

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
AUGUSTA, KANSAS**

**FINANCIAL STATEMENTS
JUNE 30, 2011**

BFR

BUSBY FORD & REIMER, LLC

CERTIFIED PUBLIC ACCOUNTANTS

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
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BUSBY FORD & REIMER, LLC

CERTIFIED PUBLIC ACCOUNTANTS
INDEPENDENT AUDITORS' REPORT

**Board of Education
Augusta Unified School District No. 402
Augusta, Kansas**

We have audited the accompanying financial statements of **Augusta Unified School District No. 402, Augusta, Kansas**, as of and for the year ended **June 30, 2011**, as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year partial comparative financial information has been derived from the District's 2010 financial statements and, in our report dated February 7, 2011, we expressed an unqualified opinion that the financial statements were fairly presented in accordance with the cash basis and budget laws of the State of Kansas.

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 statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, **Augusta Unified School District No. 402, Augusta, Kansas**, has prepared these financial statements 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 effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

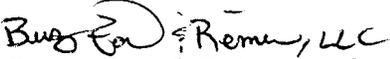
In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of **Augusta Unified School District No. 402, Augusta, Kansas**, as of **June 30, 2011**, or changes in financial position for the year then ended.

**Board of Education
Augusta Unified School District No. 402**

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of **Augusta Unified School District No. 402, Augusta, Kansas**, as of **June 30, 2011**, and its cash receipts and expenditure and budgetary comparisons 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 February 6, 2012, on our consideration of **Augusta Unified School District No. 402, Augusta, Kansas**, internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the financial statements of **Augusta Unified School District No. 402, Augusta, Kansas**, taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.


Busby Ford & Reimer, LLC
February 6, 2012

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
SUMMARY OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
FOR THE YEAR ENDED JUNE 30, 2011

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
General Fund	\$ (1,279,906)	\$ 52	\$ 12,487,924	\$ 12,220,225	\$ (1,012,155)	\$ 324,283	\$ (687,872)
Special Revenue Funds							
Supplemental General	(440,317)	0	4,453,891	4,061,364	(47,790)	133,140	85,350
At Risk (4 Year Old)	0	0	64,955	59,055	5,900	106	6,006
At Risk (K-12)	55,870	0	1,232,202	1,212,202	75,870	26,981	102,851
Bilingual Education	0	0	12,741	12,741	0	0	0
Capital Outlay	2,340,730	0	514,634	1,031,176	1,824,188	280,885	2,105,073
Driver Training	37,521	0	25,556	20,796	42,281	1,392	43,673
Food Service	28,137	0	853,292	863,023	18,406	41,389	59,795
Professional Development	77,061	0	40,000	38,483	78,578	4,627	83,205
Summer School	43,356	0	100	0	43,456	0	43,456
Special Education	644,224	0	2,038,534	2,045,457	637,301	882	638,183
Vocational Education	238,541	0	629,694	790,464	77,771	42,631	120,402
KPERS Contribution	0	0	1,030,864	1,030,864	0	0	0
Federal Funds	0	0	708,667	708,667	0	35,231	35,231
Gifts and Grants	7,555	0	42,359	37,303	12,611	12,270	24,881
Contingency Reserve	800,000	0	0	0	800,000	0	800,000
Textbook & Student Material							
Revolving	577,882	49	203,728	109,552	672,107	50,018	722,125
District Activity Funds	18,644	0	80,860	72,167	27,337	0	27,337
Debt Service Funds							
Bond and Interest	1,568,258	0	3,412,814	3,255,201	1,725,871	0	1,725,871
Special Assessment	8,153	0	87	2,436	5,804	0	5,804
Capital Projects	34,305,397	0	1,102,375	17,396,749	18,011,023	4,993,760	23,004,783
	\$ 39,031,106	\$ 101	\$ 28,935,277	\$ 44,967,925	\$ 22,998,559	\$ 5,947,595	\$ 28,946,154

Composition of Cash:

Checking Accounts	\$ 18,192
Savings Accounts	16,601,865
Certificates of Deposit	12,506,195
Investments	30,845
Agency Funds	29,157,097
	(210,943)
	<u>\$ 28,946,154</u>

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

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
FOR THE YEAR ENDED JUNE 30, 2011

Fund	Certified Budget	Adjustment to		Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Favorable (Unfavorable)
		Legal Max	Comply with				
General Fund	\$ 12,230,983	\$ (56,204)	\$	45,446	\$ 12,220,225	\$ 12,220,225	\$ 0
Special Revenue Funds							
Supplemental General	4,054,488	0	0	6,876	4,061,364	4,061,364	0
At Risk (4 Year Old)	63,780	0	0	0	63,780	59,055	4,725
At Risk (K-12)	1,212,205	0	0	0	1,212,205	1,212,202	3
Bilingual Education	16,000	0	0	0	16,000	12,741	3,259
Capital Outlay	2,000,000	0	0	0	2,000,000	1,031,176	968,824
Driver Training	30,000	0	0	0	30,000	20,796	9,204
Food Service	916,062	0	0	0	916,062	863,023	53,039
Professional Development	77,061	0	0	0	77,061	38,483	38,578
Summer School	43,356	0	0	0	43,356	0	43,356
Special Education	2,159,209	0	0	0	2,159,209	2,045,457	113,752
Vocational Education	969,159	0	0	0	969,159	790,464	178,695
KPERS Contribution	854,574	0	0	0	854,574	1,030,864	(176,290)
Federal Funds	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	708,667	XXXXXXXXXX
Gifts and Grants	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	37,303	XXXXXXXXXX
Contingency Reserve	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0	XXXXXXXXXX
Textbook & Student Material							
Revolving	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	109,552	XXXXXXXXXX
District Activity Funds	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	72,167	XXXXXXXXXX
Debt Service Funds							
Bond and Interest	3,255,702	0	0	0	3,255,702	3,255,201	501
Special Assessment	2,436	0	0	0	2,436	2,436	0
Capital Projects	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	17,396,749	XXXXXXXXXX
	<u>\$ 27,885,015</u>	<u>\$ (56,204)</u>	<u>\$</u>	<u>52,322</u>	<u>\$ 27,881,133</u>	<u>\$ 44,967,925</u>	<u>\$ 1,237,646</u>

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

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
FOR THE YEAR ENDED JUNE 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

<u>General Fund</u>	<u>Current Year</u>			Variance -
	Prior Year			Favorable
	Actual	Actual	Budget	(Unfavorable)
Cash Receipts				
Local Sources	\$ 1,399,901	\$ 1,428,848	\$ 1,349,228	\$ 79,620
State Sources	10,589,698	10,468,052	10,666,692	(198,640)
Federal Sources	568,188	591,024	214,840	376,184
	<u>12,557,787</u>	<u>12,487,924</u>	<u>\$ 12,230,760</u>	<u>\$ 257,164</u>
Expenditures				
Instruction	3,621,629	3,479,665	\$ 3,699,200	\$ 219,535
Student Support Services	488,247	505,950	504,500	(1,450)
Instructional Support Staff	411,214	401,609	397,700	(3,909)
General Administration	622,134	690,013	643,500	(46,513)
School Administration	1,025,165	1,040,063	1,048,150	8,087
Operations & Maintenance	1,558,306	1,645,299	1,665,027	19,728
Student Transportation Services	293,290	333,812	311,758	(22,054)
Other Supplemental Services	275,826	263,184	284,100	20,916
Transfers	3,970,906	3,860,630	3,677,048	(183,582)
Adjustment to Comply with Legal Max	0	0	(56,204)	(56,204)
Adjustment for Qualifying Budget Credits	0	0	45,446	45,446
	<u>12,266,717</u>	<u>12,220,225</u>	<u>\$ 12,220,225</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	291,070	267,699		
Unencumbered Cash, Beginning	(1,571,199)	(1,279,906)		
Prior Year Canceled Encumbrances	<u>223</u>	<u>52</u>		
Unencumbered Cash, Ending	<u>\$ (1,279,906)</u>	<u>\$ (1,012,155)</u>		

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

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
FOR THE YEAR ENDED JUNE 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

<u>Supplemental General Fund</u>	<u>Current Year</u>			Variance -
	Prior Year			Favorable
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Unfavorable)</u>
Cash Receipts				
Local Sources	\$ 1,366,795	\$ 1,558,783	\$ 110,653	\$ 1,448,130
County Sources	200,909	213,308	193,436	19,872
State Sources	1,779,449	2,681,800	2,370,497	311,303
Federal Sources	593,172	0	0	0
	<u>3,940,325</u>	<u>4,453,891</u>	<u>\$ 2,674,586</u>	<u>\$ 1,779,305</u>
Expenditures				
Instruction	3,441,785	3,594,491	\$ 3,535,554	\$ (58,937)
Student Support Services	41,468	40,914	45,000	4,086
Operations & Maintenance	1,903	0	27,500	27,500
Other Supplemental Services	211,258	165,525	226,000	60,475
Transfers	270,434	260,434	220,434	(40,000)
Adjustment for Qualifying Budget Credits	0	0	6,876	6,876
	<u>3,966,848</u>	<u>4,061,364</u>	<u>\$ 4,061,364</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	(26,523)	392,527		
Unencumbered Cash, Beginning	(413,799)	(440,317)		
Prior Year Canceled Encumbrances	<u>5</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ (440,317)</u>	<u>\$ (47,790)</u>		

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

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
FOR THE YEAR ENDED JUNE 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

<u>At Risk (4 Year Old) Fund</u>	Current Year			Variance - Favorable (Unfavorable)
	Prior Year			
	Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 0	\$ 0	\$ 3,600	\$ (3,600)
Transfers	<u>62,455</u>	<u>64,955</u>	<u>60,180</u>	<u>4,775</u>
	<u>62,455</u>	<u>64,955</u>	<u>\$ 63,780</u>	<u>\$ 1,175</u>
Expenditures				
Instruction	59,268	56,721	\$ 62,742	\$ 6,021
Instruction Support Staff	<u>3,187</u>	<u>2,334</u>	<u>1,038</u>	<u>(1,296)</u>
	<u>62,455</u>	<u>59,055</u>	<u>\$ 63,780</u>	<u>\$ 4,725</u>
Receipts Over (Under) Expenditures	0	5,900		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 5,900</u>		

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

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
FOR THE YEAR ENDED JUNE 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

<u>At Risk (K-12) Fund</u>	<u>Current Year</u>			Variance -
	Prior Year			Favorable
	Actual	Actual	Budget	(Unfavorable)
Cash Receipts				
Local Sources	\$ 0	\$ 0	\$ 25,000	\$ (25,000)
Transfers	<u>1,115,737</u>	<u>1,232,202</u>	<u>1,131,335</u>	<u>100,867</u>
	<u>1,115,737</u>	<u>1,232,202</u>	<u>\$ 1,156,335</u>	<u>\$ 75,867</u>
 Expenditures				
Instruction	<u>1,059,867</u>	<u>1,212,202</u>	<u>\$ 1,212,205</u>	<u>\$ 3</u>
	<u>1,059,867</u>	<u>1,212,202</u>	<u>\$ 1,212,205</u>	<u>\$ 3</u>
 Receipts Over (Under) Expenditures	55,870	20,000		
 Unencumbered Cash, Beginning	0	55,870		
 Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
 Unencumbered Cash, Ending	<u>\$ 55,870</u>	<u>\$ 75,870</u>		

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

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
FOR THE YEAR ENDED JUNE 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

<u>Bilingual Education Fund</u>	<u>Current Year</u>			Variance -
	Prior Year			Favorable
	Actual	Actual	Budget	(Unfavorable)
Cash Receipts				
Local Sources	\$ 0	\$ 0	\$ 3,000	\$ (3,000)
Transfers	<u>12,269</u>	<u>12,741</u>	<u>13,000</u>	<u>(259)</u>
	<u>12,269</u>	<u>12,741</u>	<u>\$ 16,000</u>	<u>\$ (3,259)</u>
Expenditures				
Instruction	<u>12,269</u>	<u>12,741</u>	<u>\$ 16,000</u>	<u>\$ 3,259</u>
	<u>12,269</u>	<u>12,741</u>	<u>\$ 16,000</u>	<u>\$ 3,259</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>		

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

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
FOR THE YEAR ENDED JUNE 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

<u>Capital Outlay Fund</u>	<u>Current Year</u>			Variance -
	Prior Year			Favorable
	Actual	Actual	Budget	(Unfavorable)
Cash Receipts				
Local Sources	\$ 512,716	\$ 379,674	\$ 365,645	\$ 14,029
County Sources	74,600	76,983	69,593	7,390
Federal Sources	5,775	14,333	0	14,333
Transfers	162,883	43,644	0	43,644
	<u>755,974</u>	<u>514,634</u>	<u>\$ 435,238</u>	<u>\$ 79,396</u>
Expenditures				
Instruction	28,251	207,512	\$ 500,000	\$ 292,488
Student Support Services	186	0	50,000	50,000
Instructional Support Services	0	12,842	50,000	37,158
General Administration	2,906	0	50,000	50,000
School Administration	29,166	8,792	50,000	41,208
Central Services	2,422	0	50,000	50,000
Operations & Maintenance	174,561	251,133	300,000	48,867
Transportation	64,973	0	100,000	100,000
Other Support Services	0	49,855	0	(49,855)
Facility Acquisition & Construction Services	4,366	501,042	850,000	348,958
	<u>306,831</u>	<u>1,031,176</u>	<u>\$ 2,000,000</u>	<u>\$ 968,824</u>
Receipts Over (Under) Expenditures	449,143	(516,542)		
Unencumbered Cash, Beginning	1,891,587	2,340,730		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 2,340,730</u>	<u>\$ 1,824,188</u>		

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

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
FOR THE YEAR ENDED JUNE 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

<u>Driver Training Fund</u>	<u>Current Year</u>			Variance -
	Prior Year			Favorable
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Unfavorable)</u>
Cash Receipts				
Local Sources	\$ 17,179	\$ 19,192	\$ 21,375	\$ (2,183)
State Sources	4,550	6,364	6,650	(286)
	<u>21,729</u>	<u>25,556</u>	<u>\$ 28,025</u>	<u>\$ (2,469)</u>
Expenditures				
Instruction	17,086	18,232	\$ 25,300	\$ 7,068
Vehicle Operations, Maintenance Services	1,513	2,564	4,700	2,136
	<u>18,599</u>	<u>20,796</u>	<u>\$ 30,000</u>	<u>\$ 9,204</u>
Receipts Over (Under) Expenditures	3,130	4,760		
Unencumbered Cash, Beginning	34,391	37,521		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 37,521</u>	<u>\$ 42,281</u>		

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

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
FOR THE YEAR ENDED JUNE 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

<u>Food Service Fund</u>	<u>Current Year</u>			Variance -
	Prior Year			Favorable
	Actual	Actual	Budget	(Unfavorable)
Cash Receipts				
Local Sources	\$ 414,672	\$ 432,759	\$ 462,515	\$ (29,756)
State Sources	9,870	9,447	8,068	1,379
Federal Sources	407,355	411,086	417,342	(6,256)
	<u>831,897</u>	<u>853,292</u>	<u>\$ 887,925</u>	<u>\$ (34,633)</u>
Expenditures				
Operations & Maintenance	0	2,037	\$ 0	\$ (2,037)
Food Service Operation	882,350	860,986	916,062	55,076
	<u>882,350</u>	<u>863,023</u>	<u>\$ 916,062</u>	<u>\$ 53,039</u>
Receipts Over (Under) Expenditures	(50,453)	(9,731)		
Unencumbered Cash, Beginning	78,590	28,137		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 28,137</u>	<u>\$ 18,406</u>		

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

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
FOR THE YEAR ENDED JUNE 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

<u>Professional Development Fund</u>	<u>Current Year</u>			Variance - Favorable (Unfavorable)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Transfers	\$ 30,000	\$ 40,000	\$ 0	40,000
	<u>30,000</u>	<u>40,000</u>	<u>\$ 0</u>	<u>\$ 40,000</u>
Expenditures				
Instructional Support Staff	17,826	29,333	\$ 69,061	\$ 39,728
Other Supplemental Services	3,463	9,150	8,000	(1,150)
	<u>21,289</u>	<u>38,483</u>	<u>\$ 77,061</u>	<u>\$ 38,578</u>
Receipts Over (Under) Expenditures	8,711	1,517		
Unencumbered Cash, Beginning	68,323	77,061		
Prior Year Canceled Encumbrances	<u>27</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 77,061</u>	<u>\$ 78,578</u>		

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

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
FOR THE YEAR ENDED JUNE 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

<u>Summer School Fund</u>	Current Year			Variance - Favorable (Unfavorable)
	Prior Year	Actual	Budget	
	Actual			
Cash Receipts				
Local Sources	\$ 1,150	\$ 100	\$ 0	\$ 100
	1,150	100	0	100
Expenditures				
Instruction	2,982	0	\$ 35,448	\$ 35,448
Instructional Support Staff	2,155	0	2,155	2,155
School Administration	697	0	2,706	2,706
Other Supplemental Services	0	0	3,047	3,047
	5,834	0	\$ 43,356	\$ 43,356
Receipts Over (Under) Expenditures	(4,684)	100		
Unencumbered Cash, Beginning	48,040	43,356		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	\$ 43,356	\$ 43,456		

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

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
FOR THE YEAR ENDED JUNE 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

<u>Special Education Fund</u>	Current Year			Variance - Favorable (Unfavorable)
	Prior Year			
	Actual	Actual	Budget	
Cash Receipts				
Federal Sources	\$ 6,446	\$ 0	\$ 0	\$ 0
Transfers	2,038,266	2,038,534	2,064,098	(25,564)
	2,044,712	2,038,534	\$ 2,064,098	\$ (25,564)
Expenditures				
Instruction	1,777,844	1,891,630	\$ 1,974,297	\$ 82,667
Student Transportation Services	142,656	153,827	184,912	31,085
	1,920,500	2,045,457	\$ 2,159,209	\$ 113,752
Receipts Over (Under) Expenditures	124,212	(6,923)		
Unencumbered Cash, Beginning	520,012	644,224		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	\$ 644,224	\$ 637,301		

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

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
FOR THE YEAR ENDED JUNE 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

<u>Vocational Education Fund</u>	<u>Current Year</u>			Variance -
	Prior Year			Favorable
	Actual	Actual	Budget	(Unfavorable)
Cash Receipts				
Local Sources	\$ 0	\$ 4,463	\$ 25,000	\$ (20,537)
Federal Sources	17,860	16,243	20,000	(3,757)
Transfers	<u>626,868</u>	<u>608,988</u>	<u>685,618</u>	<u>(76,630)</u>
	<u>644,728</u>	<u>629,694</u>	<u>\$ 730,618</u>	<u>\$ (100,924)</u>
Expenditures				
Instruction	585,730	767,378	\$ 959,159	\$ 191,781
Instructional Support Staff	<u>8,020</u>	<u>23,086</u>	<u>10,000</u>	<u>(13,086)</u>
	<u>593,750</u>	<u>790,464</u>	<u>\$ 969,159</u>	<u>\$ 178,695</u>
Receipts Over (Under) Expenditures	50,978	(160,770)		
Unencumbered Cash, Beginning	187,474	238,541		
Prior Year Canceled Encumbrances	<u>89</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 238,541</u>	<u>\$ 77,771</u>		

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

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
FOR THE YEAR ENDED JUNE 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

<u>KPERS Contribution Fund</u>	Current Year			Variance - Favorable (Unfavorable)
	Prior Year			
	Actual	Actual	Budget	
Cash Receipts				
State Sources	\$ 379,025	\$ 1,030,864	\$ 854,574	\$ 176,290
	379,025	1,030,864	\$ 854,574	\$ 176,290
Expenditures				
Instruction	266,872	717,237	\$ 590,469	\$ (126,768)
Student Support Services	14,062	39,437	33,263	(6,174)
Instructional Support Staff	11,788	32,795	27,539	(5,256)
General Administration	11,711	32,632	27,423	(5,209)
School Administration	29,905	82,354	68,758	(13,596)
Other Supplemental Services	10,272	29,002	24,553	(4,449)
Operations & Maintenance	22,439	65,494	56,431	(9,063)
Student Transportation Services	10,992	29,197	23,869	(5,328)
Food Service Operation	984	2,716	2,269	(447)
	379,025	1,030,864	\$ 854,574	\$ (176,290)
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	\$ 0	\$ 0		

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

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
FOR THE YEAR ENDED JUNE 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

<u>Bond and Interest Fund</u>	Current Year			Variance - Favorable (Unfavorable)
	Prior Year			
	Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 1,211,765	\$ 1,697,755	\$ 1,540,335	\$ 157,420
County Sources	157,682	185,114	167,319	17,795
State Sources	1,173,835	1,529,945	1,529,945	0
	2,543,282	3,412,814	\$ 3,237,599	\$ 175,215
Expenditures				
Debt Service	2,497,521	3,255,201	\$ 3,255,702	\$ 501
	2,497,521	3,255,201	\$ 3,255,702	\$ 501
Receipts Over (Under) Expenditures	45,761	157,613		
Unencumbered Cash, Beginning	1,522,497	1,568,258		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	\$ 1,568,258	\$ 1,725,871		

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

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
STATEMENT OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
FOR THE YEAR ENDED JUNE 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

<u>Special Assessment Fund</u>	Current Year			Variance - Favorable (Unfavorable)
	Prior Year	Actual	Budget	
	Actual			
Cash Receipts				
Local Sources	\$ 31	\$ 87	\$ 0	\$ 87
County Sources	2	0	0	0
	33	87	\$ 0	\$ 87
Expenditures				
Facilities Acquisition	2,323	2,436	\$ 2,436	\$ 0
	2,323	2,436	\$ 2,436	\$ 0
Receipts Over (Under) Expenditures	(2,290)	(2,349)		
Unencumbered Cash, Beginning	10,443	8,153		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	\$ 8,153	\$ 5,804		

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

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

<u>Federal Funds</u>	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Federal Sources	\$ 501,463	\$ 708,667
	<u>501,463</u>	<u>708,667</u>
 Expenditures		
Instruction	501,463	708,667
	<u>501,463</u>	<u>708,667</u>
 Receipts Over (Under) Expenditures	 0	 0
Unencumbered Cash, Beginning	0	0
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>

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

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

Gifts and Grants Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	\$ 58,008	\$ 42,359
	58,008	42,359
Expenditures		
Instruction Support Staff	52,063	37,303
	52,063	37,303
Receipts Over (Under) Expenditures	5,945	5,056
Unencumbered Cash, Beginning	1,610	7,555
Prior Year Canceled Encumbrances	0	0
Unencumbered Cash, Ending	\$ 7,555	\$ 12,611

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

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

Contingency Reserve Fund

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Transfers	\$ 62,862	\$ 0
	<u>62,862</u>	<u>0</u>
Expenditures	<u>0</u>	<u>0</u>
Receipts Over (Under) Expenditures	62,862	0
Unencumbered Cash, Beginning	737,138	800,000
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 800,000</u>	<u>\$ 800,000</u>

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

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

Textbook & Student Material Revolving Fund

	Prior Year Actual	Current Year Actual
	<u> </u>	<u> </u>
Cash Receipts		
Local Sources	\$ 102,967	\$ 123,728
Transfers	<u>130,000</u>	<u>80,000</u>
	<u>232,967</u>	<u>203,728</u>
 Expenditures		
Instruction	43,732	54,178
Student Support Services	<u>37,976</u>	<u>55,374</u>
	<u>81,708</u>	<u>109,552</u>
 Receipts Over (Under) Expenditures	151,259	94,176
 Unencumbered Cash, Beginning	425,668	577,882
 Prior Year Canceled Encumbrances	<u>955</u>	<u>49</u>
 Unencumbered Cash, Ending	<u>\$ 577,882</u>	<u>\$ 672,107</u>

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

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
STATEMENT OF CASH RECEIPTS AND EXPENDITURES - CAPITAL PROJECTS
FOR THE YEAR ENDED JUNE 30, 2011
(With Comparative Actual Totals for the Prior Year Ended June 30, 2010)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources	\$ 0	\$ 1,102,375
	<u>0</u>	<u>1,102,375</u>
Expenditures		
Facility Acquisition & Construction	7,539,465	17,396,749
	<u>7,539,465</u>	<u>17,396,749</u>
Receipts Over (Under) Expenditures	(7,539,465)	(16,294,374)
Unencumbered Cash, Beginning	41,279,849	34,305,397
Prior Year Canceled Encumbrances	<u>565,013</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 34,305,397</u>	<u>\$ 18,011,023</u>

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

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
AGENCY FUNDS
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Student Organizations				
AHS General	\$ 20,391	\$ 6,802	\$ 24,123	\$ 3,070
AHS Band	545	7,233	4,587	3,191
Scholars Bowl	311	143	0	454
AHS Flag Corp	873	1,407	1,705	575
Forensics	1,505	3,645	4,251	899
AHS Library	2,881	15	192	2,704
AHS Music	27	0	0	27
Drama	1,859	6,254	4,893	3,220
Vocal Music	1,826	1,360	1,514	1,672
Varsity Athletic Club	177	0	0	177
AHS Spirit Club	0	1,186	684	502
AHS Art Club	4,908	0	100	4,808
AHS French Club	801	576	797	580
Family Career & Community	1,249	473	742	980
AHS FACS	10	0	0	10
National Honor Society	650	2,071	2,228	493
Spanish Club	1,664	1,136	429	2,371
Youth Entrepreneurs of KS	215	1,082	1,147	150
Oriole Store	136	0	0	136
AHS Stucco	1,641	23,339	23,297	1,683
In House Training	600	151	209	542
Advanced Placement	452	0	0	452
AHS SADD	1,174	6,193	3,440	3,927
AHS Renaissance Program	906	975	1,388	493
Skills USA VICA	3,734	5,519	4,629	4,624
Future Educators	0	361	313	48
School Newspaper	1,556	130	471	1,215
Yearbook	8,736	8,199	4,796	12,139
AHS Computer Fund	125	0	0	125
AHS Dance Team	0	6,663	6,354	309
Weightlifting	665	481	980	166
Class of 2004	499	0	0	499
Class of 2007	2,335	0	0	2,335
Class of 2008	2,241	0	0	2,241
Class of 2009	100	0	0	100
Class of 2010	4,859	0	0	4,859
Class of 2011	6,870	934	4,841	2,963
Class of 2012	1,938	10,343	9,056	3,225
Class of 2013	674	1,487	50	2,111
Class of 2014	0	543	76	467
	79,133	98,701	107,292	70,542

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

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
AGENCY FUNDS
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Student Organizations (Continued)				
Max Hendrickson	\$ 145	\$ 0	\$ 0	\$ 145
Baseball Fundraiser	1,669	2,486	3,933	222
AHS Soccer Fundraiser	574	927	1,475	26
Volleyball	5	3,895	3,723	177
AHS Football Fundraiser	1,721	10,616	11,417	920
AHS Wrestling Fundraiser	475	5,553	5,005	1,023
AHS Softball Fundraiser	1,286	4,372	4,124	1,534
Bowling	22	959	946	35
Boys Golf Fundraiser	197	0	0	197
Girls Golf	151	385	536	0
Basketball Fundraiser	66	1,746	1,736	76
Girls Basketball Fundraiser	273	629	180	722
AHS Athletic Trainers	16	0	0	16
AHS Cheerleaders	686	4,981	4,643	1,024
AHS Summer Weight Program	1,958	1,120	1,092	1,986
AHS Powerlifting	0	4,511	3,080	1,431
AMS General	2,363	2,360	2,055	2,668
AMS Academics/Attitude/Attend	1,123	555	781	897
AMS Band	1,196	1,720	1,554	1,362
AMS Library	311	1,793	1,312	792
AMS National Jr. Honor Society	453	858	1,055	256
AMS Vocal Music	1,613	788	486	1,915
AMS Yearbook	2,244	2,878	2,168	2,954
AMS Builders Club	766	67	122	711
AMS 6th Grade Fundraising	140	5,961	5,608	493
AMS Stuco	6,800	7,248	8,643	5,405
AMS 7th Grade Science	0	326	0	326
AMS EMH Class	225	0	0	225
Physical Ed. Activity	383	3,255	3,509	129
AMS SADD	656	242	437	461
AMS Cheerleaders	1,338	5,735	5,618	1,455
AMS Boys Basketball	50	0	0	50
Ewalt General	1,707	2,071	3,468	310
Wal Mart Foundation	57	0	0	57
Texaco Grant	84	0	0	84
Ewalt Library	1,280	262	1,093	449
Ewalt Yearbook	897	2,833	2,613	1,117
Ewalt Landscaping Fund	152	0	0	152
Ewalt Student Council	484	1,294	1,062	716
Ewalt Vocal Music	41	0	0	41
	33,607	82,426	83,474	32,559

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

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
AGENCY FUNDS
STATEMENT OF CASH RECEIPTS AND CASH DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Student Organizations (Continued)				
Garfield General	\$ 2,173	\$ 1,065	\$ 591	\$ 2,647
Garfield Early Childhood	8	0	0	8
Garfield Library	3,476	994	320	4,150
Garfield Stuco	57	55	0	112
Garfield Owl's	7	0	0	7
Garfield Vocal Music	84	0	0	84
Lincoln General	1,866	2,345	2,221	1,990
Lincoln Library	245	221	85	381
Robinson General	8	578	471	115
Robinson Library	3,342	2,165	1,902	3,605
Meet the Author	<u>2,429</u>	<u>1,925</u>	<u>1,368</u>	<u>2,986</u>
	<u>13,695</u>	<u>9,348</u>	<u>6,958</u>	<u>16,085</u>
Memorials & Scholarships				
May Gruver Scholarship	12,949	1,690	500	14,139
Vada-Vida Scholarship	17,058	522	250	17,330
Ewalt Scholarship	15,186	260	500	14,946
Rodney Wheeler Scholarship	7,141	89	1,010	6,220
J.C. Hutter Scholarship	10,015	1,210	0	11,225
Jacque Hoefgen Grant	8,231	105	0	8,336
Leslie Tharp Spanish Club Scholarship	2,053	276	500	1,829
Tyler Janzen Memorial Scholarship	1,128	143	0	1,271
Jeanette McDaniel Scholarship	2,197	140	31	2,306
Ron Baugher	<u>2,026</u>	<u>23</u>	<u>750</u>	<u>1,299</u>
	<u>77,984</u>	<u>4,458</u>	<u>3,541</u>	<u>78,901</u>
Other				
Sales Tax	<u>59</u>	<u>11,681</u>	<u>11,685</u>	<u>55</u>
	<u>59</u>	<u>11,681</u>	<u>11,685</u>	<u>55</u>
Other Agency Funds				
Sec 125 Flex Spending Acct.	<u>11,699</u>	<u>212,715</u>	<u>211,613</u>	<u>12,801</u>
	<u>11,699</u>	<u>212,715</u>	<u>211,613</u>	<u>12,801</u>
Total Agency Funds	<u>\$ 216,177</u>	<u>\$ 419,329</u>	<u>\$ 424,563</u>	<u>\$ 210,943</u>

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

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
DISTRICT ACTIVITY FUNDS
STATEMENT OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
FOR THE YEAR ENDED JUNE 30, 2011

Fund	Beginning Unencumbered Cash Balance		Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add							
							Outstanding Encumbrances and Accounts Payable	Ending Cash Balance						
Gate Receipts	\$	7,246	\$	0	\$	68,686	\$	58,816	\$	17,116	\$	0	\$	17,116
Augusta High School		6,837		0		637		6,200		6,200		0		6,200
Augusta High School Special		4,561		0		12,174		4,021		4,021		0		4,021
Augusta Middle School														
Total District Activity Funds	\$	18,644	\$	0	\$	80,860	\$	72,167	\$	27,337	\$	0	\$	27,337

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

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 1 - Summary of Significant Accounting Policies:

Reporting Entity

Augusta Unified School District No. 402 is a municipal corporation established under State of Kansas statutes designed to meet educational requirements at the primary and secondary levels in and around Augusta, Kansas. The District is governed by an elected seven-member Board of Education. The District's financial statements include all funds over which the Board of Education exercises financial responsibility. Financial responsibility includes appointment of governing body members, designation of management, the ability to significantly influence operations and accountability for fiscal matters.

Basis of Presentation – Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The District has created several types of funds and a number of discrete funds within each fund type. Each fund is accounted for by a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, receipts and expenditures. The individual funds account for the governmental resources allocated to them for the purpose of carrying on specific activities in accordance with laws, regulations or other restrictions.

The following types of funds comprise the financial activities of the District for the year:

Governmental Funds

General Fund-To account for all unrestricted resources except those required to be accounted for in another fund.

Special Revenue Funds-To account for the proceeds of specific receipts (other than major capital projects) that are restricted by law or administrative action to expenditure for specific purposes.

Capital Projects Fund-To account for the financial resources segregated for the acquisition or construction of major capital facilities and improvements.

Debt Service Fund-To account for the accumulation of resources for and the payment of, interest and principal on general long-term debt.

Agency Funds-To account for resources held by the District as an agent for others.

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Statutory Basis of Accounting

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

The District has approved a resolution that is in compliance with K.S.A. 75-110a(c), waiving the requirement for application of accounting principles generally accepted in the United States of America and allowing the municipality to use the statutory basis of accounting.

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 expense, liabilities such as deferred revenue, matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year-end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with accounting principles generally accepted in the United States of America. General fixed assets that account for the land, buildings, and equipment owned by the municipality are not presented in the financial statements. Also, general long-term debt such as general obligation bonds, temporary notes, and compensated absences are not presented in the financial statements.

Budget and Tax Cycle

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

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There was one amendment for the year ended June 30, 2011.

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

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

All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, 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. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

A legal operating budget is not required for capital projects funds, trust funds, and the following special revenue funds:

Federal Funds	Gifts and Grants Fund
Contingency Reserve Fund	Textbook & Student Material Revolving Fund
District Activity Funds	

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

Note 2 - Compensated Absences:

All permanent full-time employees are eligible for vacation and/or sick leave benefits in varying annual amounts depending on position and length of service.

It is the policy of the District to record vacation and sick leave benefits as expenditures when paid.

Note 3 - On-Behalf Payments for Fringe Benefits and Salaries:

The District recognizes as revenues and expenses contributions made by the State of Kansas to the Kansas Public Employees Retirement System (KPERs) on behalf of the District's employees. For the year ended June 30, 2011, the State made contributions of \$653,629. These contributions are recorded in the KPERs Contribution Fund as receipts and expenditures.

Note 4 - Prior Year Balances:

Certain prior year balances are presented for comparison purposes. Certain items have been reclassified in the June 30, 2010, financial statements in order to conform to the June 30, 2011, presentation.

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 5 - Deposits and Investments:

As of June 30, 2011, the District had the following investments with maturities of one year or less:

Investment Type	Fair Value	Rating
Memorial & Scholarships-Mutual Funds	\$ 27,069	N/A

K.S.A. 9-1401 establishes the depositories which may be used by the Government. 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 and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The Government has no other policies that would further limit interest rate risk.

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

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

Custodial credit risk. State statutes place no limit on the amount the Government may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The Government's allocation of investments as of June 30, 2011, is as follows:

Investment Type	Percentage of Investments
Memorial & Scholarships-Mutual Funds	100%

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the Government's deposits may be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at June 30, 2011.

At June 30, 2011, the District's carrying amount of deposits was \$29,126,252 and the bank balance was \$30,674,857. The bank balance is held by two banks. Of the bank balance, \$12,762,136 was covered by depository insurance, and the remaining \$17,912,721 was collateralized with securities held by the pledging financial institution's agent 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.

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 6 - Interfund Transactions:

Operating transfers in accordance with K.S.A. 72-7063 were as follows:

	Transfer to:								Total
	At Risk (4 Year Old)	At Risk (K-12)	Bilingual Education	Capital Outlay	Professional Development	Special Education	Vocational Education	Textbook & Student Material Revolving	
Transfer from:									
General Fund	\$ 64,955	\$ 1,232,202	\$ 12,741	\$ 43,644	\$ 0	\$ 1,898,100	\$ 608,988	\$ 0	\$ 3,860,630
Supplemental General Fund	0	0	0	0	40,000	140,434	0	80,000	260,434
	<u>\$ 64,955</u>	<u>\$ 1,232,202</u>	<u>\$ 12,741</u>	<u>\$ 43,644</u>	<u>\$ 40,000</u>	<u>\$ 2,038,534</u>	<u>\$ 608,988</u>	<u>\$ 80,000</u>	<u>\$ 4,121,064</u>

Note 7 - Postemployment Benefits:

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

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

The District has adopted an early retirement program. Under the program, a full-time employee must be at least 57 years of age with 15 or more years with the District and 20 or more years of service credit recognized by the Kansas Public Employees Retirement System (KPERs). Benefits under the plan are calculated by the number of years service credit recognized by KPERs plus the number of years the employee was denied participation in KPERs due to part-time employment for such employee multiplied by the largest base salary received during any one of the five years immediately preceding planned retirement, multiplied by, a factor of 0.005. These benefits terminate at the end of the month in which the employee reaches the age of eligibility for being able to retire on a full social security benefit at normal social security retirement age or at death, if sooner.

It is the policy of the District to record these benefits as expenditures when paid. Total expenditures under the program for the year ended June 30, 2011, was \$36,338 for 7 former employees.

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 8 - Defined Benefit Pension Plan:

Plan Description

The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer, defined benefit pension plan as provided by K.S.A. 74-4901, et seq. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S Kansas Ave., Suite 100, Topeka, KS 66603-3869) or by calling 1-888-275-5737.

Funding Policy

K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at a minimum of 4% of covered salary. Member-employees' contributions are withheld by their employer and paid to KPERS according to the provisions of section 414(h) of the Internal Revenue Code. The State of Kansas is required to contribute the remaining amount necessary to achieve the actuarially determined contribution rate. Kansas contributed 9.17% of covered payroll for the year ended June 30, 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, 2011, 2010 and 2009 were \$253,834,044, \$248,468,186 and \$242,277,363 respectively, equal to the required contributions for each year.

Note 9 - Contingencies:

Grant Programs

The District participates in various federal and state grant programs. These grant programs are often subject to additional audits by agents of the granting agency, the purpose of which is to ensure compliance with the specific conditions of the grant. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

Risk Management

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

Note 10 - Reimbursed Expenses:

The District records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as revenue to the fund. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements.

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 11 - Advance Refunding of Bond Obligation:

On June 15, 2008, the District issued \$1,815,000 in General Obligation Bonds with interest rates ranging from 4.95 % to 5.25%. Of the issue, \$1,761,432 was used to purchase U.S. government securities. Those securities were deposited with an escrow agent to provide for the future debt service payments on \$1,730,000 of the 2004 Series General Obligation Bonds. As a result, this portion of the 2004 Series Bonds is considered defeased and not included in long-term debt as of June 30, 2011.

Note 12 - Capital Projects:

At year-end, capital project authorization compared with expenditures from inception are as follows:

	<u>Project Authorization</u>	<u>Expenditures to Date</u>
School Additions and Improvements	<u>\$49,102,375</u>	<u>\$31,091,352</u>

Note 13 - Subsequent Events:

The District has evaluated subsequent events through February 6, 2012, the date which the financial statements were available to be issued.

Note 14 - Long-Term Debt:

Principal payments are due annually for general obligation bonds. Interest payments are due semi-annually. Principal and interest payments on the capital lease are due quarterly.

Terms for long-term liabilities for the District for the year ended June 30, 2011 were as follows:

<u>Issue</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>
General Obligation Bonds				
2004 Series	4.00 - 7.00	1/1/04	\$ 9,785,000	10/1/12
2008 Series A	4.00 - 5.25	6/15/08	\$ 48,000,000	9/1/33
2008 Series B	4.95 - 5.25	6/15/08	\$ 1,815,000	9/1/15
Capital Lease				
Athletic Field	4.099	5/10/11	\$ 400,439	5/12/15

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Changes in long-term liabilities for the District for the year ended June 30, 2011 were as follows:

Issue	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds					
2004 Series	\$ 2,395,000	\$ 0	\$ 770,000	\$ 1,625,000	\$ 69,510
2008 Series A	48,000,000	0	0	48,000,000	2,323,036
2008 Series B	1,815,000	0	0	1,815,000	92,655
	<u>52,210,000</u>	<u>0</u>	<u>770,000</u>	<u>51,440,000</u>	<u>2,485,201</u>
Capital Lease					
Athletic Field	0	400,439	0	400,439	0
	<u>\$ 52,210,000</u>	<u>\$ 400,439</u>	<u>\$ 770,000</u>	<u>\$ 51,840,439</u>	<u>\$ 2,485,201</u>

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

	Principal			Interest			Total Principal and Interest
	General Obligation Bonds	Capital Lease	Total Principal	General Obligation Bonds	Capital Lease	Total Interest	
2012	\$ 1,310,000	\$ 94,072	\$ 1,404,072	\$ 2,449,956	\$ 14,980	\$ 2,464,936	\$ 3,869,008
2013	315,000	97,987	412,987	2,421,361	11,065	2,432,426	2,845,413
2014	575,000	102,066	677,066	2,401,460	6,986	2,408,446	3,085,512
2015	605,000	106,314	711,314	2,371,801	2,737	2,374,538	3,085,852
2016	765,000	0	765,000	2,337,105	0	2,337,105	3,102,105
2017 - 2021	6,195,000	0	6,195,000	10,970,819	0	10,970,819	17,165,819
2022 - 2026	10,815,000	0	10,815,000	8,904,893	0	8,904,893	19,719,893
2027 - 2031	16,900,000	0	16,900,000	5,612,222	0	5,612,222	22,512,222
2032 - 2033	13,960,000	0	13,960,000	1,035,450	0	1,035,450	14,995,450
	<u>\$ 51,440,000</u>	<u>\$ 400,439</u>	<u>\$ 51,840,439</u>	<u>\$ 38,505,067</u>	<u>\$ 35,768</u>	<u>\$ 38,540,835</u>	<u>\$ 90,381,274</u>

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Note 15 - Compliance with K.S.A. 72-6417(d) and K.S.A. 72-6434(d):

K.S.A. 72-6417(d) and K.S.A. 72-6434(d) require the school district to record any payment of general state aid that is due to be paid during the month of June and is paid to the school district after June 30, as a receipt for the school year ending on June 30. The following shows the revenue as required by the Statutes.

Statutory Revenues and Expenditures - Statutory and Budget
For the Year Ended June 30, 2011

	<u>Statutory</u>	<u>Budget</u>	Variance - Favorable (Unfavorable)
	<u>Transactions</u>	<u>Budget</u>	<u>(Unfavorable)</u>
Statutory Revenues			
Local Sources	\$ 1,428,848	\$ 1,349,228	\$ 79,620
State Sources	10,200,130	10,666,692	(466,562)
Federal Sources	591,024	214,840	376,184
	<u>12,220,002</u>	<u>\$ 12,230,760</u>	<u>\$ (10,758)</u>
Expenditures			
Instruction	3,479,665	\$ 3,699,200	\$ 219,535
Student Support Services	505,950	504,500	(1,450)
Instructional Support Staff	401,609	397,700	(3,909)
General Administration	690,013	643,500	(46,513)
School Administration	1,040,063	1,048,150	8,087
Operations & Maintenance	1,645,299	1,665,027	19,728
Student Transportation Services	333,812	311,758	(22,054)
Other Supplemental Services	263,184	284,100	20,916
Transfers	3,860,630	3,677,048	(183,582)
Adjustment to Comply with Legal Max	0	(56,204)	(56,204)
Adjustment for Qualifying Budget Credits	0	45,446	45,446
	<u>12,220,225</u>	<u>\$ 12,220,225</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	(223)		
Modified Unencumbered Cash, Beginning	223		
Prior Year Canceled Encumbrances	<u>52</u>		
Modified Unencumbered Cash, Ending	<u>\$ 52</u>		

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Statutory Revenues and Expenditures - Statutory and Budget
For the Year Ended June 30, 2011
Supplemental General Fund

	<u>Statutory</u>	<u>Budget</u>	<u>Variance -</u> <u>Favorable</u> <u>(Unfavorable)</u>
	<u>Transactions</u>		
Statutory Revenues			
Local Sources	\$ 1,558,783	\$ 110,653	\$ 1,448,130
County Sources	213,308	193,436	19,872
State Sources	2,362,767	2,370,497	(7,730)
	<u>4,134,858</u>	<u>\$ 2,674,586</u>	<u>\$ 1,460,272</u>
Expenditures			
Instruction	3,594,491	\$ 3,535,554	\$ (58,937)
Student Support Services	40,914	45,000	4,086
Operations & Maintenance	0	27,500	27,500
Other Supplemental Services	165,525	226,000	60,475
Transfers	260,434	220,434	(40,000)
Adjustment for Qualifying Budget Credits	0	6,876	6,876
	<u>4,061,364</u>	<u>\$ 4,061,364</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	73,494		
Modified Unencumbered Cash, Beginning	19,093		
Prior Year Canceled Encumbrances	<u>0</u>		
Modified Unencumbered Cash, Ending	<u>\$ 92,587</u>		

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Statutory Revenues and Expenditures - Statutory and Budget
For the Year Ended June 30, 2011
KPERS Contribution Fund

	<u>Statutory</u>	<u>Budget</u>	Variance - Favorable (Unfavorable)
	<u>Transactions</u>		<u>(Unfavorable)</u>
Cash Receipts			
State Sources	\$ 653,629	\$ 854,574	\$ (200,945)
	<u>653,629</u>	<u>\$ 854,574</u>	<u>\$ (200,945)</u>
Expenditures			
Instruction	451,626	\$ 590,469	\$ 138,843
Student Support Services	25,442	33,263	7,821
Instructional Support Staff	21,063	27,539	6,476
General Administration	20,975	27,423	6,448
School Administration	52,590	68,758	16,168
Other Supplemental Services	18,779	24,553	5,774
Operations & Maintenance	43,162	56,431	13,269
Student Transportation Services	18,257	23,869	5,612
Food Service Operation	1,735	2,269	534
	<u>653,629</u>	<u>\$ 854,574</u>	<u>\$ 200,945</u>
Receipts Over (Under) Expenditures	0		
Modified Unencumbered Cash, Beginning	0		
Prior Year Canceled Encumbrances	<u>0</u>		
Modified Unencumbered Cash, Ending	<u>\$ 0</u>		

FEDERAL AWARD INFORMATION



BUSBY FORD & REIMER, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

**Board of Education
Augusta Unified School District No. 402
Augusta, Kansas**

We have audited the financial statements of **Augusta Unified School District No. 402, Augusta, Kansas**, as of and for the year ended **June 30, 2011**, and have issued our report thereon dated February 6, 2012, which was adverse because of the District's policy to prepare its financial statements 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. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of **Augusta Unified School District No. 402, Augusta, Kansas**, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered **Augusta Unified School District No. 402, Augusta, Kansas'** 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 **Augusta Unified School District No. 402, Augusta, Kansas'** internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of **Augusta Unified School District No. 402, Augusta, Kansas'** 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.

**Board of Education
Augusta Unified School District No. 402**

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 **Augusta Unified School District No. 402, Augusta, Kansas'** financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of **Augusta Unified School District No. 402, Augusta, Kansas**, in a separate letter dated February 6, 2012.

This report is intended solely for the information and use of the Board of Education and management of **Augusta Unified School District No. 402, Augusta, Kansas**, and for filing with the Kansas Department of Administration, Division of Accounts and Reports, The Kansas Department of Education, and other federal and state audit agencies, and is not intended to be and should not be used by anyone other than these specified parties.


Busby Ford & Reimer, LLC
February 6, 2012



BUSBY FORD & REIMER, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

Independent Auditor's Report

**Board of Education
Augusta Unified School District No. 402
Augusta, Kansas**

Compliance

We have audited **Augusta Unified School District No. 402, Augusta, Kansas'** compliance with the types of compliance requirements described in the *OMB Circular A-133, Compliance Supplement* that could have a direct and material effect on each of **Augusta Unified School District No. 402, Augusta, Kansas'** major federal programs for the year ended **June 30, 2011**. **Augusta Unified School District No. 402, Augusta, Kansas'** 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 **Augusta Unified School District No. 402, Augusta, Kansas'** management. Our responsibility is to express an opinion on **Augusta Unified School District No. 402, Augusta, Kansas'** compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about **Augusta Unified School District No. 402, Augusta, Kansas'** compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of **Augusta Unified School District No. 402, Augusta, Kansas'** compliance with those requirements.

In our opinion, **Augusta Unified School District No. 402, Augusta, Kansas** 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, 2011**.

**Board of Education
Augusta Unified School District No. 402**

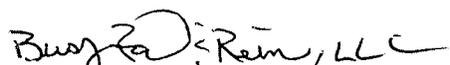
Internal Control Over Compliance

Management of **Augusta Unified School District No. 402, Augusta, Kansas** 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 **Augusta Unified School District No. 402, Augusta, Kansas'** 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 opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of **Augusta Unified School District No. 402, Augusta, Kansas'** 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 and use of the Board of Education and management of **Augusta Unified School District No. 402, Augusta, Kansas**, and for filing with the Kansas Department of Administration, Division of Accounts and Reports, The Kansas Department of Education, and other federal and state audit agencies, and is not intended to be and should not be used by anyone other than these specified parties.


Busby Ford & Reimer, LLC
February 6, 2012

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011**

Grant Title	Federal CFDA No.	Program Amount	Unencumbered Cash		Expenditures	Unencumbered Cash 6-30-11
			7-1-10	Receipts		
Department of Education Fund for the Improvement of Education	84.215	\$ 235,418	\$ 0	\$ 235,418	\$ 235,418	\$ 0
<u>(Passes Through Kansas Department of Education)</u>						
Department of Agriculture School Breakfast Program	10.553	64,077				
National School Lunch Program	10.555	347,009				
		<u>411,086</u>	<u>0</u>	<u>411,086</u>	<u>411,086</u>	<u>0</u>
Department of Education Title I	84.010	321,328	0	321,328	321,328	0
Program Improv Sec	84.048	16,243	0	16,243	16,243	0
Drug Free	84.186	1,690	0	1,690	1,690	0
Title II Tech Literacy	84.318	973	0	973	973	0
Title II Improving Teacher Quality	84.367	84,396	0	84,396	84,396	0
Title II Tech Literacy-ARRA	84.386	2,993	0	2,993	2,993	0
Title I Low Income-ARRA	84.389	61,869	0	61,869	61,869	0
Stabilization-ARRA	84.394	214,840	0	214,840	214,840	0
Education Jobs Fund	84.410	376,184	0	376,184	376,184	0
		<u>1,080,516</u>	<u>0</u>	<u>1,080,516</u>	<u>1,080,516</u>	<u>0</u>
<u>(Passes Through Kansas SRS)</u>						
Department of Health and Human Services Medicaid	93.778	14,333	0	14,333	14,333	0
<u>(Passes Through Kansas Department of Emergency Management)</u>						
Department of Homeland Security Hazard Mitigation Grant	97.039	1,102,375	(872,934)	1,102,375	229,441	0
Total Federal Awards		<u>\$ 2,843,728</u>	<u>\$ (872,934)</u>	<u>\$ 2,843,728</u>	<u>\$ 1,970,794</u>	<u>\$ 0</u>

AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

Note 1 - Basis of Presentation:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of **Augusta Unified School District No. 402, Augusta, Kansas**, and is prepared on the basis of accounting as described in Note 1 of the notes to the financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011**

SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an adverse opinion on the financial statements of **Augusta Unified School District No. 402, Augusta, Kansas.**
2. No significant deficiencies or material weaknesses were reported in the Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards.*
3. No instances of noncompliance material to the financial statements of **Augusta Unified School District No. 402, Augusta, Kansas,** were disclosed during the audit.
4. No significant deficiencies or material weakness were reported in the Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133.
5. The auditors' report on compliance for the major federal award programs for **Augusta Unified School District No. 402, Augusta, Kansas,** expresses an unqualified opinion on all major federal programs.
6. There were no audit findings relative to the major federal award programs for **Augusta Unified School District No. 402, Augusta, Kansas.**
7. The programs tested as major programs were:

Title I	84.010
Program Improv Sec	84.048
Title I Low Income-ARRA	84.389
Stabilization-ARRA	84.394
Education Jobs Fund	84.410
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. **Augusta Unified School District No. 402, Augusta, Kansas,** was determined not to be a low-risk auditee.

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011**

There are no prior audit findings.