

**Rock Creek
Unified School District No. 323**

Financial Statements
June 30, 2011

**Rock Creek
Unified School District No. 323**

**Financial Statements
June 30, 2011**

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**Rock Creek
Unified School District No. 323**

**Financial Statements
June 30, 2011**

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INDEPENDENT AUDITOR'S REPORT

October 21, 2011

Board of Education
Unified School District No. 323
Westmoreland, Kansas

We have audited the accompanying primary government financial statements of Rock Creek Unified School District No. 323, 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 Rock Creek Unified School District No. 323's management. Our responsibility is to express an opinion 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 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 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.

A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. Such legally separate entities are referred to as component units. The primary government financial statements referred to above do not include the financial data of component units of Rock Creek Unified School District No. 323, as of June 30, 2011.

As described in Note 1, Rock Creek Unified School District No. 323 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. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the

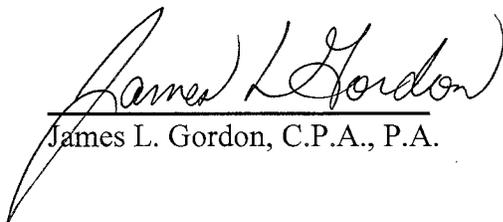
United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, the primary government financial statements referred to above present fairly, in all material respects, the cash and unencumbered cash balances of Rock Creek Unified School District No. 323 as of June 30, 2011, and the revenue it received and expenditures it paid out for the year then ended on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated October 21, 2011, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of receipts and expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and Chapter 10.550, Rules of the Auditor General, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

This report is intended for the information and use of the Board of Education and management of Rock Creek Unified School District No. 323, the cognizant audit agency and other federal audit agencies, and for filing with the Kansas Department of Administration, Division of Accounts and Reports and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.


James L. Gordon, C.P.A., P.A.

**Rock Creek
Unified School District No. 323
Summary of Cash Receipts, Cash Disbursements, and Unencumbered Cash
For the Year Ended June 30, 2010**

**Statement 1
1 of 2**

Fund	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
General Funds							
General Fund	\$ 71.10	\$ -	\$ 6,368,814.53	\$ 6,368,876.00	\$ 9.63	\$ 490,750.37	\$ 490,760.00
Supplemental General	50,620.58	-	1,592,666.68	1,585,500.00	57,787.26	273,453.22	331,240.48
Special Revenue Funds:							
Bilingual Education	247.41	-	-	-	247.41	-	247.41
Capital Outlay	1,127,064.49	-	292,834.66	122.07	1,419,777.08	-	1,419,777.08
Driver Training	14,591.03	-	-	-	14,591.03	-	14,591.03
Food Service	35,375.13	-	440,822.99	402,384.07	73,814.05	41.84	73,855.89
Professional Development	16,798.84	-	10,880.00	10,884.27	16,794.57	348.99	17,143.56
Parents as Teachers	37,985.12	-	46,250.00	45,194.86	39,040.26	-	39,040.26
Summer School	9,457.40	-	-	-	9,457.40	-	9,457.40
Special Education	373,182.24	-	1,109,052.12	1,108,665.67	373,568.69	1,292.96	374,861.65
Vocational Education	4,972.35	-	154,651.70	154,675.92	4,948.13	6,288.64	11,236.77
Title I 10	-	-	15,000.00	15,000.00	-	724.64	724.64
Title I 11	-	-	86,252.00	86,252.00	-	15,270.70	15,270.70
Title I ARRA 09	-	-	24,890.00	24,890.00	-	4,472.20	4,472.20
Title II A FY10	-	-	16,348.00	16,348.00	-	-	-
Title II A FY11	-	-	9,433.00	9,433.00	-	-	-
Title II D	-	-	337.00	337.00	-	-	-
Drug Free Federal	-	-	2,808.00	2,808.00	-	-	-
Gifts and Grants	985.94	-	-	171.01	814.93	-	814.93
KPERS Special Retirement Contribution	-	-	262,305.80	262,305.80	-	-	-
At Risk	9,509.12	-	182,680.00	182,705.26	9,483.86	31,548.95	41,032.81
Student Material Revolving/Textbook Rent	39,111.11	-	28,575.80	18,923.07	48,763.84	-	48,763.84
Contingency Reserve	598,108.25	-	-	-	598,108.25	-	598,108.25
Owls Grant	577.70	-	-	-	577.70	-	577.70
District Activity	2,777.12	-	38,137.60	37,475.02	3,439.70	-	3,439.70
Debt Service Fund:							
Bond & Interest	894,813.57	-	767,873.20	719,087.52	943,599.25	-	943,599.25
Total Reporting Entity (Excluding Agency Funds)	\$ 3,216,248.50	\$ -	\$ 11,450,613.08	\$ 11,052,038.54	\$ 3,614,823.04	\$ 824,192.51	\$ 4,439,015.55

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

Rock Creek
Unified School District No. 323
Summary of Cash Receipts, Cash Disbursements, and Unencumbered Cash
For the Year Ended June 30, 2010

Statement 1
2 of 2

Composition of Cash:

Checking Account	\$ 144,885.16
Checking Account- Petty Cash	1,000.00
Money Market Account	4,286,190.69
Checking Account - Rock Creek Jr/Sr High School	50,640.05
Checking Account - St. George Grade School	9,125.12
Checking Account - Westmoreland Grade School	<u>2,964.78</u>
Total Cash	4,494,805.80
Less Agency Funds per Statement 4	<u>(55,790.25)</u>
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 4,439,015.55</u>

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

**Rock Creek
Unified School District No. 323
Summary of Expenditures - Actual and Budget
For the Year Ended June 30, 2010**

	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)
General Funds						
General	\$ 6,368,885.00	\$ -	\$ -	\$ 6,368,885.00	\$ 6,368,876.00	\$ (9.00)
Supplemental General	1,585,500.00	-	-	1,585,500.00	1,585,500.00	-
Special Revenue Funds:						
Bilingual Education	10,765.00	-	-	10,765.00	-	(10,765.00)
Capital Outlay	1,265,000.00	-	-	1,265,000.00	122.07	(1,264,877.93)
Driver Training	14,787.00	-	-	14,787.00	-	(14,787.00)
Food Service	500,500.00	-	-	500,500.00	402,384.07	(98,115.93)
Professional Development	40,000.00	-	-	40,000.00	10,884.27	(29,115.73)
Parents as Teachers	48,558.00	-	-	48,558.00	45,194.86	(3,363.14)
Summer School	6,156.00	-	-	6,156.00	-	(6,156.00)
Special Education	1,177,708.00	-	-	1,177,708.00	1,108,665.67	(69,042.33)
Vocational Education	200,000.00	-	-	200,000.00	154,675.92	(45,324.08)
Federal Funds		Not subject to BudgetLegal Max				
Title I 10					15,000.00	
Title I 11					86,252.00	
Title I ARRA 09					24,890.00	
Title II A FY10					16,348.00	
Title II A FY11					9,433.00	
Title II D					337.00	
Drug Free Federal					2,808.00	
Total Federal Funds	149,524.00			149,524.00	155,068.00	5,544.00
Gifts and Grants	-	Not subject to BudgetLegal Max		-	171.01	171.01
KPERs Special Retirement Contribution	365,985.00	-	-	365,985.00	262,305.80	(103,679.20)
At-Risk	320,000.00	-	-	320,000.00	182,705.26	(137,294.74)
Debt Service Fund:						
Bond & Interest	719,288.00	-	-	719,288.00	719,087.52	(200.48)
Total (Memorandum Only)	\$ 12,772,656.00	\$ -	\$ -	\$ 12,772,656.00	\$ 10,995,640.45	\$ (1,777,015.55)

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

**Rock Creek
Unified School District No. 323
General Fund**

**Statement 3
1 of 26**

**Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2011**

	Actual	Budget	Variance- Over (Under)
Cash Receipts			
Taxes and Shared Revenue:			
Ad valorem property	\$ 673,832.61	\$ 634,669.00	\$ 39,163.61
Delinquent	27,871.92	8,215.00	19,656.92
State aid:			
Equalization aid	4,461,348.00	4,701,703.00	(240,355.00)
Special Education	920,552.00	920,552.00	-
Federal Aid:	285,210.00	103,675.00	181,535.00
Total Cash Receipts	6,368,814.53	\$ 6,368,814.00	\$ 0.53
Expenditures and Transfers Subject to Legal Max Budget			
Instruction	3,093,654.34	\$ 3,154,518.00	\$ (60,863.66)
Student support services	163,619.91	177,412.00	(13,792.09)
Instructional support services	163,392.12	207,504.00	(44,111.88)
General administration	276,674.72	284,520.00	(7,845.28)
School administration	469,686.45	479,093.00	(9,406.55)
Operations and maintenance	954,150.90	776,998.00	177,152.90
Student transportation services	364,015.56	368,288.00	(4,272.44)
Transfers	883,682.00	920,552.00	(36,870.00)
Adjustment to Comply to Legal Max	-	-	-
Total Expenditures Subject to Legal Max Budget	6,368,876.00	\$ 6,368,885.00	\$ (9.00)
Receipts Over (Under) Expenditures	(61.47)		
Unencumbered Cash, Beginning	71.10		
Adjustment to Unencumbered Cash for Prior Year Cancelled	-		
Unencumbered Cash, Ending	\$ 9.63		

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

**Rock Creek
Unified School District No. 323
Supplemental General Fund**

**Statement 3
2 of 26**

**Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2011**

	Actual	Budget	Variance- Over (Under)
Cash Receipts			
Taxes and Shared Revenue:			
Ad valorem property	\$ 683,176.87	\$ 634,088.00	\$ 49,088.87
Delinquent	17,812.02	6,837.00	10,975.02
Motor and recreational vehicle	77,055.79	76,668.00	387.79
Miscellaneous	814,622.00	817,287.00	(2,665.00)
State aid	-	-	-
Federal aid	-	-	-
	<u>1,592,666.68</u>	<u>\$ 1,534,880.00</u>	<u>\$ 57,786.68</u>
Expenditures and Transfers Subject to Legal Max Budget			
Instruction	398,172.41	\$ 336,092.00	\$ 62,080.41
Instructional support services	36,172.51	40,000.00	(3,827.49)
Operations and maintenance	301,208.96	351,725.00	(50,516.04)
Transfers	849,946.12	857,683.00	(7,736.88)
	<u>1,585,500.00</u>	<u>\$ 1,585,500.00</u>	<u>\$ 0.00</u>
Receipts Over (Under) Expenditures	7,166.68		
Unencumbered Cash, Beginning	50,620.58		
Adjustment to Unencumbered Cash for Prior Year Cancelled	-		
Unencumbered Cash, Ending	<u>\$ 57,787.26</u>		

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

**Rock Creek
Unified School District No. 323
Bilingual Education Fund**

**Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2011**

	Actual	Budget	Variance- Over (Under)
Cash Receipts			
Transfers	\$ -	\$ 15,000.00	\$ (15,000.00)
Total Cash Receipts	-	\$ 15,000.00	\$ (15,000.00)
Expenditures and Transfers Subject to Legal Max Budget			
Instruction	-	\$ 10,765.00	\$ (10,765.00)
Total Expenditures Subject to Legal Max Budget	-	\$ 10,765.00	\$ (10,765.00)
Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	247.41		
Adjustment to Unencumbered Cash for Prior Year Cancelled Encumbrances	-		
Unencumbered Cash, Ending	\$ 247.41		

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

**Rock Creek
Unified School District No. 323
Capital Outlay Fund**

**Statement 3
4 of 26**

**Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2011**

	Actual	Budget	Variance- Over (Under)
Cash Receipts			
Interest	\$ 4,497.36	\$ 100,000.00	\$ (95,502.64)
Other	36,747.30	44,000.00	(7,252.70)
Transfers	251,590.00	-	251,590.00
Total Cash Receipts	292,834.66	\$ 144,000.00	\$ 148,834.66
Expenditures and Transfers Subject to Legal Max Budget			
Instruction	-	\$ 155,000.00	\$ (155,000.00)
Operations & Maintenance	-	100,000.00	(100,000.00)
Transportation	-	210,000.00	(210,000.00)
Repair & Remodeling	122.07	800,000.00	(799,877.93)
Total Expenditures Subject to Legal Max Budget	122.07	\$ 1,265,000.00	\$ (1,264,877.93)
Receipts Over (Under) Expenditures	292,712.59		
Unencumbered Cash, Beginning	1,127,064.49		
Adjustment to Unencumbered Cash for Prior Year Cancelled	-		
Unencumbered Cash, Ending	\$ 1,419,777.08		

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

**Rock Creek
Unified School District No. 323
Driver Training Fund**

**Statement 3
5 of 26**

**Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2011**

	Actual	Budget	Variance- Over (Under)
Cash Receipts			
Other	\$ -	\$ 6,000.00	\$ (6,000.00)
Total Cash Receipts	-	\$ 6,000.00	\$ (6,000.00)
Expenditures and Transfers Subject to Legal Max Budget			
Instruction	-	\$ 13,287.00	\$ (13,287.00)
Operations and maintenance	-	1,500.00	(1,500.00)
Total Expenditures Subject to Legal Max Budget	-	\$ 14,787.00	\$ (14,787.00)
Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	14,591.03		
Adjustment to Unencumbered Cash for Prior Year Cancelled Encumbrances	-		
Unencumbered Cash, Ending	\$ 14,591.03		

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

**Rock Creek
Unified School District No. 323
Food Service Fund**

**Statement 3
6 of 26**

**Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2011**

	Actual	Budget	Variance- Over (Under)
Cash Receipts			
State aid	\$ 4,911.27	\$ 4,024.00	\$ 887.27
Federal aid	166,657.12	164,868.00	1,789.12
Breakfast & lunch receipts	261,550.60	311,452.00	(49,901.40)
Transfers	7,704.00	-	7,704.00
Total Cash Receipts	440,822.99	\$ 480,344.00	\$ (39,521.01)
Expenditures and Transfers Subject to Legal Max Budget			
Food service operation	402,384.07	\$ 500,500.00	\$ (98,115.93)
Total Expenditures Subject to Legal Max Budget	402,384.07	\$ 500,500.00	\$ (98,115.93)
Receipts Over (Under) Expenditures	38,438.92		
Unencumbered Cash, Beginning	35,375.13		
Adjustment to Unencumbered Cash for Prior Year Cancelled Encumbrances	-		
Unencumbered Cash, Ending	\$ 73,814.05		

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

**Rock Creek
Unified School District No. 323
Professional Development Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2011**

**Statement 3
7 of 26**

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Cash Receipts			
Other	\$ 130.00	\$ -	\$ 130.00
Transfers	<u>10,750.00</u>	<u>25,000.00</u>	<u>(14,250.00)</u>
Total Cash Receipts	<u>10,880.00</u>	<u>\$ 25,000.00</u>	<u>\$ (14,120.00)</u>
 Expenditures and Transfers Subject to Legal Max Budget			
Instructional Support Staff	-	\$ 3,200.00	\$ (3,200.00)
Professional development	<u>10,884.27</u>	<u>36,800.00</u>	<u>(25,915.73)</u>
Total Expenditures Subject to Legal Max Budget	<u>10,884.27</u>	<u>\$ 40,000.00</u>	<u>\$ (29,115.73)</u>
Receipts Over (Under) Expenditures	(4.27)		
Unencumbered Cash, Beginning	16,798.84		
Adjustment to Unencumbered Cash for Prior Year Cancelled Encumbrances	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 16,794.57</u>		

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

**Rock Creek
Unified School District No. 323
Parents as Teachers Fund**

**Statement 3
8 of 26**

**Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2011**

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Cash Receipts			
State aid	\$ 26,953.00	\$ 27,210.00	\$ (257.00)
Transfers	<u>19,297.00</u>	<u>17,683.00</u>	<u>1,614.00</u>
Total Cash Receipts	<u>46,250.00</u>	<u>\$ 44,893.00</u>	<u>\$ 1,357.00</u>
 Expenditures and Transfers Subject to Legal Max Budget			
Student Support Services	44,633.21	\$ 47,943.00	\$ (3,309.79)
Instructional Support Services	<u>561.65</u>	<u>615.00</u>	<u>(53.35)</u>
Total Expenditures Subject to Legal Max Budget	<u>45,194.86</u>	<u>\$ 48,558.00</u>	<u>\$ (3,363.14)</u>
Receipts Over (Under) Expenditures	1,055.14		
Unencumbered Cash, Beginning	37,985.12		
Adjustment to Unencumbered Cash for Prior Year Cancelled Encumbrances	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 39,040.26</u>		

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

**Rock Creek
Unified School District No. 323
Summer School Fund**

**Statement 3
9 of 26**

**Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2011**

	Actual	Budget	Variance- Over (Under)
Cash Receipts			
Transfers	\$ -	\$ -	\$ -
Total Cash Receipts	-	\$ -	\$ -
Expenditures and Transfers Subject to Legal Max Budget			
Instruction	-	\$ 6,156.00	\$(6,156.00)
Total Expenditures Subject to Legal Max Budget	-	\$ 6,156.00	\$(6,156.00)
Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	9,457.40		
Adjustment to Unencumbered Cash for Prior Year Cancelled Encumbrances	-		
Unencumbered Cash, Ending	\$ 9,457.40		

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

**Rock Creek
Unified School District No. 323
Special Education Fund**

**Statement 3
10 of 26**

**Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2011**

	Actual	Budget	Variance- Over (Under)
Cash Receipts			
Transfers	\$ 1,109,052.12	\$ 1,205,552.00	\$ (96,499.88)
Total Cash Receipts	<u>1,109,052.12</u>	<u>\$ 1,205,552.00</u>	<u>\$ (96,499.88)</u>
Expenditures and Transfers Subject to Legal Max Budget			
Instruction:			
Payment to special education co-op	1,058,371.00	\$ 1,057,637.00	\$ 734.00
Student transportation services	<u>50,294.67</u>	<u>120,071.00</u>	<u>(69,776.33)</u>
Total Expenditures Subject to Legal Max Budget	<u>1,108,665.67</u>	<u>\$ 1,177,708.00</u>	<u>\$ (69,042.33)</u>
Receipts Over (Under) Expenditures	386.45		
Unencumbered Cash, Beginning	373,182.24		
Adjustment to Unencumbered Cash for Prior Year Cancelled	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 373,568.69</u>		

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

**Rock Creek
Unified School District No. 323
Vocational Education Fund**

**Statement 3
11 of 26**

**Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2011**

	Actual	Budget	Variance- Over (Under)
Cash Receipts			
Other	\$ 2,096.70	\$ 2,000.00	\$ 96.70
Transfers	152,555.00	195,000.00	(42,445.00)
Total Cash Receipts	154,651.70	\$ 197,000.00	\$ (42,348.30)
Expenditures and Transfers Subject to Legal Max Budget			
Instruction & supplies	154,675.92	\$ 200,000.00	\$ (45,324.08)
Total Expenditures Subject to Legal Max Budget	154,675.92	\$ 200,000.00	\$ (45,324.08)
Receipts Over (Under) Expenditures	(24.22)		
Unencumbered Cash, Beginning	4,972.35		
Adjustment to Unencumbered Cash for Prior Year Cancelled Encumbrances	-		
Unencumbered Cash, Ending	\$ 4,948.13		

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

**Rock Creek
Unified School District No. 323
Title I 10 Fund**

**Statement 3
12 of 26**

**Statement of Cash Receipts and Expenditures - Actual
For the Year Ended June 30, 2011**

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Cash Receipts			
Other	-		
Federal aid	<u>\$ 15,000.00</u>	<u>\$ 15,000.00</u>	<u>\$ -</u>
Total Cash Receipts	<u>15,000.00</u>	<u>\$ 15,000.00</u>	<u>\$ -</u>
 Expenditures and Transfers			
Instruction	<u>15,000.00</u>	<u>\$ 15,000.00</u>	<u>\$ -</u>
Total Expenditures Not Subject to Legal Max Budget	<u>15,000.00</u>	<u>\$ 15,000.00</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	-		
Adjustment to Unencumbered Cash for Prior Year Cancelled Encumbrances	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>		

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

**Rock Creek
Unified School District No. 323**

**Statement 3
13 of 26**

Title I 11 Fund

**Statement of Cash Receipts and Expenditures - Actual
For the Year Ended June 30, 2011**

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Cash Receipts			
Federal aid	\$ 86,252.00	\$ 86,252.00	\$ -
Transfers	<u>-</u>	<u>-</u>	<u>-</u>
 Total Cash Receipts	 <u>86,252.00</u>	 <u>\$ 86,252.00</u>	 <u>\$ -</u>
Expenditures and Transfers			
Instruction	84,183.00	\$ 84,183.00	\$ -
Instructional support services	<u>2,069.00</u>	<u>2,069.00</u>	<u>-</u>
 Total Expenditures Not Subject to Legal Max Budget	 <u>86,252.00</u>	 <u>\$ 86,252.00</u>	 <u>\$ -</u>
Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	-		
Adjustment to Unencumbered Cash for Prior Year Cancelled Encumbrances	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>		

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

**Rock Creek
Unified School District No. 323
Title I ARRA 09**

**Statement 3
14 of 26**

**Statement of Cash Receipts and Expenditures - Actual
For the Year Ended June 30, 2011**

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Cash Receipts			
Federal aid	\$ 24,890.00	\$ 24,890.00	\$ -
Total Cash Receipts	<u>24,890.00</u>	<u>\$ 24,890.00</u>	<u>\$ -</u>
Expenditures and Transfers			
Instruction	<u>24,890.00</u>	<u>\$ 24,890.00</u>	<u>\$ -</u>
Total Expenditures Not Subject to Legal Max Budget	<u>24,890.00</u>	<u>\$ 24,890.00</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	-		
Adjustment to Unencumbered Cash for Prior Year Cancelled Encumbrances	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>		

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

**Rock Creek
Unified School District No. 323
Title II A FY10**

**Statement 3
15 of 26**

**Statement of Cash Receipts and Expenditures - Actual
For the Year Ended June 30, 2011**

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Cash Receipts			
Taxes and Shared Revenue:			
Federal aid	\$ 16,348.00	\$ 10,804.00	\$ 5,544.00
Total Cash Receipts	<u>16,348.00</u>	<u>\$ 10,804.00</u>	<u>\$ 5,544.00</u>
Expenditures and Transfers			
Instruction	16,348.00	\$ 10,804.00	\$ 5,544.00
Transfer	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures Not Subject to Legal Max Budget	<u>16,348.00</u>	<u>\$ 10,804.00</u>	<u>\$ 5,544.00</u>
Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	-		
Adjustment to Unencumbered Cash for Prior Year Cancelled Encumbrances	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>		

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

**Rock Creek
Unified School District No. 323
Title II A FY 11**

**Statement 3
16 of 26**

**Statement of Cash Receipts and Expenditures - Actual
For the Year Ended June 30, 2011**

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Cash Receipts			
Federal aid	<u>\$ 9,433.00</u>	<u>\$ 9,433.00</u>	<u>\$ -</u>
Total Cash Receipts	<u>9,433.00</u>	<u>\$ 9,433.00</u>	<u>\$ -</u>
Expenditures and Transfers			
Instruction	<u>9,433.00</u>	<u>\$ 9,433.00</u>	<u>\$ -</u>
Total Expenditures Not Subject to Legal Max Budget	<u>9,433.00</u>	<u>\$ 9,433.00</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	-		
Adjustment to Unencumbered Cash for Prior Year Cancelled Encumbrances	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>		

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

**Rock Creek
Unified School District No. 323
Title II D Fund**

**Statement 3
17 of 26**

**Statement of Cash Receipts and Expenditures - Actual
For the Year Ended June 30, 2011**

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Cash Receipts			
Federal aid	\$ 337.00	\$ 337.00	\$ -
Total Cash Receipts	<u>337.00</u>	<u>\$ 337.00</u>	<u>\$ -</u>
Expenditures and Transfers			
Instruction	<u>337.00</u>	<u>\$ 337.00</u>	<u>\$ -</u>
Total Expenditures Not Subject to Legal Max Budget	<u>337.00</u>	<u>\$ 337.00</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	-		
Adjustment to Unencumbered Cash for Prior Year Cancelled Encumbrances	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>		

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

Rock Creek
Unified School District No. 323
Drug Free Federal Fund
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended June 30, 2011

Statement 3
18 of 26

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Cash Receipts			
Miscellaneous	\$ 2,808.00	\$ 2,808.00	\$ -
Total Cash Receipts	<u>2,808.00</u>	<u>\$ 2,808.00</u>	<u>\$ -</u>
Expenditures and Transfers			
Instruction	<u>2,808.00</u>	<u>\$ 2,808.00</u>	<u>\$ -</u>
Total Expenditures Not Subject to Legal Max Budget	<u>2,808.00</u>	<u>\$ 2,808.00</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	-		
Adjustment to Unencumbered Cash for Prior Year Cancelled Encumbrances	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>		

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

**Rock Creek
Unified School District No. 323
Gifts and Grants Fund**

**Statement 3
19 of 26**

**Statement of Cash Receipts and Expenditures - Actual
For the Year Ended June 30, 2011**

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Cash Receipts			
Miscellaneous	\$ -	\$ -	\$ -
Total Cash Receipts	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures and Transfers			
Instruction	<u>171.01</u>	<u>\$ -</u>	<u>\$ 171.01</u>
Total Expenditures Not Subject to Legal Max Budget	<u>171.01</u>	<u>\$ -</u>	<u>\$ 171.01</u>
Receipts Over (Under) Expenditures	(171.01)		
Unencumbered Cash, Beginning	985.94		
Adjustment to Unencumbered Cash for Prior Year Cancelled Encumbrances	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 814.93</u>		

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

Rock Creek
Unified School District No. 323
KPERS Special Retirement Contribution Fund
Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2011

Statement 3
20 of 26

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Cash Receipts			
State aid	\$ 262,305.80	\$ 365,985.00	\$ (103,679.20)
Total Cash Receipts	<u>262,305.80</u>	<u>\$ 365,985.00</u>	<u>\$ (103,679.20)</u>
Expenditures and Transfers Subject to Legal Max Budget			
Instruction	176,814.89	\$ 256,431.00	\$ (79,616.11)
Student support	14,324.58	16,168.00	(1,843.42)
Instructional support	9,113.43	7,315.00	1,798.43
General administration	14,012.94	15,888.00	(1,875.06)
School administration	23,756.15	31,994.00	(8,237.85)
Operations and maintenace	14,146.32	17,205.00	(3,058.68)
Student transportation services	6,241.36	13,233.00	(6,991.64)
Food service	<u>3,896.13</u>	<u>7,751.00</u>	<u>(3,854.87)</u>
Total Expenditures Subject to Legal Max Budget	<u>262,305.80</u>	<u>\$ 365,985.00</u>	<u>\$ (103,679.20)</u>
Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	-		
Adjustment to Unencumbered Cash for Prior Year Cancelled Encumbrances	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>		

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

**Rock Creek
Unified School District No. 323**

**Statement 3
21 of 26**

At Risk Fund

**Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2011**

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Cash Receipts			
Transfers	\$ 182,680.00	\$ 320,000.00	\$ (137,320.00)
Total Cash Receipts	<u>182,680.00</u>	<u>320,000.00</u>	<u>(137,320.00)</u>
Expenditures and Transfers Subject to Legal Max Budget			
Instruction	182,705.26	311,000.00	(128,294.74)
Student Transportation	<u>-</u>	<u>9,000.00</u>	<u>(9,000.00)</u>
Total Expenditures Subject to Legal Max Budget	<u>182,705.26</u>	<u>\$ 320,000.00</u>	<u>\$ (137,294.74)</u>
Receipts Over (Under) Expenditures	(25.26)		
Unencumbered Cash, Beginning	9,509.12		
Adjustment to Unencumbered Cash for Prior Year Cancelled Encumbrances	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 9,483.86</u>		

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

Rock Creek
Unified School District No. 323
Student Material Revolving/Textbook Rent Fund
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended June 30, 2011

Statement 3
22 of 26

	Actual
Cash Receipts	
Rental fees	\$ 28,575.80
Total Cash Receipts	28,575.80
Expenditures and Transfers	
Textbook purchases	18,923.07
Total Expenditures Not Subject to Legal Max Budget	18,923.07
Receipts Over (Under) Expenditures	9,652.73
Unencumbered Cash, Beginning	39,111.11
Adjustment to Unencumbered Cash for Prior Year Cancelled Encumbrances	-
Unencumbered Cash, Ending	\$ 48,763.84

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

Rock Creek
Unified School District No. 323
Contingency Reserve Fund
Statement of Cash Receipts and Expenditures - Actual
For the Year Ended June 30, 2011

Statement 3
23 of 26

	Actual
Cash Receipts	
Transfers	\$ -
Total Cash Receipts	-
Expenditures and Transfers	
Transfers	-
Total Expenditures Not Subject to Legal Max Budget	-
Receipts Over (Under) Expenditures	-
Unencumbered Cash, Beginning	598,108.25
Adjustment to Unencumbered Cash for Prior Year Cancelled Encumbrances	-
Unencumbered Cash, Ending	\$ 598,108.25

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

**Rock Creek
Unified School District No. 323
Owls Grant Fund**

**Statement 3
24 of 26**

**Statement of Cash Receipts and Expenditures - Actual
For the Year Ended June 30, 2011**

	<u>Actual</u>
Cash Receipts	\$ -
Total Expenditures Not Subject to Legal Max Budget	<u>-</u>
Receipts Over (Under) Expenditures	-
Unencumbered Cash, Beginning	577.70
Adjustment to Unencumbered Cash for Prior Year Cancelled Encumbrances	<u>-</u>
Unencumbered Cash, Ending	<u><u>\$ 577.70</u></u>

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

**Rock Creek
Unified School District No. 323
District Activity Fund**

**Statement 3
25 of 26**

**Statement of Cash Receipts and Expenditures - Actual
For the Year Ended June 30, 2011**

	<u>Actual</u>
Cash Receipts	
Gate Receipts	<u>\$ 38,137.60</u>
Total Cash Receipts	<u>38,137.60</u>
Expenditures and Transfers	
Athletics	<u>37,475.02</u>
Total Expenditures Not Subject to Legal Max Budget	<u>37,475.02</u>
Receipts Over (Under) Expenditures	662.58
Unencumbered Cash, Beginning	2,777.14
Adjustment to Unencumbered Cash for Prior Year Cancelled Encumbrances	<u>-</u>
Unencumbered Cash, Ending	<u><u>\$ 3,439.72</u></u>

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

**Rock Creek
Unified School District No. 323
Bond and Interest Fund**

**Statement 3
26 of 26**

**Statement of Cash Receipts and Expenditures - Actual and Budget
For the Year Ended June 30, 2011**

	Actual	Budget	Variance- Over (Under)
Cash Receipts			
Taxes and Shared Revenue:			
Ad valorem property	\$ 393,545.50	\$ 375,442.00	\$ 18,103.50
Delinquent	17,498.83	5,748.00	11,750.83
Motor and recreational vehicle	76,384.87	76,552.00	(167.13)
State aid	280,444.00	280,444.00	-
Total Cash Receipts	767,873.20	\$ 738,186.00	\$ 29,687.20
 Expenditures and Transfers Subject to Legal Max Budget			
Principal	225,000.00	\$ 225,000.00	\$ -
Interest	494,087.52	494,088.00	(0.48)
Commission and postage	-	200.00	(200.00)
Total Expenditures Subject to Legal Max Budget	719,087.52	\$ 719,288.00	\$ (200.48)
Receipts Over (Under) Expenditures	48,785.68		
Unencumbered Cash, Beginning	894,813.57		
Adjustment to Unencumbered Cash for Prior Year Cancelled Encumbrances	-		
Unencumbered Cash, Ending	\$ 943,599.25		

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

**Rock Creek
Unified School District No. 323
Agency Funds**

**Statement 4
1 of 2**

**Statement of Cash Receipts and Cash Disbursements - Actual
For the Year Ended June 30, 2011**

	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
<u>Rock Creek Jr/Sr High School</u>				
Baseball	\$ 1,202.96	\$ 3,094.02	\$ 2,054.59	\$ 2,242.39
Softball	606.91	4,904.36	5,452.12	59.15
Cross Country	-	439.95	-	439.95
Girls BasketBall	-	309.99	-	309.99
Boys Basketball	-	439.95	-	439.95
Football	-	214.95	-	214.95
Track	-	439.95	-	439.95
Wrestling	641.41	1,923.89	1,618.89	946.41
Volleyball	1,066.75	2,798.95	2,896.60	969.10
SB/BB Camp	147.89	1,443.46	1,588.73	2.62
JH Cheer	615.65	5,465.19	5,525.81	555.03
Cheerleaders	1,708.35	5,845.92	5,799.65	1,754.62
Concessions	2,467.41	16,527.36	17,382.72	1,612.05
Band Trip	401.41	16,810.17	7,345.84	9,865.74
Flag Corp	-	344.85	318.00	26.85
Vocal Music	964.29	772.00	637.07	1,099.22
Spanish Trip	0.54	-	-	0.54
Class of 2011	915.93	584.73	1,500.66	-
Class of 2012	1,510.89	13,393.12	12,906.57	1,997.44
Class of 2013	292.95	296.37	-	589.32
Class of 2014	238.00	564.88	354.48	448.40
Junior High Student Council	588.89	450.15	771.00	268.04
Senior High Student Council	1,442.32	4,684.75	5,063.59	1,063.48
Junior High FCCLA	1,068.70	3,176.60	3,543.22	702.08
Senior High FCCLA	597.79	2,803.37	2,572.86	828.30
JH Renaissance	762.13	438.77	487.00	713.90
Renaissance Fund	254.78	2,466.22	2,692.86	28.14
Apparel	236.87	6,049.25	6,179.75	106.37
Art Club	267.71	-	-	267.71
Building Fund	960.68	2,151.82	2,050.95	1,061.55
Bus. Prof. of America	2,717.76	1,362.43	1,211.92	2,868.27
Drama	841.09	3,417.50	2,662.70	1,595.89

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

**Rock Creek
Unified School District No. 323**

**Statement 4
2 of 2**

Agency Funds

Statement of Cash Receipts and Cash Disbursements - Actual

For the Year Ended June 30, 2011

	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
<u>Rock Creek Jr/Sr High School, Continued</u>				
FFA	1,948.74	44,825.91	39,830.58	6,944.07
Music Club	204.21	274.75	176.01	302.95
National Honor Society	1.20	438.68	246.75	193.13
RC Club	2,147.75	1,326.19	872.62	2,601.32
Scholar's Bowl	112.09	605.00	242.77	474.32
Science Club	561.85	-	-	561.85
Yearbook	1,045.70	15,449.28	15,505.00	989.98
Special Ed	346.49	152.00	383.16	115.33
Total Rock Creek Jr/Sr High School	<u>28,888.09</u>	<u>166,686.73</u>	<u>149,874.47</u>	<u>45,700.35</u>
<u>St. George Grade School</u>				
Student Activities	660.08	3,920.34	4,564.36	16.06
K Field Trip	716.92	320.00	534.79	502.13
1/2 Craft Workshops	163.10	102.20	110.90	154.40
3/4 Field Trip	45.00	5.00	-	50.00
5/6 Field Trip	-	50.10	6.78	43.32
Natl. Honor Choir	849.50	3,657.45	3,385.87	1,121.08
Lego Club	296.78	291.00	583.47	4.31
Camp Invention	69.76	-	-	69.76
Library	272.92	6,894.00	3,613.58	3,553.34
Band Instructional Supply	-	412.16	412.16	-
Emergency Donations	40.00	-	-	40.00
Box Tops for Education	867.42	2,547.50	1,876.14	1,538.78
Playground	520.86	-	-	520.86
Act 4 Healthy Kids Grant	-	532.58	532.58	-
After School Programs	135.46	375.62	-	511.08
Total St. George Grade School	<u>4,637.80</u>	<u>19,107.95</u>	<u>15,620.63</u>	<u>8,125.12</u>
<u>Westmoreland Grade School</u>				
Student Activities	428.98	2,620.39	2,008.79	1,040.58
Zoo Adopt an Animal	112.67	-	-	112.67
Library	591.43	4,985.56	4,765.46	811.53
Total Westmoreland Grade School	<u>1,133.08</u>	<u>7,605.95</u>	<u>6,774.25</u>	<u>1,964.78</u>
<u>Total Agency Funds</u>	<u>\$ 34,658.97</u>	<u>\$ 193,400.63</u>	<u>\$ 172,269.35</u>	<u>\$ 55,790.25</u>

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

Rock Creek
Unified School District No. 323
District Activity Funds
Statement of Cash Receipts, Expenditures and Unencumbered Cash
For the Year Ended June 30, 2011

Statement 5

	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balances
Gate Receipts							
Athletics	\$ 2,777.12	\$ -	\$ 38,137.60	\$ 37,475.02	\$ 3,439.70	\$ -	\$ 3,439.70
Total District Activity Funds	<u>\$ 2,777.12</u>	<u>\$ -</u>	<u>\$ 38,137.60</u>	<u>\$ 37,475.02</u>	<u>\$ 3,439.70</u>	<u>\$ -</u>	<u>\$ 3,439.70</u>

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

Rock Creek
Unified School District No. 323
Notes to Financial Statements
June 30, 2011

1. Summary of Significant Accounting Policies

Reporting Entity

Rock Creek Unified School District No. 323 is a municipal corporation governed by an elected seven-member board organized under the laws of the State of Kansas to provide a system of education to elementary and high school students who reside within the designated district area.

Fund accounting

The accounts of the District are organized and operated on the basis of funds. 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 out specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The following types of funds were utilized in recording the financial activities of the District for the year ended June 30, 2011.

Governmental funds

General funds – The general funds are used to account for all unrestricted financial resources except those required to be accounted for in another fund.

Special revenue funds – The special revenue funds are used to account for the proceeds of specific revenue sources, other than major capital projects, that are restricted by law or administrative action to expenditures for specified purposes.

Debt service fund – The debt service fund is used to account for the accumulation of resources for and the payment of interest and principal on general long-term debt which is a general obligation of the District.

Fiduciary Funds

Agency Funds – Agency funds are used to account for assets held by the District as an agent for individuals, private organizations, other governmental units and /or other funds.

The amounts shown in the Total rows on the accompanying Summary of Cash Receipts, Cash Disbursements and Unencumbered Cash and Summary of Expenditures – Actual and Budget are presented only to facilitate financial analysis and are not the equivalent of consolidated financial statements.

Rock Creek
Unified School District No. 323
Notes to Financial Statements
June 30, 2011

1. Summary of Significant Accounting Policies, continued

Basis of Accounting

The statutory basis of accounting, as used in the preparation of these financial statements, is designed to demonstrate compliance with the cash basis and budget laws of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the District for future payments and are usually supported by a document evidencing the commitment, such as a purchase order or contract. To record interfund transactions, a cash receipt is posted to the receiving fund, and an expenditure is posted to the remitting fund.

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 Generally Accepted Accounting Principles

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 non-cash 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 generally accepted accounting principles, 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. General fixed assets that account for the land, buildings, and equipment owned by the District are not presented in the financial statements.

Reimbursed Expenses

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. Amounts received as reimbursed expenses are treated as a reduction of expenditure in the reimbursed fund.

Rock Creek
Unified School District No. 323
Notes to Financial Statements
June 30, 2011

1. Summary of Significant Accounting Policies, continued

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), and the debt service fund. 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 the 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 a notice of hearing.
4. Adoption of the final budget on or before August 25th.

Under K.S.A. 79-2930 the amount in each fund's adopted final budget may be less, but not more, than the amount published in the proposed budget for public hearing. During the year, expenditures in excess of the budget may be made with the approval of the state board of tax appeals. In addition, under K.S.A. 79-2929a, budgets may be amended during the year when unanticipated non-property tax revenues are available. 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, a hearing may be held and the governing body may amend the budget. The legal general fund budget computed by the State Board of Education for 2010-11 is \$6,368,885.00.

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 for 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. Revenues are recognized when cash is received or when specified by statute. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are contractual commitments for future payments, not exempted by statute. All unencumbered appropriations, (legal budget expenditure authority) lapse at year-end.

A legal operating budget is not required for the agency funds and the following special revenue funds: Student Material/Textbook Revolving fund, Contingency Reserve fund, District Activity fund, Gifts and Grants fund, Owls Grant fund, and all Federal program funds.

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

Rock Creek
Unified School District No. 323
Notes to Financial Statements
June 30, 2011

2. Deposits and Investments

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 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 investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices. The District has no investments as of June 30, 2011.

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

Custodial credit risk – deposit: 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 Government'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 did not have a peak period pledge agreement during 2010-11, and therefore the District did not designate peak periods. All deposits were legally secured at June 30, 2011.

The District pools cash resources of its various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements. Cash in excess of current requirements is placed in a money market account.

At year-end the carrying amount of the District's deposits was \$4,494,805.80. The bank balance was \$4,521,951.29. The difference between the carrying amount and the bank balance is outstanding checks and deposits in transit. Of the bank balance, \$263,717.98 was covered by FDIC insurance, and the remaining \$4,258,233.31 was collateralized by pledged securities held under joint custody receipts issued by a third-party bank in the District's name. The third-party bank holding the pledged securities is independent of the pledging bank. The pledged securities are held under a tri-party custodial agreement signed by all three parties: the District, the pledging bank, and the independent third-party bank holding the pledged securities.

Rock Creek
Unified School District No. 323
Notes to Financial Statements
June 30, 2011

3. Long-Term Debt

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

	<u>Amount of Issue</u>	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Date of Final Maturity</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>Net Change</u>	<u>Balance End of Year</u>	<u>Interest Paid</u>
General Obligation Bonds										
School Bldgs 2007	\$ 11,485,000.00	4.0-5.0%	1/01/07	9/01/27	\$ 11,435,000.00	\$ -	\$ 225,000.00	\$ (225,000.00)	\$ 11,210,000.00	\$ 494,087.52
Lease Purchase	900,000.00	4.40%	5/12/04	6/30/14	<u>197,624.80</u>	<u>-</u>	<u>197,624.80</u>	<u>(197,624.80)</u>	<u>-</u>	<u>7,768.79</u>
Total Contractual Indebtedness					11,632,624.80	-	422,624.80	(422,624.80)	11,210,000.00	501,856.31
Compensated Absences					<u>826,747.33</u>	<u>-</u>	<u>29,356.55</u>	<u>(29,356.55)</u>	<u>797,390.78</u>	<u>N/A</u>
Total Long Term Debt and Compensated Absences					<u>\$12,459,372.13</u>	<u>\$ -</u>	<u>\$ 451,981.35</u>	<u>\$ (451,981.35)</u>	<u>\$ 12,007,390.78</u>	<u>\$ 501,856.31</u>

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017-2021</u>	<u>2022-2026</u>	<u>2027-2028</u>	<u>Total</u>
Principle									
General Obligation Bonds 2007	\$ 260,000.00	\$ 300,000.00	\$ 340,000.00	\$ 380,000.00	\$ 425,000.00	\$ 2,900,000.00	\$ 4,350,000.00	\$ 2,255,000.00	\$ 11,210,000.00
Interest									
General Obligation Bonds 2007	<u>481,962.52</u>	<u>467,962.52</u>	<u>451,962.52</u>	<u>433,962.52</u>	<u>413,837.52</u>	<u>1,722,062.60</u>	<u>960,843.81</u>	<u>97,643.75</u>	<u>5,030,237.76</u>
Total Principle and Interest	<u>\$ 741,962.52</u>	<u>\$ 767,962.52</u>	<u>\$ 791,962.52</u>	<u>\$ 813,962.52</u>	<u>\$ 838,837.52</u>	<u>\$ 4,622,062.60</u>	<u>\$ 5,310,843.81</u>	<u>\$ 2,352,643.75</u>	<u>\$ 16,240,237.76</u>

On October 21, 2011, the District entered into an agreement to lease energy saving equipment to be installed in District buildings. The fair market value of the equipment is \$2,180,822.00. The term of the lease requires fifteen equal payments of \$192,596.32. Maturities of the capital lease for the next five years and in five-year increments through maturity are as follows:

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017-2021</u>	<u>2022-2026</u>	<u>Total</u>
Principle Capital Lease	\$ 192,596.32	\$ 106,108.70	\$ 110,724.42	\$ 115,540.92	\$ 120,566.94	\$ 686,218.76	\$ 849,065.94	\$ 2,180,822.00
Interest Capital Lease	<u>-</u>	<u>86,487.62</u>	<u>81,871.90</u>	<u>77,055.40</u>	<u>72,029.38</u>	<u>276,762.84</u>	<u>113,915.66</u>	<u>708,122.80</u>
Total Lease Payments	<u>\$ 192,596.32</u>	<u>\$ 962,981.60</u>	<u>\$ 962,981.60</u>	<u>\$ 2,888,944.80</u>				

Rock Creek
Unified School District No. 323
Notes to Financial Statements
June 30, 2011

4. Property Taxes

In accordance with governing State Statutes, property taxes levied during the current year are revenue sources to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and are levied and become a lien on the property on November 1 of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half of the full amounts of the taxes levied on or before December 20 during the year levied, with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year prior to January 1 of the ensuing year.

5. Operating Leases

The District leases 9 copy machines under a minimum usage contract. The lease started July 6, 2009 and is renewable at the District's option on a year-to-year basis through July 6, 2014. Following is a schedule of future minimum rental payments required under the above operating lease:

Expenditure for Year Ended June 30, 2011	<u>\$23,895.00</u>
Minimum Usage Fee, Year Ending June 30, 2012	<u>\$23,895.00</u>

6. Compensated Absences

Expenses for accumulated vacation and sick leave earned by the employees are recorded when paid or taken by the employee. Following is a synopsis of the District's compensated absence policies:

Vacation Leave

The superintendent receives 15 working days vacation each year. Full-time or 12 month employees may earn/accrue vacation leave at a rate of one day for each month during the contract year, up to a maximum of 10 days per year, or after 10 years of employment service in a 12 month position with the district, at a rate of 1.5 days per month, up to a maximum of 15 days per year.

Employees must utilize all vacation leave accrued during the prior contract year not later than December 31st of any year, carrying forward not more than the maximum earned/accrued during the current contract year.

Employees leaving the District shall be paid for all unused earned vacation leave at the employee's current rate of pay when the employment is terminated with the District.

Rock Creek
Unified School District No. 323
Notes to Financial Statements
June 30, 2011

6. Compensated Absences, continued

Sick and Personal Leave

The superintendent and principals are allowed 12 days of sick leave and two days personal leave per year. The superintendent and principals may accumulate up to 90 days of unused sick leave. Unused personal leave may be accumulated as sick leave subject to the 90 day limit.

Supervisors, secretaries and custodians are allowed 12 days sick leave per year of which two days may be used for personal leave. Supervisors and secretaries employed less than 12 months or on a part time basis have the sick leave prorated up to one day sick leave for each contracted month of which two may be used for personal leave. Supervisors and secretaries may accumulate up to 90 days (or 720 hours, depending on whether employee is salary or hourly) of unused sick leave. Unused personal leave may accumulate as sick leave subject to the 90 day limit.

Bus drivers, cooks, and aides are allowed nine days of sick leave per year of which two days may be used for personal leave. Bus drivers, cooks, and aides may accumulate up to 90 days of unused sick leave. Unused personal leave may be accumulated as sick leave subject to the 90 day limit.

Full time teachers are granted 8 days of sick leave on the first day of each contract year, except teachers new to the district shall be granted sick leave allowances for the equivalent of two contract years, sixteen days on the first contract day after employment with no additional allowance to be granted for their second contract year. The number of sick leave days may accumulate to a total of 100 days. Unused sick leave shall be carried forward to the next school year. Upon retirement, as defined by KPERS, from the District with at least 15 years of service, teachers will be rewarded with \$20.00 for each unused sick day that has accumulated up to a total of 50 days. Each full time teacher is allowed 24 hours of personal leave at the beginning of each school year. Unused personal leave may be requested in writing by May 1st to be accumulated as sick leave subject to the 100 day limit. If no request is made one half of the personal leave granted to the teacher and not used during the contract year shall be carried forward as personal leave to the next contract year, subject to a 32 hour maximum. A teacher may substitute 12 hours of sick leave for an additional block of 8 hours of personal leave. If more personal leave time is needed, a teacher may substitute 16 hours of sick leave for another block of 8 hours of personal leave. These personal leave special requests shall be limited to 16 hours per year and are subject to administrative approval.

If an employee leaves the employment of the District for any reason (other than a certified teacher retiring under KPERS, with at least 20 years service to the District), no payment will be made for unused sick leave.

Bereavement Leave

All employees are allowed two days bereavement leave per year which may not be accumulated.

Rock Creek
Unified School District No. 323
Notes to Financial Statements
June 30, 2011

7. Defined Benefit Pension Plan

The school municipality 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, Suite 100, Topeka, KS 66603-3808) or by calling 1-888-275-5737.

K.S.A. 74-4919 establishes the KPERs member-employee contribution rate at 4% of covered salary. K.S.A. 74-49,201: Kansas Public Employees Retirement Act of 2009 established a Tier 1 member-employee contribution rate of 4% and a Tier 2 member-employee contribution rate of 6%. 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.

For fiscal year 2011 the State of Kansas contributes 9.17% of covered payroll. Included in this rate is the contribution for Group Death and Disability Insurance of 1.0%. The State of Kansas contribution to KPERs for all school municipalities for the year ending June 30, 2011, 2010 and 2009 were \$253,834,044.00, \$248,468,186.00, and \$242,277,363.00 respectively.

8. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no decreases in insurance from the prior year.

9. Compliance, Stewardship and Accountability

There were no statutory violations noted during the audit of the June 30, 2011 financial statements.

10. Compliance with K.S.A. 72-6417(d) and 72-6434(d)

K.S.A. 72-6417(d) and 72-6434(d) requires 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 30th, as a receipt for the school year ending on June 30th. Included in receipts for fiscal year ending June 30, 2011 for the General Fund and Supplemental General Fund are \$443,942.00 and \$48,398.00, respectively, related to state aid payments received after June 30th, required to be paid in June.

Rock Creek
 Unified School District No. 323
 Notes to Financial Statements
 June 30, 2011

11. Interfund Transactions

Operating transfers during the fiscal year ended June 30, 2011 were as follows:

<u>From</u>	<u>To</u>	<u>Authority</u>	<u>Amount</u>
General Fund	Capital Outlay	K.S.A. 72-6428(a)(2)	251,590.00
General Fund	Special Education	K.S.A. 72-6428(a)(2)	632,092.00
Supplemental General	At Risk	K.S.A. 72-6428(a)(2)	182,680.00
Supplemental General	Food Service	K.S.A. 72-6433(j)(2)	7,704.00
Supplemental General	Professional Development	K.S.A. 72-6433(j)(2)	10,750.00
Supplemental General	Vocational Education	K.S.A. 72-6433(j)(2)	152,555.00
Supplemental General	Special Education	K.S.A. 72-6433(j)(2)	476,960.12
Supplemental General	Parents as Teachers	K.S.A. 72-6433(j)(2)	19,297.00

12. 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.

13. Subsequent Events

In preparing these financial statements, the District has evaluated events and transactions for potential recognition or disclosure through October 21, 2011, the date the financial statements were available for issue.

James L. Gordon, C.P.A., P.A.

Commerce Bank Tower – 727 Poyntz Ave. Manhattan, KS 66502 Telephone 785/537-0190 FAX 785/537-0158

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*

October 21, 2011

Board of Education
Unified School District No. 323
Westmoreland, Kansas

We have audited the financial statements of Unified School District No. 323, as of and for the year ended June 30, 2011, and have issued our report thereon dated October 21, 2011. That report disclosed 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. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Unified School District No. 323'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 Unified School District No. 323's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Unified School District No. 323's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination or control deficiencies, that adversely affects Unified School District No. 323's ability to initiate, authorize, record, process, or report financial data reliably in accordance with the cash basis and budget laws of the State of Kansas such that there is more than a remote likelihood that a misstatement of Unified School District No. 323's financial statements that is more than inconsequential will not be prevented or detected by Unified School District No. 323's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Unified School District No. 323's internal control.

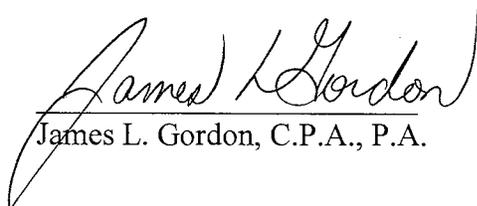
Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any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

Compliance

As part of obtaining reasonable assurance about whether Unified School District No. 323'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 one instance of noncompliance or other matters that is required to be reported under Government Auditing Standards.

Form SF-SAC for the year ended June 30, 2010 was not filed by the due date.

This report is intended solely for the information of the Board of Education and the management of Unified School District No. 323, the cognizant audit agency and other federal audit agencies, and for filing with the Kansas Department of Administration, Division of Accounts and Reports and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.


James L. Gordon, C.P.A., P.A.

SCHEDULE OF RECEIPTS AND EXPENDITURES OF FEDERAL AWARDS

Rock Creek
 Unified School District No. 323
 For the Year Ended June 30, 2011

State of Kansas Department of Education Pass Through Program Title	Federal CFDA Number	Program or Award Amount	Federal Expenditures
<u>United States Department of Education</u>			
Title I Grants to Local Educational Agencies (Title I, Part A of the ESEA)	84.010	\$ 89,347.00	\$ 101,252.00
Title I Grants to Local Educational Agencies, Recovery Act	84.389	<u>24,890.00</u>	<u>24,890.00</u>
Total Special Education Cluster (IDEA)		114,237.00	126,142.00
Safe and Drug-Free Schools and Communities State Grants	84.186	2,808.00	2,808.00
Education Technology State Grants	84.318	337.00	337.00
Improving Teaching Quality	84.367	37,686.00	25,781.00
State Fiscal Stabilization Fund (SFSF) – Education State Grants, Recovery Act (Education Stabilization Fund)	84.394	103,675.00	103,675.00
Education Jobs Fund	84.410	<u>181,535.00</u>	<u>181,535.00</u>
Total United States Department of Education		326,041.00	314,136.00
<u>United States Department of Agriculture</u>			
School Breakfast Program (SBP)	10.553	24,696.92	24,696.92
National School Lunch Program (NSLP)	10.555	<u>141,960.20</u>	<u>141,960.20</u>
Total Emergency Food Assistance Cluster		<u>166,657.12</u>	<u>166,657.12</u>
Total Expenditures of Federal Awards		<u>\$ 606,935.12</u>	<u>\$ 606,935.12</u>

Rock Creek
Unified School District No. 323
Notes to Schedule of Receipts and Expenditures of Federal Awards
June 30, 2011

Note 1 – Basis of Presentation

The Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of Unified School District No. 323 under programs of the federal government for the year ended June 30, 2011. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position of the District.

Note 2 – Summary of Significant Accounting Policies

The Schedule of Expenditures of Federal Awards is prepared on the same basis of accounting as the Unified School District No. 323's financial statements. The Unified School District No. 323 uses a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas. Expenditures represent only the federally funded portions of the program. District records should be consulted to determine amounts expended or matched from non-federal sources.

Note 3 – Program Cost/Matching Contributions

The amounts shown as current year expenses represent only the federal grant portion of the program costs. Entire program costs, including the Unified School District No. 323's portion, may be more than shown.

Note 4 – Transferability

As allowed by federal regulations, the Unified School District No. 323 expended \$11,905.00 from Title II Improving Teacher Quality, Part A (84.367) to Title I Grants to Local Educational Agencies (84.010). This amount is reflected in the expenditures Title I Grants to Local Educational Agencies (84.010).

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

October 21, 2011

Board of Education
Unified School District No. 323
Westmoreland, Kansas

Compliance

We have audited Unified School District #323's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2011. Unified School District No. 323's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements referred to above is the responsibility of Unified School District No. 323'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 identified in the accompanying schedule of findings and questioned costs, 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 of the District's compliance with those requirements.

In our opinion, Unified School District No. 323 complied, in all material respects, with the compliance requirements referred to above that are applicable to each of its major federal programs identified in the accompanying schedule of findings and questioned costs, for the year ended June 30, 2011.

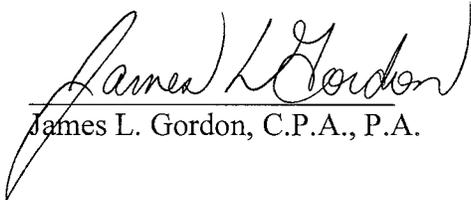
Internal Control Over Compliance

Management of Unified School District No. 323 is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit, we considered the District's internal control over compliance, with the requirements that could have a direct and material effect on a major federal program, 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.

An internal control deficiency 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 noncompliance with a federal program on a timely basis. A material weakness in internal control is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that material noncompliance with a federal program will not be prevented or detected on a timely basis.

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

This report is intended solely for the information and use of management, 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.



James L. Gordon, C.P.A., P.A.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Rock Creek
Unified School District No. 323
June 30, 2010

SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified? No

Significant deficiencies identified that are not considered to be material weaknesses?
None

Federal Awards

Internal control over major programs:

Material weaknesses identified? No

Significant deficiencies identified that are not considered to be material weaknesses?
None

Type of auditor's report issues on compliance for major program: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? Yes

Form SF-SAC for the year ended June 30, 2010 was not filed by the due date.

Major Program:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
84.367	Improving Teacher Quality
84.394	State Fiscal Stabilization Fund
84.410	Education Jobs Fund

Dollar threshold used to distinguish between type A and type B programs: \$300,000.00

Auditee qualified as low-risk auditee? No

FINDINGS – FINANCIAL STATEMENT AUDIT

None

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Rock Creek
Unified School District No. 323
June 30, 2010

**FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS
AUDIT**

Form SF-SAC for the year ended June 30, 2010 was not filed by the due date.

Background

Form SF-SAC is required to be filed the earlier of nine months after fiscal year end or thirty days after the audit report date for any entity expending \$500,000.00 or more of federal awards in any one year.

Description of Condition

Compliance with the filing requirement is not independently verified by any federal agency. It is possible to overlook the filing and to receive no failure to file notices.

Cause of Condition

The district was unaware that they had the responsibility to timely file the report. It was assumed that the auditor was responsible.

Effect of Condition

The report was filed late.

Recommendation and District's Response

Confirmation of the report filing will be presented to the school board at the same time the audit report is presented for the school board's approval.

There were no questioned costs

PRIOR AUDIT FINDINGS SUMMARY

There were no prior findings.