

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

Financial Statements  
June 30, 2012

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Unified School District No. 323  
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INDEPENDENT AUDITOR'S REPORT

October 24, 2012

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

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Rock Creek Unified School District No. 323, as of and for the year ended June 30, 2012.

Rock Creek Unified School District No. 323's management is responsible for the preparation and fair presentation of this financial statement in accordance with the Kansas Municipal Audit and Accounting Guide as described in Note 1 to meet the financial reporting requirements of the State of Kansas. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error. Our responsibility is to express an opinion on the financial statement 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 and Accounting Guide. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Rock Creek Unified School District No. 323's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

As described in Note 1 of the financial statement, the financial statement is prepared by Rock Creek Unified School District No. 323 to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the Rock Creek Unified School District No. 323 as of June 30, 2012, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated October 24, 2012, 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 an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and expenditures-agency funds, schedule of regulatory basis receipts and expenditures-district activity funds (Schedules 1, 2 3 and 4 as listed in the table of contents) is presented for purposes of additional analysis and are not a required part of the basic financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

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  
James Gordon & Associates CPA, P.A.

**Rock Creek**  
**Unified School District No. 323**  
**Summary of Regulatory Basis Receipts, Expenditures, and Unencumbered Cash Balance**  
**For the Year Ended June 30, 2012**

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Funds							
General Fund	\$ 9.63	\$ -	\$ 6,010,047.52	\$ 6,010,056.04	\$ 1.11	\$ 419,728.76	\$ 419,729.87
Supplemental General	57,787.26	-	1,573,031.00	1,539,750.00	91,068.26	98,629.98	189,698.24
Special Revenue Funds:							
Bilingual Education	247.41	-	-	-	247.41	-	247.41
Capital Outlay	1,419,777.08	-	322,242.70	221,579.32	1,520,440.46	12,983.00	1,533,423.46
Driver Training	14,591.03	-	-	14,591.03	-	-	-
Food Service	73,814.05	-	453,813.08	452,488.88	75,138.25	2,732.44	77,870.69
Professional Development	16,794.57	-	37,213.00	36,864.93	17,142.64	5,992.00	23,134.64
Parents as Teachers	39,040.26	-	48,339.94	48,338.07	39,042.13	-	39,042.13
Summer School	9,457.40	-	-	9,457.40	-	-	-
Special Education	373,568.69	-	1,228,713.00	1,128,711.97	473,569.72	1,671.60	475,241.32
Vocational Education	4,948.13	-	173,403.14	173,350.83	5,000.44	7,453.44	12,453.88
Title I 11	-	-	25,350.00	25,350.00	-	-	-
Title I 12	-	-	100,583.00	100,583.00	-	20,679.48	20,679.48
Title II A FY12	-	-	23,157.00	23,157.00	-	-	-
Gifts and Grants	814.93	-	16,112.45	14,587.36	2,340.02	8,448.00	10,788.02
KPERS Special Retirement Contribution	-	-	442,334.84	442,334.84	-	-	-
At Risk	9,483.86	-	228,030.19	179,783.92	57,730.13	27,171.17	84,901.30
Student Material Revolving/Textbook Rent	48,763.84	-	28,460.23	45,176.74	32,047.33	-	32,047.33
Contingency Reserve	598,108.25	-	112,797.00	110,905.03	600,000.22	-	600,000.22
Owls Grant	577.70	-	-	-	577.70	-	577.70
District Activity	3,439.70	-	46,074.23	45,545.38	3,968.55	-	3,968.55
Debt Service Fund:							
Bond & Interest	943,599.25	-	786,707.13	741,962.52	988,343.86	-	988,343.86
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 3,614,823.04</u>	<u>\$ -</u>	<u>\$ 11,656,409.45</u>	<u>\$ 11,364,574.26</u>	<u>\$ 3,906,658.23</u>	<u>\$ 605,489.87</u>	<u>\$ 4,512,148.10</u>

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

<b>Rock Creek</b> <b>Unified School District No. 323</b> <b>Summary of Regulatory Basis Receipts, Expenditures, and Unencumbered Cash Balance</b> <b>For the Year Ended June 30, 2012</b>	<b>Statement 1</b> <b>2 of 2</b>
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Composition of Cash:

Now Checking Money Market	\$ 4,030,711.55
Checking Account- Petty Cash	1,000.00
Checking Account - Rock Creek Junior/Senior High School	59,229.54
Checking Account - St. George Grade School	5,402.57
Checking Account - Westmoreland Grade School	4,922.16
In-substance Receipt in Transit	<u>472,968.00</u>
Total Cash	4,574,233.82
 Less Agency Funds per Schedule 3	 <u>(62,085.72)</u>
 Total Reporting Entity (Excluding Agency Funds)	 <u><u>\$ 4,512,148.10</u></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, 2012

1. Summary of Significant Accounting Policies

Reporting Entity

Rock Creek Unified School District No. 323 (District) 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, 2012.

Governmental funds

General funds – The chief operating fund, used to account for all resources except those required to be accounted for in another fund.

Special revenue funds – The special revenue funds, 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, 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 – Fiduciary funds, 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, 2012

1. Summary of Significant Accounting Policies, continued

Regulatory Basis of Accounting and Departure from Accounting Principles Generally accepted in the United States of America.

The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investment balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

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 regulatory basis of accounting.

2. 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 principle and interest funds. Although directory rather than mandatory, 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 1<sup>st</sup>.
2. Publication in the local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5<sup>th</sup>.
3. Public hearing on or before August 15<sup>th</sup>, but at least ten days after publication of a notice of hearing.
4. Adoption of the final budget on or before August 25<sup>th</sup>.

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.

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Notes to Financial Statements  
June 30, 2012

2. Budgetary Information, continued

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The legal general fund budget computed by the State Board of Education for 2011-12 is \$6,080,365.00.

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.

All legal annual operating budgets are prepared using the regulatory 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.

3. 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, 2012.

*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.

Rock Creek  
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Notes to Financial Statements  
June 30, 2012

3. Deposits and Investments, continued

*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 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 2011-12, and therefore the District did not designate peak periods. All deposits were legally secured at June 30, 2012.

At June 30, 2012 the District's carrying amount of deposits was \$4,101,291.15. The bank balance was \$4,225,993.78. The difference between the carrying amount and the bank balance is outstanding checks and deposits in transit. Of the bank balance, \$261,666.70 was covered by FDIC insurance, and the remaining \$3,964,327.08 was collateralized by pledged securities held under joint custody receipts issued by a third-party bank in the District's name.

4. In-substance Receipt in Transit

The District received \$472,968.00 subsequent to June 30, 2012 and as required by K.S.A. 72-6417(d) and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2012.

5. Capital Projects

The District voters approved a new bond issue for building renovation and expansion on May 22, 2012, for \$4,420,000.00. On June 13, 2012 the board authorized the issuance of the bonds and authorized capital projects in the same amount.

6. Long-Term Debt

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.

On July 11, 2012, the District issued bonds in the amount of \$4,420,000.00 at an interest rate of 3%. The principle payments are due September 1, 2028 through September 1, 2032. The following maturity schedule includes the new bonds.

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Notes to Financial Statements  
June 30, 2012

6. Long-Term Debt, continued

Changes in long-term liabilities for the District for the year ended June 30, 2012, were as follows:

	Amount of Issue	Interest Rates	Date of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Interest
General Obligation Bonds									
Series 2007	\$11,485,000.00	4.0-5.0%	01/01/07	09/01/27	\$ 11,210,000.00	\$ -	\$ 260,000.00	\$10,950,000.00	\$ 481,962.52
Series 2012	4,420,000.00	3.00%	07/11/12	09/01/32	-	-	-	-	-
Lease-Purchase	2,180,822.00	4.35%	10/21/11	10/21/25	-	2,180,822.00	192,596.32	1,988,225.68	-
Total Contractual Indebtedness					11,210,000.00	2,180,822.00	452,596.32	12,938,225.68	481,962.52
Compensated Absences					797,390.78	-	10,390.78	787,000.00	N/A
Total Long Term Debt					<u>\$ 12,007,390.78</u>	<u>\$2,180,822.00</u>	<u>\$ 462,987.10</u>	<u>\$13,725,225.68</u>	<u>\$ 481,962.52</u>

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

	2013	2014	2015	2016	2017	2018-2022	2023-2027	2028-2033	Total
Principal									
General Obligation Bond	\$ 300,000.00	\$ 340,000.00	\$ 380,000.00	\$ 425,000.00	\$ 475,000.00	\$3,165,000.00	\$4,695,000.00	\$ 5,590,000.00	\$15,370,000.00
Lease-Purchase	106,108.70	110,724.42	115,540.92	120,566.94	125,811.59	716,069.20	693,403.91	-	1,988,225.68
Total Principal	406,108.70	450,724.42	495,540.92	545,566.94	600,811.59	3,881,069.20	5,388,403.91	5,590,000.00	17,358,225.68
Interest									
General Obligation Bond	578,462.52	584,562.52	566,562.52	546,437.52	523,937.52	2,254,537.60	1,435,812.54	507,412.50	6,997,725.24
Lease-Purchase	86,487.62	81,871.90	77,055.40	72,029.38	66,784.73	246,912.40	76,981.37	-	708,122.80
Total Interest	664,950.14	666,434.42	643,617.92	618,466.90	590,722.25	2,501,450.00	1,512,793.91	507,412.50	7,705,848.04
Total Principal and Interest	<u>\$ 1,071,058.84</u>	<u>\$1,117,158.84</u>	<u>\$1,139,158.84</u>	<u>\$1,164,033.84</u>	<u>\$ 1,191,533.84</u>	<u>\$6,382,519.20</u>	<u>\$6,901,197.82</u>	<u>\$ 6,097,412.50</u>	<u>\$25,064,073.72</u>

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Notes to Financial Statements  
June 30, 2012

7. Interfund Transactions

Operating transfers during the fiscal year ended June 30, 2012 were as follows:

<u>From</u>	<u>To</u>	<u>Authority</u>	<u>Amount</u>
General Fund	Capital Outlay	K.S.A. 72-6428(c)	264,534.00
General Fund	Special Education	K.S.A. 72-6428(e)	609,537.00
General Fund	Contingency Reserve	K.S.A. 72-6428(b)	112,797.00
Driver Training Fund	General Fund	K.S.A. 72-6423	14,591.03
Summer School Fund	General Fund	K.S.A. 72-6429	9,457.40
Title II A FY11 Fund	Title I 12 Fund		6,809.00
Supplemental General	At Risk	K.S.A. 72-6433(j)(2)	228,030.19
Supplemental General	Food Service	K.S.A. 72-6433(j)(2)	10,370.00
Supplemental General	Professional Development	K.S.A. 72-6433(j)(2)	34,155.00
Supplemental General	Vocational Education	K.S.A. 72-6433(j)(2)	170,173.00
Supplemental General	Special Education	K.S.A. 72-6433(j)(2)	619,176.00
Supplemental General	Parents as Teachers	K.S.A. 72-6433(j)(2)	22,000.00

8. 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.

9. Operating Leases

The District leases nine 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, 2012	<u>\$25,596.00</u>
Minimum Usage Fee, Year Ending June 30, 2013	<u>\$26,364.60</u>
Minimum Usage Fee, Year Ending June 30, 2014	<u>\$27,400.00</u>

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Notes to Financial Statements  
June 30, 2012

10. 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 31<sup>st</sup> 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.

Sick and Personal Leave

Administrative employees are allowed 12 days of sick leave and two days personal leave per year. 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. Non custodial employees 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 be accumulated 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.

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Notes to Financial Statements  
June 30, 2012

10. Compensated Absences, continued

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 1<sup>st</sup> 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.

11. 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.

12. Defined Benefit Pension Plan

Plan Description and Funding Policy

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



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Unified School District No. 323  
Notes to Financial Statements  
June 30, 2012

13. 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.

14. Compliance, Stewardship and Accountability

There were no statutory violations noted during the audit of the June 30, 2012 financial statements.

15. Subsequent Events

In preparing these financial statements, the District has evaluated events and transactions for potential recognition or disclosure through October 24, 2012, the date the financial statements were available for issue.

**Rock Creek**  
**Unified School District No. 323**  
**Summary of Regulatory Basis Expenditures - Actual and Budget**  
**For the Year Ended June 30, 2012**

**Schedule 1**

	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	\$ 6,080,365.00	\$ -	\$ -	\$ 6,080,365.00	\$ 6,010,056.04	\$ (70,308.96)
Supplemental General	1,539,750.00	-	-	1,539,750.00	1,539,750.00	-
Special Revenue Funds:						
Bilingual Education	14,765.00	-	-	14,765.00	-	(14,765.00)
Capital Outlay	1,555,000.00	-	-	1,555,000.00	221,579.32	(1,333,420.68)
Driver Training	14,591.00	-	-	14,591.00	14,591.03	0.03
Food Service	500,500.00	-	-	500,500.00	452,488.88	(48,011.12)
Professional Development	38,630.00	-	-	38,630.00	36,864.93	(1,765.07)
Parents as Teachers	48,558.00	-	-	48,558.00	48,338.07	(219.93)
Summer School	9,458.00	-	-	9,458.00	9,457.40	(0.60)
Special Education	1,177,708.00	-	-	1,177,708.00	1,128,711.97	(48,996.03)
Vocational Education	200,000.00	-	-	200,000.00	173,350.83	(26,649.17)
Federal Funds	151,441.00	Not subject to Budget Legal Max		151,441.00	149,090.00	(2,351.00)
KPERs Special Retirement Contribution	474,774.00	-	-	474,774.00	442,334.84	(32,439.16)
At-Risk	261,000.00	-	-	261,000.00	179,783.92	(81,216.08)
Debt Service Fund:						
Bond & Interest	742,163.00	-	-	742,163.00	741,962.52	(200.48)
Total (Memorandum Only)	<u>\$ 12,808,703.00</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,808,703.00</u>	<u>\$ 11,148,359.75</u>	<u>\$ (1,660,343.25)</u>

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

**Schedule 2  
1 of 22**

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

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Cash Receipts			
Taxes and Shared Revenue:			
Ad valorem property	\$ 706,602.36	\$ 661,355.00	\$ 45,247.36
Delinquent	17,239.73	8,610.00	8,629.73
State aid:			
Equalization aid	4,232,924.00	4,364,656.00	(131,732.00)
Special Education	1,026,396.00	1,021,686.00	4,710.00
ARRA Stabilization	-	-	-
Education Jobs Fund	-	-	-
Federal Aid:	2,837.00	-	2,837.00
Transfers	<u>24,048.43</u>	<u>24,049.00</u>	<u>(0.57)</u>
Total Cash Receipts	<u>6,010,047.52</u>	<u>\$ 6,080,356.00</u>	<u>\$ (70,308.48)</u>
Expenditures and Transfers Subject to Legal Max Budget			
Instruction	3,138,538.73	\$ 3,059,638.00	\$ 78,900.73
Student support services	155,750.06	171,953.00	(16,202.94)
Instructional support services	143,613.11	185,705.00	(42,091.89)
General administration	278,566.77	284,916.00	(6,349.23)
School administration	480,835.61	486,062.00	(5,226.39)
Operations and maintenance	531,368.08	546,583.00	(15,214.92)
Student transportation services	294,515.68	323,822.00	(29,306.32)
Transfers	986,868.00	1,021,686.00	(34,818.00)
Adjustment to Comply to Legal Max	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures Subject to Legal Max Budget	<u>6,010,056.04</u>	<u>\$ 6,080,365.00</u>	<u>\$ (70,308.96)</u>
Receipts Over (Under) Expenditures	(8.52)		
Unencumbered Cash, Beginning	9.63		
Adjustment to Unencumbered Cash for Prior Year Cancelled Encumbrances	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 1.11</u>		

**Rock Creek**  
**Unified School District No. 323**  
**Supplemental General Fund**  
**Summary of Regulatory Basis Expenditures - Actual and Budget**  
**For the Year Ended June 30, 2012**

**Schedule 2**  
**2 of 22**

	Actual	Budget	Variance- Over (Under)
Cash Receipts			
Taxes and Shared Revenue:			
Ad valorem property	\$ 712,248.20	\$ 655,565.00	\$ 56,683.20
Delinquent	13,715.41	8,813.00	4,902.41
Motor and recreational vehicle	98,129.69	96,031.00	2,098.69
State aid	748,504.00	721,555.00	26,949.00
Miscellaneous	433.70	-	433.70
Federal aid	-	-	-
Total Cash Receipts	<u>1,573,031.00</u>	<u>\$ 1,481,964.00</u>	<u>\$ 91,067.00</u>
Expenditures and Transfers Subject to Legal Max Budget			
Instruction	134,057.30	\$ 242,775.00	\$ (108,717.70)
Instructional support services	42,553.23	40,500.00	2,053.23
Operations and maintenance	279,235.28	391,475.00	(112,239.72)
Transfers	<u>1,083,904.19</u>	<u>865,000.00</u>	<u>218,904.19</u>
Total Expenditures Subject to Legal Max Budget	<u>1,539,750.00</u>	<u>\$ 1,539,750.00</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	33,281.00		
Unencumbered Cash, Beginning	57,787.26		
Adjustment to Unencumbered Cash for Prior Year Cancelled			
Encumbrances	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 91,068.26</u>		

**Rock Creek**  
**Unified School District No. 323**  
**Bilingual Education Fund**  
**Summary of Regulatory Basis Expenditures - Actual and Budget**  
**For the Year Ended June 30, 2012**

**Schedule 2**  
**3 of 22**

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Cash Receipts			
Transfers	\$       -	\$ 15,000.00	\$ (15,000.00)
Total Cash Receipts	<u>          -</u>	<u><u>\$ 15,000.00</u></u>	<u><u>\$ (15,000.00)</u></u>
 Expenditures and Transfers Subject to Legal Max Budget			
Instruction	<u>          -</u>	<u>\$ 14,765.00</u>	<u>\$ (14,765.00)</u>
Total Expenditures Subject to Legal Max Budget	<u>          -</u>	<u><u>\$ 14,765.00</u></u>	<u><u>\$ (14,765.00)</u></u>
Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	247.41		
Adjustment to Unencumbered Cash for Prior Year Cancelled Encumbrances	<u>          -</u>		
Unencumbered Cash, Ending	<u><u>\$ 247.41</u></u>		

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

**Schedule 2  
4 of 22**

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

	Actual	Budget	Variance- Over (Under)
Cash Receipts			
Interest	\$ 1,902.08	\$ 100,000.00	\$ (98,097.92)
Other	55,806.62	44,000.00	11,806.62
Transfers	<u>264,534.00</u>	<u>-</u>	<u>264,534.00</u>
Total Cash Receipts	<u>322,242.70</u>	<u>\$ 144,000.00</u>	<u>\$ 178,242.70</u>
Expenditures and Transfers Subject to Legal Max Budget			
Instruction	28,983.00	\$ 155,000.00	\$ (126,017.00)
Operations & Maintenance	-	390,000.00	(390,000.00)
Transportation	-	210,000.00	(210,000.00)
Repair & Remodeling	<u>192,596.32</u>	<u>800,000.00</u>	<u>(607,403.68)</u>
Total Expenditures Subject to Legal Max Budget	<u>221,579.32</u>	<u>\$ 1,555,000.00</u>	<u>\$ (1,333,420.68)</u>
Receipts Over (Under) Expenditures	100,663.38		
Unencumbered Cash, Beginning	1,419,777.08		
Adjustment to Unencumbered Cash for Prior Year Cancelled Encumbrances	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 1,520,440.46</u>		

**Rock Creek**  
**Unified School District No. 323**  
**Driver Training Fund**  
**Summary of Regulatory Basis Expenditures - Actual and Budget**  
**For the Year Ended June 30, 2012**

**Schedule 2**  
**5 of 22**

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Cash Receipts			
Other	\$ -	\$ 14,591.00	\$ (14,591.00)
Total Cash Receipts	<u>-</u>	<u>\$ 14,591.00</u>	<u>\$ (14,591.00)</u>
Expenditures and Transfers Subject to Legal Max Budget			
Instruction	-	\$ -	\$ -
Operations and maintenance	-	-	-
Transfers	<u>14,591.03</u>	<u>14,591.00</u>	<u>0.03</u>
Total Expenditures Subject to Legal Max Budget	<u>14,591.03</u>	<u>\$ 14,591.00</u>	<u>\$ 0.03</u>
Receipts Over (Under) Expenditures	(14,591.03)		
Unencumbered Cash, Beginning	14,591.03		
Adjustment to Unencumbered Cash for Prior Year Cancelled Encumbrances	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>		

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

**Schedule 2  
6 of 22**

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

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Cash Receipts			
State aid	\$ 4,895.89	\$ 3,909.00	\$ 986.89
Federal aid	173,380.14	162,471.00	10,909.14
Breakfast & lunch receipts	265,167.05	288,171.00	(23,003.95)
Transfers	<u>10,370.00</u>	<u>5,000.00</u>	<u>5,370.00</u>
Total Cash Receipts	<u>453,813.08</u>	<u>\$ 459,551.00</u>	<u>\$ (5,737.92)</u>
Expenditures and Transfers Subject to Legal Max Budget			
Food service operation	<u>452,488.88</u>	<u>\$ 500,500.00</u>	<u>\$ (48,011.12)</u>
Total Expenditures Subject to Legal Max Budget	<u>452,488.88</u>	<u>\$ 500,500.00</u>	<u>\$ (48,011.12)</u>
Receipts Over (Under) Expenditures	1,324.20		
Unencumbered Cash, Beginning	73,814.05		
Adjustment to Unencumbered Cash for Prior Year Cancelled Encumbrances	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 75,138.25</u>		



**Rock Creek**  
**Unified School District No. 323**  
**Professional Development Fund**  
**Summary of Regulatory Basis Expenditures - Actual and Budget**  
**For the Year Ended June 30, 2012**

**Schedule 2**  
**7 of 22**

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Cash Receipts			
Other	\$ 3,058.00	\$ -	\$ 3,058.00
Transfers	<u>34,155.00</u>	<u>25,000.00</u>	<u>9,155.00</u>
Total Cash Receipts	<u>37,213.00</u>	<u>\$ 25,000.00</u>	<u>\$ 12,213.00</u>
Expenditures and Transfers Subject to Legal Max Budget			
Instructional Support Staff	-	\$ 3,200.00	\$ (3,200.00)
Professional development	<u>36,864.93</u>	<u>35,430.00</u>	<u>1,434.93</u>
Total Expenditures Subject to Legal Max Budget	<u>36,864.93</u>	<u>\$ 38,630.00</u>	<u>\$ (1,765.07)</u>
Receipts Over (Under) Expenditures	348.07		
Unencumbered Cash, Beginning	16,794.57		
Adjustment to Unencumbered Cash for Prior Year Cancelled Encumbrances	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 17,142.64</u>		

**Rock Creek  
Unified School District No. 323  
Parents as Teachers Fund  
Summary of Regulatory Basis Expenditures - Actual and Budget  
For the Year Ended June 30, 2012**

**Schedule 2  
8 of 22**

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Cash Receipts			
State aid	\$ 26,215.00	\$ 27,210.00	\$ (995.00)
Miiscellaneous	124.94	-	124.94
Transfers	<u>22,000.00</u>	<u>20,000.00</u>	<u>2,000.00</u>
Total Cash Receipts	<u>48,339.94</u>	<u>\$ 47,210.00</u>	<u>\$ 1,129.94</u>
Expenditures and Transfers Subject to Legal Max Budget			
Student Support Services	45,171.15	\$ 47,943.00	\$ (2,771.85)
Instructional Support Services	<u>3,166.92</u>	<u>615.00</u>	<u>2,551.92</u>
Total Expenditures Subject to Legal Max Budget	<u>48,338.07</u>	<u>\$ 48,558.00</u>	<u>\$ (219.93)</u>
Receipts Over (Under) Expenditures	1.87		
Unencumbered Cash, Beginning	39,040.26		
Adjustment to Unencumbered Cash for Prior Year Cancelled Encumbrances	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 39,042.13</u>		

**Rock Creek**  
**Unified School District No. 323**  
**Summer School Fund**  
**Summary of Regulatory Basis Expenditures - Actual and Budget**  
**For the Year Ended June 30, 2012**

**Schedule 2**  
**9 of 22**

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Cash Receipts			
Transfers	\$       -	\$       -	\$       -
Total Cash Receipts	<u>          -</u>	<u>\$       -</u>	<u>\$       -</u>
Expenditures and Transfers Subject to Legal Max Budget			
Transfers	<u>9,457.40</u>	<u>\$ 9,458.00</u>	<u>\$     (0.60)</u>
Total Expenditures Subject to Legal Max Budget	<u>9,457.40</u>	<u>\$ 9,458.00</u>	<u>\$     (0.60)</u>
Receipts Over (Under) Expenditures	(9,457.40)		
Unencumbered Cash, Beginning	9,457.40		
Adjustment to Unencumbered Cash for Prior Year Cancelled Encumbrances	<u>          -</u>		
Unencumbered Cash, Ending	<u>\$       -</u>		

**Rock Creek**  
**Unified School District No. 323**  
**Special Education Fund**  
**Summary of Regulatory Basis Expenditures - Actual and Budget**  
**For the Year Ended June 30, 2012**

**Schedule 2**  
**10 of 22**

	Actual	Budget	Variance- Over (Under)
Cash Receipts			
Transfers	\$ 1,228,713.00	\$ 1,306,686.00	\$ (77,973.00)
Total Cash Receipts	<u>1,228,713.00</u>	<u>\$ 1,306,686.00</u>	<u>\$ (77,973.00)</u>
Expenditures and Transfers Subject to Legal Max Budget			
Instruction:			
Payment to special education co-op	1,069,961.50	\$ 1,074,776.00	\$ (4,814.50)
Student transportation services	<u>58,750.47</u>	<u>102,932.00</u>	<u>(44,181.53)</u>
Total Expenditures Subject to Legal Max Budget	<u>1,128,711.97</u>	<u>\$ 1,177,708.00</u>	<u>\$ (48,996.03)</u>
Receipts Over (Under) Expenditures	100,001.03		
Unencumbered Cash, Beginning	373,568.69		
Adjustment to Unencumbered Cash for Prior Year Cancelled Encumbrances	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 473,569.72</u>		

**Rock Creek**  
**Unified School District No. 323**  
**Vocational Education Fund**  
**Summary of Regulatory Basis Expenditures - Actual and Budget**  
**For the Year Ended June 30, 2012**

**Schedule 2**  
**11 of 22**

	Actual	Budget	Variance- Over (Under)
Cash Receipts			
Other	\$ 3,230.14	\$ 2,000.00	\$ 1,230.14
Transfers	<u>170,173.00</u>	<u>195,000.00</u>	<u>(24,827.00)</u>
Total Cash Receipts	<u>173,403.14</u>	<u>\$ 197,000.00</u>	<u>\$ (23,596.86)</u>
Expenditures and Transfers Subject to Legal Max Budget			
Instruction & supplies	<u>173,350.83</u>	<u>\$ 200,000.00</u>	<u>\$ (26,649.17)</u>
Total Expenditures Subject to Legal Max Budget	<u>173,350.83</u>	<u>\$ 200,000.00</u>	<u>\$ (26,649.17)</u>
Receipts Over (Under) Expenditures	52.31		
Unencumbered Cash, Beginning	4,948.13		
Adjustment to Unencumbered Cash for Prior Year Cancelled Encumbrances	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 5,000.44</u>		

**Rock Creek  
Unified School District No. 323  
Title I 11 Fund**

**Schedule 2  
12 of 22**

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

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Cash Receipts			
Federal aid	\$ 25,350.00	\$ 25,350.00	\$ -
Transfers	<u>-</u>	<u>-</u>	<u>-</u>
Total Cash Receipts	<u>25,350.00</u>	<u>\$ 25,350.00</u>	<u>\$ -</u>
Expenditures and Transfers			
Instruction	25,350.00	\$ 25,350.00	\$ -
Instructional support services	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures Not Subject to Legal Max Budget	<u>25,350.00</u>	<u>\$ 25,350.00</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>		

**Rock Creek  
Unified School District No. 323  
Title I 12 Fund**

**Schedule 2  
13 of 22**

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

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Cash Receipts			
Federal aid	\$ 93,774.00	\$113,850.00	\$ (20,076.00)
Transfers	<u>6,809.00</u>	<u>-</u>	<u>6,809.00</u>
Total Cash Receipts	<u>100,583.00</u>	<u>\$113,850.00</u>	<u>\$ (13,267.00)</u>
Expenditures and Transfers			
Instruction	<u>100,583.00</u>	<u>\$113,850.00</u>	<u>\$ (13,267.00)</u>
Total Expenditures Not Subject to Legal Max Budget	<u>100,583.00</u>	<u>\$113,850.00</u>	<u>\$ (13,267.00)</u>
Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	-		
Adjustment to Unencumbered Cash for Prior Year Cancelled Encumbrances	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>		

**Rock Creek  
Unified School District No. 323  
Title II A FY 12  
Statement of Cash Receipts and Expenditures - Actual  
For the Year Ended June 30, 2012**

**Schedule 2  
14 of 22**

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Cash Receipts			
Federal aid	<u>\$23,157.00</u>	<u>\$12,241.00</u>	<u>\$10,916.00</u>
Total Cash Receipts	<u>23,157.00</u>	<u>\$12,241.00</u>	<u>\$10,916.00</u>
Expenditures and Transfers			
Instruction	16,348.00	\$12,241.00	\$ 4,107.00
Transfers	<u>6,809.00</u>	<u>-</u>	<u>6,809.00</u>
Total Expenditures Not Subject to Legal Max Budget	<u>23,157.00</u>	<u>\$12,241.00</u>	<u>\$10,916.00</u>
Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	-		
Adjustment to Unencumbered Cash for Prior Year Cancelled Encumbrances	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>		



**Rock Creek  
Unified School District No. 323  
Gifts and Grants Fund  
Statement of Cash Receipts and Expenditures - Actual  
For the Year Ended June 30, 2012**

**Schedule 2  
15 of 22**

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Cash Receipts			
Miscellaneous	<u>\$16,112.45</u>	<u>\$ -</u>	<u>\$16,112.45</u>
Total Cash Receipts	<u>16,112.45</u>	<u>\$ -</u>	<u>\$16,112.45</u>
Expenditures and Transfers			
Instruction	<u>14,587.36</u>	<u>\$ -</u>	<u>\$14,587.36</u>
Total Expenditures Not Subject to Legal Max Budget	<u>14,587.36</u>	<u>\$ -</u>	<u>\$14,587.36</u>
Receipts Over (Under) Expenditures	1,525.09		
Unencumbered Cash, Beginning	814.93		
Adjustment to Unencumbered Cash for Prior Year Cancelled Encumbrances	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 2,340.02</u>		

**Rock Creek**  
**Unified School District No. 323**  
**KPERS Special Retirement Contribution Fund**  
**Summary of Regulatory Basis Expenditures - Actual and Budget**  
**For the Year Ended June 30, 2012**

**Schedule 2**  
**16 of 22**

	Actual	Budget	Variance- Over (Under)
Cash Receipts			
State aid	\$ 442,334.84	\$ 474,774.00	\$ (32,439.16)
Total Cash Receipts	<u>442,334.84</u>	<u>\$ 474,774.00</u>	<u>\$ (32,439.16)</u>
Expenditures and Transfers Subject to Legal Max Budget			
Instruction	305,566.77	\$ 365,220.00	\$ (59,653.23)
Student support	18,085.10	16,168.00	1,917.10
Instructional support	14,142.99	7,315.00	6,827.99
General administration	21,369.48	15,888.00	5,481.48
School administration	37,461.48	31,994.00	5,467.48
Operations and maintenance	17,272.06	17,205.00	67.06
Student transportation services	17,438.74	13,233.00	4,205.74
Food service	<u>10,998.22</u>	<u>7,751.00</u>	<u>3,247.22</u>
Total Expenditures Subject to Legal Max Budget	<u>442,334.84</u>	<u>\$ 474,774.00</u>	<u>\$ (32,439.16)</u>
Receipts Over (Under) Expenditures	-		
Unencumbered Cash, Beginning	-		
Adjustment to Unencumbered Cash for Prior Year Cancelled Encumbrances	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>		

**Rock Creek  
Unified School District No. 323  
At Risk Fund**

**Schedule 2  
17 of 22**

**Statement of Cash Receipts and Expenditures - Actual and Budget  
For the Year Ended June 30, 2012**

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Cash Receipts			
Transfers	\$ 228,030.19	\$ 320,000.00	\$ (91,969.81)
Total Cash Receipts	<u>228,030.19</u>	<u>\$ 320,000.00</u>	<u>\$ (91,969.81)</u>
Expenditures and Transfers Subject to Legal Max Budget			
Instruction	179,783.92	\$ 261,000.00	\$ (81,216.08)
Student Transportation	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures Subject to Legal Max Budget	<u>179,783.92</u>	<u>\$ 261,000.00</u>	<u>\$ (81,216.08)</u>
Receipts Over (Under) Expenditures	48,246.27		
Unencumbered Cash, Beginning	9,483.86		
Adjustment to Unencumbered Cash for Prior Year Cancelled Encumbrances	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 57,730.13</u>		

**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, 2012**

**Schedule 2  
18 of 22**

	<u>Actual</u>
Cash Receipts	
Rental fees	\$ 28,460.23
Total Cash Receipts	<u>28,460.23</u>
Expenditures and Transfers	
Textbook purchases	<u>45,176.74</u>
Total Expenditures Not Subject to Legal Max Budget	<u>45,176.74</u>
Receipts Over (Under) Expenditures	(16,716.51)
Unencumbered Cash, Beginning	48,763.84
Adjustment to Unencumbered Cash for Prior Year Cancelled Encumbrances	<u>-</u>
Unencumbered Cash, Ending	<u><u>\$ 32,047.33</u></u>

**Rock Creek  
Unified School District No. 323  
Contingency Reserve Fund  
Summary of Regulatory Basis Expenditures - Actual and Budget  
For the Year Ended June 30, 2012**

**Schedule 2  
19 of 22**

	<u>Actual</u>
Cash Receipts	
Transfers	<u>\$ 112,797.00</u>
Total Cash Receipts	<u>112,797.00</u>
 Expenditures and Transfers	
Instruction	110,905.03
Transfers	<u>-</u>
Total Expenditures Not Subject to Legal Max Budget	<u>110,905.03</u>
Receipts Over (Under) Expenditures	1,891.97
Unencumbered Cash, Beginning	598,108.25
Adjustment to Unencumbered Cash for Prior Year Cancelled Encumbrances	<u>-</u>
Unencumbered Cash, Ending	<u><u>\$ 600,000.22</u></u>

**Rock Creek  
Unified School District No. 323  
Owls Grant Fund  
Statement of Cash Receipts and Expenditures - Actual  
For the Year Ended June 30, 2012**

**Schedule 2  
20 of 22**

	<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>

**Rock Creek  
Unified School District No. 323  
District Activity Fund  
Statement of Cash Receipts and Expenditures - Actual  
For the Year Ended June 30, 2012**

**Schedule 2  
21 of 22**

	<u>Actual</u>
Cash Receipts	
Gate Receipts	<u>\$ 46,074.23</u>
Total Cash Receipts	<u>46,074.23</u>
 Expenditures and Transfers	
Athletics	<u>(45,545.38)</u>
Total Expenditures Not Subject to Legal Max Budget	<u>(45,545.38)</u>
Receipts Over (Under) Expenditures	91,619.61
Unencumbered Cash, Beginning	3,439.70
Adjustment to Unencumbered Cash for Prior Year Cancelled Encumbrances	<u>-</u>
Unencumbered Cash, Ending	<u><u>\$ 95,059.31</u></u>

**Rock Creek**  
**Unified School District No. 323**  
**Bond and Interest Fund**  
**Summary of Regulatory Basis Expenditures - Actual and Budget**  
**For the Year Ended June 30, 2012**

**Schedule 2**  
**22 of 22**

	<u>Actual</u>	<u>Budget</u>	<u>Variance- Over (Under)</u>
Cash Receipts			
Taxes and Shared Revenue:			
Ad valorem property	\$ 413,528.00	\$ 390,898.00	\$ 22,630.00
Delinquent	11,391.29	5,037.00	6,354.29
Motor and recreational vehicle	72,421.84	71,292.00	1,129.84
State aid	<u>289,366.00</u>	<u>289,366.00</u>	<u>-</u>
Total Cash Receipts	<u>786,707.13</u>	<u><u>\$ 756,593.00</u></u>	<u><u>\$ 30,114.13</u></u>
Expenditures and Transfers Subject to Legal Max Budget			
Principal	260,000.00	\$ 260,000.00	\$ -
Interest	481,962.52	481,963.00	(0.48)
Commission and postage	<u>-</u>	<u>200.00</u>	<u>(200.00)</u>
Total Expenditures Subject to Legal Max Budget	<u>741,962.52</u>	<u><u>\$ 742,163.00</u></u>	<u><u>\$ (200.48)</u></u>
Receipts Over (Under) Expenditures	44,744.61		
Unencumbered Cash, Beginning	943,599.25		
Adjustment to Unencumbered Cash for Prior Year Cancelled Encumbrances	<u>-</u>		
Unencumbered Cash, Ending	<u><u>\$ 988,343.86</u></u>		



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

**Schedule 3**

**2 of 2**

**Agency Funds**

**Schedule of Cash Receipts and Cash Disbursements - Regulatory Basis**

**For the Year Ended June 30, 2012**

	Beginning <u>Cash Balance</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Ending <u>Cash Balance</u>
<b><u>Rock Creek Jr/Sr High School</u></b>				
Baseball	\$ 2,242.39	\$ 5,391.87	\$ 6,430.15	\$ 1,204.11
Softball	59.15	7,230.36	7,275.80	13.71
Cross Country	439.95	647.99	262.27	825.67
Girls BasketBall	309.99	716.99	-	1,026.98
Boys Basketball	439.95	1,956.99	1,681.35	715.59
Football	214.95	848.99	880.37	183.57
Track	439.95	1,962.99	1,236.00	1,166.94
Wrestling	946.41	3,843.10	2,909.22	1,880.29
Volleyball	969.10	2,804.99	1,617.69	2,156.40
SB/BB Camp	2.62	1,508.29	1,510.91	-
JH Cheer	555.03	3,033.20	3,553.38	34.85
Cheerleaders	1,754.62	6,753.23	7,997.34	510.51
Concessions	1,612.05	21,004.14	20,752.10	1,864.09
Band Trip	9,865.74	18,061.83	14,060.29	13,867.28
Flag Corp	26.85	235.50	16.50	245.85
Vocal Music	1,099.22	900.00	1,009.51	989.71
Spanish Trip	0.54	852.37	852.91	-
Class of 2012	1,997.44	334.43	2,331.87	-
Class of 2013	589.32	14,718.64	13,346.28	1,961.68
Class of 2014	448.40	870.48	648.97	669.91
Class of 2015	-	356.34	300.00	56.34
Class of 2016	-	84.43	-	84.43
Junior High Student Council	268.04	2,864.67	1,424.33	1,708.38
Senior High Student Council	1,063.48	2,529.00	3,385.07	207.41
Junior High FCCLA	702.08	-	702.08	-
Senior High FCCLA	828.30	4,519.79	3,830.44	1,517.65
JH Renaissance	713.90	642.48	228.29	1,128.09
Renaissance Fund	28.14	1,920.65	1,945.62	3.17
Apparel	106.37	12,745.00	12,851.00	0.37
Art Club	267.71	-	-	267.71
Building Fund	1,061.55	3,398.32	3,488.18	971.69
Bus. Prof. of America	2,868.27	3,663.91	5,372.12	1,160.06
Drama	1,595.89	5,836.65	3,672.01	3,760.53

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

**Schedule 3**

**2 of 2**

**Agency Funds**

**Schedule of Cash Receipts and Cash Disbursements - Regulatory Basis**

**For the Year Ended June 30, 2012**

	Beginning <u>Cash Balance</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Ending <u>Cash Balance</u>
<b><u>Rock Creek Jr/Sr High School, Continued</u></b>				
FFA	6,944.07	24,044.97	25,364.77	5,624.27
Music Club	302.95	560.14	760.85	102.24
National Honor Society	193.13	244.90	200.41	237.62
RC Club	2,601.32	2,456.76	2,653.70	2,404.38
Scholar's Bowl	474.32	520.00	333.23	661.09
Science Club	561.85	-	-	561.85
Yearbook	989.98	12,189.83	10,772.75	2,407.06
Special Ed	115.33	205.97	57.17	264.13
Help Fund	-	1,425.00	109.62	1,315.38
Total Rock Creek Jr/Sr High School	<u>45,700.35</u>	<u>173,885.19</u>	<u>165,824.55</u>	<u>53,760.99</u>
<b><u>St. George Grade School</u></b>				
Student Activities	16.06	6,656.57	5,985.93	686.70
K Field Trip	502.13	766.00	742.93	525.20
1/2 Craft Workshops	154.40	696.00	679.36	171.04
3/4 Field Trip	50.00	838.50	791.25	97.25
5/6 Field Trip	43.32	637.00	626.00	54.32
Natl. Honor Choir	1,121.08	6,143.63	6,269.46	995.25
Lego Club	4.31	524.26	528.57	-
Camp Invention	69.76	-	-	69.76
Library	3,553.34	7,342.71	10,154.11	741.94
Emergency Donations	40.00	-	40.00	-
Box Tops for Education	1,538.78	1,203.99	2,713.60	29.17
Pennies for Patients	-	1,771.45	1,771.45	-
Playground	520.86	-	-	520.86
After School Programs	511.08	-	-	511.08
Total St. George Grade School	<u>8,125.12</u>	<u>26,580.11</u>	<u>30,302.66</u>	<u>4,402.57</u>
<b><u>Westmoreland Grade School</u></b>				
Student Activities	1,040.58	2,179.99	1,342.42	1,878.15
Zoo Adopt an Animal	112.67	-	-	112.67
Library	811.53	5,674.89	4,555.08	1,931.34
Total Westmoreland Grade School	<u>1,964.78</u>	<u>7,854.88</u>	<u>5,897.50</u>	<u>3,922.16</u>
<b><u>Total Agency Funds</u></b>	<u>\$ 55,790.25</u>	<u>\$ 208,320.18</u>	<u>\$ 202,024.71</u>	<u>\$ 62,085.72</u>

**Rock Creek**  
**Unified School District No. 323**  
**District Activity Funds**  
**Schedule of Cash Receipts, Expenditures and Unencumbered Cash**  
**For the Year Ended June 30, 2012**

**Schedule 4**

Gate Receipts Athletics

Beginning Unencumbered Cash Balance	\$	3,439.70
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Prior Year Cancelled Encumbrances	-
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Cash Receipts	46,074.23
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Expenditures	<u>(45,545.38)</u>
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Ending Unencumbered Cash balance	3,968.55
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Outstanding Encumbrances and Accounts Payable	<u>-</u>
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Ending Cash Balance	<u><u>\$ 3,968.55</u></u>
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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 24, 2012

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, 2012, and have issued our report thereon dated October 24, 2012. 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 and Accounting 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 of 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.

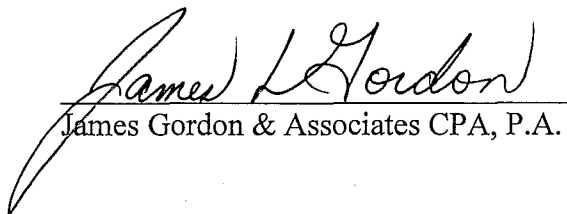
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Unified School District No. 323's internal control.

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 no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

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 Gordon & Associates CPA, P.A.