

**UNIFIED SCHOOL DISTRICT NO. 430**  
**Horton, Kansas**  
**Financial Statements**  
**For the Year Ended June 30, 2011**

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UNIFIED SCHOOL DISTRICT NO. 430  
 Financial Statements  
 For the Year Ended June 30, 2011

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UNIFIED SCHOOL DISTRICT NO. 430  
Financial Statements  
For the Year Ended June 30, 2011

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

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

We have audited the accompanying financial statements of Unified School District No. 430 (the District), Horton, 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 information has been derived from the District's financial statements for the year ended June 30, 2010. In our report dated February 28, 2011 on these financial statements, we expressed an adverse opinion as to presentation on the basis of generally accepted accounting principles and a qualified opinion as to presentation on the Kansas prescribed basis of accounting.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States and the "Kansas Municipal Audit Guide." Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and 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 in Note 1, the District, prepares 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.

In our opinion, because of the District's policy to prepare its financial statements on the basis of accounting 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 the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2011, or the respective changes in financial position for the year then ended.

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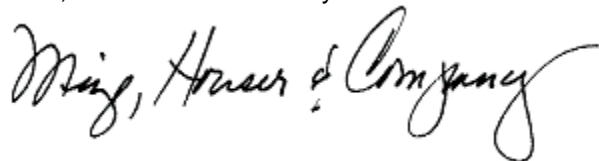
534 S Kansas Ave, Suite 700 ■ Topeka, KS 66603-3465 ■ 785.233.0536 p ■ 785.233.1078 f  
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900 Massachusetts, Suite 301 ■ Lawrence, KS 66044-2868 ■ 785.749.5050 p ■ 785.749.5061 f

Also, in our opinion, except for the July, 2011 receipt of the final state aid payment for the fiscal year ended June 30, 2011 being recorded in June, 2011, the financial statements referred to above present fairly, in all material respects, the fund cash and unencumbered cash balances of the District as of June 30, 2011, and its cash receipts and expenditures by fund, and fund budget to actual comparisons, for the year then ended, taken as a whole, on the prescribed basis of accounting described in Note 1.

The financial statements include partial prior-year comparative information. Such information does not include all of the information required for a presentation in conformity with the Kansas prescribed basis of accounting. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2010, from which such partial information was derived.

In accordance with "Government Auditing Standards", we have also issued our report dated February 28, 2012, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and 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 the District 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. The schedule of expenditures of federal awards is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying account and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

February 28, 2012

UNIFIED SCHOOL DISTRICT NO. 430  
Summary of Cash Receipts, Expenditures and Unencumbered Cash  
For the Year Ended June 30, 2011

<u>Funds</u>	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
General Fund	\$ -	\$ -	\$ 5,172,031	\$ 5,172,031	\$ -	\$ 61,563	\$ 61,563
Special Revenue Funds:							
Supplemental General	82,899	-	1,755,439	1,748,713	89,625	-	89,625
At Risk	-	-	778,345	778,345	-	-	-
Bilingual Education	-	-	50,787	50,787	-	366	366
Capital Outlay	916,000	-	530,402	464,685	981,717	332,393	1,314,110
Driver Training	31,137	-	7,228	8,533	29,832	-	29,832
Food Service	161,384	-	369,846	324,405	206,825	31,985	238,810
Special Education	403,375	-	1,061,353	1,013,448	451,280	-	451,280
Vocational Education	299,235	-	310,077	251,114	358,198	17,294	375,492
KPERs Special Retirement Contribution	-	-	256,635	256,635	-	-	-
Contingency Reserve	533,442	-	-	17,380	516,062	-	516,062
Grant	86,617	-	509,879	484,980	111,516	40,392	151,908
Coordinated School Health Program	1,816	-	-	1,816	-	-	-
Student Material	7,183	-	17,332	24,083	432	14,878	15,310
Debt Service Fund:							
Bond and Interest	634,906	-	452,712	467,085	620,533	-	620,533
Agency Funds:							
District Activity Funds	63,708	-	118,438	114,758	67,388	-	67,388
Private Purpose Trust Fund:							
Donations	18,339	-	1,100	16,617	2,822	-	2,822
<b>Total (excluding Agency Funds)</b>	<b>\$ 3,240,041</b>	<b>\$ -</b>	<b>\$ 11,391,604</b>	<b>\$ 11,195,415</b>	<b>\$ 3,436,230</b>	<b>\$ 498,871</b>	<b>\$ 3,935,101</b>

## COMPOSITION OF CASH:

Horton National Bank	
Checking	\$ 102,029
C.D.	1,000,000
Money Market	<u>2,050</u>
Total Horton National Bank	<u>1,104,079</u>
Union State Bank	
Checking	471,258
C.D.	500,000
Money Market	<u>2,341,687</u>
Total Union State Bank	<u>3,312,945</u>
Total Cash	4,417,024
Plus: Deposits in Transit	411,761
Less: Outstanding Checks	[613,929]
Less: Payroll Liabilities	[233,969]
Less: Agency Funds per Statement 4	<u>[45,786]</u>
Total (excluding Agency Funds)	<u>\$ 3,935,101</u>

## STATEMENT 2

UNIFIED SCHOOL DISTRICT NO. 430  
 Summary of Expenditures - Actual and Budget  
 (Budgeted Funds Only)  
 For the Year Ended June 30, 2011

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustment to Comply with Legal Max Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year Budget</u>	<u>Variance Positive [Negative]</u>
General Fund	\$ 5,344,786	\$ [184,166]	\$ 11,411	\$ 5,172,031	\$ 5,172,031	\$ -
Special Revenue Funds:						
Supplemental General	1,788,743	[40,030]	-	1,748,713	1,748,713	-
At Risk	834,652	-	-	834,652	778,345	56,307
Bilingual Education	74,414	-	-	74,414	50,787	23,627
Capital Outlay	800,000	-	-	800,000	464,685	335,315
Driver Training	32,537	-	-	32,537	8,533	24,004
Food Service	470,666	-	-	470,666	324,405	146,261
Special Education	1,433,375	-	-	1,433,375	1,013,448	419,927
Vocational Education	339,389	-	-	339,389	251,114	88,275
KPERs Special Retirement Contribution	394,993	-	-	394,993	256,635	138,358
Grant	719,490	-	-	719,490	484,980	234,510
Debt Service Fund:						
Bond and Interest	467,085	-	-	467,085	467,085	-

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



UNIFIED SCHOOL DISTRICT NO. 430  
Statement of Cash Receipts and Expenditures - Actual and Budget  
General Fund  
For the Year Ended June 30, 2011  
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year Actual	Current Year		Variance Positive [Negative]
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem tax	\$ 339,420	\$ 357,820	\$ 306,055	\$ 51,765
Delinquent tax	-	-	7,285	[7,285]
Federal Aid:				
Impact aid	102,350	109,643	70,000	39,643
State fiscal stabilization funds	252,159	93,503	93,503	-
Education jobs fund	-	163,724	-	163,724
State aid	4,660,268	4,435,930	4,867,943	[432,013]
Reimbursement	17,286	11,411	-	11,411
Total Cash Receipts	<u>5,371,483</u>	<u>5,172,031</u>	<u>\$ 5,344,786</u>	<u>\$ [172,755]</u>
Expenditures and Transfers				
Instruction	1,985,933	2,024,205	\$ 2,294,149	\$ 269,944
Student support services	235,405	261,477	279,099	17,622
Instructional support services	109,328	125,321	131,589	6,268
General administration	324,976	329,951	354,626	24,675
School administration	524,568	554,923	580,684	25,761
Operations and maintenance	433,146	421,785	456,859	35,074
Transfers out	1,520,233	1,205,937	998,190	[207,747]
Transportation	238,112	248,432	249,590	1,158
Adjustments for qualifying budget credit	-	-	11,411	11,411
Adjustments to comply with legal max budget	-	-	[184,166]	[184,166]
Total Expenditures and Transfers	<u>5,371,701</u>	<u>5,172,031</u>	<u>\$ 5,172,031</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	[218]	-		
Unencumbered Cash, Beginning	<u>218</u>	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

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

UNIFIED SCHOOL DISTRICT NO. 430  
Statement of Cash Receipts and Expenditures - Actual and Budget  
Supplemental General Fund  
For the Year Ended June 30, 2011  
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem tax	\$ 575,021	\$ 599,159	\$ 513,010	\$ 86,149
Delinquent tax	9,256	15,507	12,513	2,994
Motor vehicle tax	66,802	68,044	79,530	[11,486]
Recreational vehicle tax	788	903	844	59
Federal Aid:				
State fiscal stabilization funds	283,171	-	-	-
State aid	833,445	1,071,826	1,099,948	[28,122]
Total Cash Receipts	<u>1,768,483</u>	<u>1,755,439</u>	<u>\$ 1,705,845</u>	<u>\$ 49,594</u>
Expenditures and Transfers				
Instruction	283,171	-	\$ -	\$ -
Operations and maintenance	192,691	189,505	217,500	27,995
Transfers out	1,285,219	1,559,208	1,571,243	12,035
Adjustments to comply with legal max budget	-	-	[40,030]	[40,030]
Total Expenditures and Transfers	<u>1,761,081</u>	<u>1,748,713</u>	<u>\$ 1,748,713</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	7,402	6,726		
Unencumbered Cash, Beginning	<u>75,497</u>	<u>82,899</u>		
Unencumbered Cash, Ending	<u>\$ 82,899</u>	<u>\$ 89,625</u>		

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

UNIFIED SCHOOL DISTRICT NO. 430  
Statement of Cash Receipts and Expenditures - Actual and Budget  
At Risk Fund  
For the Year Ended June 30, 2011  
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year Actual	Current Year		Variance Positive [Negative]
		Actual	Budget	
Cash Receipts				
Transfer in	\$ 747,837	\$ 778,345	\$ 819,652	\$ [41,307]
Miscellaneous	-	-	15,000	[15,000]
Total Cash Receipts	<u>747,837</u>	<u>778,345</u>	<u>\$ 834,652</u>	<u>\$ [56,307]</u>
Expenditures and Transfers				
Instruction	<u>747,837</u>	<u>778,345</u>	<u>\$ 834,652</u>	<u>\$ 56,307</u>
Total Expenditures and Transfers	<u>747,837</u>	<u>778,345</u>	<u>\$ 834,652</u>	<u>\$ 56,307</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

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

UNIFIED SCHOOL DISTRICT NO. 430  
Statement of Cash Receipts and Expenditures - Actual and Budget  
Bilingual Education Fund  
For the Year Ended June 30, 2011  
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Transfers in	\$ 67,803	\$ 50,787	\$ 71,414	\$ [20,627]
Miscellaneous	-	-	3,000	[3,000]
Total Cash Receipts	<u>67,803</u>	<u>50,787</u>	<u>\$ 74,414</u>	<u>\$ [23,627]</u>
Expenditures and Transfers				
Instruction	<u>67,803</u>	<u>50,787</u>	<u>\$ 74,414</u>	<u>\$ 23,627</u>
Total Expenditures and Transfers	<u>67,803</u>	<u>50,787</u>	<u>\$ 74,414</u>	<u>\$ 23,627</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

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

UNIFIED SCHOOL DISTRICT NO. 430  
Statement of Cash Receipts and Expenditures - Actual and Budget  
Capital Outlay Fund  
For the Year Ended June 30, 2011  
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Investment income	\$ 29,980	\$ 21,361	\$ -	\$ 21,361
Transfers in	379,991	484,592	298,190	186,402
Miscellaneous	<u>91,690</u>	<u>24,449</u>	-	<u>24,449</u>
Total Cash Receipts	<u>501,661</u>	<u>530,402</u>	<u>\$ 298,190</u>	<u>\$ 232,212</u>
Expenditures and Transfers				
Capital outlay	<u>469,390</u>	<u>464,685</u>	<u>\$ 800,000</u>	<u>\$ 335,315</u>
Total Expenditures and Transfers	<u>469,390</u>	<u>464,685</u>	<u>\$ 800,000</u>	<u>\$ 335,315</u>
Receipts Over [Under] Expenditures	32,271	65,717		
Unencumbered Cash, Beginning	<u>883,729</u>	<u>916,000</u>		
Unencumbered Cash, Ending	<u>\$ 916,000</u>	<u>\$ 981,717</u>		

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

UNIFIED SCHOOL DISTRICT NO. 430  
Statement of Cash Receipts and Expenditures - Actual and Budget  
Driver Training Fund  
For the Year Ended June 30, 2011  
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Transfer in	\$ 20,000	\$ -	\$ -	\$ -
Charges for services	3,040	5,674	-	5,674
State aid	1,400	1,554	1,400	154
Total Cash Receipts	<u>24,440</u>	<u>7,228</u>	<u>\$ 1,400</u>	<u>\$ 5,828</u>
Expenditures and Transfers				
Instruction	9,947	8,533	\$ 15,650	\$ 7,117
Operations and maintenance	-	-	13,000	13,000
Other supplemental services	-	-	3,887	3,887
Total Expenditures and Transfers	<u>9,947</u>	<u>8,533</u>	<u>\$ 32,537</u>	<u>\$ 24,004</u>
Receipts Over [Under] Expenditures	14,493	[1,305]		
Unencumbered Cash, Beginning	<u>16,644</u>	<u>31,137</u>		
Unencumbered Cash, Ending	<u>\$ 31,137</u>	<u>\$ 29,832</u>		

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

UNIFIED SCHOOL DISTRICT NO. 430  
Statement of Cash Receipts and Expenditures - Actual and Budget  
Food Service Fund  
For the Year Ended June 30, 2011  
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Federal aid	\$ 205,682	\$ 208,925	\$ 197,340	\$ 11,585
State aid	3,173	3,074	2,574	500
Charges for services	73,919	67,848	69,368	[1,520]
Transfers in	<u>80,000</u>	<u>89,999</u>	<u>40,000</u>	<u>49,999</u>
Total Cash Receipts	<u>362,774</u>	<u>369,846</u>	<u>\$ 309,282</u>	<u>\$ 60,564</u>
Expenditures and Transfers				
Food service operation	<u>316,058</u>	<u>324,405</u>	<u>\$ 470,666</u>	<u>\$ 146,261</u>
Total Expenditures and Transfers	<u>316,058</u>	<u>324,405</u>	<u>\$ 470,666</u>	<u>\$ 146,261</u>
Receipts Over [Under] Expenditures	46,716	45,441		
Unencumbered Cash, Beginning	<u>114,668</u>	<u>161,384</u>		
Unencumbered Cash, Ending	<u>\$ 161,384</u>	<u>\$ 206,825</u>		

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

UNIFIED SCHOOL DISTRICT NO. 430  
Statement of Cash Receipts and Expenditures - Actual and Budget  
Special Education Fund  
For the Year Ended June 30, 2011  
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Federal aid	\$ 14,930	\$ 10,008	\$ -	\$ 10,008
Transfers in	<u>1,105,503</u>	<u>1,051,345</u>	<u>1,030,000</u>	<u>21,345</u>
Total Cash Receipts	<u>1,120,433</u>	<u>1,061,353</u>	<u>\$ 1,030,000</u>	<u>\$ 31,353</u>
 Expenditures and Transfers				
Instruction	<u>1,043,901</u>	<u>1,013,448</u>	<u>\$ 1,433,375</u>	<u>\$ 419,927</u>
Total Expenditures and Transfers	<u>1,043,901</u>	<u>1,013,448</u>	<u>\$ 1,433,375</u>	<u>\$ 419,927</u>
 Receipts Over [Under] Expenditures	76,532	47,905		
 Unencumbered Cash, Beginning	<u>326,843</u>	<u>403,375</u>		
 Unencumbered Cash, Ending	<u>\$ 403,375</u>	<u>\$ 451,280</u>		

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



UNIFIED SCHOOL DISTRICT NO. 430  
Statement of Cash Receipts and Expenditures - Actual and Budget  
Vocational Education Fund  
For the Year Ended June 30, 2011  
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Transfers in	\$ 339,648	\$ 310,077	\$ 310,177	\$ [100]
Total Cash Receipts	<u>339,648</u>	<u>310,077</u>	<u>\$ 310,177</u>	<u>\$ [100]</u>
Expenditures and Transfers				
Instruction	<u>233,712</u>	<u>251,114</u>	<u>\$ 339,389</u>	<u>\$ 88,275</u>
Total Expenditures and Transfers	<u>233,712</u>	<u>251,114</u>	<u>\$ 339,389</u>	<u>\$ 88,275</u>
Receipts Over [Under] Expenditures	105,936	58,963		
Unencumbered Cash, Beginning	<u>193,299</u>	<u>299,235</u>		
Unencumbered Cash, Ending	<u>\$ 299,235</u>	<u>\$ 358,198</u>		

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

UNIFIED SCHOOL DISTRICT NO. 430  
Statement of Cash Receipts and Expenditures - Actual and Budget  
KPERs Special Retirement Contribution Fund  
For the Year Ended June 30, 2011  
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
State aid	\$ 303,841	\$ 256,635	\$ 394,993	\$ [138,358]
Total Cash Receipts	<u>303,841</u>	<u>256,635</u>	<u>\$ 394,993</u>	<u>\$ [138,358]</u>
Expenditures and Transfers				
Instruction	195,978	165,529	\$ 254,769	\$ 89,240
Student support	17,015	14,372	22,120	7,748
Instructional support	16,711	14,115	21,725	7,610
General administration	10,634	8,982	13,825	4,843
School administration	26,434	22,327	34,364	12,037
Operations and maintenance	17,015	14,372	22,120	7,748
Transportation	10,331	8,726	13,430	4,704
Food service	9,723	8,212	12,640	4,428
Total Expenditures and Transfers	<u>303,841</u>	<u>256,635</u>	<u>\$ 394,993</u>	<u>\$ 138,358</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

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

UNIFIED SCHOOL DISTRICT NO. 430  
Statement of Cash Receipts and Expenditures - Actual  
Contingency Reserve Fund\*  
For the Year Ended June 30, 2011 and 2010

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Transfers in	\$ 64,670	\$ -
Total Cash Receipts	<u>64,670</u>	<u>-</u>
Expenditures and Transfers		
Instruction	-	17,380
Total Expenditures and Transfers	<u>-</u>	<u>17,380</u>
Receipts Over [Under] Expenditures	64,670	[17,380]
Unencumbered Cash, Beginning	<u>468,772</u>	<u>533,442</u>
Unencumbered Cash, Ending	<u>\$ 533,442</u>	<u>\$ 516,062</u>

\* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 430  
Statement of Cash Receipts and Expenditures - Actual and Budget  
Grant Funds  
For the Year Ended June 30, 2011

	Cash Receipts		
	<u>Federal Aid</u>	<u>Miscellaneous</u>	<u>Total</u>
Title VII	\$ 28,022	\$ -	\$ 28,022
Title II-D	570	-	570
Carl Perkins	4,103	-	4,103
P.L. 81-874	87,326	-	87,326
Comprehensive School Reform	3,000	110	3,110
School Improvement	70,000	-	70,000
Johnson O'Malley	13,513	-	13,513
Title I	242,626	-	242,626
Title III	15,470	-	15,470
Title II-A	<u>45,139</u>	<u>-</u>	<u>45,139</u>
 Totals - Current Year Actual	 \$ 509,769	 \$ 110	 \$ 509,879
 Total Budget	 <u>399,694</u>	 <u>-</u>	 <u>399,694</u>
 Variance Positive [Negative]	 <u>\$ 110,075</u>	 <u>\$ 110</u>	 <u>\$ 110,185</u>

<u>Expenditures and Transfers</u>				Receipts Over [Under] Expenditures	Unencumbered Cash, Beginning	Unencumbered Cash, Ending
<u>Instruction</u>	<u>Student Support Services</u>	<u>General Administration</u>	<u>Total</u>			
\$ 28,022	\$ -	\$ -	\$ 28,022	\$ -	\$ -	\$ -
570	-	-	570	-	-	-
4,103	-	-	4,103	-	-	-
132,443	-	-	132,443	[45,117]	152,849	107,732
-	-	3,065	3,065	45	[45]	-
4,930	-	-	4,930	65,070	[65,070]	-
9,274	-	-	9,274	4,239	[455]	3,784
241,720	-	-	241,720	906	[906]	-
15,471	-	-	15,471	[1]	1	-
<u>45,139</u>	<u>243</u>	<u>-</u>	<u>45,382</u>	<u>[243]</u>	<u>243</u>	<u>-</u>
\$ 481,672	\$ 243	\$ 3,065	\$ 484,980	\$ 24,899	\$ 86,617	\$ 111,516
<u>719,490</u>	<u>-</u>	<u>-</u>	<u>719,490</u>			
<u>\$ 237,818</u>	<u>\$ [243]</u>	<u>\$ [3,065]</u>	<u>\$ 234,510</u>			

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

UNIFIED SCHOOL DISTRICT NO. 430  
Statement of Cash Receipts and Expenditures - Actual  
Coordinated School Health Program Fund\*  
For the Year Ended June 30, 2011 and 2010

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

\* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 430  
Statement of Cash Receipts and Expenditures - Actual  
Student Material Fund\*  
For the Year Ended June 30, 2011 and 2010

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Cash Receipts		
Charges for services	\$ 12,517	\$ 17,332
Total Cash Receipts	<u>12,517</u>	<u>17,332</u>
Expenditures and Transfers		
Instructional support services	<u>11,441</u>	<u>24,083</u>
Total Expenditures and Transfers	<u>11,441</u>	<u>24,083</u>
Receipts Over [Under] Expenditures	1,076	[6,751]
Unencumbered Cash, Beginning	<u>6,107</u>	<u>7,183</u>
Unencumbered Cash, Ending	<u>\$ 7,183</u>	<u>\$ 432</u>

\* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 430  
Statement of Cash Receipts and Expenditures - Actual and Budget  
Bond and Interest Fund  
For the Year Ended June 30, 2011  
(With Comparative Actual Amounts for the Year Ended June 30, 2010)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Taxes and Shared Revenues:				
Ad valorem tax	\$ 185,579	\$ 190,604	\$ 169,412	\$ 21,192
Delinquent tax	3,915	6,409	4,022	2,387
Motor vehicle tax	27,658	21,866	25,651	[3,785]
Recreational vehicle tax	329	290	273	17
State aid	<u>236,482</u>	<u>233,543</u>	<u>233,543</u>	-
Total Cash Receipts	<u>453,963</u>	<u>452,712</u>	<u>\$ 432,901</u>	<u>\$ 19,811</u>
Expenditures and Transfers				
Principal	350,000	370,000	\$ 370,000	\$ -
Interest and other charges	<u>105,735</u>	<u>97,085</u>	<u>97,085</u>	-
Total Expenditures and Transfers	<u>455,735</u>	<u>467,085</u>	<u>\$ 467,085</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	[1,772]	[14,373]		
Unencumbered Cash, Beginning	<u>636,678</u>	<u>634,906</u>		
Unencumbered Cash, Ending	<u>\$ 634,906</u>	<u>\$ 620,533</u>		

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



UNIFIED SCHOOL DISTRICT NO. 430  
Statement of Cash Receipts, Cash Disbursements and Cash  
Student Organization Funds  
For the Year Ended June 30, 2011

<u>FUND</u>	Beginning Cash <u>Balance</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Ending Cash <u>Balance</u>
<b>MIDDLE SCHOOL</b>				
Everest Middle School				
Concessions	\$ 81	\$ 367	\$ 152	\$ 296
Drama	84	-	-	84
Hand club	257	-	-	257
Pep club	1,321	2,081	2,656	746
PTO teacher	33	-	-	33
Student council	868	3,353	3,082	1,139
Total Everest Middle School	<u>2,644</u>	<u>5,801</u>	<u>5,890</u>	<u>2,555</u>
<b>TOTAL MIDDLE SCHOOL FUNDS</b>	<u>2,644</u>	<u>5,801</u>	<u>5,890</u>	<u>2,555</u>
<b>HIGH SCHOOL FUNDS</b>				
Horton High School				
Business, Inc.	6,488	1,493	1,441	6,540
Cheerleaders	1,916	11,200	11,561	1,555
Class of 2011	3,868	10,152	14,020	-
Class of 2012	1,112	25,472	22,161	4,423
Class of 2013	873	820	25	1,668
Class of 2014	-	1,027	15	1,012
Class of 2015	-	130	-	130
Drama	295	395	377	313
FCA	996	330	322	1,004
FFA	4,247	10,930	7,798	7,379
FCCLA	958	1,430	1,984	404
Forensics	272	921	1,027	166
Kay club	837	792	908	721
Music - instrumental	20	-	-	20
Music - vocal	168	716	753	131
National Honor Society	67	853	853	67
Native American Student Awareness	1,361	55	212	1,204
Pom pom	2,682	4,169	3,212	3,639
Scholars bowl	1,736	846	566	2,016
Science department	372	-	139	233
Spanish	1,438	695	558	1,575
Student council	7,618	5,756	5,434	7,940
Vocational Industrial Club of America	963	5,037	4,909	1,091
Total Horton High School	<u>38,287</u>	<u>83,219</u>	<u>78,275</u>	<u>43,231</u>
<b>TOTAL HIGH SCHOOL ACTIVITY FUNDS</b>	<u>38,287</u>	<u>83,219</u>	<u>78,275</u>	<u>43,231</u>
<b>TOTAL STUDENT ORGANIZATION FUNDS</b>	<u>\$ 40,931</u>	<u>\$ 89,020</u>	<u>\$ 84,165</u>	<u>\$ 45,786</u>

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

## STATEMENT 5

UNIFIED SCHOOL DISTRICT NO. 430  
Statement of Cash Receipts, Expenditures and Unencumbered Cash  
District Activity Funds  
For the Year Ended June 30, 2011

<u>FUND</u>	Beginning Unencumbered Cash Balance	Cash Receipts	<u>Expenditures</u>	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Gate Receipts:						
Everest Middle School Athletic	\$ 3,111	\$ 11,463	\$ 8,769	\$ 5,805	\$ -	\$ 5,805
Horton High School Athletic	<u>37,081</u>	<u>21,870</u>	<u>20,907</u>	<u>38,044</u>	<u>-</u>	<u>38,044</u>
Total Gate Receipts	<u>40,192</u>	<u>33,333</u>	<u>29,676</u>	<u>43,849</u>	<u>-</u>	<u>43,849</u>
School Projects:						
Horton Elementary School	6,887	14,893	15,089	6,691	-	6,691
Everest Middle School	9,102	22,657	23,846	7,913	-	7,913
Horton High School	<u>7,527</u>	<u>47,555</u>	<u>46,147</u>	<u>8,935</u>	<u>-</u>	<u>8,935</u>
Total School Projects	<u>23,516</u>	<u>85,105</u>	<u>85,082</u>	<u>23,539</u>	<u>-</u>	<u>23,539</u>
Total District Activity Funds	<u>\$ 63,708</u>	<u>\$ 118,438</u>	<u>\$ 114,758</u>	<u>\$ 67,388</u>	<u>\$ -</u>	<u>\$ 67,388</u>

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

UNIFIED SCHOOL DISTRICT NO. 430  
Statement of Cash Receipts, Expenditures and Unencumbered Cash  
Private Purpose Trust Fund  
For the Year Ended June 30, 2011

<u>Fund</u>	Beginning Unencumbered Cash <u>Balance</u>	Prior Year Cancelled <u>Encumbrances</u>	Cash <u>Receipts</u>	<u>Expenditures</u>	Ending Unencumbered Cash <u>Balance</u>	Outstanding Encumbrances and Accounts <u>Payable</u>	Ending Cash <u>Balance</u>
PRIVATE PURPOSE TRUST FUND							
Donations	\$ 18,339	\$ -	\$ 1,100	\$ 16,617	\$ 2,822	\$ -	\$ 2,822
Total Private Purpose Trust Fund	<u>\$ 18,339</u>	<u>\$ -</u>	<u>\$ 1,100</u>	<u>\$ 16,617</u>	<u>\$ 2,822</u>	<u>\$ -</u>	<u>\$ 2,822</u>

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

UNIFIED SCHOOL DISTRICT NO. 430  
Notes to the Financial Statements  
For the Year Ended June 30, 2011

NOTE 1 - Summary of Significant Accounting Policies

Reporting Entity

Unified School District No. 430 (the District) is a municipal corporation governed by an elected seven-member board. These financial statements include all the accounts for which the District is considered to be financially accountable. The District had no component units.

Basis of Accounting

These financial statements are presented on a basis of accounting which demonstrates compliance with the cash basis and budget laws of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund. Cash disbursements are recognized when the cash balance of a fund is decreased. For an interfund transaction, a cash disbursement is recorded in the fund from which the cash is transferred. 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.

The District has a GAAP waiver, which allows it to use this prescribed basis of accounting. When a local government adopts a Kansas GAAP waiver, K.S.A. 75-1120a specifically requires that the government must prepare its "financial statements and financial reports on the basis of cash receipts and disbursements as adjusted to show compliance with the cash-basis and budget laws of this state." K.S.A.s 72-6417 and 72-6434 require that any general fund or supplemental general fund state aid payment that is due to be paid in June but is paid after that "shall be recorded and accounted for by the school districts as a receipt for the school year ending on the preceding June 30."

To attempt to reconcile this statutory conflict, the prescribed basis of accounting requires that state aid payments due in June but received in July be recorded in July of the following year in the financial statements. Compliance with K.S.A.s 72-6417 and 72-6434 is required to be presented in the notes to the financial statements. The District has chosen to present its state aid payments due in June but received in July in the financial statements for the year ended June 30, 2011 rather than in July of the following fiscal year which is not in compliance with the Kansas prescribed basis of accounting. The payments were \$351,153 in the General Fund and \$60,608 in the Supplemental General Fund.

*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, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented.

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

UNIFIED SCHOOL DISTRICT NO. 430  
Notes to the Financial Statements  
For the Year Ended June 30, 2011

NOTE 1 - Summary of Significant Accounting Policies (Continued)

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, 2011:

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 revenue sources (other than major capital projects) that are restricted by law or administrative action to expenditure for specified purposes.

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

Fiduciary Funds

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. Private purpose trust funds are accounted for in essentially the same manner as governmental funds. Agency funds are custodial in nature and do not involve measurement of operations.

Budgetary Information

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

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The budget for the year ended June 30, 2011 was not amended.

UNIFIED SCHOOL DISTRICT NO. 430  
Notes to the Financial Statements  
For the Year Ended June 30, 2011

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Budgetary Information (Continued)

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

All legal annual operating budgets are prepared using the statutory basis of accounting, in which, revenues are recognized when cash is received, and expenditures include disbursements, accounts payable and encumbrances. Encumbrances are commitments by the District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

A legal operating budget is not required for the following special revenue funds: Contingency Reserve, Coordinated School Health Program, Student Material, Donations and District Activity.

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

Ad Valorem Tax Revenues

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

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

NOTE 2 - Deposits and Investments

The District's cash is considered to be active funds by management and is invested according to K.S.A. 9-1401. The statute requires that banks eligible to hold active funds have a main or branch bank in the County in which the District is located or an adjacent county and the banks provide an acceptable rate for active funds.

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's deposit policy for custodial credit risk require that the depository banks will maintain 100% security in the form of FDIC coverage and pledged collateral according to K.S.A. 9-1402.

The District does not have any formal investment policies that would further limit interest rate, credit or custodial credit risks beyond state statutes.

UNIFIED SCHOOL DISTRICT NO. 430  
Notes to the Financial Statements  
For the Year Ended June 30, 2011

NOTE 3 - Interfund Transactions

Transfers were as follows:

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
General	Capital Outlay	K.S.A. 72-6428	\$ 484,592
General	Special Education	K.S.A. 72-6428	721,345
Supplemental General	Bilingual Education	K.S.A. 72-6433	50,787
Supplemental General	Vocational Education	K.S.A. 72-6433	310,077
Supplemental General	At Risk	K.S.A. 72-6433	778,345
Supplemental General	Food service	K.S.A. 72-6433	89,999
Supplemental General	Special Education	K.S.A. 72-6433	330,000
			<u>\$ 2,765,145</u>

NOTE 4 - Defined Benefit Pension Plan

*Plan Description.* The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 South Kansas Avenue, Topeka, Kansas 66603-3803).

*Funding Policy.* K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at up to 6% 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 currently contributes 8.17% of covered payroll. These contribution requirements are established by KPERS and are periodically revised. Kansas contributions to KPERS for the District employees for the years ending June 30, 2011, 2010 and 2009 were \$256,635, \$303,841, and \$303,530 respectively, equal to the required contributions for each year.

NOTE 5 - Compensated Absences & Termination Benefits

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

The District will cover for eligible retirees the cost of the retiree's health premiums under the District's health insurance policy. For the year ended June 30, 2011 the cost to the district was \$31,220. Future year's expenditures are not expected to deviate materially from the current year.

UNIFIED SCHOOL DISTRICT NO. 430  
Notes to the Financial Statements  
For the Year Ended June 30, 2011

NOTE 6 - Long-Term Debt

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

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

The District is subject to statutes of the State of Kansas which limit the bonded debt outstanding to 14 percent of the assessed value of all tangible property within the District. The District requested and received approval under K.S.A 75-2315 which allows the issuance of bonded debt in excess of the general bond debt limitation. As of June 30, 2011, the District's bonded indebtedness was 14% of the assessed value of all tangible property within the District. Following is a summary of changes in long-term debt of the year ended June 30, 2011:

<u>Type of Issue</u>	<u>Beginning Principal Outstanding</u>	<u>Additions to Principal</u>	<u>Reductions of Principal</u>	<u>Ending Principal Outstanding</u>
G.O. Bonds to be Paid With:				
Tax Levies				
2003 Bonds	\$ 3,260,000	\$ -	\$ 370,000	\$ 2,890,000
Leases				
Copier	26,654	-	22,654	4,000
Total	<u>\$ 3,286,654</u>	<u>\$ -</u>	<u>\$ 392,654</u>	<u>\$ 2,894,000</u>

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

<u>Year</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Due</u>
2011-12	\$ 375,000	\$ 87,210	\$ 462,210
2012-13	390,000	76,110	466,110
2013-14	400,000	64,060	464,060
2014-18	410,000	51,300	461,300
2015-18	<u>1,315,000</u>	<u>69,010</u>	<u>1,384,010</u>
Total	<u>\$ 2,890,000</u>	<u>\$ 347,690</u>	<u>\$ 3,237,690</u>

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

<u>Year</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Due</u>
2011-12	<u>\$ 4,000</u>	<u>\$ 50</u>	<u>\$ 4,050</u>
Total	<u>\$ 4,000</u>	<u>\$ 50</u>	<u>\$ 4,050</u>



UNIFIED SCHOOL DISTRICT NO. 430  
Notes to the Financial Statements  
For the Year Ended June 30, 2011

NOTE 7 - Contingencies

The District receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material negative effect on the financial statements of the District at June 30, 2011.

NOTE 8 - Risk Management

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

NOTE 9 – Related Party Transactions

For the year ended June 30, 2011, the District paid \$34,185 to a telecommunications company for which a school board member works in a managerial role.

NOTE 10 – Subsequent Event

On September 5, 2011, the District entered in to a copier lease agreement with Datamax. Monthly lease payments of \$1,796 are to be made over forty-eight months, with payments totaling \$86,208 at the end of the four year agreement.

UNIFIED SCHOOL DISTRICT 430  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Restated Beginning Unencumbered Cash	Receipts	Expenditures	Ending Unencumbered Cash
U.S. Department of Education					
Passed through Kansas Department of Education (KSDE):					
Title I Grants to Local Educational Agencies	84.010	\$ -	\$ 176,181	\$ 176,181	\$ -
Technology Literacy Challenge Fund Grants	84.318	-	570	570	-
State Fiscal Stabilization Funds (ARRA)	84.394	-	93,503	93,503	-
English Language Acquisition	84.365	-	15,470	15,470	-
School Improvement Section 1003(g)	84.377	[65,004]	73,000	7,996	-
Title I Grants to Local Educational Agencies (ARRA)	84.389	[906]	66,445	65,539	-
Education Jobs Fund (ARRA)	84.410	-	163,724	163,724	-
Title II	84.367	-	<u>45,139</u>	<u>45,139</u>	-
Total Department of Education Passed Through KSDE			<u>634,032</u>	<u>568,122</u>	
U.S. Department of Health and Human Services					
Passed through Kansas Department of Education (KSDE):					
Coordinated School Health	97.042	1,816	<u>-</u>	<u>1,816</u>	-
Total Department of Agriculture Passed Through KSDE			<u>-</u>	<u>1,816</u>	
U.S. Department of Agriculture					
Passed through Kansas Department of Education (KSDE):					
Special Milk Program for Children	10.556	-	310	310	-
National School Lunch Program	10.555	-	159,225	159,225	-
School Breakfast Program	10.553	-	<u>49,390</u>	<u>49,390</u>	-
Total Department of Agriculture Passed Through KSDE			<u>208,925</u>	<u>208,925</u>	
Direct Programs					
Impact Aid	84.041	152,848	206,977	132,442	227,383
Carl Perkins	84.048	-	4,103	4,103	-
Indian Education: Grants to Local Educational Agencies	84.060	-	28,022	28,022	-
Indian Education: Assistance to Schools	15.130	[455]	<u>13,513</u>	<u>9,274</u>	3,784
Total Direct Programs			<u>252,615</u>	<u>173,841</u>	
Total			<u>\$ 1,095,572</u>	<u>\$ 952,704</u>	

The accompanying notes are an integral part of this schedule.

UNIFIED SCHOOL DISTRICT NO. 430  
Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2011

1. General

The accompanying Schedule of Expenditures of Federal Awards presents the expenditures of federal financial assistance programs of the District. All expenditures of federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies are included on the schedule.

2. Basis of Accounting

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

UNIFIED SCHOOL DISTRICT NO. 430  
 Schedule of Findings and Questioned Costs  
 For the Year Ended June 30, 2011

Section I - Summary of Auditor's Results

Financial Statements

Adverse - GAAP  
Qualified - Prescribed Basis

Type of auditor's report issued:

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ Yes  X  No

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

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes  X  No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? \_\_\_\_\_ Yes  X  No

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

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010 and 84.389	Title I Cluster
84.394	State Fiscal Stabilization Funds
84.410	Education Jobs Fund

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

Auditee qualified as low-risk auditee? \_\_\_\_\_ Yes  X  No

UNIFIED SCHOOL DISTRICT NO. 430  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2011

Section II - Financial Statement Findings

Current Year Findings

None Noted

Prior Year Findings

None Noted

Section III - Federal Award Findings and Questioned Costs

Current Year Findings

None Noted

Prior Year Findings

None Noted



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COMPANY P.A.

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

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

We have audited the financial statements of the Unified School District No. 430 (the District), Horton, Kansas, as of and for the year ended June 30, 2011, and have issued our report thereon dated February 28, 2012, which is a special report on the financial statements prepared in accordance with a basis of accounting prescribed by the State of Kansas. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in "Government Auditing Standards," issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

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

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

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

**Compliance and Other Matters**

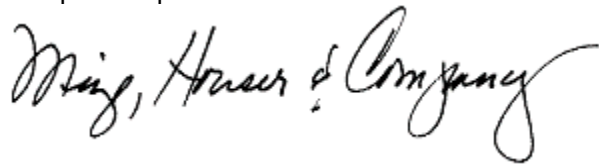
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect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

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However, we noted certain other matters that we reported to management of the District in a separate letter dated February 28, 2012.

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

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

February 28, 2012



MIZE & HOUSER  
COMPANY P.A.

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

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

Compliance

We have audited the compliance of the Unified School District No. 430 (the District), Horton, Kansas, with the types of compliance requirements described in the "OMB Circular A-133 Compliance Supplement" that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2011. Major federal financial programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

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

In our opinion, the District complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

Internal Control Over Compliance

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

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

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

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

A handwritten signature in cursive script that reads "Ming, Horner & Company". The signature is written in black ink and is positioned in the lower-left area of the page.

February 28, 2012