

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

Primary Government Financial Statements
With Independent Auditors' Report

For the Year Ended June 30, 2012

RAWLINS COUNTY UNIFIED SCHOOL DISTRICT NO. 105 ATWOOD, KANSAS
Primary Government Financial Statements With Independent Auditors' Report
For the Year Ended June 30, 2012

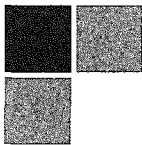
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For the Year Ended June 30, 2012

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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 primary government financial statements of **Rawlins County Unified School District No. 105 Atwood, Kansas**, as of and for the year ended June 30, 2012, 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.

The financial statements do not include financial data for the District's legally separate component unit, Atwood Summer Recreation Commission. Accounting principles generally accepted in the United States of America require the financial data for this component unit to be reported with the financial data of the District's primary government unless the District also issues financial statements for the financial reporting entity that include the financial data for its component unit. The District has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the cash and unencumbered cash balances of the aggregate discretely presented component unit would have been reported as \$41,451 for the Atwood Summer Recreation Commission.

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 two preceding paragraphs, 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, 2012, or the changes in its financial position for the year then ended.

Rawlins County Unified School District No. 105 Atwood, Kansas
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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, 2012, 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 15, 2012

RAWLINS COUNTY UNIFIED SCHOOL DISTRICT NO. 105 ATWOOD, KANSAS

Summary of Expenditures - Actual and Budget
For the Year Ended June 30, 2012

Funds	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
Governmental Fund Categories						
General Funds						
General Fund	\$ 2,431,744	(40,206)	1,045	2,392,583	2,392,583	-
Supplemental General Fund	817,562	-	-	817,562	817,562	-
Special Revenue Funds						
Capital Outlay Fund	399,400	-	-	399,400	351,285	(48,115)
Driver Training Fund	6,825	-	-	6,825	3,871	(2,954)
Food Service Fund	228,050	-	-	228,050	183,640	(44,410)
Professional Development Fund	11,000	-	-	11,000	8,863	(2,137)
Special Education Fund	389,300	-	-	389,300	380,120	(9,180)
Vocational Education Fund	123,550	-	-	123,550	97,062	(26,488)
KPERS Special Retirement Contribution Fund	239,607	-	-	239,607	218,932	(20,675)
At Risk (K-12) Fund	273,500	-	-	273,500	265,517	(7,983)
Recreation Commission Fund	137,360	-	-	137,360	45,844	(91,516)
Grants Fund	30,000	-	-	30,000	5,021	(24,979)

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, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over Under (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues				
Ad Valorem Tax	\$ 377,931	413,337	393,337	20,000
Delinquent Tax	5,307	3,404	6,134	(2,730)
Intergovernmental Revenues			-	
Mineral Severance Tax	3,167	1,591	-	1,591
Federal Aid - ARRA	45,399	-	-	-
Federal Aid - Education Jobs	79,493	1,123	-	1,123
Equalization Aid	1,645,307	1,681,630	1,671,614	10,016
Special Education Aid	178,462	250,453	250,453	-
Reimbursed Expenses	732	1,045	-	1,045
Transfers In	-	40,000	70,000	(30,000)
Total Cash Receipts	2,335,798	2,392,583	2,391,538	1,045
Expenditures				
Instruction	1,066,627	1,102,549	1,141,814	(39,265)
Student Support Services	32,271	40,817	33,570	7,247
Instructional Support Services	60,938	57,992	61,790	(3,798)
General Administration	83,704	93,391	86,755	6,636
School Administration	209,761	211,352	215,500	(4,148)
Operation and Maintenance	264,640	267,177	282,930	(15,753)
Student Transportation Services	155,474	179,368	170,800	8,568
Other Supplemental Services	27,817	30,402	27,700	2,702
Transfers Out	434,928	409,535	410,885	(1,350)
Adjustment to Comply with Legal Max	-	-	(40,206)	40,206
Legal General Fund Budget	2,336,160	2,392,583	2,391,538	1,045
(a) Adjustment for Qualifying Budget Credit	-	-	1,045	(1,045)
Total Expenditures	2,336,160	2,392,583	2,392,583	-
Cash Receipts Over (Under) Expenditures	(362)	-		
Unencumbered Cash - Beginning				
As Previously Stated	362	(189,321)		
Prior Period Adjustment	-	189,321		
Unencumbered Cash - Beginning				
As Restated	362	-		
Unencumbered Cash - Ending	\$ -	-		
(a) Adjustment for Qualifying Budget Credit				
Reimbursed Expense Over Amount Budgeted			\$ 1,045	

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, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues				
Ad Valorem Tax	\$ 544,732	584,464	541,024	43,440
Motor Vehicle Tax	61,850	73,811	57,336	16,475
Delinquent Tax	7,037	4,944	8,818	(3,874)
Recreational Vehicle Tax	755	768	747	21
Intergovernmental Revenue				
State Aid	225,021	202,448	195,159	7,289
Other Revenue	244	100	-	100
Total Cash Receipts	839,639	866,535	803,084	63,451
Expenditures				
Instruction	255,855	338,846	383,350	(44,504)
Student Support Services	382	1,282	762	520
Instructional Support Services	5,257	27,675	26,500	1,175
General Administration	29,396	29,514	24,000	5,514
School Administration	1,086	8,542	2,800	5,742
Operations and Maintenance	95,879	124,889	135,150	(10,261)
Student Transportation Services	37,315	42,950	43,000	(50)
Transfers Out	403,618	243,864	202,000	41,864
Total Expenditures and Legal Supplemental General Fund Budget	828,788	817,562	817,562	-
Cash Receipts Over (Under) Expenditures	10,851	48,973		
Unencumbered Cash - Beginning As Previously Stated	3,627	883		
Prior Period Adjustment	-	14,213		
Unencumbered Cash - Beginning As Restated	3,627	15,096		
Prior Year Cancelled Encumbrances	618	500		
Unencumbered Cash - Ending	\$ 15,096	64,569		

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, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues				
Ad Valorem Tax	\$ 167,647	180,847	175,219	5,628
Delinquent Tax	2,350	1,574	2,715	(1,141)
Motor Vehicle Tax	22,985	25,089	19,424	5,665
Recreation Vehicle Tax	279	252	253	(1)
Interest	33,402	23,290	24,000	(710)
Other Revenue	700	2,685	-	2,685
Total Cash Receipts	227,363	233,737	221,611	12,126
Expenditures				
Instruction	32,679	33,662	35,000	(1,338)
Instructional Support	-	3,593	3,600	(7)
General Administration	-	3,593	3,600	(7)
School Administration	-	3,593	3,600	(7)
Operations and Maintenance	56,197	49,413	25,000	24,413
Student Transportation Services	-	34,323	100,000	(65,677)
Other Support Services	-	3,593	3,600	(7)
Facility Acquisition and Construction	189,833	138,665	111,000	27,665
Capital Outlay Bond Principal	75,000	75,000	96,000	(21,000)
Capital Outlay Bond Interest	8,775	5,850	18,000	(12,150)
Total Expenditures	362,484	351,285	399,400	(48,115)
Cash Receipts Over (Under) Expenditures	(135,121)	(117,548)		
Unencumbered Cash - Beginning	496,269	466,258		
Prior Year Cancelled Encumbrances	105,110	10		
Unencumbered Cash - Ending	\$ 466,258	348,720		

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, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over Under
		Actual	Budget	
Cash Receipts				
Intergovernmental Revenue				
State Aid	\$ 1,776	1,504	1,480	24
Other Revenue From Local Sources	900	850	900	(50)
Total Cash Receipts	2,676	2,354	2,380	(26)
Expenditures				
Instruction	4,293	3,871	6,325	(2,454)
Vehicle Operations and Maintenance	-	-	500	(500)
Total Expenditures	4,293	3,871	6,825	(2,954)
Cash Receipts Over (Under) Expenditures	(1,617)	(1,517)		
Unencumbered Cash - Beginning	14,691	13,074		
Unencumbered Cash - Ending	\$ 13,074	11,557		

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, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Intergovernmental Revenues				
State Aid	\$ 1,517	1,626	1,209	417
Federal Aid	74,714	85,350	71,895	13,455
Charges for Services	66,928	71,935	43,845	28,090
Interest	1,195	1,206	800	406
Miscellaneous	337	231	4,875	(4,644)
Transfers In	76,545	15,000	55,000	(40,000)
Total Cash Receipts	221,236	175,348	177,624	(2,276)
Expenditures				
Food Service Operation	220,779	183,640	228,050	(44,410)
Cash Receipts Over (Under) Expenditures	457	(8,292)		
Unencumbered Cash - Beginning	71,006	71,463		
Unencumbered Cash - Ending	\$ 71,463	63,171		

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, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Transfers In	\$ -	6,635	-	6,635
Expenditures				
Instructional Support Services	11,542	8,863	11,000	(2,137)
Cash Receipts Over (Under) Expenditures	(11,542)	(2,228)		
Unencumbered Cash - Beginning	23,770	12,228		
Unencumbered Cash - Ending	\$ 12,228	10,000		

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, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Intergovernmental Revenue				
Federal Aid	\$ 13,684	-	-	-
Local Sources	8,146	5,998	15,000	(9,002)
Transfers In	343,962	334,075	331,745	2,330
Total Cash Receipts	365,792	340,073	346,745	(6,672)
Expenditures				
Instruction	327,881	379,555	386,000	(6,445)
Student Transportation Services	2,123	565	3,300	(2,735)
Total Expenditures	330,004	380,120	389,300	(9,180)
Cash Receipts Over (Under) Expenditures	35,788	(40,047)		
Unencumbered Cash - Beginning	195,367	231,155		
Prior Year Cancelled Encumbrances	-	189		
Unencumbered Cash - Ending	\$ 231,155	191,297		

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, 2012
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Transfers In	\$ 119,803	77,849	<u>57,335</u>	<u>20,514</u>
Expenditures				
Instruction	<u>107,572</u>	<u>97,062</u>	<u>123,550</u>	<u>(26,488)</u>
Cash Receipts Over (Under) Expenditures	12,231	(19,213)		
Unencumbered Cash - Beginning	108,448	120,679		
Prior Year Cancelled Encumbrances	<u>-</u>	<u>251</u>		
Unencumbered Cash - Ending	\$ <u>120,679</u>	<u>101,717</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, 2012
(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Intergovernmental Revenue				
State Aid	\$ 131,652	218,932	239,607	(20,675)
Expenditures				
Instruction	85,572	142,305	159,607	(17,302)
Student Support	3,950	6,568	6,000	568
Instructional Support	5,266	8,757	10,000	(1,243)
General Administration	6,583	10,947	11,000	(53)
School Administration	10,532	17,515	19,000	(1,485)
Operations and Maintenance	9,216	15,325	17,000	(1,675)
Student Support	6,583	10,947	11,000	(53)
Food Service	3,950	6,568	6,000	568
Total Expenditures	131,652	218,932	239,607	(20,675)
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
At Risk (K-12) Fund

Statement of Cash Receipts and Expenditures - Actual and Budget

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Transfers In	\$ 298,236	219,840	168,805	51,035
Expenditures				
Instruction	245,415	265,517	273,500	(7,983)
Cash Receipts Over (Under) Expenditures	52,821	(45,677)		
Unencumbered Cash - Beginning	190,471	243,292		
Unencumbered Cash - Ending	\$ 243,292	197,615		

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, 2012
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts	\$ -	-
Expenditures		
Transfers Out	-	40,000
Cash Receipts Over (Under) Expenditures	-	(40,000)
Unencumbered Cash - Beginning	200,197	200,197
Unencumbered Cash - Ending	\$ 200,197	160,197

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, 2012
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Book Rental Fees	\$ 8,714	8,720
Expenditures		
Instruction	23,206	26,721
Receipts Over (Under) Expenditures	(14,492)	(18,001)
Unencumbered Cash - Beginning	81,271	67,279
Prior Year Cancelled Encumbrances	500	42
Unencumbered Cash - Ending	\$ 67,279	49,320

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, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Taxes and Shared Revenues				
Ad Valorem Tax	\$ 36,663	39,438	36,885	2,553
Delinquent Tax	-	376	562	(186)
Motor Vehicle Tax	5,073	5,963	4,022	1,941
Recreational Vehicle Tax	75	67	52	15
Other Revenue	-	-	16,801	(16,801)
Total Cash Receipts	41,811	45,844	58,322	(12,478)
Expenditures				
Community Service Operation	41,811	45,844	137,360	(91,516)
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

Title I Low Income Fund

Statement of Cash Receipts and Expenditures

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Intergovernmental Revenue		
Federal Aid	\$ 96,668	75,093
Federal Aid - ARRA	-	10,000
Total Cash Receipts	96,668	85,093
Expenditures		
Instruction	107,494	68,407
Cash Receipts Over (Under) Expenditures	(10,826)	16,686
Unencumbered Cash - Beginning	(5,860)	(16,686)
Unencumbered Cash - Ending	\$ (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, 2012
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Intergovernmental Revenue		
Federal Aid	\$ 1,694	-
Expenditures		
Instruction	1,694	-
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

Title IV Drug Free Schools Fund

Statement of Cash Receipts and Expenditures

For the Year Ended June 30, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts	\$ -	-
Expenditures		
Instruction	-	235
Cash Receipts Over (Under) Expenditures	-	(235)
Unencumbered Cash - Beginning	1,270	1,270
Unencumbered Cash - Ending	\$ 1,270	1,035

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, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Intergovernmental Revenue		
Federal Aid	\$ 10,089	30,200
Federal Aid - Character Education	-	1,458
Total Cash Receipts	10,089	31,658
Expenditures		
Instruction	17,260	28,784
Cash Receipts Over (Under) Expenditures	(7,171)	2,874
Unencumbered Cash - Beginning	4,117	(2,874)
Prior Year Cancelled Encumbrances	180	-
Unencumbered Cash - Ending	\$ (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 - Actual and Budget
 For the Year Ended June 30, 2012
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Federal Aid - Character Education	\$ -	2,812	-	2,812
Other Revenue/Grant	9,132	3,750	20,000	(16,250)
Total Cash Receipts	9,132	6,562	20,000	(13,438)
Expenditures				
Instruction	9,133	5,021	30,000	(24,979)
Cash Receipts Over (Under) Expenditures	(1)	1,541		
Unencumbered Cash - Beginning	216	215		
Prior Year Cancelled Encumbrances	-	353		
Unencumbered Cash - Ending	\$ 215	2,109		

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, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Intergovernmental Revenue		
Federal Aid	\$ 14,452	36,949
Expenditures		
Instruction	14,452	36,949
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, 2012
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Interest Income	\$ 10	2
Donation	-	5
Total Cash Receipts	10	7
Expenditures		
Scholarships	200	300
Cash Receipts Over (Under) Expenditures	(190)	(293)
Unencumbered Cash - Beginning	484	294
Unencumbered Cash - Ending	\$ 294	1

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, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Interest Income	\$ 10	3
Donations	-	150
Total Cash Receipts	10	153
Expenditures		
Scholarships	-	300
Cash Receipts Over (Under) Expenditures	10	(147)
Unencumbered Cash - Beginning	394	404
Unencumbered Cash - Ending	\$ 404	257

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, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Interest Income	\$ 58	38
Scholarship Memorial	1,000	-
Total Cash Receipts	1,058	38
Expenditures		
Scholarships	1,000	1,000
Cash Receipts Over (Under) Expenditures	58	(962)
Unencumbered Cash - Beginning	3,023	3,081
Unencumbered Cash - Ending	\$ 3,081	2,119

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, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Interest Income	\$ 221	61
Donations	14,000	1,950
Total Cash Receipts	14,221	2,011
Expenditures		
Equipment	5,514	12,106
Cash Receipts Over (Under) Expenditures	8,707	(10,095)
Unencumbered Cash - Beginning	1,281	9,988
Unencumbered Cash - Ending	\$ 9,988	(107)

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, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Interest Income	\$ 16	10
Expenditures		
Scholarships	-	100
Cash Receipts Over (Under) Expenditures	16	(90)
Unencumbered Cash - Beginning	673	689
Unencumbered Cash - Ending	<u>\$ 689</u>	<u>599</u>

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

RAWLINS COUNTY UNIFIED SCHOOL DISTRICT NO. 105 ATWOOD, KANSAS
Ginther Scholarship Fund
 Statement of Cash Receipts and Expenditures
 For the Year Ended June 30, 2012
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Donations	\$ -	500
Expenditures		
Scholarships	-	250
Cash Receipts Over (Under) Expenditures	-	250
Unencumbered Cash - Beginning	-	-
Unencumbered Cash - Ending	\$ -	250

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, 2012

(With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Donations	\$ 600	-
Interest Income	13	8
Total Cash Receipts	613	8
Expenditures		
Scholarships	500	600
Cash Receipts Over (Under) Expenditures	113	(592)
Unencumbered Cash - Beginning	901	1,014
Unencumbered Cash - Ending	\$ 1,014	422

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, 2012
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Scholarship Memorial	\$ 500	500
Expenditures		
Scholarships	500	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, 2012
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2011)

	Prior Year Actual	Current Year Actual
Cash Receipts	\$ -	-
Expenditures		
Scholarships	100	-
Cash Receipts Over (Under) Expenditures	(100)	-
Unencumbered Cash - Beginning	100	-
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

Agency Funds

Summary of Cash Receipts and Cash Disbursements

For the Year Ended June 30, 2012

Funds	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
High School				
"A" Club	\$ 1,898	3,316	3,633	1,581
Band/Flag Line	7	4,340	3,283	1,064
Senior Class	-	1,345	1,345	-
Junior Class	767	22,503	21,271	1,999
Sophomore Class	5	84	52	37
Freshman Class	88	-	74	14
Consort	1,801	11,157	10,571	2,387
Creative Arts	806	2,535	1,923	1,418
Cheerleaders	441	2,820	1,882	1,379
Faculty	8,648	2,712	4,478	6,882
FFA	10,754	45,858	48,418	8,194
Scholars Bowl	1,347	350	583	1,114
Foreign Language Club	80	913	978	15
Speech	1,389	100	572	917
SADD	62	705	187	580
Student Council	2,763	9,870	8,294	4,339
Total High School	30,856	108,608	107,544	31,920
Grade School				
Faculty	1,764	1,549	2,252	1,061
Student Council	2,423	3,311	2,961	2,773
Total Grade School	4,187	4,860	5,213	3,834
Total Student Organizations	35,043	113,468	112,757	35,754
Non-Student Organization				
Plan 125	2,810	60,795	61,238	2,367
Total Agency Funds	\$ 37,853	174,263	173,995	38,121

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, 2012

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	\$ 7,887	-	35,603	33,718	9,772	-	9,772
Grade School and Jr. High School							
Concessions	1,896	-	573	510	1,959	-	1,959
Jr. High Athletics	3,454	-	7,863	7,635	3,682	-	3,682
Total Gate Receipts	<u>13,237</u>	<u>-</u>	<u>44,039</u>	<u>41,863</u>	<u>15,413</u>	<u>-</u>	<u>15,413</u>
School Projects							
High School							
Library	464	-	2,596	2,441	619	-	619
Annual	998	-	2,620	2,266	1,352	-	1,352
Total High School	<u>1,462</u>	<u>-</u>	<u>5,216</u>	<u>4,707</u>	<u>1,971</u>	<u>-</u>	<u>1,971</u>
Grade School and Jr. High School							
Library/Book Fairs	1,505	-	4,579	4,239	1,845	-	1,845
DI - Destination Imagination	4,897	-	210	1,057	4,050	-	4,050
Total Grade School	<u>6,402</u>	<u>-</u>	<u>4,789</u>	<u>5,296</u>	<u>5,895</u>	<u>-</u>	<u>5,895</u>
Total School Projects	<u>7,864</u>	<u>-</u>	<u>10,005</u>	<u>10,003</u>	<u>7,866</u>	<u>-</u>	<u>7,866</u>
Total District Activity Funds	<u>\$ 21,101</u>	<u>-</u>	<u>54,044</u>	<u>51,866</u>	<u>23,279</u>	<u>-</u>	<u>23,279</u>

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, 2012

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.

These financial statements present **Rawlins County Unified School District No. 105 Atwood, Kansas** (the primary government) but not its component unit. The following is a component unit of the District. The District exercises significant influence or accountability based primarily on operational or financial relationships with the Commission.

Atwood Summer Recreation Commission

The District's Recreation Commission oversees recreation activities. The recreation commission operates as a separate governing body but the District levies the taxes for the recreation commission and the recreation commission has only the powers granted by statute, K.S.A. 12-1928. The Recreation Commission does not issue audited financial statements. Contact the District Clerk for information on how to obtain their financial information.

The District is the primary government as defined in GASB #14 and further amended by GASB #39. The Board is elected by the public. The Board has the authority to make decisions, levy taxes, influence operations and has the primary accountability in fiscal matters.

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, 2012.

Governmental Fund Categories

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

RAWLINS COUNTY UNIFIED SCHOOL DISTRICT NO. 105 ATWOOD, KANSAS

Notes to Financial Statements

June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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,

RAWLINS COUNTY UNIFIED SCHOOL DISTRICT NO. 105 ATWOOD, KANSAS

Notes to Financial Statements

June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.
- 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. The General Fund was amended 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 IV Drug Free Schools Fund, Title II Improving Teacher Quality Fund, REAP Grant Fund and District Activity Funds.

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

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.

RAWLINS COUNTY UNIFIED SCHOOL DISTRICT NO. 105 ATWOOD, KANSAS

Notes to Financial Statements

June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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, 2012.

At June 30, 2012, the District's carrying amount of deposits was \$1,336,386 and the bank balance was \$1,453,808. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$251,134 was covered by federal depository insurance and \$1,202,674 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, 2012.

Compensated Absences

The District's policy with regard to vacation 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.

RAWLINS COUNTY UNIFIED SCHOOL DISTRICT NO. 105 ATWOOD, KANSAS

Notes to Financial Statements

June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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 five years. Payments to retired employees under this plan were \$28,000 for the year ended June 30, 2012.

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 9.77% of covered payroll and 22.96% 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, 2012, 2011 and 2010 were \$298,635,383, \$253,834,044, and \$248,468,186, respectively, equal to the required contributions for each year as set forth by the legislature. The amounts attributable to the District for the years ending June 30, 2012, 2011, and 2010 were \$223,634, \$131,652 and \$165,337, respectively.

RAWLINS COUNTY UNIFIED SCHOOL DISTRICT NO. 105 ATWOOD, KANSAS

Notes to Financial Statements

June 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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, 2012 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	\$ 142,805
General Fund	Vocational Education Fund	K.S.A. 72-6248	15,729
General Fund	Special Education Fund	K.S.A. 72-6248	251,001
Supplemental General Fund	Special Education Fund	K.S.A. 72-6433	83,074
Supplemental General Fund	At Risk (K-12) Fund	K.S.A. 72-6433	77,035
Supplemental General Fund	Vocational Education Fund	K.S.A. 72-6433	62,120
Supplemental General Fund	Professional Development Fund	K.S.A. 72-6433	6,635
Supplemental General Fund	Food Service Fund	K.S.A. 72-6433	15,000
Contingency Reserve Fund	General Fund	2011 SB111	40,000

RAWLINS COUNTY UNIFIED SCHOOL DISTRICT NO. 105 ATWOOD, KANSAS

Notes to Financial Statements

June 30, 2012

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.

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 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Expenditures must be made in compliance with the cash basis law which requires that no indebtedness be created for a fund in excess of available monies in that fund. The District had expenditures in excess of the available monies in the Friends of USD No. 105 Fund, which is a violation of K.S.A. 10-1113.

The District does not make mandatory purchases of products and services offered by Kansas Industries for the Blind and Severely Disabled as required by K.S.A. 75-3317 through 75-3322.

NOTE 8 – OPERATING LEASES

Rawlins County Unified School District No. 105 Atwood, Kansas has an automatic renewal lease agreement with Carlson's Rentals dated June 1, 2009, for use of a rental stall. The District agreed to pay the sum of \$540, 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, 2011 and ending May 31, 2012.

The District entered into an automatically renewable lease agreement with Atwood Self Storage 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, 2012 was \$600.

RAWLINS COUNTY UNIFIED SCHOOL DISTRICT NO. 105 ATWOOD, KANSAS

Notes to Financial Statements

June 30, 2012

NOTE 8 – OPERATING LEASES (continued)

The District renewed the original lease agreement dated September 20, 2007 with Philpott & Company, Inc., on September 1, 2011 for one year, for use of a radio tower to transmit and receive signals from its several busses. The District agreed to pay the sum of \$900 per year plus the sum of \$200 for additional utility charges, beginning September 1, 2011; the total lease expense being \$1,100 for the year ended June 30, 2012. This one year lease expires August 31, 2013, with the last lease payment being due and payable by September 21, 2013.

NOTE 9 – IN-SUBSTANCE RECEIPT IN TRANSIT

The District received \$208,782 and \$11,881 subsequent to June 30, 2012 and as required by K.S.A. 72-6417 and 72-6434, the receipts were recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2012.

NOTE 10 – PRIOR PERIOD ADJUSTMENT

The General Fund and Supplemental General Fund Unencumbered Cash have been restated to \$0 and \$15,096, respectively, to be in conformity with the regulatory basis of accounting as of July 1, 2011.

NOTE 11 – 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. The notes mature on June 17, 2013 with four equal payments of \$75,000 annually.

Lease Obligations

The District entered into a capital lease agreement with Eakes, Inc., on July 1, 2010, expiring on July 1, 2015, 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 or \$17,964 per year. This lease contains a fiscal funding clause.

The District entered into a capital lease obligation with TAC Americas in the amount of \$438,660 on July 1, 2007 for obligations to purchase energy saving equipment. The lease term is for 10 years, expiring on July 1, 2017, with a one-time down payment of \$200,000 at the beginning of the lease and then \$29,145 annual payments following. Interest rate on this lease is 3.809%. This lease contains a fiscal funding clause.

RAWLINS COUNTY UNIFIED SCHOOL DISTRICT NO. 105 ATWOOD, KANSAS
Notes to Financial Statements
June 30, 2012

NOTE 11 - LONG-TERM DEBT (continued)

Changes in long-term liabilities for the District for the year ended June 30, 2012, 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	\$ 150,000	-	75,000		75,000	5,850
Capital Leases Payable										
TAC Americas Capital Lease	3.81%	7/1/2007	438,660	7/1/2017	176,174	-	22,435		153,739	6,710
Eakes Inc. Copier Lease	-	7/1/2010	89,820	6/1/2016	71,856	-	17,964		53,892	-
Total Contractual Indebtedness					398,030	-	115,399		282,631	12,560
Compensated Absences					46,639	-	-	(9,318)	37,321	-
Total Long-Term Debt					<u>\$ 444,669</u>	<u>-</u>	<u>115,399</u>	<u>(9,318)</u>	<u>319,952</u>	<u>12,560</u>

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

	YEAR						
	2013	2014	2015	2016	2017	2018	Total
Principal							
Temporary Note, Series 2009	\$ 75,000	-	-	-	-	-	75,000
TAC Americas Capital Lease	23,290	24,177	25,097	26,053	27,046	28,076	153,739
Eakes Inc. Copier Lease	17,964	17,964	17,964	-	-	-	53,892
Total Principal	116,254	42,141	43,061	26,053	27,046	28,076	282,631
Interest							
Temporary Note, Series 2009	2,925	-	-	-	-	-	2,925
TAC Americas Capital Lease	5,855	4,968	4,048	3,092	2,099	1,069	21,131
Total Principal and Interest	<u>\$ 125,034</u>	<u>47,109</u>	<u>47,109</u>	<u>29,145</u>	<u>29,145</u>	<u>29,145</u>	<u>306,687</u>

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