,249</u>

See independent auditors' report.

UNIFIED SCHOOL DISTRICT NO. 453, LEAVENWORTH, KANSAS
 SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - ACTUAL
 AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2012

	Beginning cash balance	Cash receipts	Cash disbursements	Ending cash balance
Anthony:				
Student support fund	3,372	3,840	4,296	2,916
Field trip	-	1,247	1,179	68
Miscellaneous	-	2,597	2,584	13
Subtotal Anthony	<u>3,372</u>	<u>7,684</u>	<u>8,059</u>	<u>2,997</u>
David Brewer:				
Student support fund	2,957	948	2,330	1,575
Field trip	-	753	662	91
Pennies for Patients	-	852	852	-
Yearbook	-	1,923	1,928	(5)
Subtotal David Brewer	<u>2,957</u>	<u>4,476</u>	<u>5,772</u>	<u>1,661</u>
Lawson:				
Student support fund	2,049	3,133	3,516	1,666
Field trip	15	1,139	1,154	-
Miscellaneous	-	369	349	20
Yearbook	-	1,343	1,338	5
Subtotal Lawson	<u>2,064</u>	<u>5,984</u>	<u>6,357</u>	<u>1,691</u>
Henry Leavenworth:				
Student support fund	1,562	745	30	2,277
Field trip	624	2,420	2,712	332
Miscellaneous	69	-	-	69
Science	131	535	511	155
Watch DOGS	116	-	-	116
Subtotal Henry Leavenworth	<u>2,502</u>	<u>3,700</u>	<u>3,253</u>	<u>2,949</u>
New Beginnings:				
Service Learning	-	1,673	1,347	326
Subtotal New Beginnings	<u>-</u>	<u>1,673</u>	<u>1,347</u>	<u>326</u>
Total student organization funds	<u>\$ 95,473</u>	<u>\$ 183,190</u>	<u>\$ 187,307</u>	<u>\$ 91,356</u>
Faculty funds:				
Leavenworth High School:	\$ 4,112	\$ 2,954	\$ 5,657	\$ 1,409
Warren Middle School:	238	1,674	715	1,197
West Middle School:	781	-	-	781
Anthony:	203	1,880	1,715	368
David Brewer:	14	-	-	14
Lawson:	643	1,011	1,319	335
Henry Leavenworth:	212	770	433	549
Nettie Hartnett:	53	79	-	132
Total faculty funds	<u>\$ 6,256</u>	<u>\$ 8,368</u>	<u>\$ 9,839</u>	<u>\$ 4,785</u>

See independent auditors' report.

UNIFIED SCHOOL DISTRICT NO. 453, LEAVENWORTH, KANSAS
 SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - ACTUAL
 AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2012

	Beginning cash balance	Cash receipts	Cash disbursements	Ending cash balance
Fees and user charges:				
Leavenworth High School:	\$ -	\$ 132,642	\$ 132,642	\$ -
Warren Middle School:	56	6,121	6,040	137
West Middle School:	268	4,786	4,630	424
Anthony:	90	798	810	78
David Brewer:	67	1,057	203	921
Lawson:	-	2,474	2,440	34
Henry Leavenworth:	-	2,480	2,480	-
Total fees and user charges	\$ 481	\$ 150,358	\$ 149,245	\$ 1,594
 SUMMARY:				
Student activity funds	\$ 95,473	\$ 183,190	\$ 187,307	\$ 91,356
Faculty funds	6,256	8,368	9,839	4,785
Fees and user charges	481	150,358	149,245	1,594
Total agency funds	\$ 102,210	\$ 341,916	\$ 346,391	\$ 97,735

See independent auditors' report.

UNIFIED SCHOOL DISTRICT NO 453, LEAVENWORTH, KANSAS
 SCHEDULE OF CASH RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH - ACTUAL
 DISTRICT ACTIVITY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2012

	Beginning unencumbered cash balance	Cash receipts	Expenditures	Ending unencumbered cash balance	Outstanding encumbrances and accounts payable	Ending cash balance
Gate receipts:						
Leav High School activity fund:						
Athletics	\$ -	\$ 78,364	\$ 78,364	\$ -	\$ -	\$ -
Total High School activity fund	-	78,364	78,364	-	-	-
Middle School activity fund						
Athletics - West Middle School	-	-	-	-	-	-
Athletics - Warren Middle School	90	4,200	4,290	-	-	-
Total Middle School activity funds	90	4,200	4,290	-	-	-
Subtotal gate receipts	90	82,564	82,654	-	-	-
School projects:						
School projects - Leav High School	12,612	47,401	43,849	16,164	-	16,164
Subtotal school projects	12,612	47,401	43,849	16,164	-	16,164
Total district activities	\$ 12,702	\$ 129,965	\$ 126,503	\$ 16,164	\$ -	\$ 16,164

See independent auditors' report.

UNIFIED SCHOOL DISTRICT NO 453, LEAVENWORTH, KANSAS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS*
 YEAR ENDED JUNE 30, 2012

Federal CFDA number	U.S. Department of Education Federal grantor/ pass-through grantor/program title	KSDE Index number	Program or award amount	Beginning unencumbered cash balance	Prior year cancelled encumbrances	Receipts	Expenditures	Ending unencumbered cash balance	Outstanding encumbrances	Ending cash balance
84.041	Direct: PL-382 Impact Aid		\$ 103,785	\$ (10,421)	\$ -	\$ 103,785	\$ 103,785	\$ -	\$ -	\$ -
84.215F	Direct: Carol M. White Physical Education Program Grant		105,259	104	-	23,715	13,277	121	-	121
	Passed through Kansas Department of Education:									
	Title I, Part A cluster:									
84.010	Title I Low income	01010.12	1,203,555	-	-	1,023,555	1,067,587	(44,032)	171,957	127,925
84.010	Title I Low income-carryover	01010.11	253,334	103,334	-	150,000	241,478	11,856	75,985	87,841
84.010	Title I School Improvement	08016.11	-	-	-	-	-	-	-	-
84.010	Title I School Improvement	08016.10	277,000	(66,183)	2,547	86,000	19,041	3,323	-	3,323
84.010	Title I Part D-carryover	01080.10	16,261	150	-	-	-	150	-	150
84.010	Title I Part D-carryover	01080.09	-	-	-	-	-	-	-	-
84.389	Title I Low income-ARRA	13030.10	581,156	1,184	59	-	1,243	-	-	-
84.389	Title I Part D-ARRA	13032.10	66,543	57	-	6,612	6,669	-	-	-
	Total Title I, Part A cluster		2,397,849	38,542	2,606	1,266,167	1,336,018	(28,703)	247,942	219,239
	Special education cluster (IDEA):									
84.027	Title VI B Special Education	10010.12	2,324,893	-	-	2,274,893	2,274,893	-	-	-
84.173	Special Education Preschool	09010.12	89,610	-	-	89,610	89,610	-	-	-
84.027	Discretionary Special Education	10040.12 20708	89,162	-	-	89,162	89,162	-	-	-
84.391	Title VI B Special Education-ARRA	13038.10	-	-	-	-	-	-	-	-
84.392	Special Education Preschool-ARRA	13037.10	-	-	-	-	-	-	-	-
	Total Special education cluster (IDEA)		2,503,665	-	-	2,453,665	2,453,665	-	-	-
84.041	Excess PL-382 Impact Aid		-	-	-	11,193	11,193	-	-	-
84.048	Secondary Program Improvement	11010.12 00020	55,604	-	-	55,604	50,106	5,498	950	6,448
84.048	Secondary Program Improvement	11010.11 00020	62,082	22,837	-	17,750	17,750	5,087	-	5,087
	Total Secondary Program Improvement		117,686	22,837	-	55,604	67,856	10,585	950	11,535
84.186	Drug-Free-carryover	08010.10	16,732	2,500	-	5,148	7,648	-	-	-
84.196	Education for Homeless Children and Youth		-	-	-	-	-	-	-	-
84.215	Character Education Initiative	12041.11	5,000	301	-	-	-	301	-	301
84.330	Advanced Placement Program	13029.11	11,729	4,729	-	7,000	3,692	8,037	-	8,037
	Educational Technology State Grants cluster:									
84.318	Title II Tech Literacy	13011.11	3,540	(1,040)	-	1,040	-	-	-	-
83.318	Title II Tech Literacy-carryover	13011.10	1,195	(500)	-	500	-	-	-	-
84.386	Title II Tech Literacy-ARRA	13034.10	21,294	539	-	-	539	-	-	-
	Total Educational Technology State Grants cluster:		26,029	(1,001)	-	1,540	539	-	-	-
84.365	English Language Acquisition	13012.12	11,161	-	-	11,161	11,161	-	-	-
84.367	Title II Improving Teacher Quality	13010.12	228,554	-	-	208,554	228,554	(20,000)	28,654	8,654
84.367	Title II Improving Teacher Quality-carryover	13010.11	31,656	21,717	-	10,000	31,656	61	4,057	4,118
	Total Title II Improving Teacher Quality		260,210	21,717	-	218,554	260,210	(19,939)	32,711	12,772
84.394	State Fiscal Stabilization Fund-ARRA		-	-	-	-	-	-	-	-
84.410	Education Jobs Fund-ARRA		10,853	-	-	10,853	10,853	-	-	-
	Total U.S. Department of Education		5,569,958	79,204	2,710	4,168,385	4,279,897	(29,598)	281,603	252,005

See independent auditors' report.

UNIFIED SCHOOL DISTRICT NO. 453, LEAVENWORTH, KANSAS
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS*
 YEAR ENDED JUNE 30, 2012

Federal Grantor/ pass-through grantor/program title	Federal CFDA number	KSDE Index number	Program or award amount	Beginning unencumbered cash balance	Prior year cancelled encumbrances	Receipts	Expenditures	Ending unencumbered cash balance	Outstanding encumbrances	Ending cash balance
U.S. Department of Agriculture										
Passed through Kansas Department of Education:										
Child Nutrition cluster:										
School Breakfast Program	10.553		284,183	-	-	284,183	284,183	-	-	-
National School Lunch Program	10.555		1,004,022	-	-	1,004,022	1,004,022	-	-	-
Summer Food Service Program for Children	10.559		53,966	-	-	53,966	53,966	-	-	-
Total Child Nutrition cluster:			1,342,171	-	-	1,342,171	1,342,171	-	-	-
State Administrative Expenses for Child Nutrition	10.560		50	-	-	50	50	-	-	-
Team Nutrition Training Grant	10.574		3,160	-	-	3,160	2,808	352	-	352
Fresh Fruits & Vegetables Program	10.582		91,533	-	-	91,533	91,533	-	-	-
Total U.S. Department of Agriculture			1,436,914	-	-	1,436,914	1,436,562	352	-	352
U.S. Department of Homeland Security										
Passed through Kansas Division of Emergency Management:										
Hazard Mitigation Grant Program	97.039	FEMA-DR-1741-KS	23,749	-	-	23,749	23,749	-	-	-
Hazard Mitigation Grant Program	97.039	0027	23,238	-	-	23,238	23,238	-	-	-
Hazard Mitigation Grant Program	97.039	0030	212	-	-	212	212	-	-	-
Hazard Mitigation Grant Program	97.039	0031	22,751	-	-	22,751	22,751	-	-	-
Hazard Mitigation Grant Program	97.039	0032	69,950	-	-	69,950	69,950	-	-	-
Total U.S. Department of Homeland Security			7,076,822	79,204	2,710	5,675,250	5,786,409	(29,246)	281,603	252,357
Total Federal Assistance										

*Note 1 on page 46 is an integral part of this Schedule of Expenditures of Federal Awards.

UNIFIED SCHOOL DISTRICT NO 453, LEAVENWORTH, KANSAS
NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

1. Basis of accounting

a. Statutory basis of accounting

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

The District has adopted a resolution in accordance with K.S.A. 75-1120a to waive reporting in accordance with accounting principles generally accepted in the United States of America, which allows the District to utilize the statutory basis of accounting.

b. Departure from accounting principles generally accepted in the United States of America

The basis of accounting described above results in a financial statement presentation which shows cash receipts, cash disbursements, and cash and unencumbered cash balances.

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.

COMPLIANCE SECTION



Kramer & Associates CPAs, LLC

Making the right move for your business

Tony Kramer, CPA
Joseph J. Wood, CPA

Martina Bumm, CPA
Megan Gracey, CPA
Sherrie Hodges, CPA
Amy Schwinn, CPA
Dana Splichal, CPA
John Vohs, CPA

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

To the Board of Education
Unified School District No. 453,
Leavenworth, Kansas

We have audited the financial statement of Unified School District No. 453, (the "District"), Leavenworth, Kansas, as of and for the year ended June 30, 2012, and have issued our report thereon dated December 17, 2012. That financial statement was prepared on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The Independent Auditors' Report expressed an unqualified opinion on the cash basis and budget law financial statements of Unified School District No. 453, Leavenworth, Kansas and an adverse opinion on the application of accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit Guide*, 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

Management of the District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

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

This report is intended solely for the information and use of the Board of Education and committees thereto, management, others within the entity, U.S. Department of Education, U.S. Department of Agriculture, U.S. Department of Homeland Security, the Kansas Division of Emergency Management, the Kansas Division of Accounts and Reports, and the Kansas State Department of Education and is not intended to be and should not be used by anyone other than these specified parties.

KRAMER & ASSOCIATES CPAs, L.L.C.

Kramer & Associates CPAs, LLC
Leavenworth, Kansas
December 17, 2012



Kramer & Associates CPAs, LLC

Making the right move for your business

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

To the Board of Education
Unified School District No. 453,
Leavenworth, Kansas

Compliance

We have audited the compliance of Unified School District No. 453, (the "District"), Leavenworth, Kansas with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. The District's major federal programs are identified in the summary of auditors' 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 Districts' management. Our responsibility is to express opinions 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 Kansas Municipal Audit Guide; 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 consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinions. 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 compliance 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 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 the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinions 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 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 report is intended solely for the information of the Board of Education and committees thereto, management, others within the entity, the U.S. Department of Education, the U.S. Department of Agriculture, U.S. Department of Homeland Security, the Kansas Division of Emergency Management, the Kansas Division of Accounts and Reports, and the Kansas State Department of Education and is not intended to be and should not be used by anyone other than these specified parties.

KRAMER & ASSOCIATES CPAs, L.L.C.

Kramer & Associates CPAs, LLC
Leavenworth, Kansas
December 17, 2012

UNIFIED SCHOOL DISTRICT NO. 453,
LEAVENWORTH, KANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended June 30, 2012

A. Summary of Audit Results

1. The Independent Auditors' Report expressed an unqualified opinion on the cash basis and budget law financial statement of Unified School District No. 453, Leavenworth, Kansas and an adverse opinion on the application of accounting principles generally accepted in the United States of America.
2. No deficiencies in internal control over financial reporting were considered to be material weaknesses. There were no significant deficiencies in internal control over financial reporting reported in our Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
3. No instances of noncompliance material to the financial statement of Unified School District No. 453, Leavenworth, Kansas were noted during the audit.
4. No deficiencies in internal control over major federal award programs were considered to be material weaknesses. There were no significant deficiencies in internal control over major programs reported in our Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133.
5. The Independent Auditors' Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133 expressed unqualified opinions for each major federal award program for Unified School District No. 453, Leavenworth, Kansas.
6. There are no audit findings that are required to be disclosed in accordance with Section 510(a) of OMB Circular A-133 in this schedule.
7. The programs tested as major programs included:

United States Department of Education

CFDA No.	Title
	Special Education cluster:
84.027	Title VIB Special Education
84.173	Special Education Preschool

United States Department of Agriculture

CFDA No.	Title
	Child Nutrition cluster:
10.553	School Breakfast Program
10.555	National School Lunch Program
10.559	Summer Food Service Program for Children

8. The threshold for distinguishing between Types A and B programs was \$300,000.
9. Unified School District No. 453, Leavenworth, Kansas, was not determined to be a low-risk auditee.

B. Findings - Financial Statement Audit

No matters were noted.

C. Findings and questioned costs - Major Federal Awards Programs Audit

No matters were noted.

UNIFIED SCHOOL DISTRICT NO. 453,
LEAVENWORTH, KANSAS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year ended June 30, 2012

Findings - Financial Statement Audit

No matters were noted.

Findings and questioned costs - Major Federal Awards Programs Audit

No matters were noted.