

**RAWLINS COUNTY UNIFIED SCHOOL DISTRICT NO. 105
ATWOOD, KANSAS**

Financial Statements With Independent Auditors' Report

For the Year Ended June 30, 2011

RAWLINS COUNTY UNIFIED SCHOOL DISTRICT NO. 105 ATWOOD, KANSAS
 Financial Statements With Independent Auditors' Report
 For the Year Ended June 30, 2011

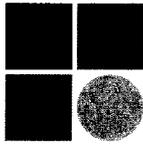
TABLE OF CONTENTS

Independent Auditors' Report	1
Statement 1 - Summary of Cash Receipts, Expenditures and Unencumbered Cash	2
Statement 2 - Summary of Expenditures - Actual and Budget	3
Statement 3 - Statement of Cash Receipts and Expenditures - Actual and Budget Individually Presented by Fund	
Governmental Fund Categories	
General Funds	
3-1 General Fund	4
3-2 Supplemental General Fund	5
Special Revenue Funds	
3-3 Capital Outlay Fund	6
3-4 Driver Training Fund	7
3-5 Food Service Fund	8
3-6 Professional Development Fund	9
3-7 Special Education Fund	10
3-8 Vocational Education Fund	11
3-9 KPERs Special Retirement Contribution Fund	12
3-10 At Risk (K-12) Fund	13
3-11 Contingency Reserve Fund	14
3-12 Textbook Rental Fund	15
3-13 Recreation Commission Fund	16
3-14 Title I Low Income Fund	17
3-15 Title II D Education Technology	18
3-16 Title IV Drug Free Schools Fund	19
3-17 Title II Improving Teacher Quality Fund	20
3-18 Grants Fund	21
3-19 REAP Grant Fund	22
Fiduciary Fund Category	
Private Purpose Trust Funds	
3-20 Joan Hale Scholarship Fund	23
3-21 Melvin Bray Scholarship Fund	24
3-22 Crist Family Scholarship Fund	25
3-23 Friends of USD No. 105 Fund	26
3-24 Ona Mae Ratcliff Scholarship Fund	27
3-25 Versch Scholarship Fund	28
3-26 Diane Jones Scholarship Fund	29
3-27 Heather M. Draper Scholarship Fund	30
Statement 4 - Summary of Cash Receipts and Cash Disbursements Agency Funds	31

RAWLINS COUNTY UNIFIED SCHOOL DISTRICT NO. 105 ATWOOD, KANSAS
Financial Statements With Independent Auditors' Report
For the Year Ended June 30, 2011

TABLE OF CONTENTS (continued)

Statement 5 - Summary of Cash Receipts, Expenditures, and Unencumbered Cash District Activity Funds.....	32
Notes to Financial Statements	33



Certified
Public
Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Rawlins County Unified School District No. 105 Atwood, Kansas
Atwood, Kansas

We have audited the accompanying financial statements of **Rawlins County Unified School District No. 105 Atwood, 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 **Rawlins County Unified School District No. 105 Atwood, Kansas'** management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 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 opinions.

As described more fully in Note 1, **Rawlins County Unified School District No. 105 Atwood, Kansas** has prepared these financial statements using accounting practices prescribed or permitted by the State of Kansas, whose 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 **Rawlins County Unified School District No. 105 Atwood, Kansas**, as of June 30, 2011, or the changes in its financial position for the year then ended. Further, **Rawlins County Unified School District No. 105 Atwood, Kansas** has not presented a management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of each fund of **Rawlins County Unified School District No. 105 Atwood, Kansas**, as of June 30, 2011, and their respective cash receipts and disbursements and budgetary results for the year then ended on the basis of accounting described in Note 1.

Adams, Brown, Beran + Ball, Chtd

ADAMS, BROWN, BERAN & BALL, CHTD.

Certified Public Accountants

October 17, 2011

RAWLINS COUNTY UNIFIED SCHOOL DISTRICT NO. 105 ATWOOD, KANSAS
 Summary of Cash Receipts, Expenditures and Unencumbered Cash
 For the Year Ended June 30, 2011

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Fund Categories							
General Funds	\$				(189,321)	-	(189,321)
General Fund	(226,944)	-	2,373,783	2,336,160	883	14,913	15,796
Supplemental General Fund	(38,728)	618	867,781	828,788			
Special Revenue Funds							
Capital Outlay Fund	496,269	105,110	227,363	362,484	466,258	15,226	481,484
Driver Training Fund	14,691	-	2,676	4,293	13,074	-	13,074
Food Service Fund	71,006	-	221,236	220,779	71,463	254	71,717
Professional Development Fund	23,770	-	-	11,542	12,228	-	12,228
Special Education Fund	195,387	-	365,792	330,004	231,155	189	231,344
Vocational Education Fund	108,448	-	119,803	107,572	120,679	235	120,914
KPER Special Retirement Contribution Fund	-	-	131,652	131,652	-	-	-
At Risk (K-12) Fund	190,471	-	298,236	245,415	243,292	-	243,292
Contingency Reserve Fund	200,197	-	-	-	200,197	-	200,197
Textbook Rental Fund	81,271	500	8,714	23,206	67,279	3,795	71,074
Recreation Commission Fund	-	-	41,811	41,811	-	-	-
Title I Low Income Fund	(5,860)	-	96,668	107,494	(16,686)	-	(16,686)
Title II D Education Technology Fund	-	-	1,694	1,694	-	-	-
Title IV Drug Free Schools Fund	1,270	-	-	-	1,270	-	1,270
Title II Improving Teacher Quality Fund	4,117	180	10,089	17,260	(2,874)	1,018	(1,856)
Grants Fund	216	-	9,132	9,133	215	353	568
REAP Grant Fund	-	-	14,452	14,452	-	-	-
District Activity Funds	16,294	-	45,857	41,050	21,101	-	21,101
Private Purpose Trust Funds							
Joan Hale Scholarship Fund	484	-	10	200	294	-	294
Melvin Bray Scholarship Fund	394	-	10	-	404	-	404
Crist Family Scholarship Fund	3,023	-	1,058	1,000	3,081	-	3,081
Friends of USD #105 Fund	1,281	-	14,221	5,514	9,988	-	9,988
Ona Mae Ratcliff Scholarship Fund	672	-	16	-	688	-	688
Versch Scholarship Fund	901	-	613	500	1,014	-	1,014
Diane Jones Scholarship Fund	-	-	500	500	-	-	-
Heather M. Draper Scholarship Fund	100	-	-	100	-	-	-
Total Reporting Entity (Excluding Agency Funds)	\$ 1,138,710	106,408	4,853,167	4,842,603	1,255,682	41,073	1,296,755
Composition of Cash							
							\$ 1,334,558
							50
							1,334,608
							(37,853)
Total Reporting Entity (Excluding Agency Funds)	\$				\$		1,296,755

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

RAWLINS COUNTY UNIFIED SCHOOL DISTRICT NO. 105 ATWOOD, KANSAS
 Summary of Expenditures - Actual and Budget
 For the Year Ended June 30, 2011

Funds	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
Governmental Fund Categories						
General Funds						
General Fund	\$ 2,487,039	(151,611)	732	2,336,160	2,336,160	-
Supplemental General Fund	836,846	(8,113)	55	828,788	828,788	-
Special Revenue Funds						
Capital Outlay Fund	424,000	-	-	424,000	362,484	(61,516)
Driver Training Fund	8,000	-	-	8,000	4,293	(3,707)
Food Service Fund	240,000	-	-	240,000	220,779	(19,221)
Professional Development Fund	18,000	-	-	18,000	11,542	(6,458)
Special Education Fund	450,000	-	-	450,000	330,004	(119,996)
Vocational Education Fund	135,000	-	-	135,000	107,572	(27,428)
KPERS Special Retirement Contribution Fund	183,524	-	-	183,524	131,652	(51,872)
At Risk (K-12) Fund	280,000	-	-	280,000	245,415	(34,585)
Recreation Commission Fund	129,260	-	-	129,260	41,811	(87,449)

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

RAWLINS COUNTY UNIFIED SCHOOL DISTRICT NO. 105 ATWOOD, KANSAS

General Fund

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)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues				
Ad Valorem Tax	\$ 389,407	377,931	397,216	(19,285)
Delinquent Tax	4,370	5,307	5,954	(647)
Intergovernmental Revenues				
Mineral Severance Tax	-	3,165	-	3,165
Federal Aid - ARRA	121,684	45,399	45,399	-
Federal Aid - Education Jobs	-	79,493	-	79,493
Equalization Aid	1,837,980	1,683,294	1,708,397	(25,103)
Special Education Aid	233,924	178,462	178,462	-
Reimbursed Expenses	4,326	732	-	732
Total Cash Receipts	2,591,691	2,373,783	2,335,428	38,355
Expenditures				
Instruction	1,142,264	1,066,627	1,111,997	(45,370)
Student Support Services	49,368	32,271	37,857	(5,586)
Instructional Support Services	75,300	60,938	57,305	3,633
General Administration	80,457	83,704	86,766	(3,062)
School Administration	191,552	209,761	205,883	3,878
Operation and Maintenance	253,126	264,640	286,639	(21,999)
Student Transportation Services	163,132	155,474	165,446	(9,972)
Other Supplemental Services	26,558	27,817	31,446	(3,629)
Transfers Out	518,033	434,928	503,700	(68,772)
Adjustment to Comply with Legal Max	-	-	(151,611)	151,611
Legal General Fund Budget	2,499,790	2,336,160	2,335,428	732
(a) Adjustment for Qualifying Budget Credit	-	-	732	(732)
Total Expenditures and Legal General Fund Budget	2,499,790	2,336,160	2,336,160	-
Cash Receipts Over (Under) Expenditures	91,901	37,623		
Unencumbered Cash - Beginning	(319,207)	(226,944)		
Prior Year Cancelled Encumbrances	362	-		
Unencumbered Cash - Ending	\$ (226,944)	(189,321)		
(a) Adjustment for Qualifying Budget Credit				
Reimbursed Expense Over Amount Budgeted			\$ 732	

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

RAWLINS COUNTY UNIFIED SCHOOL DISTRICT NO. 105 ATWOOD, KANSAS

Supplemental General Fund

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)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues				
Ad Valorem Tax	\$ 484,460	544,732	554,588	(9,856)
Motor Vehicle Tax	57,872	61,850	54,894	6,956
Delinquent Tax	5,815	7,037	7,459	(422)
Recreational Vehicle Tax	765	755	703	52
Intergovernmental Revenues				
Federal Aid	54,271	-	-	-
State Aid	146,775	253,163	210,854	42,309
Other Revenue	800	244	-	244
Interest	38,437	-	-	-
Total Cash Receipts	789,195	867,781	828,498	39,283
Expenditures				
Instruction	393,538	255,855	426,000	(170,145)
Student Support Services	20	382	9,000	(8,618)
Instructional Support Services	4,191	5,257	4,400	857
General Administration	28,837	29,396	37,646	(8,250)
School Administration	2,187	1,086	21,800	(20,714)
Operations and Maintenance	141,929	95,879	118,000	(22,121)
Student Transportation Services	32,232	37,315	39,000	(1,685)
Other Supplemental Services	-	-	1,000	(1,000)
Transfers Out	236,066	403,618	180,000	223,618
Adjustment to Comply with Legal Max	-	-	(8,113)	8,113
Legal General Fund Budget	839,000	828,788	828,733	55
(a) Adjustment for Qualifying Budget Credit	-	-	55	(55)
Total Expenditures and Legal Supplemental General Fund Budget	839,000	828,788	828,788	-
Cash Receipts Over (Under) Expenditures	(49,805)	38,993		
Unencumbered Cash - Beginning	7,461	(38,728)		
Prior Year Cancelled Encumbrances	3,616	618		
Unencumbered Cash - Ending	\$ (38,728)	883		
(a) Adjustment for Qualifying Budget Credit				
Reimbursed Expense Over Amount Budgeted			\$ 55	

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

RAWLINS COUNTY UNIFIED SCHOOL DISTRICT NO. 105 ATWOOD, KANSAS
Capital Outlay Fund
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)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues				
Ad Valorem Tax	\$ 172,435	167,647	176,914	(9,267)
Delinquent Tax	2,079	2,350	2,645	(295)
Motor Vehicle Tax	17,933	22,985	20,366	2,619
Recreation Vehicle Tax	251	279	260	19
Interest	27,705	33,402	45,000	(11,598)
Other Revenue	5,625	700	-	700
Transfers In	38,437	-	-	-
Total Cash Receipts	264,465	227,363	245,185	(17,822)
Expenditures				
Instruction	16,686	32,679	20,000	12,679
Operations and Maintenance	20,796	56,197	20,000	36,197
Student Transportation Services	-	-	170,000	(170,000)
Facility Acquisition and Construction	100,887	189,833	90,000	99,833
Capital Outlay Bond Principal	75,000	75,000	95,000	(20,000)
Capital Outlay Bond Interest	11,700	8,775	29,000	(20,225)
Total Expenditures	225,069	362,484	424,000	(61,516)
Cash Receipts Over (Under) Expenditures	39,396	(135,121)		
Unencumbered Cash - Beginning	456,123	496,269		
Prior Year Cancelled Encumbrances	750	105,110		
Unencumbered Cash - Ending	\$ 496,269	466,258		

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

RAWLINS COUNTY UNIFIED SCHOOL DISTRICT NO. 105 ATWOOD, KANSAS
Driver Training Fund
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)

	Prior Year Actual	Current Year		Variance Over Under
		Actual	Budget	
Cash Receipts				
Intergovernmental Revenue				
State Aid	\$ 1,250	1,776	1,750	26
Other Revenue From Local Sources	1,450	900	1,000	(100)
Total Cash Receipts	<u>2,700</u>	<u>2,676</u>	<u>2,750</u>	<u>(74)</u>
Expenditures				
Instruction	5,824	4,293	7,575	(3,282)
Vehicle Operations and Maintenance	-	-	425	(425)
Transfers Out	15,000	-	-	-
Total Expenditures	<u>20,824</u>	<u>4,293</u>	<u>8,000</u>	<u>(3,707)</u>
Cash Receipts Over (Under) Expenditures	(18,124)	(1,617)		
Unencumbered Cash - Beginning	<u>32,815</u>	<u>14,691</u>		
Unencumbered Cash - Ending	\$ <u>14,691</u>	<u>13,074</u>		

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

RAWLINS COUNTY UNIFIED SCHOOL DISTRICT NO. 105 ATWOOD, KANSAS

Food Service Fund

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)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Intergovernmental Revenues				
State Aid	\$ 1,680	1,517	1,379	138
Federal Aid	85,913	74,714	82,717	(8,003)
Charges for Services	65,146	66,928	53,025	13,903
Interest	1,488	1,195	1,500	(305)
Miscellaneous	345	337	200	137
Transfers In	79,000	76,545	65,000	11,545
Total Cash Receipts	233,572	221,236	203,821	17,415
Expenditures				
Food Service Operation	226,681	220,779	240,000	(19,221)
Cash Receipts Over (Under) Expenditures	6,891	457		
Unencumbered Cash - Beginning	64,115	71,006		
Unencumbered Cash - Ending	\$ 71,006	71,463		

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

RAWLINS COUNTY UNIFIED SCHOOL DISTRICT NO. 105 ATWOOD, KANSAS
Professional Development Fund
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)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Interest on Idle Funds	\$ -	-	500	(500)
Other Revenue From Local Sources	-	-	500	(500)
Total Cash Receipts	-	-	<u>1,000</u>	<u>(1,000)</u>
Expenditures				
Instructional Support Services	11,224	<u>11,542</u>	<u>18,000</u>	<u>(6,458)</u>
Cash Receipts Over (Under) Expenditures	(11,224)	(11,542)		
Unencumbered Cash - Beginning	34,994	<u>23,770</u>		
Unencumbered Cash - Ending	\$ <u>23,770</u>	<u>12,228</u>		

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

RAWLINS COUNTY UNIFIED SCHOOL DISTRICT NO. 105 ATWOOD, KANSAS
Special Education Fund
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)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Intergovernmental Revenue				
Federal Aid	\$ 16,929	13,684	-	13,684
Local Sources	3,975	8,146	3,500	4,646
Transfers In	308,924	343,962	284,200	59,762
Total Cash Receipts	<u>329,828</u>	<u>365,792</u>	<u>287,700</u>	<u>78,092</u>
Expenditures				
Instruction	406,284	327,881	446,900	(119,019)
Student Transportation Services	3,310	2,123	3,100	(977)
Total Expenditures	<u>409,594</u>	<u>330,004</u>	<u>450,000</u>	<u>(119,996)</u>
Cash Receipts Over (Under) Expenditures	(79,766)	35,788		
Unencumbered Cash - Beginning	275,066	195,367		
Prior Year Cancelled Encumbrances	67	-		
Unencumbered Cash - Ending	<u>\$ 195,367</u>	<u>231,155</u>		

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

RAWLINS COUNTY UNIFIED SCHOOL DISTRICT NO. 105 ATWOOD, KANSAS
Vocational Education Fund
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)

	Prior Year Actual	Current Year		Variance Over Over (Under)
		Actual	Budget	
Cash Receipts				
Interest	\$ -	-	500	(500)
Transfers In	108,629	119,803	104,500	15,303
Total Cash Receipts	108,629	119,803	<u>105,000</u>	<u>14,803</u>
Expenditures				
Instruction	113,901	107,572	<u>135,000</u>	<u>(27,428)</u>
Cash Receipts Over (Under) Expenditures	(5,272)	12,231		
Unencumbered Cash - Beginning	113,618	108,448		
Prior Year Cancelled Encumbrances	102	-		
Unencumbered Cash - Ending	\$ <u>108,448</u>	<u>120,679</u>		

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

RAWLINS COUNTY UNIFIED SCHOOL DISTRICT NO. 105 ATWOOD, KANSAS
KPERS Special Retirement Contribution Fund
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)

	Prior Year Actual	Current Year		Variance Over Under (Under)
		Actual	Budget	
Cash Receipts				
Intergovernmental Revenue				
State Aid	\$ 165,337	<u>131,652</u>	<u>183,524</u>	<u>(51,872)</u>
Expenditures				
Instruction	107,469	85,572	120,000	(34,428)
Student Support	4,960	3,950	6,000	(2,050)
Instructional Support	6,613	5,266	7,500	(2,234)
General Administration	8,267	6,583	9,000	(2,417)
School Administration	13,227	10,532	14,500	(3,968)
Operations and Maintenance	11,574	9,216	12,500	(3,284)
Student Support	8,267	6,583	9,024	(2,441)
Food Service	4,960	3,950	5,000	(1,050)
Total Expenditures	<u>165,337</u>	<u>131,652</u>	<u>183,524</u>	<u>(51,872)</u>
Cash 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.

RAWLINS COUNTY UNIFIED SCHOOL DISTRICT NO. 105 ATWOOD, KANSAS
At Risk (K-12) Fund
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)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Transfers In	\$ 234,109	298,236	<u>230,000</u>	<u>68,236</u>
Expenditures				
Instruction	250,848	245,415	<u>280,000</u>	<u>(34,585)</u>
Cash Receipts Over (Under) Expenditures	(16,739)	52,821		
Unencumbered Cash - Beginning	207,210	190,471		
Unencumbered Cash - Ending	\$ <u>190,471</u>	<u>243,292</u>		

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

RAWLINS COUNTY UNIFIED SCHOOL DISTRICT NO. 105 ATWOOD, KANSAS
Contingency Reserve Fund
Statement of Cash Receipts and Expenditures
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		
Transfers In	\$ 50,000	-
Expenditures		
Transfers Out	50,000	-
Cash Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	200,197	200,197
Unencumbered Cash, Ending	\$ 200,197	200,197

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

RAWLINS COUNTY UNIFIED SCHOOL DISTRICT NO. 105 ATWOOD, KANSAS
Textbook Rental Fund
Statement of Cash Receipts and Expenditures
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		
Book Rental Fees	\$ 6,123	8,714
Expenditures		
Instruction	13,750	23,206
Receipts Over (Under) Expenditures	(7,627)	(14,492)
Unencumbered Cash - Beginning	86,226	81,271
Prior Year Cancelled Encumbrances	2,672	500
Unencumbered Cash - Ending	\$ 81,271	67,279

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

RAWLINS COUNTY UNIFIED SCHOOL DISTRICT NO. 105 ATWOOD, KANSAS

Recreation Commission Fund

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)

	Prior Year Actual	Current Year		Variance Over Under
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues				
Ad Valorem Tax	\$ 36,156	36,663	36,710	(47)
Delinquent Tax	550	-	548	(548)
Motor Vehicle Tax	5,279	5,073	4,297	776
Recreational Vehicle Tax	78	75	55	20
Other Revenue	-	-	15,821	(15,821)
Total Cash Receipts	42,063	41,811	57,431	(15,620)
Expenditures				
Community Service Operation	43,131	41,811	129,260	(87,449)
Cash Receipts Over (Under) Expenditures	(1,068)	-		
Unencumbered Cash - Beginning	1,068	-		
Unencumbered Cash - Ending	\$ -	-		

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

RAWLINS COUNTY UNIFIED SCHOOL DISTRICT NO. 105 ATWOOD, KANSAS
Title I Low Income Fund
Statement of Cash Receipts and Expenditures
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		
Intergovernmental Revenue		
Federal Aid	\$ 62,500	96,668
Expenditures		
Instruction	69,247	107,494
Cash Receipts Over (Under) Expenditures	(6,747)	(10,826)
Unencumbered Cash - Beginning	-	(5,860)
Prior Year Cancelled Encumbrances	887	-
Unencumbered Cash - Ending	\$ (5,860)	(16,686)

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

RAWLINS COUNTY UNIFIED SCHOOL DISTRICT NO. 105 ATWOOD, KANSAS
Title II D Education Technology Fund
Statement of Cash Receipts and Expenditures
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		
Intergovernmental Revenue		
Federal Aid	\$ 594	1,694
Expenditures		
Instruction	3,654	1,694
Cash Receipts Over (Under) Expenditures	(3,060)	-
Unencumbered Cash - Beginning	3,060	-
Unencumbered Cash - Ending	\$ -	-

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

RAWLINS COUNTY UNIFIED SCHOOL DISTRICT NO. 105 ATWOOD, KANSAS
Title IV Drug Free Schools Fund
Statement of Cash Receipts and Expenditures
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		
Other Income	\$ -	-
Expenditures		
Instruction	-	-
Cash Receipts Over (Under) Expenditures	-	-
Unencumbered Cash - Beginning	<u>1,270</u>	<u>1,270</u>
Unencumbered Cash - Ending	<u>\$ 1,270</u>	<u>1,270</u>

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

RAWLINS COUNTY UNIFIED SCHOOL DISTRICT NO. 105 ATWOOD, KANSAS
Title II Improving Teacher Quality Fund
Statement of Cash Receipts and Expenditures
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		
Intergovernmental Revenue		
Federal Aid	\$ 20,500	10,089
Expenditures		
Instruction	15,841	17,260
Cash Receipts Over (Under) Expenditures	4,659	(7,171)
Unencumbered Cash - Beginning	(542)	4,117
Prior Year Cancelled Encumbrances	-	180
Unencumbered Cash - Ending	\$ 4,117	(2,874)

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

RAWLINS COUNTY UNIFIED SCHOOL DISTRICT NO. 105 ATWOOD, KANSAS
Grants Fund
Statement of Cash Receipts and Expenditures
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		
Other Revenue/Grant	\$ 10,448	9,132
Expenditures		
Instruction	10,398	9,133
Cash Receipts Over (Under) Expenditures	50	(1)
Unencumbered Cash - Beginning	166	216
Unencumbered Cash - Ending	\$ 216	215

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

RAWLINS COUNTY UNIFIED SCHOOL DISTRICT NO. 105 ATWOOD, KANSAS
REAP Grant Fund
Statement of Cash Receipts and Expenditures
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		
Intergovernmental Revenue		
Federal Aid	\$ -	14,452
Expenditures		
Instruction	-	14,452
Cash Receipts Over (Under) Expenditures	-	-
Unencumbered Cash - Beginning	-	-
Unencumbered Cash - Ending	\$ -	-

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

RAWLINS COUNTY UNIFIED SCHOOL DISTRICT NO. 105 ATWOOD, KANSAS
Joan Hale Scholarship Fund
Statement of Cash Receipts and Expenditures
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		
Interest Income	\$ 24	10
Expenditures		
Scholarships	200	200
Cash Receipts Over (Under) Expenditures	(176)	(190)
Unencumbered Cash - Beginning	660	484
Unencumbered Cash - Ending	\$ 484	294

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

RAWLINS COUNTY UNIFIED SCHOOL DISTRICT NO. 105 ATWOOD, KANSAS
Melvin Bray Scholarship Fund
Statement of Cash Receipts and Expenditures
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		
Interest Income	\$ 13	10
Expenditures		
Scholarships	300	-
Cash Receipts Over (Under) Expenditures	(287)	10
Unencumbered Cash - Beginning	681	394
Unencumbered Cash - Ending	\$ 394	404

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

RAWLINS COUNTY UNIFIED SCHOOL DISTRICT NO. 105 ATWOOD, KANSAS
Crist Family Scholarship Fund
Statement of Cash Receipts and Expenditures
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		
Interest Income	\$ 82	58
Scholarship Memorial	1,000	1,000
Total Cash Receipts	1,082	1,058
Expenditures		
Scholarships	1,000	1,000
Cash Receipts Over (Under) Expenditures	82	58
Unencumbered Cash - Beginning	2,941	3,023
Unencumbered Cash - Ending	\$ 3,023	3,081

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

RAWLINS COUNTY UNIFIED SCHOOL DISTRICT NO. 105 ATWOOD, KANSAS
Friends of USD No. 105 Fund
Statement of Cash Receipts and Expenditures
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		
Interest Income	\$ 42	221
Donations	110	14,000
Total Cash Receipts	152	14,221
Expenditures		
Equipment	-	5,514
Cash Receipts Over (Under) Expenditures	152	8,707
Unencumbered Cash - Beginning	1,129	1,281
Unencumbered Cash - Ending	\$ 1,281	9,988

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

RAWLINS COUNTY UNIFIED SCHOOL DISTRICT NO. 105 ATWOOD, KANSAS
Ona Mae Ratcliff Scholarship Fund
Statement of Cash Receipts and Expenditures
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		
Interest Income	\$ 24	16
Expenditures		
Scholarships	100	-
Cash Receipts Over (Under) Expenditures	(76)	16
Unencumbered Cash - Beginning	748	672
Unencumbered Cash - Ending	\$ 672	688

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

RAWLINS COUNTY UNIFIED SCHOOL DISTRICT NO. 105 ATWOOD, KANSAS
Versch Scholarship Fund
Statement of Cash Receipts and Expenditures
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		
Donations	\$ 600	600
Interest Income	1	13
Total Cash Receipts	601	613
Expenditures		
Scholarships	300	500
Cash Receipts Over (Under) Expenditures	301	113
Unencumbered Cash - Beginning	600	901
Unencumbered Cash - Ending	\$ 901	1,014

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

RAWLINS COUNTY UNIFIED SCHOOL DISTRICT NO. 105 ATWOOD, KANSAS
Diane Jones Scholarship Fund
Statement of Cash Receipts and Expenditures
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		
Scholarship Memorial	\$ 1,000	500
Expenditures		
Scholarships	1,000	500
Cash Receipts Over (Under) Expenditures	-	-
Unencumbered Cash - Beginning	-	-
Unencumbered Cash - Ending	\$ -	-

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

RAWLINS COUNTY UNIFIED SCHOOL DISTRICT NO. 105 ATWOOD, KANSAS
Heather M. Draper Scholarship Fund
Statement of Cash Receipts and Expenditures
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		
Donations	\$ 100	-
Expenditures		
Scholarships	-	100
Cash Receipts Over (Under) Expenditures	100	(100)
Unencumbered Cash - Beginning	-	100
Unencumbered Cash - Ending	\$ <u>100</u>	<u>-</u>

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

RAWLINS COUNTY UNIFIED SCHOOL DISTRICT NO. 105 ATWOOD, KANSAS

Agency Funds

Summary of Cash Receipts and Cash Disbursements

For the Year Ended June 30, 2011

Funds	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
High School				
"A" Club	\$ 1,388	6,168	5,658	1,898
Band/Flag Line	7	-	-	7
Graduated Classes	216	-	216	-
Senior Class	-	1,932	1,932	-
Junior Class	1,765	12,383	13,381	767
Sophomore Class	1	108	104	5
Freshman Class	-	108	20	88
Consort	2,231	9,448	9,878	1,801
Creative Arts	706	1,394	1,294	806
Cheerleaders	1,030	2,226	2,815	441
Faculty	8,846	5,406	5,604	8,648
FFA	6,817	34,402	30,465	10,754
Scholars Bowl	1,179	2,029	1,861	1,347
Foreign Language Club	119	878	917	80
Speech	126	3,719	2,456	1,389
SADD	161	140	239	62
Student Council	198	5,465	2,900	2,763
Total High School	<u>24,790</u>	<u>85,806</u>	<u>79,740</u>	<u>30,856</u>
Grade School				
Faculty	2,367	1,529	2,132	1,764
Student Council	1,739	2,386	1,702	2,423
Total Grade School	<u>4,106</u>	<u>3,915</u>	<u>3,834</u>	<u>4,187</u>
Total Student Organizations	28,896	89,721	83,574	35,043
Non-Student Organization				
Plan 125	8,665	53,264	59,119	2,810
Total Agency Funds	<u>\$ 37,561</u>	<u>142,985</u>	<u>142,693</u>	<u>37,853</u>

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

RAWLINS COUNTY UNIFIED SCHOOL DISTRICT NO. 105 ATWOOD, KANSAS
 District Activity Funds
 Summary of Cash Receipts, Expenditures and Unencumbered Cash
 For the Year Ended June 30, 2011

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Gate Receipts							
High School Athletics	\$ 3,532	-	31,673	27,318	7,887	-	7,887
Grade School and Jr. High School							
Concessions	2,373	-	40	517	1,896	-	1,896
Jr. High Athletics	2,332	-	6,739	5,617	3,454	-	3,454
Total Gate Receipts	8,237	-	38,452	33,452	13,237	-	13,237
School Projects							
High School Library Annual	467	-	27	30	464	-	464
Total High School	498	-	2,640	2,140	998	-	998
Total High School	965	-	2,667	2,170	1,462	-	1,462
Grade School and Jr. High School Library/Book Fairs							
DI - Destination Imagination	1,163	-	4,738	4,396	1,505	-	1,505
Total Grade School	5,929	-	-	1,032	4,897	-	4,897
Total Grade School	7,092	-	4,738	5,428	6,402	-	6,402
Total School Projects	8,057	-	7,405	7,598	7,864	-	7,864
Total District Activity Funds	\$ 16,294	-	45,857	41,050	21,101	-	21,101

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

RAWLINS COUNTY UNIFIED SCHOOL DISTRICT NO. 105 ATWOOD, KANSAS

Notes to Financial Statements

June 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Rawlins County Unified School District No. 105 Atwood, Kansas has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. The accompanying financial statements are presented to conform to the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The following is a summary of such significant policies.

Reporting Entity

The District is a municipal corporation governed by an elected seven-member board. The financial statements of the District consist of all the funds of the District that are considered to be controlled by or dependent on the District. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing board. The District has no component units.

Use of Estimates

The preparation of financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas requires management to make estimates and assumptions that affect the reported amount of unencumbered cash balances and accounts payable during the reporting period. Actual results could differ from these estimates.

Basis of Presentation – Fund Accounting

The accounts of the District are organized and operated on the basis of funds. In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The following categories of funds comprise the financial activities of the District for the year ended June 30, 2011.

Governmental Fund Categories

General Fund – to account for all financial resources except those required to be reported in another fund.

Special Revenue Funds – to account for the proceeds of specific revenue sources that are legally restricted to expenditure for a specified purpose.

District Activity Funds – a special revenue fund that accounts for the receipts and disbursements of monies from District activities. These organizations exist with the explicit approval of and are subject to revocation by the District's Board of Education. The students participate in the activities, but the board of education has control of the expenditures. This accounting reflects the District's agency relationship with the student activity organizations.

Fiduciary Fund Categories

Private Purpose Trust Funds – to account for assets held by the District as trustee or agent for others. The principal and income of these funds may be expended in the course of the fund's designated operations.

RAWLINS COUNTY UNIFIED SCHOOL DISTRICT NO. 105 ATWOOD, KANSAS

Notes to Financial Statements

June 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Agency Funds – to account for assets held by the District as trustee or agent for others.

Student Activity Funds – an agency fund that accounts for the receipts and disbursements of monies from student activity organizations in which the students participate and are involved in the management of the organization's activities. These organizations exist with the explicit approval of and are subject to revocation by the District's Board of Education. The student organization approved the expenditure not the Board of Education. This accounting reflects the District's agency relationship with the student activity organizations.

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, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure 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. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the District 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 expenses, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. Capital assets that account for the land, buildings, and equipment owned by the District are not presented in the financial statements. Also, long-term debt such as general obligation bonds, revenue bonds, capital leases, temporary notes, and compensated absences are not presented in the financial statements.

Budgetary Information

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

- a. Preparation of the budget for the succeeding calendar year on or before August 1st.
- b. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.

RAWLINS COUNTY UNIFIED SCHOOL DISTRICT NO. 105 ATWOOD, KANSAS

Notes to Financial Statements

June 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- c. Public hearing on or before August 15th, but at least 10 days after publication of notice of hearing.
- d. 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 10 days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

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

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

A legal operating budget is not required for capital project funds, fiduciary funds, permanent funds, and the following special revenue funds: Contingency Reserve Fund, Textbook Rental Fund, Title I Low Income Fund, Title II D Education Technology Fund, Title IV Drug Free Schools Fund, Title II Improving Teacher Quality Fund, Grants Fund, and REAP Grant Fund.

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.

Deposits and Investments

The District follows the practice of pooling cash and investments of all funds. Each fund's portion of total cash and investments is summarized by fund category in the summary of cash receipts, expenditures, and unencumbered cash.

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

K.S.A. 12-1675 limits the District's investments 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.

RAWLINS COUNTY UNIFIED SCHOOL DISTRICT NO. 105 ATWOOD, KANSAS

Notes to Financial Statements

June 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 K.S.A. 9-1405.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District does not use "peak periods". All deposits were legally secured at June 30, 2011.

At June 30, 2011, the District's carrying amount of deposits was \$1,296,755 and the bank balance was \$1,647,856. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$250,300 was covered by federal depository insurance and \$1,397,556 was collateralized with securities held by pledging financial institutions' agents in the District's name.

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured. The District had no investments at June 30, 2011.

Compensated Absences

The District's policy with regard to vacation leave does not provide for accumulation or carryover of benefits from one year to the next. The District's policy with regards to sick leave allows for the vesting of \$36 for each unused day of sick leave up to 90 days for certified employees leaving service who have 10 years or more of continuous service with the District. The District's policy with regards to sick leave allows for vesting of \$20 for each unused day of sick leave (up to 90 days) for classified employees leaving service who have 10 years or more of continuous service with the District.

A potential liability for accumulated sick leave is shown on the schedule of long-term debt.

Termination Benefits

The District provides an early retirement program for certain eligible employees. An employee is eligible for early retirement based on the following guidelines.

Age 60 – 64:

- a. Has 20 years of teaching credit in Kansas Public Schools or 20 years of service credit recognized by the Kansas Public Employees Retirement System (KPERS).
- b. Is currently a full-time professional employee of the school district for 10 or more years of employment service with the District, with credit for years of experience in USD 318 and USD 317.
- c. Is not more than 65 years of age on July 1 of the year that early retirement benefits would begin.

RAWLINS COUNTY UNIFIED SCHOOL DISTRICT NO. 105 ATWOOD, KANSAS

Notes to Financial Statements

June 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Age 55 – 59:

- a. Is currently a full-time professional employee of the school district for 25 or more years of employment services with USD 105, USD 318 and USD 317 and is at least 55 years of age but less than 60 years of age on July 1 of the year early retirement benefits begin.

Eligibility, as summarized above, will be determined by the Board of Education. An employee applying for early retirement shall have the responsibility to provide all facts and information necessary to prove eligibility for early retirement and to determine benefits to be paid.

Those eligible under this program may receive benefits for up to 5 years. Payments to retired employees under this plan were \$31,050 for the year ended June 30, 2011.

Deferred Compensation Plan

The District sponsors a deferred compensation plan under Internal Revenue Code Section 403(b). Permanent and part-time employees are eligible to participate under the plan. The employee is responsible for the amount of deferred compensation to be contributed. The District is not required to make any contributions.

Defined Benefit Pension Plan

Plan Description

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

Funding Policy

K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4% and 6% (if hired on or after July 1, 2009) 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. The State currently contributes 9.17% of covered payroll and 20.48% for licensed KPERS retirees. These contribution requirements are established by KPERS and are periodically revised. The State of 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 as set forth by the legislature. The amounts attributable to the District for the years ending June 30, 2011, 2010, and 2009 were \$131,652, \$165,337 and \$160,851, respectively.

Other Post Employment 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 District 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 District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the District under this program.

RAWLINS COUNTY UNIFIED SCHOOL DISTRICT NO. 105 ATWOOD, KANSAS

Notes to Financial Statements

June 30, 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property Tax Calendar

Collection of current year property tax by the County Treasurer is not completed, apportioned nor distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes. Property taxes are collected and remitted to the County Treasurer. Taxes levied annually on November 1st are due one-half by December 20th and one-half by May 10th. Major tax distributions are made in the months of December through July. Lien dates for personal property are in March and August and lien dates for real property are in September. Taxes are recognized as revenue in the year received. Delinquent tax payments are recognized as revenue in the year received.

Restricted Assets

Restricted cash balances are reported in various funds that are legally restricted for specified uses such as the payment of debt service and fiscal fees on long-term debt and for expenditures approved in federal and state grant contracts. Also, cash is restricted in the trust and agency funds of the District for special purposes.

Reimbursements

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

NOTE 2 – INTERFUND TRANSFERS

Interfund transfers within the reporting entity are substantially for the purpose of subsidizing operating functions, funding capital projects and asset acquisitions or maintaining debt service on a routine basis as authorized by Kansas statutes. **Rawlins County Unified School District No. 105 Atwood, Kansas'** interfund transfers and statutory authority for the year ended June 30, 2011 were as follows:

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
General Fund	At Risk (K-12) Fund	K.S.A. 72-6248	\$ 180,733
General Fund	Vocational Education Fund	K.S.A. 72-6248	29,500
General Fund	Special Education Fund	K.S.A. 72-6248	224,695
Supplemental General Fund	Special Education Fund	K.S.A. 72-6433	119,267
Supplemental General Fund	At Risk K-12) Fund	K.S.A. 72-6433	117,503
Supplemental General Fund	Vocational Education Fund	K.S.A. 72-6433	90,303
Supplemental General Fund	Food Service Fund	K.S.A. 72-6433	76,545

NOTE 3 – LITIGATION

Rawlins County Unified School District No. 105 Atwood, Kansas is party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material adverse impact on the affected funds of the District.

NOTE 4 – RISK MANAGEMENT

Rawlins County Unified School District No. 105 Atwood, Kansas carries commercial insurance for risks of loss, including property, general liability, crime, automobile, umbrella, worker's compensation and employee dishonesty. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

RAWLINS COUNTY UNIFIED SCHOOL DISTRICT NO. 105 ATWOOD, KANSAS

Notes to Financial Statements

June 30, 2011

NOTE 5 – GRANTS AND SHARED REVENUES

Rawlins County Unified School District No. 105 Atwood, Kansas participates in numerous state and federal grant programs, which are governed by various rules and regulations for the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the District, any liability for reimbursement, which may arise as the result of the audit, is not believed to be material.

NOTE 6 – COMPARATIVE DATA

Comparative data for the prior year has been presented in Statement 3 in the accompanying financial statements in order to provide an understanding of changes in **Rawlins County Unified School District No. 105 Atwood, Kansas'** cash and unencumbered cash balances. However, complete comparative data (presentation of prior year totals in Statement 1) has not been presented since their inclusion would make the statement unduly complex and difficult to read.

NOTE 7 – OPERATING LEASES

Rental Stall – **Rawlins County Unified School District No. 105 Atwood, Kansas**, has an automatic renewal lease agreement dated June 1, 1995, for use of a rental stall. The District agreed to pay the sum of \$495, payable in advance, on the first day of each annual period. The District also paid a security deposit of \$90 to be held by the landlord and disbursed for District damages to the property, if any. The term of the renewal lease is for one year beginning June 1, 2010, and ending May 31, 2011.

Storage Rental – The District entered into an automatically renewable lease agreement dated April 7, 2004, for the use of a storage unit. The District agreed to pay \$50 per month on the first day of each month, with the first month of the contract being prorated to the first day of the following month. The District also paid a lock deposit of \$20, which will be refunded upon the return of the lock when the lease agreement is cancelled. The total lease expense for the year ended June 30, 2011 was \$600.

Philpott Tower – The District entered into a lease agreement with Philpott & Company, Inc., on September 20, 2007, for use of a radio tower to transmit and receive signals from its several busses. The District agreed to pay the sum of \$720 per year plus the sum of \$200 for additional utility charges, beginning September 1, 2010; the total lease expense being \$920 for the year ended June 30, 2011. This one year lease expires August 31, 2011, with the last lease payment being due and payable by September 21, 2010.

NOTE 8 – LONG-TERM DEBT

Rawlins County Unified School District No. 105 Atwood, Kansas has the following types of long-term debt.

Temporary Notes

On June 17, 2009, the District issued \$300,000 in Temporary Notes – Series 2009 for the purpose of financing the costs of constructing the Rawlins County High School music classroom addition.

Lease Obligations

The District entered into a capital lease agreement with Eakes, Inc., on July 1, 2010, for the use of copiers with the option to purchase for \$1 at the end of the lease term. The lease term is 60 months and the payment is \$1,497 each month. This lease contains a fiscal funding clause.

A capital lease obligation in the amount of \$291,450 entered into on July 1, 2007, consists of the obligation for the purchase of energy saving equipment. This lease contains a fiscal funding clause.

RAWLINS COUNTY UNIFIED SCHOOL DISTRICT NO. 105 ATWOOD, KANSAS
Atwood, Kansas
 Notes to Financial Statements
 June 30, 2011

NOTE 8 - LONG-TERM DEBT (continued)

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

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
Temporary Note, Series 2009	3.90%	6/17/2009	\$ 300,000	6/17/2013	\$ 225,000	-	75,000		150,000	8,775
Capital Leases Payable										
Energy Performance Capital Lease	-	7/1/2007	291,450	7/1/2017	233,160	-	29,145		204,015	-
Copier Lease	-	7/1/2010	89,820	6/1/2016	-	89,820	17,964		71,856	-
Total Contractual Indebtedness					458,160	89,820	122,109		425,871	8,775
Compensated Absences	N/A	N/A	N/A	N/A	46,611	-	-	28	46,639	-
Total Long-Term Debt					\$ 504,771	89,820	122,109	28	472,510	8,775

Current maturities of long-term debt and interest for the next seven years through maturity are as follows:

	YEAR							Total
	2012	2013	2014	2015	2016	2017	2018	
Principal								
Temporary Note, Series 2009	\$ 75,000	75,000	-	-	-	-	-	150,000
Energy Performance Capital Lease	29,145	29,145	29,145	29,145	29,145	29,145	29,145	204,015
Copier Lease	17,964	17,964	17,964	17,964	-	-	-	71,856
Total Principal	122,109	122,109	47,109	47,109	29,145	29,145	29,145	425,871
Interest								
Temporary Note, Series 2009	5,850	2,925	-	-	-	-	-	8,775
Total Principal and Interest	\$ 127,959	125,034	47,109	47,109	29,145	29,145	29,145	434,646

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

RAWLINS COUNTY UNIFIED SCHOOL DISTRICT NO. 105 ATWOOD, KANSAS

Notes to Financial Statements

June 30, 2011

NOTE 9 - 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 these statutes.

RAWLINS COUNTY UNIFIED SCHOOL DISTRICT NO. 105 ATWOOD, KANSAS

General Fund

Statutory Revenues and Expenditures - Statutory and Budget

For the Year Ended June 30, 2011

	<u>Statutory Transactions</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Statutory Revenues			
Taxes and Shared Revenues			
Ad Valorem Tax	\$ 377,931	397,216	(19,285)
Delinquent Tax	5,307	5,954	(647)
Intergovernmental Revenues			
Mineral Severance Tax	3,167	-	3,167
Federal Aid - ARRA	45,399	45,399	-
Federal Aid - Education Jobs	79,493	-	79,493
Equalization Aid	1,645,307	1,708,397	(63,090)
Special Education Aid	178,462	178,462	-
Reimbursed Expenses	<u>732</u>	<u>-</u>	<u>732</u>
Total Statutory Revenues	<u>2,335,798</u>	<u>2,335,428</u>	<u>370</u>
Expenditures			
Instruction	1,066,627	1,111,997	(45,370)
Student Support Services	32,271	37,857	(5,586)
Instructional Support Services	60,938	57,305	3,633
General Administration	83,704	86,766	(3,062)
School Administration	209,761	205,883	3,878
Operation and Maintenance	264,640	286,639	(21,999)
Student Transportation Services	155,474	165,446	(9,972)
Other Supplemental Services	27,817	31,446	(3,629)
Transfers Out	434,928	503,700	(68,772)
Adjustment to Comply with Legal Max	-	<u>(151,611)</u>	<u>151,611</u>
Legal General Fund Budget	<u>2,336,160</u>	<u>2,335,428</u>	<u>732</u>
(a) Adjustment for Qualifying Budget Credit	<u>-</u>	<u>732</u>	<u>(732)</u>
Total Expenditures and Legal General Fund Budget	<u>2,336,160</u>	<u>2,336,160</u>	<u>-</u>
Statutory Revenues Over (Under) Expenditures	(362)		
Modified Unencumbered Cash - Beginning	<u>362</u>		
Modified Unencumbered Cash - Ending	\$ <u><u>-</u></u>		
(a) Adjustment for Qualifying Budget Credit			
Reimbursed Expense Over Amount Budgeted		\$ <u><u>732</u></u>	

RAWLINS COUNTY UNIFIED SCHOOL DISTRICT NO. 105 ATWOOD, KANSAS

Notes to Financial Statements

June 30, 2011

NOTE 9 - COMPLIANCE WITH K.S.A. 72-6417(d) AND K.S.A. 72-6434(d) (continued)

RAWLINS COUNTY UNIFIED SCHOOL DISTRICT NO. 105 ATWOOD, KANSAS

Supplemental General Fund

Statutory Revenues and Expenditures - Statutory and Budget

For the Year Ended June 30, 2011

	Statutory Transactions	Budget	Variance Over (Under)
Statutory Revenues			
Taxes and Shared Revenues			
Ad Valorem Tax	\$ 544,732	554,588	(9,856)
Motor Vehicle Tax	61,850	54,894	6,956
Delinquent Tax	7,037	7,459	(422)
Recreational Vehicle Tax	755	703	52
Intergovernmental Revenue			
State Aid	225,021	218,967	6,054
Reimbursed Expenses	<u>244</u>	<u>-</u>	<u>244</u>
Total Statutory Revenues	<u>839,639</u>	<u>836,611</u>	<u>3,028</u>
Expenditures			
Instruction	255,855	426,000	(170,145)
Student Support Services	382	9,000	(8,618)
Instructional Support Services	5,257	4,400	857
General Administration	29,396	37,646	(8,250)
School Administration	1,086	21,800	(20,714)
Operations and Maintenance	95,879	118,000	(22,121)
Transportation	37,315	39,000	(1,685)
Other Supplemental Services	-	1,000	(1,000)
Transfers Out	403,618	180,000	223,618
Adjustment to Comply with Legal Max	-	(8,113)	8,113
Legal General Fund Budget	<u>828,788</u>	<u>828,733</u>	<u>55</u>
(a) Adjustment for Qualifying Budget Credit	<u>-</u>	<u>55</u>	<u>(55)</u>
Total Expenditures and Legal Supplemental General Fund Budget	<u>828,788</u>	<u>828,788</u>	<u>-</u>
Statutory Revenues Over (Under) Expenditures	10,851		
Modified Unencumbered Cash - Beginning	3,627		
Prior Year Cancelled Encumbrances	<u>618</u>		
Modified Unencumbered Cash - Ending	<u>\$ 15,096</u>		
(a) Adjustment for Qualifying Budget Credit			
Reimbursed Expense Over Amount Budgeted		<u>\$ 55</u>	