

UNIFIED SCHOOL DISTRICT NO. 475

Junction City, Kansas

Financial Statements

For the Year Ended June 30, 2019

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UNIFIED SCHOOL DISTRICT NO. 475
 Junction City, Kansas
 Financial Statements
 For the Year Ended June 30, 2019

Table of Contents

	<u>Page Number</u>
INTRODUCTORY SECTION	
Table of Contents	i - ii
FINANCIAL STATEMENTS SECTION	
Independent Auditor's Report	1 - 3
Summary Statement of Receipts, Expenditures and Unencumbered Cash	4
Notes to the Financial Statements	5 - 12
REGULATORY REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE 1	
Summary of Expenditures - Actual and Budget	13
SCHEDULE 2	
Schedule of Receipts and Expenditures - Actual and Budget or Actual Only	
General Fund	14
Supplemental General Fund	15
At Risk (4 Year Old) Fund	16
At Risk (K-12) Fund	17
Bilingual Education Fund	18
Virtual Education Fund	19
Capital Outlay Fund	20
Driver Training Fund	21
Contingency Reserve Fund	22
Food Service Fund	23
Professional Development Fund	24
Parent Education Fund	25
Summer School Fund	26
Special Education Fund	27
Career and Postsecondary Education Fund	28
KPERs Retirement Contribution Fund	29
Textbook Rental Fund	30
Grants Fund	31
Bond and Interest Fund	32
Construction/Bond Refinance Fund	33
SCHEDULE 3	
Summary of Receipts and Disbursements	
Agency Funds	34 - 38
SCHEDULE 4	
Schedule of Receipts, Expenditures and Unencumbered Cash	
District Activity Funds	39

UNIFIED SCHOOL DISTRICT NO. 475
Junction City, Kansas
Financial Statements
For the Year Ended June 30, 2019

Table of Contents
(Continued)

	<u>Page Number</u>
GOVERNMENTAL AUDIT SECTION	
Schedule of Expenditures of Federal Awards	40
Notes to the Schedule of Expenditures of Federal Awards	41
Schedule of Findings and Questioned Costs	42 - 43
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"	44 - 45
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	46 - 47



MIZE & HOUSER
COMPANY P.A.

INDEPENDENT AUDITOR'S REPORT

Board of Education
Unified School District No. 475
Junction City, Kansas

Report on the Financial Statements

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 475, Junction City, Kansas, (the District), as of and for the year ended June 30, 2019 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

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; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. 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.

Auditor's Responsibility

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, 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*. 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 entity'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.

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Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statement, the financial statement is prepared by the District 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.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2019, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the District as of June 30, 2019, 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.

Report on Supplementary Information

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, summary of regulatory basis receipts and disbursements-agency funds, and the schedule of receipts, expenditures and unencumbered cash-district activity funds (Schedules 1, 2, 3 and 4 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 26, 2019, on our consideration of the District’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District’s internal control over financial reporting and compliance.

Other Matter

The 2018 Actual column presented in the individual fund financial schedules of regulatory basis receipts and expenditures—actual and budget (Schedule 2 as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2018 basic financial statement upon which we rendered an unmodified opinion dated November 5, 2018. The 2018 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link: <http://da.ks.gov/ar/muniserv>. Such 2018 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2018 basic financial statements. The 2018 comparative information was subjected to auditing procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2018 basic financial statements or to the 2018 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 2018 comparative information is fairly presented in all material respects in relation to the 2018 basic financial statements as a whole, on the basis of accounting described in Note 1.

Mike Houser: Company PA

Certified Public Accountants

October 26, 2019
Lawrence, KS

UNIFIED SCHOOL DISTRICT NO. 475
 Summary Statement of Receipts, Expenditures and Unencumbered Cash
 Regulatory Basis
 For the Year Ended June 30, 2019
 (With Comparative Actual for the Year Ended June 30, 2018)

Funds	Beginning	Prior Year Cancelled	Receipts	Expenditures	Ending	Add	Ending Cash Balance	
	Unencumbered Cash Balance				Encumbrances	Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	June 30, 2019
General Funds:								
General Fund	\$ -	\$ -	\$ 50,773,135	\$ 50,773,135	\$ -	\$ 430,030	\$ 430,030	\$ 353,912
Supplemental General	1,128,602	-	16,230,982	17,026,515	333,069	248,906	581,975	1,346,248
Special Purpose Funds:								
At Risk (4 Year Old)	468,475	-	1,784,520	957,292	1,295,703	17,414	1,313,117	474,099
At Risk (K-12)	8,147,121	-	8,629,052	8,833,695	7,942,478	5,176	7,947,654	8,114,303
Bilingual Education	2,282,040	-	1,138,669	1,922,972	1,497,737	[29,165]	1,468,572	2,265,932
Virtual Education	90,968	-	25,000	66,555	49,413	-	49,413	90,968
Capital Outlay	11,467,487	-	9,027,741	5,356,487	15,138,741	2,304,981	17,443,722	12,753,837
Driver Training	25,770	-	30,149	11,969	43,950	-	43,950	25,770
Contingency Reserve	2,100,000	-	-	-	2,100,000	-	2,100,000	2,100,000
Food Service	526,452	-	3,130,477	3,083,361	573,568	[943]	572,625	526,485
Professional Development	264,743	-	282,079	314,610	232,212	362	232,574	264,953
Parent Education	129,008	-	197,264	215,679	110,593	3,681	114,274	136,077
Summer School	-	-	-	-	-	-	-	-
Special Education	1,685,874	-	16,192,322	14,978,268	2,899,928	263,007	3,162,935	1,929,646
Career and Postsecondary Education	1,375,973	-	919,225	1,143,447	1,151,751	29,014	1,180,765	1,403,276
KPERs Retirement Contribution	-	-	3,586,588	3,586,588	-	-	-	-
Textbook Rental	1,103,953	-	187,372	624,599	666,726	19,225	685,951	1,104,338
Grants	44,233,414	-	42,289,319	7,667,456	78,855,277	346,612	79,201,889	44,481,044
District Activity	52,511	-	523,237	505,923	69,825	-	69,825	52,511
Bond and Interest Fund:								
Bond and Interest	2,016,715	-	7,001,478	8,609,826	408,367	-	408,367	2,016,715
Capital Projects Funds:								
Construction/Bond Refinance	109,468,558	-	2,345,755	3,675,170	108,139,143	-	108,139,143	109,468,558
Fiduciary Fund:								
Trust	525	-	-	-	525	-	525	525
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 186,568,189</u>	<u>\$ -</u>	<u>\$ 164,294,364</u>	<u>\$ 129,353,547</u>	<u>\$ 221,509,006</u>	<u>\$ 3,638,300</u>	<u>\$ 225,147,306</u>	<u>\$ 188,909,197</u>

Composition of Cash:

Central National Bank	Checking	\$ 48,987,860	\$ 36,059,207
	Total Central National Bank	<u>48,987,860</u>	<u>36,059,207</u>
Exchange Bank	Checking	51,384	64,590
	Certificates of Deposit	-	50,000
	Total Exchange Bank	<u>51,384</u>	<u>114,590</u>
Armed Forces Bank	Checking	<u>165,211</u>	<u>113,852</u>
	Total Armed Forces Bank	<u>165,211</u>	<u>113,852</u>
Sunflower Bank	Investments	<u>176,161,731</u>	<u>152,839,416</u>
	Total Armed Forces Bank	<u>176,161,731</u>	<u>152,839,416</u>
	Total Cash	225,366,186	189,127,065
	Less Agency Funds per Schedule 3	[218,880]	[217,868]
	Total Reporting Entity (Excluding Agency Funds)	<u>\$ 225,147,306</u>	<u>\$ 188,909,197</u>

UNIFIED SCHOOL DISTRICT NO. 475
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 1 - Summary of Significant Accounting Policies

Municipal Financial Reporting Entity

Unified School District No. 475 (the District) is a municipal corporation governed by an elected seven-member board. These financial statements include all the accounts for which the District is considered to be financially accountable. The District had no related municipal entities.

Reimbursed Expenses

Expenditures in the amounts of \$364,243 and \$926,993 are classified as reimbursed expenses in the General Fund and Supplemental General Fund, respectively. The purpose of these expenditures is payment for goods and services in which fees are collected and such expenditures are exempt from the budget law under K.S.A. 79-2934.

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statements meet the following criteria:

1. the related disbursement was made in the current year on behalf of the payee,
2. the item paid for was directly identifiable as having been used by or provided to the payee, and
3. the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The *Kansas Municipal Audit and Accounting Guide (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 investments 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 receipts 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 municipality 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 municipality to use the regulatory basis of accounting.

Regulatory Basis Fund Types

The following types of funds comprise the financial activities of the District for the year ended June 30, 2019:

General Fund - the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Fund - used to account for the proceeds of specific tax levies and other specific regulatory receipts sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest Fund - used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

UNIFIED SCHOOL DISTRICT NO. 475
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Regulatory Basis Fund Types (Continued)

Capital Projects Fund – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

Trust Fund - used to report assets held in trust for the benefit of the District (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the District, scholarship funds, etc.).

Agency Fund - used to report assets held by a municipal reporting entity in a purely custodial capacity (i.e. payroll clearing fund, student organization fund, permanent trust funds, etc.).

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), principal and interest funds, and business 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 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The budget for the year ended June 30, 2019 was not amended.

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 regulatory basis of accounting, in which, regulatory receipts 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 municipality 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, agency funds, trust funds and the following special purpose funds: Contingency Reserve, Textbook Rental and District Activity.

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

UNIFIED SCHOOL DISTRICT NO. 475
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 2 - Deposits and Investments

Deposits. 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. The lead bank for the District's cash deposits (i.e. the bank that holds almost all of the Districts' cash at any point in time) is designated from among the eligible banks for a three year period with the most recent three year period having begun July 1, 2016. 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.

Investments. 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.

As of June 30, 2019, the District had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in Years)</u>		<u>Rating U.S.</u>
		<u>Less than 1</u>	<u>1 - 2</u>	
U.S. Government Securities	\$ 173,084,230	\$ 152,180,810	\$ 20,903,420	N/A
Government Money Market	3,077,501	3,077,501	-	N/A
Total Fair Value	<u>\$ 176,161,731</u>	<u>\$ 155,258,311</u>	<u>\$ 20,903,420</u>	

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. The District's allocation of investments as of June 30, 2019 is as follows:

<u>Investments</u>	<u>Percentage of Investments</u>
U.S. Government Securities	98.25%
Government Money Market	1.75%

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 has no designated "peak periods". All deposits were legally secured at June 30, 2019.

At June 30, 2019, the District's carrying amount of deposits was \$49,204,455 and the bank balance was \$50,092,031. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$473,376 was covered by federal depository insurance and the balance of \$49,618,655 was fully collateralized with securities held by the 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.

UNIFIED SCHOOL DISTRICT NO. 475
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 3 – Substance Receipt in Transit

The District received \$3,518,992 subsequent to June 30, 2019 and as required by K.S.A. 72-6466 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2019.

NOTE 4 - Long-term Debt

Following is a detailed listing of the District's long-term liabilities, including capital leases, at June 30, 2019.

<u>Debt Issue</u>	<u>Date Issued</u>	<u>Date of Final Maturity</u>	<u>Interest Rates</u>	<u>Original Amount</u>	<u>Balance June 30, 2019</u>
Paid for by regulatory receipts:					
General Obligation Bonds					
2015 Refunding	6/4/2015	9/1/2024	3.00 - 4.00%	\$ 8,700,000	\$ 4,655,000
2017A Construction	12/21/2017	9/1/2043	3.375 - 5.00%	63,500,000	63,500,000
2017B Refunding	12/21/2017	9/1/2022	3.00 - 5.00%	13,995,000	12,245,000
2017C Construction	12/21/2017	9/1/2043	2.652 - 3.909%	41,500,000	41,500,000
Capital Leases					
Computers	3/6/2018	6/30/2021	0.00%	1,747,018	631,345
Total					<u>\$ 122,531,345</u>

Following is a summary of changes in long-term liabilities for the year ended June 30, 2019:

<u>Type of Issue</u>	<u>Beginning Principal Outstanding</u>	<u>Additions to Principal</u>	<u>Reductions of Principal</u>	<u>Ending Principal Outstanding</u>	<u>Interest Paid</u>
Paid for by regulatory receipts:					
General Obligation Bonds					
2015 Refunding	\$ 5,670,000	\$ -	\$ 1,015,000	\$ 4,655,000	\$ 177,475
2017A Construction	63,500,000	-	-	63,500,000	3,285,461
2017B Refunding	13,995,000	-	1,750,000	12,245,000	581,400
2017C Construction	41,500,000	-	-	41,500,000	1,800,490
Capital Leases					
Computers	947,018	-	315,673	631,345	-
Total	<u>\$ 125,612,018</u>	<u>\$ -</u>	<u>\$ 3,080,673</u>	<u>\$ 122,531,345</u>	<u>\$ 5,844,826</u>

Annual debt service requirements to maturity for the general obligation bonds are as follows:

<u>Year ended June 30,</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Due</u>
2020	\$ 2,855,000	\$ 4,932,579	\$ 7,787,579
2021	2,965,000	4,815,629	7,780,629
2022	3,130,000	4,663,254	7,793,254
2023	3,295,000	4,502,629	7,797,629
2024	3,470,000	4,359,010	7,829,010
2025-2029	19,185,000	19,736,716	38,921,716
2030-2034	23,560,000	15,219,477	38,779,477
2035-2039	28,575,000	10,129,390	38,704,390
2040-2044	34,865,000	3,647,242	38,512,242
Total	<u>\$ 121,900,000</u>	<u>\$ 72,005,926</u>	<u>\$ 193,905,926</u>

UNIFIED SCHOOL DISTRICT NO. 475
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 4 - Long-term Debt (Continued)

Annual debt service requirements to maturity for the capital leases are as follows:

<u>Year ended June 30,</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Due</u>
2020	\$ 315,673	\$ -	\$ 315,673
2021	315,672	-	315,672
Total	<u>\$ 631,345</u>	<u>\$ -</u>	<u>\$ 631,345</u>

NOTE 5 - Interfund Transactions

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
General	At-Risk (K-12)	K.S.A. 72-6478	\$ 4,070,318
General	Virtual Education	K.S.A. 72-6478	25,000
General	Career and Postsecondary Education	K.S.A. 72-6478	800,000
General	At-Risk (4 Year Old)	K.S.A. 72-6478	1,211,885
General	Professional Development	K.S.A. 72-6478	240,000
General	Special Education	K.S.A. 72-6478	10,858,865
General	Parent Education	K.S.A. 72-6478	53,047
Supplemental General	At-Risk (K-12)	K.S.A. 72-6478	2,286,300
Supplemental General	Bilingual Education	K.S.A. 72-6478	1,137,669
Supplemental General	Special Education	K.S.A. 72-6478	1,989,335
Grants	Bond and Interest	Board Approval	1,050,000
			<u>\$ 23,722,419</u>

NOTE 6 - Defined Benefit Pension Plan

Plan description - The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A 74-4901 *et seq.* Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2, or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009 and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate of 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

UNIFIED SCHOOL DISTRICT NO. 475
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 6 - Defined Benefit Pension Plan (Continued)

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate and the statutory contribution rate (not including the 1% contribution rate for the Death and Disability Program) was 16.38% and 12.01%, respectively for the fiscal year ended June 30, 2018. The actuarially determined employer contribution rate and the statutory contribution rate was 14.59% and 13.21% for the fiscal year ended June 30, 2019.

Per 2017 Senate Substitute for House Bill 2052, Section 37(a), state general fund employer contributions to KPERS were decreased by \$64,130,234 for the fiscal year ended June 30, 2017. Section 43(17) of the bill also stipulated that repayments of the reduced contributions are to be amortized over twenty years at a level dollar amount commencing in fiscal year 2018. The level dollar amount was computed to be \$6.4 million per year. The first year payment of \$6.4 million was received in July 2017.

Per 2017 Senate Substitute for House Bill 2002, Section 51(a), state general fund employer contributions to KPERS were decreased by \$194,022,683 for the fiscal year ended June 30, 2019. Section 56(19) of the bill also stipulates that repayments of the reduced contributions are to be amortized over twenty years at a level dollar amount commencing in fiscal year 2020. The level dollar amount was computer to be \$19.4 million per year.

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled \$3,586,588 for the year ended June 30, 2019.

Net Pension Liability. At June 30, 2019, the District's proportionate share of the collective net pension liability reported by KPERS was \$75,064,638. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2018. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

NOTE 7 - Termination Benefits

The District has a plan which covers administrators and teachers who voluntarily take early retirement. A teacher is eligible for early retirement if such employee is a full time employee, retiring under the provisions of KPERS with 85 points and not more than 64 years of age, has fifteen years or more of continuous service with the District, and has accumulated at least 60 days of leave. An administrator is eligible if such employee has fifteen years or more of service with the District.

Benefits are payable monthly for a maximum term of 5 years or until the recipient reaches 65 years of age. The cost of this plan for the year ended June 30, 2019 was \$213,696.

The employees eligible for the retirement plan are also eligible to remain in the District health insurance plan. The retired employees will participate on the same basis as current employees.

UNIFIED SCHOOL DISTRICT NO. 475
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 7 - Termination Benefits (Continued)

The retirement benefit and health insurance contribution is not funded but is to be paid from each year's operating budget. The benefits due under the plan for the next five years are as follows:

<u>Year</u>	<u>Benefits Due</u>	<u>Health Insurance</u> <u>Contribution</u>	<u>Total Due</u>
2018-19	\$ 99,083	\$ 166,194	\$ 265,277
2019-20	87,467	151,099	238,566
2020-21	59,474	92,170	151,644
2021-22	42,120	64,348	106,468
2022-23	<u>19,710</u>	<u>37,565</u>	<u>57,275</u>
Total	<u>\$ 307,854</u>	<u>\$ 511,376</u>	<u>\$ 819,230</u>

NOTE 8 - Compensated Absences

It is the District's policy to pay full time classified employees unused vacation pay upon termination of employment. Vacation is earned one day per month and must be used within eighteen months of being earned. The amount of unused vacation for these employees as of June 30, 2019 was \$240,071.

NOTE 9 - Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In 1991 the District joined other Kansas school districts to participate in Risk Management Services, Inc. (RMS), a workers' compensation insurance public entity risk pool. The pool operates as a common risk management and insurance program for certain Kansas school districts. The District pays an annual premium for its workers compensation insurance coverage. The District's contractual agreement with RMS provides that RMS will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$300,000 (for each insured event). The District continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in the past three fiscal years.

NOTE 10 - Commitments and Contingencies

The District receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material negative effect on the financial statements of the District at June 30, 2019.

UNIFIED SCHOOL DISTRICT NO. 475
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 11 - Other Post-Employment Benefits

As provided by K.S.A. 12-5040, the local government allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the local government 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 this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government 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 government under this program.

NOTE 12 - Operating Lease

On March 19, 2012 the District entered into a wide area network leasing and services agreement. The District made lease payments of \$520,344 during the year ended June 30, 2019 and the future minimum lease payments are as follows:

Year ending <u>June 30</u>	<u>Amount</u>
2020	\$ 520,344
2021	520,344
2022	520,344
2023	<u>520,344</u>
Total	<u><u>\$2,081,376</u></u>

NOTE 13 - Death and Disability Other Post-Employment Benefits

As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERs) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERs that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended June 30, 2019.

UNIFIED SCHOOL DISTRICT NO. 475
 Summary of Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2019

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustment to Comply with Legal Maximum Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Positive [Negative]</u>
General Funds:						
General Fund	\$ 51,208,765	\$ [799,873]	\$ 364,243	\$ 50,773,135	\$ 50,773,135	\$ -
Supplemental General	16,328,877	[229,355]	926,993	17,026,515	17,026,515	-
Special Purpose Funds:						
At Risk (4 Year Old)	757,016	-	504,775	1,261,791	957,292	304,499
At Risk (K-12)	9,255,499	-	-	9,255,499	8,833,695	421,804
Bilingual Education	2,351,704	-	-	2,351,704	1,922,972	428,732
Virtual Education	115,967	-	-	115,967	66,555	49,412
Capital Outlay	10,305,611	-	-	10,305,611	5,356,487	4,949,124
Driver Training	28,250	-	-	28,250	11,969	16,281
Food Service	3,519,577	-	-	3,519,577	3,083,361	436,216
Professional Development	319,810	-	-	319,810	314,610	5,200
Parent Education	477,093	-	-	477,093	215,679	261,414
Special Education	15,357,254	-	-	15,357,254	14,978,268	378,986
Career and Postsecondary Education	1,306,432	-	-	1,306,432	1,143,447	162,985
KPERS Retirement Contribution	8,857,715	-	-	8,857,715	3,586,588	5,271,127
Grants	7,055,182	-	-	7,055,182	7,667,456	[612,274]
Bond and Interest Fund:						
Bond and Interest	8,609,831	-	-	8,609,831	8,609,826	5

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 475
Schedule of Receipts and Expenditures - Actual and Budget
General Fund
Regulatory Basis
For the Year Ended June 30, 2019
(With Comparative Actual for the Year Ended June 30, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	\$ 632	\$ 903	\$ -	\$ 903
State Aid:				
Equalization aid	32,145,705	32,560,734	29,946,031	2,614,703
Special education	7,254,990	7,758,865	8,047,440	[288,575]
Federal aid	9,148,839	10,088,390	13,215,294	[3,126,904]
Reimbursements	1,796,201	364,243	-	364,243
Total Receipts	<u>50,346,367</u>	<u>50,773,135</u>	<u>\$ 51,208,765</u>	<u>\$ [435,630]</u>
Expenditures				
Instruction	14,545,116	16,077,144	\$ 15,226,109	\$ [851,035]
Student support services	3,045,660	3,144,562	3,386,541	241,979
Instructional support services	2,804,927	2,779,089	3,374,615	595,526
General administration	618,691	693,677	753,460	59,783
School administration	5,079,640	5,070,418	6,013,284	942,866
Other support services - business and administration	1,815,485	1,996,784	2,010,472	13,688
Operations and maintenance	1,994,045	2,486,000	2,454,364	[31,636]
Student transportation services	1,259,509	1,266,346	1,326,439	60,093
Transfers out	19,203,151	17,259,115	16,663,481	[595,634]
Adjustment to Comply with Legal Maximum Budget	-	-	[799,873]	[799,873]
Adjustment for Qualifying Budget Credits				
Reimbursements	-	-	364,243	364,243
Total Expenditures	<u>50,366,224</u>	<u>50,773,135</u>	<u>\$ 50,773,135</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	[19,857]	-		
Unencumbered Cash, Beginning	<u>19,857</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

UNIFIED SCHOOL DISTRICT NO. 475
Schedule of Receipts and Expenditures - Actual and Budget
Supplemental General Fund
Regulatory Basis
For the Year Ended June 30, 2019
(With Comparative Actual for the Year Ended June 30, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	\$ 3,732,009	\$ 2,483,660	\$ 2,275,108	\$ 208,552
Delinquent tax	17,648	89,352	54,118	35,234
Motor vehicle tax	414,887	443,679	417,015	26,664
State aid	13,144,094	12,279,105	12,454,034	[174,929]
Miscellaneous	1,000	8,193	-	8,193
Reimbursements	74,996	926,993	-	926,993
Total Receipts	<u>17,384,634</u>	<u>16,230,982</u>	<u>\$ 15,200,275</u>	<u>\$ 1,030,707</u>
Expenditures				
Instruction	4,952,197	4,473,087	\$ 5,133,369	\$ 660,282
Instructional support services	1,050,780	1,222,870	1,629,678	406,808
General administration	119,284	143,388	165,184	21,796
School administration	940	-	-	-
Other support services	1,907,993	1,996,814	1,991,403	[5,411]
Operations and maintenance	4,811,156	3,777,052	2,006,324	[1,770,728]
Student transportation services	1,593	-	-	-
Transfers out	3,577,182	5,413,304	5,402,919	[10,385]
Adjustment to Comply with Legal Maximum Budget	-	-	[229,355]	[229,355]
Adjustment for Qualifying Budget Credits				
Reimbursements	-	-	926,993	926,993
Total Expenditures	<u>16,421,125</u>	<u>17,026,515</u>	<u>\$ 17,026,515</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	963,509	[795,533]		
Unencumbered Cash, Beginning	<u>165,093</u>	<u>1,128,602</u>		
Unencumbered Cash, Ending	<u>\$ 1,128,602</u>	<u>\$ 333,069</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 475
Schedule of Receipts and Expenditures - Actual and Budget
At Risk (4 Year Old) Fund
Regulatory Basis
For the Year Ended June 30, 2019
(With Comparative Actual for the Year Ended June 30, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Federal aid	\$ 180,408	\$ 67,860	\$ 518,875	\$ [451,015]
State aid	-	504,775	-	504,775
Reimbursements	141	-	-	-
Transfers in	<u>400,000</u>	<u>1,211,885</u>	<u>-</u>	<u>1,211,885</u>
Total Receipts	<u>580,549</u>	<u>1,784,520</u>	<u>\$ 518,875</u>	<u>\$ 1,265,645</u>
Expenditures				
Instruction	427,084	875,501	\$ 715,192	\$ [160,309]
Student support services	3,525	13,270	5,810	[7,460]
Instructional support services	172	27,008	10,000	[17,008]
School administration	22,645	41,513	26,014	[15,499]
Transfers out	40	-	-	-
Adjustment for Qualifying Budget Credits				
State aid	<u>-</u>	<u>-</u>	<u>504,775</u>	<u>504,775</u>
Total Expenditures	<u>453,466</u>	<u>957,292</u>	<u>\$ 1,261,791</u>	<u>\$ 304,499</u>
Receipts Over [Under] Expenditures	127,083	827,228		
Unencumbered Cash, Beginning	<u>341,392</u>	<u>468,475</u>		
Unencumbered Cash, Ending	<u>\$ 468,475</u>	<u>\$ 1,295,703</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 475
Schedule of Receipts and Expenditures - Actual and Budget
At Risk (K-12) Fund
Regulatory Basis
For the Year Ended June 30, 2019
(With Comparative Actual for the Year Ended June 30, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Reimbursements	\$ -	\$ 402	\$ -	\$ 402
Federal aid	1,380,717	2,266,427	1,019,101	1,247,326
Transfers in	7,986,519	6,356,618	4,880,919	1,475,699
Miscellaneous	10,700	5,605	12,000	[6,395]
Total Receipts	<u>9,377,936</u>	<u>8,629,052</u>	<u>\$ 5,912,020</u>	<u>\$ 2,717,032</u>
Expenditures				
Instruction	7,667,100	8,113,272	\$ 8,141,337	\$ 28,065
Student support services	35,296	639,829	1,092,030	452,201
Instructional support services	3,054	-	4,464	4,464
General administration	197	-	-	-
School administration	1,875	80,594	2,668	[77,926]
Student transportation services	1,292	-	15,000	15,000
Total Expenditures	<u>7,708,814</u>	<u>8,833,695</u>	<u>\$ 9,255,499</u>	<u>\$ 421,804</u>
Receipts Over [Under] Expenditures	<u>1,669,122</u>	<u>[204,643]</u>		
Unencumbered Cash, Beginning (as originally stated)	6,532,079	8,147,121		
Prior period adjustment	<u>[54,080]</u>	<u>-</u>		
Unencumbered Cash, Beginning (as restated)	<u>6,477,999</u>	<u>8,147,121</u>		
Unencumbered Cash, Ending	<u>\$ 8,147,121</u>	<u>\$ 7,942,478</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 475
Schedule of Receipts and Expenditures - Actual and Budget
Bilingual Education Fund
Regulatory Basis
For the Year Ended June 30, 2019
(With Comparative Actual for the Year Ended June 30, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Transfers in	\$ 3,010,699	\$ 1,137,669	\$ 200,000	\$ 937,669
Reimbursements	-	1,000	-	1,000
Total Receipts	<u>3,010,699</u>	<u>1,138,669</u>	<u>\$ 200,000</u>	<u>\$ 938,669</u>
Expenditures				
Instruction	2,189,680	1,848,961	\$ 2,268,420	\$ 419,459
Student support services	-	21,093	23,197	2,104
Instructional support services	1,658	1,198	8,087	6,889
Student transportation services	49,905	51,720	52,000	280
Total Expenditures	<u>2,241,243</u>	<u>1,922,972</u>	<u>\$ 2,351,704</u>	<u>\$ 428,732</u>
Receipts Over [Under] Expenditures	769,456	[784,303]		
Unencumbered Cash, Beginning	<u>1,512,584</u>	<u>2,282,040</u>		
Unencumbered Cash, Ending	<u>\$ 2,282,040</u>	<u>\$ 1,497,737</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 475
Schedule of Receipts and Expenditures - Actual and Budget
Virtual Education Fund
Regulatory Basis
For the Year Ended June 30, 2019
(With Comparative Actual for the Year Ended June 30, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Transfers in	\$ 75,000	\$ 25,000	\$ 25,000	\$ -
Total Receipts	<u>75,000</u>	<u>25,000</u>	<u>\$ 25,000</u>	<u>\$ -</u>
Expenditures				
Instruction	<u>84,032</u>	<u>66,555</u>	<u>\$ 115,967</u>	<u>\$ 49,412</u>
Total Expenditures	<u>84,032</u>	<u>66,555</u>	<u>\$ 115,967</u>	<u>\$ 49,412</u>
Receipts Over [Under] Expenditures	[9,032]	[41,555]		
Unencumbered Cash, Beginning	<u>100,000</u>	<u>90,968</u>		
Unencumbered Cash, Ending	<u>\$ 90,968</u>	<u>\$ 49,413</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 475
Schedule of Receipts and Expenditures - Actual and Budget
Capital Outlay Fund
Regulatory Basis
For the Year Ended June 30, 2019
(With Comparative Actual for the Year Ended June 30, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and shared revenues:				
Ad valorem taxes	\$ 506,367	\$ 1,659,203	\$ 1,589,523	\$ 69,680
Delinquent tax	2,296	63,718	7,351	56,367
Investment income	619,469	1,045,657	620,000	425,657
User charges	-	-	50,000	[50,000]
Motor vehicle taxes	51,203	69,188	66,618	2,570
Flood control	2,281	2,236	-	2,236
State aid	356,577	1,265,763	1,284,915	[19,152]
Federal aid	3,648,942	4,914,961	7,830,131	[2,915,170]
Miscellaneous	57,118	7,015	-	7,015
Total Receipts	<u>5,244,253</u>	<u>9,027,741</u>	<u>\$ 11,448,538</u>	<u>\$ [2,420,797]</u>
Expenditures				
Instruction	98,945	179,234	\$ 209,350	\$ 30,116
General administration	43,852	2,502	-	[2,502]
Other support services - business and administration	29,371	-	-	-
Operations and maintenance	2,298,994	2,554,784	4,314,036	1,759,252
Transportation	71,117	10,537	-	[10,537]
Architectual and engineering services	267,876	-	-	-
Capital outlay	565,217	2,609,430	5,782,225	3,172,795
Transfers out	13,608	-	-	-
Total Expenditures	<u>3,388,980</u>	<u>5,356,487</u>	<u>\$ 10,305,611</u>	<u>\$ 4,949,124</u>
Receipts Over [Under] Expenditures	1,855,273	3,671,254		
Unencumbered Cash, Beginning	<u>9,612,214</u>	<u>11,467,487</u>		
Unencumbered Cash, Ending	<u>\$ 11,467,487</u>	<u>\$ 15,138,741</u>		

UNIFIED SCHOOL DISTRICT NO. 475
 Schedule of Receipts and Expenditures - Actual and Budget
 Driver Training Fund
 Regulatory Basis
 For the Year Ended June 30, 2019
 (With Comparative Actual for the Year Ended June 30, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
State aid	\$ 10,240	\$ 8,820	\$ 16,650	\$ [7,830]
Charges for services	<u>11,100</u>	<u>21,329</u>	<u>11,700</u>	<u>9,629</u>
Total Receipts	<u>21,340</u>	<u>30,149</u>	<u>\$ 28,350</u>	<u>\$ 1,799</u>
Expenditures				
Instruction	<u>22,112</u>	<u>11,969</u>	<u>\$ 28,250</u>	<u>\$ 16,281</u>
Total Expenditures	<u>22,112</u>	<u>11,969</u>	<u>\$ 28,250</u>	<u>\$ 16,281</u>
Receipts Over [Under] Expenditures	[772]	18,180		
Unencumbered Cash, Beginning	<u>26,542</u>	<u>25,770</u>		
Unencumbered Cash, Ending	<u>\$ 25,770</u>	<u>\$ 43,950</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 475
Schedule of Receipts and Expenditures - Actual
Contingency Reserve Fund *
Regulatory Basis
For the Year Ended June 30, 2019 and 2018

	For the Year Ended June 30,	
	<u>2019</u>	<u>2018</u>
Receipts		
Transfers in	\$ -	\$ -
Total Receipts	-	-
Expenditures		
Capital outlay	-	-
Total Expenditures	-	-
Receipts Over [Under] Expenditures	-	-
Unencumbered Cash, Beginning	2,100,000	2,100,000
Unencumbered Cash, Ending	\$ 2,100,000	\$ 2,100,000

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 475
Schedule of Receipts and Expenditures - Actual and Budget
Food Service Fund
Regulatory Basis
For the Year Ended June 30, 2019
(With Comparative Actual for the Year Ended June 30, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Federal aid	\$ 2,396,876	\$ 2,391,317	\$ 2,867,841	\$ [476,524]
State aid	33,985	32,137	35,600	[3,463]
Charges for services	726,768	704,951	782,360	[77,409]
Investment income	<u>1,861</u>	<u>2,072</u>	<u>2,000</u>	<u>72</u>
Total Receipts	<u>3,159,490</u>	<u>3,130,477</u>	<u>\$ 3,687,801</u>	<u>\$ [557,324]</u>
Expenditures				
Food service operation	3,168,007	3,077,156	\$ 3,407,742	\$ 330,586
Operations and maintenance	<u>101,140</u>	<u>6,205</u>	<u>111,835</u>	<u>105,630</u>
Total Expenditures	<u>3,269,147</u>	<u>3,083,361</u>	<u>\$ 3,519,577</u>	<u>\$ 436,216</u>
Receipts Over [Under] Expenditures	[109,657]	47,116		
Unencumbered Cash, Beginning	<u>636,109</u>	<u>526,452</u>		
Unencumbered Cash, Ending	<u>\$ 526,452</u>	<u>\$ 573,568</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 475
Schedule of Receipts and Expenditures - Actual and Budget
Professional Development Fund
Regulatory Basis
For the Year Ended June 30, 2019
(With Comparative Actual for the Year Ended June 30, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Reimbursements	\$ 2,350	\$ 1,523	\$ -	\$ 1,523
State aid	35,250	40,556	37,500	3,056
Transfers in	<u>200,000</u>	<u>240,000</u>	<u>250,000</u>	<u>[10,000]</u>
Total Receipts	<u>237,600</u>	<u>282,079</u>	<u>\$ 287,500</u>	<u>\$ [5,421]</u>
Expenditures				
Instructional support services	219,741	314,610	\$ 319,810	\$ 5,200
General administration	<u>851</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>220,592</u>	<u>314,610</u>	<u>\$ 319,810</u>	<u>\$ 5,200</u>
Receipts Over [Under] Expenditures	17,008	[32,531]		
Unencumbered Cash, Beginning	<u>247,735</u>	<u>264,743</u>		
Unencumbered Cash, Ending	<u>\$ 264,743</u>	<u>\$ 232,212</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 475
 Schedule of Receipts and Expenditures - Actual and Budget
 Parent Education Fund
 Regulatory Basis
 For the Year Ended June 30, 2019
 (With Comparative Actual for the Year Ended June 30, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Federal aid	\$ 31,052	\$ -	\$ -	\$ -
State aid	135,333	144,217	289,922	[145,705]
Transfers in	<u>75,000</u>	<u>53,047</u>	<u>91,000</u>	<u>[37,953]</u>
Total Receipts	<u>241,385</u>	<u>197,264</u>	<u>\$ 380,922</u>	<u>\$ [183,658]</u>
Expenditures				
Instruction	198	91	\$ -	\$ [91]
Student support services	222,341	211,742	477,093	265,351
Instructional support services	<u>761</u>	<u>3,846</u>	<u>-</u>	<u>[3,846]</u>
Total Expenditures	<u>223,300</u>	<u>215,679</u>	<u>\$ 477,093</u>	<u>\$ 261,414</u>
Receipts Over [Under] Expenditures	18,085	[18,415]		
Unencumbered Cash, Beginning	<u>110,923</u>	<u>129,008</u>		
Unencumbered Cash, Ending	<u>\$ 129,008</u>	<u>\$ 110,593</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 475
Schedule of Receipts and Expenditures - Actual and Budget
Summer School Fund
Regulatory Basis
For the Year Ended June 30, 2019
(With Comparative Actual for the Year Ended June 30, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Charges for services	\$ -	\$ -	\$ -	\$ -
Total Receipts	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Instruction	-	-	\$ -	\$ -
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures Not Subject to Budget				
Transfers out	<u>525</u>	<u>-</u>		
Receipts Over [Under] Expenditures	[525]	-		
Unencumbered Cash, Beginning	<u>525</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 475
Schedule of Receipts and Expenditures - Actual and Budget
Special Education Fund
Regulatory Basis
For the Year Ended June 30, 2019
(With Comparative Actual for the Year Ended June 30, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Transfers in	\$ 8,754,990	\$ 12,848,200	\$ 12,000,000	\$ 848,200
Federal aid	2,441,785	2,741,842	3,237,771	[495,929]
Reimbursements	451,552	538,422	2,950	535,472
Miscellaneous	47,181	63,858	2,550	61,308
Total Receipts	<u>11,695,508</u>	<u>16,192,322</u>	<u>\$ 15,243,271</u>	<u>\$ 949,051</u>
Expenditures				
Instruction	10,458,167	10,641,761	\$ 11,021,512	\$ 379,751
Student support services	2,598,337	2,933,936	3,017,297	83,361
Instructional support services	174,701	157,276	125,640	[31,636]
General administration	486,884	504,004	453,748	[50,256]
School administration	44,521	55,322	54,135	[1,187]
Student transportation services	617,591	682,961	684,922	1,961
Other services	1,985	3,008	-	[3,008]
Total Expenditures	<u>14,382,186</u>	<u>14,978,268</u>	<u>\$ 15,357,254</u>	<u>\$ 378,986</u>
Receipts Over [Under] Expenditures	[2,686,678]	1,214,054		
Unencumbered Cash, Beginning	<u>4,372,552</u>	<u>1,685,874</u>		
Unencumbered Cash, Ending	<u>\$ 1,685,874</u>	<u>\$ 2,899,928</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 475
Schedule of Receipts and Expenditures - Actual and Budget
Career and Postsecondary Education Fund
Regulatory Basis
For the Year Ended June 30, 2019
(With Comparative Actual for the Year Ended June 30, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Federal aid	\$ -	\$ -	\$ 91,571	\$ [91,571]
Reimbursements	115,974	119,225	138,000	[18,775]
Transfers in	<u>1,200,000</u>	<u>800,000</u>	<u>500,000</u>	<u>300,000</u>
Total Receipts	<u>1,315,974</u>	<u>919,225</u>	<u>\$ 729,571</u>	<u>\$ 189,654</u>
Expenditures				
Instruction	1,134,717	1,142,220	\$ 1,255,482	\$ 113,262
Instructional support services	<u>1,659</u>	<u>1,227</u>	<u>50,950</u>	<u>49,723</u>
Total Expenditures	<u>1,136,376</u>	<u>1,143,447</u>	<u>\$ 1,306,432</u>	<u>\$ 162,985</u>
Receipts Over [Under] Expenditures	<u>179,598</u>	<u>[224,222]</u>		
Unencumbered Cash, Beginning (as originally stated)	1,182,630	1,375,973		
Prior period adjustment	<u>13,745</u>	<u>-</u>		
Unencumbered Cash, Beginning (as restated)	<u>1,196,375</u>	<u>1,375,973</u>		
Unencumbered Cash, Ending	<u>\$ 1,375,973</u>	<u>\$ 1,151,751</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 475
Schedule of Receipts and Expenditures - Actual and Budget
KPERs Retirement Contribution Fund
Regulatory Basis
For the Year Ended June 30, 2019
(With Comparative Actual for the Year Ended June 30, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
State aid	\$ 6,579,791	\$ 3,586,588	\$ 8,857,715	\$ [5,271,127]
Total Receipts	<u>6,579,791</u>	<u>3,586,588</u>	<u>\$ 8,857,715</u>	<u>\$ [5,271,127]</u>
Expenditures				
Instruction	4,471,800	2,279,637	\$ 5,629,964	\$ 3,350,327
Student support services	690,098	493,514	1,219,264	725,750
Instructional support services	450,808	240,660	594,580	353,920
General administration	101,426	69,579	171,840	102,261
School administration	470,182	286,568	707,731	421,163
Other support services	244,172	138,084	341,022	202,938
Operations and maintenance	8,970	8,966	22,144	13,178
Student transportation services	7,061	3,228	7,972	4,744
Food service	135,274	66,352	163,198	96,846
Total Expenditures	<u>6,579,791</u>	<u>3,586,588</u>	<u>\$ 8,857,715</u>	<u>\$ 5,271,127</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

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UNIFIED SCHOOL DISTRICT NO. 475
Schedule of Receipts and Expenditures - Actual
Textbook Rental Fund *
Regulatory Basis
For the Year Ended June 30, 2019 and 2018

	For the Year Ended June 30,	
	<u>2019</u>	<u>2018</u>
Receipts		
Charges for services	\$ 187,372	\$ 354,194
Transfers in	-	1,078,650
Total Receipts	<u>187,372</u>	<u>1,432,844</u>
Expenditures		
Instruction	<u>624,599</u>	<u>819,161</u>
Total Expenditures	<u>624,599</u>	<u>819,161</u>
Receipts Over [Under] Expenditures	[437,227]	613,683
Unencumbered Cash, Beginning	<u>1,103,953</u>	<u>490,270</u>
Unencumbered Cash, Ending	<u>\$ 666,726</u>	<u>\$ 1,103,953</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 475
Schedule of Receipts and Expenditures - Actual
Grants Fund
Regulatory Basis
For the Year Ended June 30, 2019

	Receipts			
	Federal Aid	Reimbursements and Other Grants	Investment Income	Total Receipts
Title I	\$ 2,026,652	\$ 28,000	\$ -	\$ 2,054,652
Section 373	1,057,487	-	-	1,057,487
Carl Perkins Grant	78,121	-	-	78,121
Homeless Grant	22,225	-	-	22,225
After School Grant	-	-	-	-
Title II-A Teacher Quality	263,782	-	-	263,782
Title III English Language Acquisition	49,398	-	-	49,398
Early Reading First	-	-	-	-
Boys/Girls Club	-	134,909	-	134,909
Smart Start Grant	-	515,114	-	515,114
KSU - Equity/Access - Teacher Quality	-	91,922	-	91,922
KSU - 21st Century STEM	-	19,108	-	19,108
The Connection Project	278,117	-	-	278,117
Title IV-A Safe and Drug Free	66,943	-	-	66,943
Gifts and Grants	-	151,361	-	151,361
Army Daycare Grant	-	-	-	-
AYPYN	-	250,000	-	250,000
Honor Challenge Grant	-	-	-	-
I9 SFA Grant	-	-	-	-
Spanish Grant	-	-	-	-
21st Century Grant	238,584	-	-	238,584
Counselors Grant	-	-	-	-
Leading Reading Grant	-	-	-	-
Braiding STEM	393,500	-	-	393,500
Achieving Excellence Through STEM	247,581	69	-	247,650
STEM AVID Grant	191,414	-	-	191,414
Heavily Impacted Aid	34,538,042	-	1,646,990	36,185,032
Totals	<u>\$ 39,451,846</u>	<u>\$ 1,190,483</u>	<u>\$ 1,646,990</u>	<u>\$ 42,289,319</u>

Total Budgeted Expenditures

Expenditures					Receipts	Unencumbered	Unencumbered
Instruction	Support Services	Operations and Maintenance	Transfers Out	Total Expenditures	Over [Under] Expenditures	Cash, Beginning	Cash, Ending
\$ 1,830,316	\$ 314,750	\$ -	\$ -	\$ 2,145,066	\$ [90,414]	\$ [2,250]	\$ [92,664]
787,186	-	270,301	-	1,057,487	-	-	-
35,938	45,320	-	-	81,258	[3,137]	[13,714]	[16,851]
632	21,593	-	-	22,225	-	-	-
-	-	-	-	-	-	[4,892]	[4,892]
573	281,580	-	-	282,153	[18,371]	4,321	[14,050]
49,399	-	-	-	49,399	[1]	-	[1]
-	-	-	-	-	-	[8]	[8]
140,200	49,779	-	-	189,979	[55,070]	79,829	24,759
14,824	486,017	-	-	500,841	14,273	[89,725]	[75,452]
91,922	-	-	-	91,922	-	[130]	[130]
-	5,799	-	-	5,799	13,309	[12,614]	695
326,707	21,070	-	-	347,777	[69,660]	-	[69,660]
49,909	40,141	-	-	90,050	[23,107]	[12,999]	[36,106]
3,985	146,494	-	-	150,479	882	-	882
87,395	3,690	-	-	91,085	[91,085]	700,399	609,314
127,160	152,637	-	-	279,797	[29,797]	289,391	259,594
-	-	-	-	-	-	[2,299]	[2,299]
-	-	-	-	-	-	3,012	3,012
-	-	-	-	-	-	[788]	[788]
298,564	48,662	-	-	347,226	[108,642]	[10,980]	[119,622]
-	-	-	-	-	-	-	-
-	-	-	-	-	-	2,003	2,003
311,317	47,445	-	-	358,762	34,738	[51,347]	[16,609]
46,307	214,735	-	-	261,042	[13,392]	[51,162]	[64,554]
192,819	71,840	-	-	264,659	[73,245]	[36,456]	[109,701]
450	-	-	1,050,000	1,050,450	35,134,582	43,443,823	78,578,405
<u>\$ 4,395,603</u>	<u>\$ 1,951,552</u>	<u>\$ 270,301</u>	<u>\$ 1,050,000</u>	<u>\$ 7,667,456</u>	<u>\$ 34,621,863</u>	<u>\$ 44,233,414</u>	<u>\$ 78,855,277</u>
				<u>\$ 7,055,182</u>			

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 475
Schedule of Receipts and Expenditures - Actual and Budget
Bond and Interest Fund
Regulatory Basis
For the Year Ended June 30, 2019
(With Comparative Actual for the Year Ended June 30, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Ad valorem taxes	\$ 853,073	\$ 845,868	\$ 802,239	\$ 43,629
Delinquent tax	4,110	19,445	12,559	6,886
Motor vehicle tax	100,381	72,480	69,610	2,870
Recreational vehicle tax	-	-	564	[564]
Investment income	4,463	-	-	-
Transfers in	-	1,050,000	3,680,000	[2,630,000]
State aid	<u>1,608,213</u>	<u>5,013,685</u>	<u>5,013,685</u>	<u>-</u>
Total Receipts	<u>2,570,240</u>	<u>7,001,478</u>	<u>\$ 9,578,657</u>	<u>\$ [2,577,179]</u>
Expenditures				
Interest and other charges	605,089	5,844,826	\$ 5,844,831	\$ 5
Principal	<u>1,660,000</u>	<u>2,765,000</u>	<u>2,765,000</u>	<u>-</u>
Total Expenditures	<u>2,265,089</u>	<u>8,609,826</u>	<u>\$ 8,609,831</u>	<u>\$ 5</u>
Receipts Over [Under] Expenditures	305,151	[1,608,348]		
Unencumbered Cash, Beginning	<u>1,711,564</u>	<u>2,016,715</u>		
Unencumbered Cash, Ending	<u>\$ 2,016,715</u>	<u>\$ 408,367</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 475
Schedule of Receipts and Expenditures - Actual
Construction/Bond Refinance Fund *
Regulatory Basis
For the Year Ended June 30, 2019 and 2018

	For the Year Ended June 30,	
	<u>2019</u>	<u>2018</u>
Receipts		
Bond proceeds	\$ -	\$ 109,923,418
Investment income	<u>2,345,755</u>	<u>849,380</u>
Total Receipts	<u>2,345,755</u>	<u>110,772,798</u>
Expenditures		
Capital outlay	1,500	312,987
Bond issuance costs	<u>3,673,670</u>	<u>1,014,046</u>
Total Expenditures	<u>3,675,170</u>	<u>1,327,033</u>
Receipts Over [Under] Expenditures	[1,329,415]	109,445,765
Unencumbered Cash, Beginning	<u>109,468,558</u>	<u>22,793</u>
Unencumbered Cash, Ending	<u>\$ 108,139,143</u>	<u>\$ 109,468,558</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 475
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2019

<u>FUND</u>	Beginning Cash <u>Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	Ending Cash <u>Balance</u>
ELEMENTARY SCHOOLS				
Eisenhower Elementary				
Student council	\$ 849	\$ -	\$ 103	\$ 746
Pictures	930	3,414	1,165	3,179
Total Eisenhower Elementary	<u>1,779</u>	<u>3,414</u>	<u>1,268</u>	<u>3,925</u>
Franklin Elementary				
Fifth grade class	4,040	1,507	762	4,785
Pictures	385	-	374	11
Student council	1,209	-	35	1,174
Total Franklin Elementary	<u>5,634</u>	<u>1,507</u>	<u>1,171</u>	<u>5,970</u>
Fort Riley Elementary				
Grants	3,009	1,839	-	4,848
Pencils	859	157	310	706
Pictures	1,056	-	-	1,056
Student council	2,370	2,851	4,164	1,057
Total Fort Riley Elementary	<u>7,294</u>	<u>4,847</u>	<u>4,474</u>	<u>7,667</u>
Grandview Elementary				
Field trips	1,050	5	30	1,025
Pencils	89	-	293	[204]
Pictures	833	-	-	833
Student council	1,767	672	388	2,051
Dew it for school	23	215	101	137
Character education	221	-	-	221
SFA reading	44	-	-	44
Fundraisers	11,443	6,323	5,561	12,205
Total Grandview Elementary	<u>15,470</u>	<u>7,215</u>	<u>6,373</u>	<u>16,312</u>
Jefferson Elementary				
Stuco	339	91	430	-
Pencils	102	113	215	-
Total Jefferson Elementary	<u>441</u>	<u>204</u>	<u>645</u>	<u>-</u>
Lincoln Elementary				
Pencils	1,829	352	294	1,887
Pictures	4,863	3,121	2,298	5,686
Technology	194	-	64	130
Lion's care club	262	-	43	219
Bramlage	922	-	363	559
Monument	471	-	-	471
Student representatives	1,133	-	870	263
Total Lincoln Elementary	<u>9,674</u>	<u>3,473</u>	<u>3,932</u>	<u>9,215</u>

UNIFIED SCHOOL DISTRICT NO. 475
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2019

<u>FUND</u>	Beginning Cash <u>Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	Ending Cash <u>Balance</u>
ELEMENTARY SCHOOLS				
Milford Elementary				
Student council	\$ 282	\$ 676	\$ 456	\$ 502
Pictures	279	-	15	264
STEM Club	946	701	1,456	191
Pencil	21	-	-	21
Total Milford Elementary	<u>1,528</u>	<u>1,377</u>	<u>1,927</u>	<u>978</u>
Morris Hill Elementary				
Field trip	756	-	-	756
Spirit/Aluminum cans	3,596	2,172	1,346	4,422
Teachers	1,210	2,034	1,587	1,657
Total Morris Hill Elementary	<u>5,562</u>	<u>4,206</u>	<u>2,933</u>	<u>6,835</u>
Seitz Elementary				
Pencils	47	-	47	-
Pictures	896	-	379	517
Total Seitz Elementary	<u>943</u>	<u>-</u>	<u>426</u>	<u>517</u>
Sheridan Elementary				
Fifth grade	1,719	4,308	4,790	1,237
Field trips	18	216	222	12
Fundraiser	337	930	448	819
Pencils	99	-	35	64
Pictures	279	54	226	107
Student council	435	162	14	583
Third grade	36	20	-	56
Fourth grade	390	87	129	348
Technology	201	-	200	1
Dew it for school	60	540	174	426
Total Sheridan Elementary	<u>3,574</u>	<u>6,317</u>	<u>6,238</u>	<u>3,653</u>
Spring Valley Elementary				
Booster club	4,978	8,266	7,252	5,992
Pencils	134	-	-	134
Pictures	381	-	-	381
Snack & wellness	-	440	30	410
Student council	6,059	2,024	4,542	3,541
Total Spring Valley Elementary	<u>11,552</u>	<u>10,730</u>	<u>11,824</u>	<u>10,458</u>
Ware Elementary				
Dew it	3,313	1,154	776	3,691
Pencils	231	-	-	231
Pictures	1,076	-	-	1,076
Student council	2,548	3,013	2,988	2,573
NAP Foundation donation	6,027	-	449	5,578
Technology	6,196	522	141	6,577
Total Ware Elementary	<u>19,391</u>	<u>4,689</u>	<u>4,354</u>	<u>19,726</u>

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 475
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2019

FUND	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
ELEMENTARY SCHOOLS				
Washington Elementary				
Pictures	\$ 710	\$ -	\$ -	\$ 710
Pencils	84	-	-	84
Activity	1,026	3,084	2,140	1,970
Teachers	588	377	368	597
Candy	58	-	-	58
Total Washington Elementary	<u>2,466</u>	<u>3,461</u>	<u>2,508</u>	<u>3,419</u>
Westwood Elementary				
Pencils	290	68	7	351
Pictures	695	-	23	672
Westwood winner	3,723	630	2,136	2,217
Total Westwood Elementary	<u>4,708</u>	<u>698</u>	<u>2,166</u>	<u>3,240</u>
Early Childhood Family Network				
General	4,414	3,979	3,056	5,337
Total Early Childhood Family Network	<u>4,414</u>	<u>3,979</u>	<u>3,056</u>	<u>5,337</u>
TOTAL ELEMENTARY SCHOOL ACTIVITY FUNDS	<u>94,430</u>	<u>56,117</u>	<u>53,295</u>	<u>97,252</u>
MIDDLE SCHOOL FUNDS				
Junction City Middle School				
Team 1	2	-	-	2
Team 2	342	794	763	373
Team 5	115	-	-	115
Team 6	203	-	-	203
Team 7	234	-	-	234
Team 8	413	-	144	269
Team 9	72	-	-	72
Team 10	1,135	-	-	1,135
Avid	2	304	302	4
H.O.P.E.N.	1,883	781	361	2,303
Incentives	18,450	12,539	17,829	13,160
Futures 2000	-	78	-	78
Kayettes	251	635	416	470
National Jr. Honor Society	15,400	2,633	3,267	14,766
S.A.D.D.	332	248	-	580
Scholar's Bowl	439	1,250	959	730
Senate	1,299	233	424	1,108
Social	4,242	-	208	4,034
Student activity	29	224	-	253
Yearbook	178	858	111	925
Total Junction City Middle School	<u>45,021</u>	<u>20,577</u>	<u>24,784</u>	<u>40,814</u>

UNIFIED SCHOOL DISTRICT NO. 475
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2019

<u>FUND</u>	Beginning Cash <u>Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	Ending Cash <u>Balance</u>
MIDDLE SCHOOL FUNDS				
Fort Riley Middle School				
Book club	\$ 63	\$ 63	\$ 64	\$ 62
Keys	699	3,168	3,268	599
Memory book	1,835	2,767	3,635	967
National Jr. Honor Society	489	1,488	1,333	644
S.A.D.D.	888	1,888	1,787	989
Scholar's bowl	25	2,425	1,394	1,056
Student senate	338	1,504	1,670	172
Total Fort Riley Middle School	<u>4,337</u>	<u>13,303</u>	<u>13,151</u>	<u>4,489</u>
TOTAL MIDDLE SCHOOL ACTIVITY FUNDS	<u>49,358</u>	<u>33,880</u>	<u>37,935</u>	<u>45,303</u>

UNIFIED SCHOOL DISTRICT NO. 475
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2019

<u>FUND</u>	Beginning Cash <u>Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	Ending Cash <u>Balance</u>
HIGH SCHOOL FUNDS				
Junction City High School				
Blue Jay pride	\$ 60	\$ 1,097	\$ 992	\$ 165
Books/agendas	811	1,317	2,116	12
Cheerleading activities	684	1,504	1,377	811
Senior class	1,836	2,359	1,739	2,456
Junior class	8,501	16,693	17,272	7,922
Sophomore class	3,909	3,930	4,943	2,896
Freshman class	-	7,616	7,616	-
Club 121	1,351	1,154	1,167	1,338
Dance Team	2,102	14,098	7,770	8,430
FBLA	2,199	5,860	4,722	3,337
Freshman success academy	3,826	4,067	7,893	-
German club	6,026	887	1,006	5,907
Keys	4,443	62	630	3,875
Key club	856	18	75	799
Komomantyns	952	663	599	1,016
National Honor Society	1,455	1,284	1,236	1,503
J.R.O.T.C.	4,121	23,556	24,223	3,454
S.A.D.D.	566	-	-	566
Scholars' bowl	5,416	1,540	877	6,079
Sound production	24	-	-	24
Spanish club	1,644	195	109	1,730
Student council	4,143	20,359	21,702	2,800
Summer school	45	27,840	27,840	45
TSA	70	5,407	5,055	422
Ultimate blue	3,148	-	-	3,148
VICA	509	230	157	582
Visual aids	14,974	12,972	12,096	15,850
Year book	98	6,614	6,006	706
Total Junction City High School	<u>73,769</u>	<u>161,322</u>	<u>159,218</u>	<u>75,873</u>
Larry Dixon Center for Innovative Studies				
Dew it	40	137	-	177
Student Activities	155	-	8	147
Miscellaneous	116	74	62	128
Total Larry Dixon Center for Innovative Studies	<u>311</u>	<u>211</u>	<u>70</u>	<u>452</u>
TOTAL HIGH SCHOOL ACTIVITY FUNDS	<u>74,080</u>	<u>161,533</u>	<u>159,288</u>	<u>76,325</u>
TOTAL AGENCY FUNDS	<u>\$ 217,868</u>	<u>\$ 251,530</u>	<u>\$ 250,518</u>	<u>\$ 218,880</u>

UNIFIED SCHOOL DISTRICT NO. 475
 District Activity Funds
 Schedule of Receipts, Expenditures and Unencumbered Cash
 Regulatory Basis
 For the Year Ended June 30, 2019

Fund	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Junction City High School							
Athletics Gate Receipts	\$ 905	\$ -	\$ 196,590	\$ 196,523	\$ 972	\$ -	\$ 972
Band	19,001	-	55,553	57,767	16,787	-	16,787
Debate	904	-	18,336	15,885	3,355	-	3,355
Forensic	3,399	-	6,005	7,760	1,644	-	1,644
Drama	2,390	-	5,705	4,160	3,935	-	3,935
Orchestra	4,444	-	6,635	4,821	6,258	-	6,258
Vocal Music	11,839	-	27,436	23,242	16,033	-	16,033
Pepsi Contribution	3,804	-	6,136	4,277	5,663	-	5,663
Scholarships	110	-	-	-	110	-	110
Junction City Middle School							
Athletics Gate Receipts	3,112	-	74,537	71,112	6,537	-	6,537
Band	34	-	1,510	1,524	20	-	20
Vocal Music	65	-	1,815	1,385	495	-	495
Orchestra	25	-	-	-	25	-	25
Fort Riley Middle School							
Athletics	2,479	-	122,979	117,467	7,991	-	7,991
Total District Activity Funds	\$ 52,511	\$ -	\$ 523,237	\$ 505,923	\$ 69,825	\$ -	\$ 69,825

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 475
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Restated Beginning Unencumbered Cash	Receipts	Expenditures	Ending Unencumbered Cash
U.S. Department of Education					
Direct U.S. Department of Education					
Impact Aid (P.L. 81-874)	84.041	\$ 43,346,161	\$ 52,713,491	\$ 19,499,019	\$ 76,560,633
Total Direct U.S. Department of Education		<u>43,346,161</u>	<u>52,713,491</u>	<u>19,499,019</u>	<u>76,560,633</u>
Passed Through State Department of Education:					
Special Education (IDEA) Cluster:					
Title VI - Special Education	84.027	-	1,549,868	1,549,868	-
Special Education - Preschool Grants	84.173	-	60,137	60,137	-
Subtotal Special Education (IDEA) Cluster		-	1,610,005	1,610,005	-
Title I	84.010	[2,249]	2,026,652	2,117,067	[92,664]
Carl Perkins	84.048	[13,715]	78,121	81,257	[16,851]
Homeless Children and Youth	84.196	-	22,225	22,225	-
Title III English Language Acquisition	84.365	-	49,398	49,399	[1]
Title II-A Teacher Quality	84.367	4,321	263,782	282,153	[14,050]
ESSA Academic Enrichment	84.424	[12,999]	66,943	90,050	[36,106]
Hurricanes Harvey, Irma and Maria California Wildfires	84.425	-	159,250	159,250	-
Title IV 21st Century Community Learning Center	84.287	[10,980]	238,584	347,226	[119,622]
Total Passed Through State Department of Education		<u>[35,622]</u>	<u>4,514,960</u>	<u>4,758,632</u>	<u>[279,294]</u>
Passed Through State Department of Health and Environment:					
Infant Toddler	84.181	-	66,916	66,916	-
Total Department of Education		<u>43,310,539</u>	<u>57,295,367</u>	<u>24,324,567</u>	<u>76,281,339</u>
U.S. Department of Defense					
Direct Programs:					
Section 386	12.558	-	1,057,487	1,057,487	-
Honor Challenge	12.404	[2,299]	-	-	[2,299]
Army Daycare	12.U01	700,399	-	91,085	609,314
Promoting K-12 Student Achievement at Military-Connected Schools	12.556	[85,616]	717,112	873,408	[241,912]
Braiding STEM	12.557	[51,347]	393,500	358,762	[16,609]
Total Department of Defense		<u>561,137</u>	<u>2,168,099</u>	<u>2,380,742</u>	<u>348,494</u>
U.S. Department of Agriculture					
Passed Through State Department of Education:					
Child Nutrition Cluster:					
Breakfast	10.553	-	473,937	473,937	-
National School Lunch Program	10.555	-	1,701,161	1,701,161	-
Summer Food	10.559	-	45,188	45,188	-
Subtotal Child Nutrition Cluster		-	2,220,286	2,220,286	-
Meal Costs	10.558	-	20,189	20,189	-
Other	10.560	-	100	100	-
Team Nutrition	10.574	742	1,690	1,551	881
NSLP Equipment	10.579	-	33,915	33,915	-
Fresh Fruits	10.582	-	115,137	115,137	-
Total Department of Agriculture		<u>742</u>	<u>2,391,317</u>	<u>2,391,178</u>	<u>881</u>
U.S. Department of Health and Human Services					
Passed Through State Department of Education					
TANF Cluster:					
Temporary Assistance for Needy Families	93.558	-	67,860	67,860	-
Youth Risk Behavior Survey	93.079	-	157	157	-
Subtotal TANF Cluster		-	68,017	68,017	-
Total Department of Health and Human Services		-	<u>68,017</u>	<u>68,017</u>	-
Total		<u>\$ 43,872,418</u>	<u>\$ 61,922,800</u>	<u>\$ 29,164,504</u>	<u>\$ 76,630,714</u>

The accompanying notes are an integral part of this schedule.

UNIFIED SCHOOL DISTRICT NO. 475
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

1. Organization

Unified School District No. 475, Junction City, Kansas, (the District), is the recipient of several federal awards. All federal awards received directly from federal agencies as well as those awards that are passed through other government agencies, are included on the schedule of Expenditures of Federal Awards.

2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the District, and is presented on the Kansas regulatory basis of accounting which includes cash disbursements, accounts payable and encumbrances. The information presented in this schedule is in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements. The District elected not to use the 10% de minimis indirect cost rate.

3. Local Government Contributions

Local cost sharing is required by certain federal grants. The amount of cost sharing varies with each program. Only the federal share of expenditures is presented in the Schedule of Expenditures of Federal Awards.

4. Additional Audits

Grantor agencies reserve the right to conduct additional audits of the District's grant programs for economy and efficiency and program results that may result in disallowed costs to the District. However, management does not believe such audits would result in any disallowed costs that would be material to the District's financial position at June 30, 2019.

5. Outstanding Loans

The District did not have any outstanding loans under any federal grants at June 30, 2019.

6. Pass Through Numbers

Pass through numbers have not been assigned to pass through grants on the schedule of expenditures of federal awards.

UNIFIED SCHOOL DISTRICT NO. 475
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2019

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	<u>Unmodified (Regulatory Basis)</u> <u>Adverse (GAAP)</u>
Internal control over financial reporting:	
Material weakness(es) identified?	_____ Yes <u> X </u> No
Significant deficiency (ies) identified that are not considered to be material weaknesses?	_____ Yes <u> X </u> None reported
Noncompliance material to financial statements noted?	_____ Yes <u> X </u> No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	_____ Yes <u> X </u> No
Significant deficiency (ies) identified that are not considered to be material weaknesses?	_____ Yes <u> X </u> None reported
Type of auditor's report issued on compliance for major programs:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance	_____ Yes <u> X </u> No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
12.558	Section 386
84.041	Impact Aid
84.027, 84.173	Special Education Cluster

Dollar threshold used to distinguish between type A and type B programs:	<u>\$750,000</u>
Auditee qualified as low-risk auditee?	_____ Yes <u> X </u> No

UNIFIED SCHOOL DISTRICT NO. 475
Schedule of Findings and Questioned Costs - Continued
For the Year Ended June 30, 2019

Section II - Financial Statement Findings

None Noted

Section III - Federal Award Findings and Questioned Costs

Current Year Findings

None Noted

Prior Year Findings

2018-001 – Title I – CFDA No. 84.010 – Year Ended June 30, 2018

Conditions and Criteria:

In order to operate a Title I schoolwide program, a school must provide instruction by highly qualified professional staff (34 CFR section 200.28(b)).

Context:

In the year under audit, the District identified ten schools in the District's Local Consolidated Plan as receiving Title I funding under a Title I Schoolwide Program. The District used Title I funds to pay one professional staff member who did not meet the highly qualified professional staff requirements.

Cause:

This occurred because the District did not complete the necessary steps to verify that staff members being paid from Title I funds met the highly qualify professional staff requirements.

Effect:

The District used Title I funding to pay one staff member who was not eligible to be paid from Title I funds.

Auditor's Recommendation:

The District should verify each year that all professional staff members being paid from Title I funds meet the highly qualified professional staff requirements.

Status:

Resolved



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

Board of Education
Unified School District No. 475
Junction City, Kansas

We have audited, 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*, the financial statements of the Unified School District No. 475, (the District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 26, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal controls exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charge with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

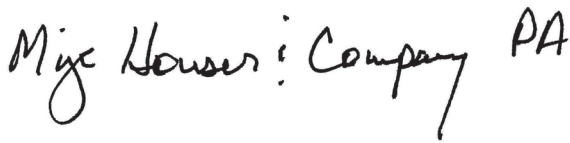
Compliance and Other Matters

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

However, we noted certain other matters that we reported to management of the District in a separate letter dated October 26, 2019.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Mike Houser: Company PA". The signature is written in a cursive, slightly slanted style.

Certified Public Accountants

October 26, 2019
Lawrence, KS



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Education
Unified School District No. 475
Junction City, Kansas

Report on Compliance for Each Major Federal Program

We have audited the compliance of the Unified School District No. 475, (the District) with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2019. The District's major federal financial programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United State of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the *Kansas Municipal Audit and Accounting Guide*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

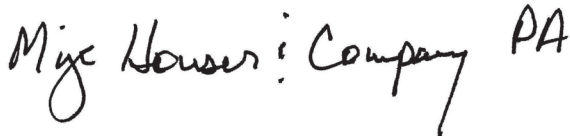
Report on Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Handwritten signature in black ink that reads "Mike Houser: Company PA". The signature is written in a cursive style.

Certified Public Accountants

October 26, 2019
Lawrence, KS