

UNIFIED SCHOOL DISTRICT NO. 487
Herington, Kansas

FINANCIAL STATEMENT
WITH
REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

UNIFIED SCHOOL DISTRICT NO. 487

**FINANCIAL STATEMENT
WITH
REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT**

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UNIFIED SCHOOL DISTRICT NO. 487

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Independent Auditor's Report

To the Board of Education
Unified School District No. 487
Herington, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 487, Herington, Kansas, as of and for the year ended June 30, 2018 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 2; 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, and the *Kansas Municipal Audit and Accounting Guide*. Those standards require that 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 the 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.

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

As described in Note 2 of the financial statement, the financial statement is prepared by Unified School District No. 487 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 2 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 Unified School District No. 487, as of June 30, 2018, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

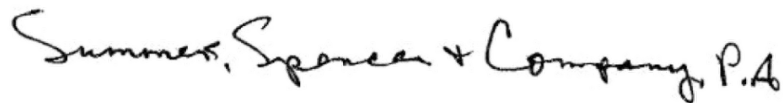
In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of Unified School District No. 487, as of June 30, 2018, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 2.

Other Matters

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, schedule of regulatory basis receipts, expenditures, and unencumbered cash – District activity funds, and schedule of regulatory basis receipts and expenditures – actual and budget – related municipal entities (Schedules 1, 2, 3, 4, and 5 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*. 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 the 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 2.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of Unified School District No. 487, Herington, Kansas as of and for the year ended June 30, 2017 (not presented herein), and have issued our report thereon dated December 20, 2017, which contained an unmodified opinion on the basic financial statement. The 2017 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://www.admin.ks.gov/offices/chieffinancial-officer/municipal-services>. The 2017 actual column (2017 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget and the schedules of regulatory basis receipts and expenditures – actual and budget – related municipal entities for the year ended June 30, 2018 (Schedules 2 and 5 as listed in the table of contents) are presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2017 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 2017 basic financial statement. The 2017 comparative information was subjected to the auditing procedures applied in the audit of the 2017 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 2017 basic financial statement or to the 2017 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 2017 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended June 30, 2017, on the basis of accounting described in Note 2.

A handwritten signature in cursive script that reads "Summers, Spencer & Company, P.A.".

Summers, Spencer & Company, P.A.

Salina, Kansas

February 11, 2019

UNIFIED SCHOOL DISTRICT NO. 487

Statement 1

**Summary Statement of Receipts, Expenditures, and Unencumbered Cash (Regulatory Basis)
For the Year Ended June 30, 2018**

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Funds							
General	\$ -	\$ -	\$ 3,796,452	\$ 3,796,452	\$ -	\$ 31,018	\$ 31,018
Supplemental General	30,095	-	1,310,611	1,257,166	83,540	42,960	126,500
Special Purpose Funds							
At Risk (4 Year Old)	27,923	-	69,099	65,621	31,401	-	31,401
At Risk (K-12)	37,314	-	677,734	629,392	85,656	16,801	102,457
Virtual Education	16,256	-	38,089	38,119	16,226	-	16,226
Capital Outlay	577,652	-	349,036	217,204	709,484	32,032	741,516
Driver Training	9,770	-	8,935	6,113	12,592	308	12,900
Food Service	66,659	-	313,099	316,174	63,584	4,253	67,837
Professional Development	12,095	-	17,140	12,656	16,579	630	17,209
Parent Education	4,154	-	79,686	77,909	5,931	3,461	9,392
Special Education	279,858	-	735,172	692,232	322,798	4,729	327,527
Career and Postsecondary Education	42,269	-	235,351	231,707	45,913	4,678	50,591
KPERS Special Retirement Contribution	-	-	340,964	340,964	-	-	-
Contingency Reserve	215,639	-	150,000	150,000	215,639	-	215,639
Textbook and Student Material	34,253	-	44,031	-	78,284	1,036	79,320
Recreation Commission	9,100	-	70,400	70,000	9,500	-	9,500
Title I	3,211	-	101,277	104,488	-	500	500
Title II-A	-	-	16,397	16,397	-	-	-
REAP	-	-	33,000	33,000	-	-	-
District Activity Funds	28,611	-	116,262	125,073	19,800	-	19,800

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

UNIFIED SCHOOL DISTRICT NO. 487

Statement 1

**Summary Statement of Receipts, Expenditures, and Unencumbered Cash (Regulatory Basis)
For the Year Ended June 30, 2018**

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Bond and Interest Fund							
Bond and Interest	\$ 843,198	\$ -	\$ 1,027,682	\$ 965,050	\$ 905,830	\$ -	\$ 905,830
Trust Fund							-
Gifts and Grants	16,494	-	128,174	102,896	41,772	-	41,772
	<u>2,254,551</u>	<u>-</u>	<u>9,658,591</u>	<u>9,248,613</u>	<u>2,664,529</u>	<u>142,406</u>	<u>2,806,935</u>
Related Municipal Entities							
Herington Recreation Commission	27,030	-	86,891	86,820	27,101	-	27,101
Tri-County Arts Association	473	-	474	91	856	-	856
	<u>27,503</u>	<u>-</u>	<u>87,365</u>	<u>86,911</u>	<u>27,957</u>	<u>-</u>	<u>27,957</u>
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 2,282,054</u>	<u>\$ -</u>	<u>\$ 9,745,956</u>	<u>\$ 9,335,524</u>	<u>\$ 2,692,486</u>	<u>\$ 142,406</u>	<u>\$ 2,834,892</u>
Composition of Cash:							
				Checking and Saving Accounts			\$ 2,835,882
				Total Related Municipal Entities			<u>27,957</u>
				Total Cash			2,863,839
				Agency Funds per Schedule 3			<u>(28,947)</u>
				Total Reporting Entity (Excluding Agency Funds)			<u>\$ 2,834,892</u>

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

UNIFIED SCHOOL DISTRICT NO. 487

NOTES TO THE FINANCIAL STATEMENT For the Year Ended June 30, 2018

Note 1 – Reporting Entity

Unified School District No. 487 (the District) is a municipal corporation governed by an elected seven-member Board of Education. The financial statement presents Unified School District No. 487 and its related municipal entities. The related municipal entities are included in the District's financial reporting entity because they were established to benefit the District and/or its constituents.

Herington Recreation Commission. The Herington Recreation Commission oversees recreational activities. The recreation commission operates as a separate governing body, but the District levies the taxes for the recreation commission and the recreation commission has only the powers granted by statute, K.S.A 12-1928.

Tri-County Arts Association. The Tri-County Arts Association is a fund that supports arts in the community.

Note 2 – Summary of Significant Account Policies

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 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.

Fund Descriptions. The following types of funds comprise the financial activities of the District for the year ended June 30, 2018:

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 revenue sources (other than Capital Projects 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 long-term debt.

UNIFIED SCHOOL DISTRICT NO. 487

NOTES TO THE FINANCIAL STATEMENT For the Year Ended June 30, 2018

Trust Fund – Funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.).

Agency Fund – Funds used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, county treasurer tax collection accounts, etc.).

Note 3 – 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), bond 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 a 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. There were no budget amendments for this year.

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

All legal annual operating budgets are prepared using the 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 District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for capital project funds, trust funds, and the following special purpose funds:

Contingency Reserve Fund
Title I Fund

Textbook and Student Material Fund
Title II-A Fund

UNIFIED SCHOOL DISTRICT NO. 487

**NOTES TO THE FINANCIAL STATEMENT
For the Year Ended June 30, 2018**

REAP Fund
Gifts and Grants Fund

District Activity Funds

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

Note 4 – 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, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposits with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices.

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

Custodial credit risk - deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas District, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District has not designated a "peak period." All deposits were legally secured at June 30, 2018.

At June 30, 2018, the District's carrying amount of deposits was \$2,863,839 and the bank balance was \$2,862,397. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$250,000 was covered by federal depository insurance and the remaining \$2,612,397 was 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. 487

**NOTES TO THE FINANCIAL STATEMENT
For the Year Ended June 30, 2018**

Note 5 – In-Substance Receipt in Transit

The District received \$244,237 in General State Aid and \$75,400 in Supplemental General State Aid subsequent to June 30, 2018, and as required by K.S.A. 72-6417 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, 2018.

Note 6 – Inter Fund Transfers

Operating transfers were as follows:

From	To	Regulatory Authority	Amount
General Fund	At Risk (4 Year Old) Fund	K.S.A. 72-6478	\$ 29,099
General Fund	At Risk (K-12) Fund	K.S.A. 72-6478	630,150
General Fund	Capital Outlay Fund	K.S.A. 72-6478	63,582
General Fund	Food Service Fund	K.S.A. 72-6478	22,221
General Fund	Professional Development Fund	K.S.A. 72-6478	15,000
General Fund	Parent Education Fund	K.S.A. 72-6478	15,000
General Fund	Special Education Fund	K.S.A. 72-6478	677,521
General Fund	Driver Training Fund	K.S.A. 72-6478	3,000
General Fund	Career and Postsecondary Education	K.S.A. 72-6478	81,644
General Fund	Contingency Reserve Fund	K.S.A. 72-6478	150,000
General Fund	Virtual Education Fund	K.S.A. 72-6478	38,089
Supplemental General Fund	Parent Education Fund	K.S.A. 72-6478	5,000
Supplemental General Fund	Special Education Fund	K.S.A. 72-6478	50,000
Supplemental General Fund	Career and Postsecondary Education	K.S.A. 72-6478	146,674
Supplemental General Fund	Textbook and Student Material Fund	K.S.A. 72-6478	37,381
Supplemental General Fund	At Risk (4 Year Old) Fund	K.S.A. 72-6478	40,000
Supplemental General Fund	At Risk (K-12) Fund	K.S.A. 72-6478	47,584
Contingency Reserve Fund	Supplemental General Fund	K.S.A. 72-6478	150,000

Note 7 – Defined Benefit Pension Plan

General Information about the 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 S. 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,

UNIFIED SCHOOL DISTRICT NO. 487

NOTES TO THE FINANCIAL STATEMENT For the Year Ended June 30, 2018

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 at 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.

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 (not including the 1% contribution rate with a 0% moratorium from the period of July 1, 2017 through September 30, 2017 for Death and Disability Program) was 10.81% for the fiscal year ended June 30, 2017. The actuarially determined employer contribution rate was 12.01% for the fiscal year ended June 30, 2018. Per 2016 House Substitute for Senate Bill 161, Section 98 (a)(1), state general fund and expanded lottery act revenue funds for employer contributions to KPERS were deferred. The amount deferred for school contributions was \$92,917,091 for the fiscal year ended June 30, 2016 and the anticipated repayments per SB249 were nullified per HB2052 during the fiscal year 2017.

The State of Kansas contribution to KPERS for all school municipalities for the year ending June 30, 2017, received as of June 30th was \$304,596,361. Per 2017 Senate Substitute for House Bill 2052, Section 37(a), state general fund employer contributions to KPERS were decreased by \$61,130,234 for the fiscal year ended June 30, 2017. Section 43(17) 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 2018. The level dollar amount was computed to be \$6.4 million dollars 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 \$340,964 for the year ended June 30, 2018.

Net Pension Liability

At June 30, 2018, the District's proportionate share of the net pension liability reported by KPERS was \$4,010,552. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016, which was rolled forward to June 30, 2017. 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. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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 publically available on the website at www.kpers.org or can be obtained as described above.

Note 8 – 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

UNIFIED SCHOOL DISTRICT NO. 487

NOTES TO THE FINANCIAL STATEMENT For the Year Ended June 30, 2018

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 District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the deferral government for this coverage. The premium is paid in full by the insured.

Note 9 – Compensated Absences

The District provides compensation for absences. Full-time, twelve month classified employees earn 10 days of vacation leave per year from one to ten years of employment, and 15 days after ten years of continual employment. Vacation leave is non-accumulative and employees will not be reimbursed for unused vacation time. Classified employees also earn two days personal leave per year. The District reimburses for unused personal leave at the substitute teacher base pay.

Classified employees are granted 10 days sick leave each year and may accumulate up to a maximum of 60 days. Employees that are eligible for early retirement will be compensated one-half of accumulated sick leave at their regular hourly wage.

Certified employees earn three personal leave days per year. The District will reimburse for any unused personal days at the end of the contract year at the daily pay rate of substitute teachers. Each full time teacher will also be credited with 10 days of sick leave per year and may accumulate up to maximum of 60 days. Employees receive no compensation for unused sick leave upon retirement or termination of employment. However, the District will buy back the first three sick days of leave if they are unused. A pool of \$3,000 is split between all employees that have sick leave eligible for buy back.

Note 10 – Termination Benefits

The District offers early retirement benefits for certified employees that are eligible under the criteria defined in the negotiated agreement. The District pays the cost of single premium for each early retiree and the retiree is responsible for the balance. During the year ended June 30, 2018, the District paid \$42,954 under this plan. Those eligible for this program may receive benefits for up to 10 years but not past the age of 65. The District also pays an early retirement notification bonus. If the early retiree notifies the Board by January 1, the District pays \$100 per year the teacher is employed by the District for four years or more. The amount is \$50 per year if notification takes place by February 1. During the year ended June 30, 2018, the District paid \$2,300 for this benefit.

Note 11 – Related Parties

One employee of the District was directly related to a board member during the fiscal year ended June 30, 2018.

Note 12 – Subsequent Events

The District's management has evaluated events and transactions occurring after June 30, 2018 through February 11, 2019. The aforementioned date represents the date the financial statement was available to be issued.

UNIFIED SCHOOL DISTRICT NO. 487

**NOTES TO THE FINANCIAL STATEMENT
For the Year Ended June 30, 2018**

Note 13 – Long-Term Debt

Changes in long-term liabilities for the District for the fiscal year ended June 30, 2018, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Refunding Bonds									
Series 2013	3.5-5.0%	12/5/2013	\$ 9,700,000	9/1/2041	\$ 9,700,000	\$ -	\$ -	\$ 9,700,000	\$ 427,625
Series 2014	3.0-4.25%	1/7/2014	5,770,000	9/1/2028	4,990,000	-	375,000	4,615,000	162,425
Capital Leases									
2013 Bus	3.29%	5/1/2014	74,900	7/1/2018	15,541	-	15,541	-	506
2015 Bus	3.61%	1/1/2016	52,052	1/1/2018	17,343	-	17,343	-	627
STEM Curriculum	4.11%	6/25/2018	137,122	7/15/2020	-	137,122	34,218	102,904	63
Total Contractual Indebtedness					<u>\$ 14,722,884</u>	<u>\$ 137,122</u>	<u>\$ 442,102</u>	<u>\$ 14,417,904</u>	<u>\$ 591,246</u>

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

	Year									
	2019	2020	2021	2022	2023	2024-2028	2029-2033	2034-2038	2039-2042	Total
Principal										
Series 2013	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,690,000	\$ 3,530,000	\$ 3,480,000	\$ 9,700,000
Series 2014	385,000	395,000	410,000	420,000	430,000	2,380,000	195,000	-	-	4,615,000
STEM Curriculum	34,093	33,713	35,098	-	-	-	-	-	-	102,904
Total Principal	<u>419,093</u>	<u>428,713</u>	<u>445,098</u>	<u>420,000</u>	<u>430,000</u>	<u>2,380,000</u>	<u>2,885,000</u>	<u>3,530,000</u>	<u>3,480,000</u>	<u>14,417,904</u>
Interest										
Series 2013	427,625	427,625	427,625	427,625	427,625	2,138,125	1,910,729	1,253,053	332,668	7,772,700
Series 2014	151,025	139,325	127,250	114,800	102,050	278,718	4,144	-	-	917,312
STEM Curriculum	188	2,828	1,443	-	-	-	-	-	-	4,459
Total Interest	<u>578,838</u>	<u>569,778</u>	<u>556,318</u>	<u>542,425</u>	<u>529,675</u>	<u>2,416,843</u>	<u>1,914,873</u>	<u>1,253,053</u>	<u>332,668</u>	<u>8,694,471</u>
Total Principal and Interest	<u>\$ 997,931</u>	<u>\$ 998,491</u>	<u>\$ 1,001,416</u>	<u>\$ 962,425</u>	<u>\$ 959,675</u>	<u>\$ 4,796,843</u>	<u>\$ 4,799,873</u>	<u>\$ 4,783,053</u>	<u>\$ 3,812,668</u>	<u>\$ 23,112,375</u>

UNIFIED SCHOOL DISTRICT NO. 487

**REGULATORY – REQUIRED
SUPPLEMENTARY INFORMATION
June 30, 2018**

UNIFIED SCHOOL DISTRICT NO. 487

Schedule 1

**Summary of Expenditures - Actual and Budget (Regulatory Basis)
For the Fiscal Year ended June 30, 2018**

Funds	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
General Funds						
General	\$ 3,918,440	\$ (135,542)	\$ 13,554	\$ 3,796,452	\$ 3,796,452	\$ -
Supplemental General	1,287,492	(30,326)	-	1,257,166	1,257,166	-
Special Purpose Funds						
At Risk (4 Year Old)	91,662	-	-	91,662	65,621	(26,041)
At Risk (K-12)	629,392	-	-	629,392	629,392	-
Virtual Education	50,000	-	-	50,000	38,119	(11,881)
Capital Outlay	770,000	-	-	770,000	217,204	(552,796)
Driver Training	13,443	-	-	13,443	6,113	(7,330)
Food Service	371,902	-	-	371,902	316,174	(55,728)
Professional Development	25,768	-	-	25,768	12,656	(13,112)
Parent Education	83,575	-	-	83,575	77,909	(5,666)
Special Education	805,565	-	-	805,565	692,232	(113,333)
Career and Postsecondary Education	267,277	-	-	267,277	231,707	(35,570)
KPERs Special Retirement Contribution	352,834	-	-	352,834	340,964	(11,870)
Recreation Commission	70,000	-	-	70,000	70,000	-
Bond and Interest	965,051	-	-	965,051	965,050	(1)
Related Municipal Entity						
Herington Recreation Commission	112,605	-	-	112,605	86,820	(25,785)

UNIFIED SCHOOL DISTRICT NO. 487

Schedule 2

General Fund
Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)
For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Revenue				
Mineral Tax	\$ 55	\$ -	\$ -	\$ -
Reimbursements	9,968	13,554	-	13,554
General State Aid	3,136,883	3,363,110	3,426,239	(63,129)
Special Education Aid	410,089	419,788	492,201	(72,413)
KPERS Aid	226,175	-	-	-
Total Receipts	<u>3,783,170</u>	<u>3,796,452</u>	<u>\$ 3,918,440</u>	<u>\$ (121,988)</u>
Expenditures				
Instruction	683,281	786,129	\$ 1,014,866	\$ (228,737)
Student Support Services	43,157	76,879	75,872	1,007
Instructional Support Staff	142,311	77,316	77,182	134
General Administration	226,603	247,493	232,377	15,116
School Administration	207,914	249,380	304,945	(55,565)
Central Services	8,862	12,915	8,910	4,005
Operations and Maintenance	601,048	619,718	627,979	(8,261)
Transportation	92,707	1,315	-	1,315
Operating Transfers	1,777,287	1,725,307	1,576,309	148,998
Adjustment to Comply with Legal Max	-	-	(135,542)	135,542
Legal General Fund Budget	3,783,170	3,796,452	3,782,898	13,554
Adjustment for Qualifying Budget Credits	-	-	13,554	(13,554)
Total Expenditures	<u>3,783,170</u>	<u>3,796,452</u>	<u>\$ 3,796,452</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

UNIFIED SCHOOL DISTRICT NO. 487

Schedule 2

Supplemental General Fund
Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)
For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Revenue				
Ad Valorem Tax	\$ 380,196	\$ 367,730	\$ 397,018	\$ (29,288)
Delinquent Tax	10,860	13,301	6,034	7,267
Motor Vehicle Tax	40,309	43,600	34,835	8,765
Recreational Vehicle Tax	988	975	805	170
Commercial Vehicle Tax	1,361	1,250	1,075	175
Excise Tax	24	64	-	64
State Aid	780,240	733,691	734,553	(862)
Operating Transfers	-	150,000	128,000	22,000
Total Receipts	<u>1,213,978</u>	<u>1,310,611</u>	<u>\$ 1,302,320</u>	<u>\$ 8,291</u>
Expenditures				
Instruction	894,977	697,992	\$ 717,945	\$ (19,953)
Student Support Services	53,828	34,232	89,763	(55,531)
Instructional Support Staff	46,915	65,403	68,777	(3,374)
General Administration	2,918	157	10,000	(9,843)
School Administration	56,252	1,477	-	1,477
Transportation	-	131,266	132,065	(799)
Operating Transfers	176,550	326,639	268,942	57,697
Adjustment to Comply with Legal Max	-	-	(30,326)	30,326
Total Expenditures	<u>1,231,440</u>	<u>1,257,166</u>	<u>\$ 1,257,166</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	(17,462)	53,445		
Unencumbered Cash, Beginning	<u>47,557</u>	<u>30,095</u>		
Unencumbered Cash, Ending	<u>\$ 30,095</u>	<u>\$ 83,540</u>		

UNIFIED SCHOOL DISTRICT NO. 487

Schedule 2

At Risk (4 Year Old) Fund
Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)
For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Revenue from Local Sources	\$ -	\$ -	\$ 4,000	\$ (4,000)
Operating Transfers	70,000	69,099	61,039	8,060
Total Receipts	<u>70,000</u>	<u>69,099</u>	<u>\$ 65,039</u>	<u>\$ 4,060</u>
Expenditures				
Instruction	45,143	42,357	\$ 71,142	\$ (28,785)
Instructional Support Staff	1,109	684	1,500	(816)
Transportation	20,123	22,580	19,020	3,560
Total Expenditures	<u>66,375</u>	<u>65,621</u>	<u>\$ 91,662</u>	<u>\$ (26,041)</u>
Receipts Over (Under) Expenditures	3,625	3,478		
Unencumbered Cash, Beginning	<u>24,298</u>	<u>27,923</u>		
Unencumbered Cash, Ending	<u>\$ 27,923</u>	<u>\$ 31,401</u>		

UNIFIED SCHOOL DISTRICT NO. 487

Schedule 2

At Risk (K-12) Fund
Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)
For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Operating Transfers	\$ 474,400	\$ 677,734	\$ 622,933	\$ 54,801
Expenditures				
Instruction	428,364	533,215	\$ 565,050	\$ (31,835)
Student Support Services	38	53,085	60,492	(7,407)
Instructional Support Staff	346	76	3,850	(3,774)
School Administration	42,900	43,016	-	43,016
Total Expenditures	471,648	629,392	\$ 629,392	\$ -
Receipts Over (Under) Expenditures	2,752	48,342		
Unencumbered Cash, Beginning	34,562	37,314		
Unencumbered Cash, Ending	\$ 37,314	\$ 85,656		

Virtual Education Fund
Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)
For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Operating Transfers	\$ 30,402	\$ 38,089	\$ 36,225	\$ 1,864
Expenditures				
Instruction	26,203	38,119	\$ 50,000	\$ (11,881)
Receipts Over (Under) Expenditures	4,199	(30)		
Unencumbered Cash, Beginning	12,057	16,256		
Unencumbered Cash, Ending	\$ 16,256	\$ 16,226		

UNIFIED SCHOOL DISTRICT NO. 487

Schedule 2

Capital Outlay Fund
Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)
For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Revenue:				
Ad Valorem Tax	\$ 157,111	\$ 157,531	\$ 156,028	\$ 1,503
Delinquent Tax	90	2,187	2,574	(387)
Motor Vehicle Tax	-	5,099	4,244	855
Recreational Vehicle Tax	-	118	98	20
Commercial Vehicle Tax	-	424	131	293
Revenue from Local Sources	585	50	750	(700)
Interest	11,180	32,303	10,000	22,303
State Aid	91,956	87,742	88,400	(658)
Operating Transfers	201,244	63,582	24,721	38,861
Total Receipts	<u>462,166</u>	<u>349,036</u>	<u>\$ 286,946</u>	<u>\$ 62,090</u>
Expenditures				
Instruction	41,142	64,065	\$ 100,000	\$ (35,935)
Student Support Services	-	2,320	10,000	(7,680)
Instructional Support Staff	500	1,115	10,000	(8,885)
Operations and Maintenance	19,183	37,102	-	37,102
Transportation	28,976	78,585	150,000	(71,415)
Building Improvements	59,936	-	500,000	(500,000)
Lease Payments	34,017	34,017	-	34,017
Total Expenditures	<u>183,754</u>	<u>217,204</u>	<u>\$ 770,000</u>	<u>\$ (552,796)</u>
Receipts Over (Under) Expenditures	278,412	131,832		
Unencumbered Cash, Beginning	<u>299,240</u>	<u>577,652</u>		
Unencumbered Cash, Ending	<u>\$ 577,652</u>	<u>\$ 709,484</u>		

UNIFIED SCHOOL DISTRICT NO. 487

Schedule 2

Driver Training Fund
Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)
For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
State Aid	\$ 2,560	\$ 2,560	\$ 2,800	\$ (240)
Revenue from Local Sources	2,700	3,375	2,700	675
Operating Transfers	5,000	3,000	3,000	-
Total Receipts	<u>10,260</u>	<u>8,935</u>	<u>\$ 8,500</u>	<u>\$ 435</u>
Expenditures				
Instruction	5,303	5,465	\$ 12,843	\$ (7,378)
Vehicle Operations	310	648	600	48
Total Expenditures	<u>5,613</u>	<u>6,113</u>	<u>\$ 13,443</u>	<u>\$ (7,330)</u>
Receipts Over (Under) Expenditures	4,647	2,822		
Unencumbered Cash, Beginning	<u>5,123</u>	<u>9,770</u>		
Unencumbered Cash, Ending	<u>\$ 9,770</u>	<u>\$ 12,592</u>		

UNIFIED SCHOOL DISTRICT NO. 487

Schedule 2

Food Service Fund
Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)
For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
State Aid	\$ 2,828	\$ 2,863	\$ 2,420	\$ 443
Federal Aid	215,321	223,660	197,901	25,759
Revenue from Local Sources	73,691	64,355	94,065	(29,710)
Operating Transfers	21,867	22,221	37,544	(15,323)
Total Receipts	<u>313,707</u>	<u>313,099</u>	<u>\$ 331,930</u>	<u>\$ (18,831)</u>
Expenditures				
Operations and Maintenance	4,654	2,801	\$ -	\$ 2,801
Food Service Operation	310,595	313,373	371,902	(58,529)
Total Expenditures	<u>315,249</u>	<u>316,174</u>	<u>\$ 371,902</u>	<u>\$ (55,728)</u>
Receipts Over (Under) Expenditures	(1,542)	(3,075)		
Unencumbered Cash, Beginning	<u>68,201</u>	<u>66,659</u>		
Unencumbered Cash, Ending	<u>\$ 66,659</u>	<u>\$ 63,584</u>		

UNIFIED SCHOOL DISTRICT NO. 487

Schedule 2

Professional Development Fund
Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)
For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
State Aid	\$ -	\$ 2,140	\$ 2,000	\$ 140
Operating Transfers	10,000	15,000	20,000	(5,000)
Total Receipts	<u>10,000</u>	<u>17,140</u>	<u>\$ 22,000</u>	<u>\$ (4,860)</u>
Expenditures				
Instructional Support Staff	<u>7,672</u>	<u>12,656</u>	<u>\$ 25,768</u>	<u>\$ (13,112)</u>
Receipts Over (Under) Expenditures	2,328	4,484		
Unencumbered Cash, Beginning	<u>9,767</u>	<u>12,095</u>		
Unencumbered Cash, Ending	<u>\$ 12,095</u>	<u>\$ 16,579</u>		

Parent Education Fund
Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)
For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
State Aid	\$ 46,686	\$ 46,686	\$ 46,686	\$ -
Revenue from Local Sources	13,000	13,000	13,000	-
Operating Transfers	20,000	20,000	20,000	-
Total Receipts	<u>79,686</u>	<u>79,686</u>	<u>\$ 79,686</u>	<u>\$ -</u>
Expenditures				
Student Support Services	73,565	74,986	\$ 78,051	\$ (3,065)
Instructional Support Staff	3,855	2,923	5,524	(2,601)
Total Expenditures	<u>77,420</u>	<u>77,909</u>	<u>\$ 83,575</u>	<u>\$ (5,666)</u>
Receipts Over (Under) Expenditures	2,266	1,777		
Unencumbered Cash, Beginning	<u>1,888</u>	<u>4,154</u>		
Unencumbered Cash, Ending	<u>\$ 4,154</u>	<u>\$ 5,931</u>		

UNIFIED SCHOOL DISTRICT NO. 487

Schedule 2

Special Education Fund
Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)
For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Revenue from Local Sources	\$ 8,091	\$ 5,252	\$ -	\$ 5,252
Federal Aid	-	2,399	-	2,399
Operating Transfers	658,858	727,521	812,135	(84,614)
Total Receipts	666,949	735,172	\$ 812,135	\$ (76,963)
Expenditures				
Instruction	600,587	625,385	\$ 737,682	\$ (112,297)
Instructional Support Staff	-	260	-	260
General Administration	897	-	-	-
Transportation	39,197	66,587	67,883	(1,296)
Total Expenditures	640,681	692,232	\$ 805,565	\$ (113,333)
Receipts Over (Under) Expenditures	26,268	42,940		
Unencumbered Cash, Beginning	253,590	279,858		
Unencumbered Cash, Ending	\$ 279,858	\$ 322,798		

UNIFIED SCHOOL DISTRICT NO. 487

Schedule 2

Career and Postsecondary Education Fund
Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)
For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Revenue from Local Sources	\$ 10,260	\$ 4,800	\$ 12,500	\$ (7,700)
State Aid	4,420	-	4,230	(4,230)
Federal Aid	2,075	2,233	2,500	(267)
Operating Transfers	235,890	228,318	207,654	20,664
Total Receipts	<u>252,645</u>	<u>235,351</u>	<u>\$ 226,884</u>	<u>\$ 8,467</u>
Expenditures				
Instruction	230,682	227,137	\$ 250,522	\$ (23,385)
Transportation	15,664	4,570	16,755	(12,185)
Total Expenditures	<u>246,346</u>	<u>231,707</u>	<u>\$ 267,277</u>	<u>\$ (35,570)</u>
Receipts Over (Under) Expenditures	6,299	3,644		
Unencumbered Cash, Beginning	<u>35,970</u>	<u>42,269</u>		
Unencumbered Cash, Ending	<u>\$ 42,269</u>	<u>\$ 45,913</u>		

UNIFIED SCHOOL DISTRICT NO. 487

Schedule 2

KPERS Special Retirement Contribution Fund
Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)
For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
State Aid	\$ 226,175	\$ 340,964	\$ 352,834	\$ (11,870)
Expenditures				
Employee Benefits	226,175	340,964	\$ 352,834	\$ (11,870)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ -		

UNIFIED SCHOOL DISTRICT NO. 487

Schedule 2

Contingency Reserve Fund
Schedule of Receipts and Expenditures (Regulatory Basis)
For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	Prior Year Actual	Current Year Actual
Receipts		
Operating Transfers	\$ -	\$ 150,000
Expenditures		
Operating Transfers	-	150,000
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	215,639	215,639
Unencumbered Cash, Ending	\$ 215,639	\$ 215,639

UNIFIED SCHOOL DISTRICT NO. 487

Schedule 2

**Textbook and Student Material Fund
Schedule of Receipts and Expenditures (Regulatory Basis)
For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)**

	Prior Year Actual	Current Year Actual
Receipts		
Textbook Rental	\$ 6,928	\$ 6,650
Operating Transfers	-	37,381
Total Receipts	<u>6,928</u>	<u>44,031</u>
Expenditures		
Textbook and Materials	<u>-</u>	<u>-</u>
Receipts Over (Under) Expenditures	6,928	44,031
Unencumbered Cash, Beginning	<u>27,325</u>	<u>34,253</u>
Unencumbered Cash, Ending	<u><u>\$ 34,253</u></u>	<u><u>\$ 78,284</u></u>

UNIFIED SCHOOL DISTRICT NO. 487

Schedule 2

Recreation Commission Fund
Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)
For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Revenue				
Ad Valorem Tax	\$ 58,964	\$ 61,921	\$ 61,341	\$ 580
Delinquent Tax	1,487	1,994	940	1,054
Motor Vehicle Tax	6,349	6,157	4,929	1,228
Recreational Vehicle Tax	152	129	114	15
Commercial Vehicle Tax	189	189	152	37
Excise Tax	4	10	-	10
Total Receipts	<u>67,145</u>	<u>70,400</u>	<u>\$ 67,476</u>	<u>\$ 2,924</u>
Expenditures				
Appropriations	<u>70,000</u>	<u>70,000</u>	<u>\$ 70,000</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	(2,855)	400		
Unencumbered Cash, Beginning	<u>11,955</u>	<u>9,100</u>		
Unencumbered Cash, Ending	<u>\$ 9,100</u>	<u>\$ 9,500</u>		

UNIFIED SCHOOL DISTRICT NO. 487

Schedule 2

Title I Fund
Schedule of Receipts and Expenditures (Regulatory Basis)
For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	\$ 104,897	\$ 101,277
Expenditures		
Instruction and Administration	105,946	104,488
Receipts Over (Under) Expenditures	(1,049)	(3,211)
Unencumbered Cash, Beginning	4,260	3,211
Unencumbered Cash, Ending	\$ 3,211	\$ -

UNIFIED SCHOOL DISTRICT NO. 487

Schedule 2

Title II-A Fund
Schedule of Receipts and Expenditures (Regulatory Basis)
For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	\$ 17,361	\$ 16,397
Expenditures		
Instruction and Administration	17,361	16,397
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

UNIFIED SCHOOL DISTRICT NO. 487

Schedule 2

REAP Fund
Schedule of Receipts and Expenditures (Regulatory Basis)
For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	\$ -	\$ 33,000
Expenditures		
Instruction	-	33,000
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

Bond and Interest Fund
Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)
For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Revenue				
Ad Valorem Tax	\$ 460,834	\$ 448,086	\$ 445,219	\$ 2,867
Delinquent Tax	10,982	14,947	7,334	7,613
Motor Vehicle Tax	52,931	50,474	40,335	10,139
Recreational Vehicle Tax	1,267	1,129	931	198
Commercial Vehicle Tax	1,582	1,498	1,244	254
Excise Tax	34	71	-	71
State Aid	518,981	511,477	511,477	-
Total Receipts	<u>1,046,611</u>	<u>1,027,682</u>	<u>\$ 1,006,540</u>	<u>\$ 21,142</u>
Expenditures				
Principal	360,000	375,000	\$ 375,000	\$ -
Interest	<u>601,075</u>	<u>590,050</u>	<u>590,051</u>	<u>(1)</u>
Total Expenditures	<u>961,075</u>	<u>965,050</u>	<u>\$ 965,051</u>	<u>\$ (1)</u>
Receipts Over (Under) Expenditures	85,536	62,632		
Unencumbered Cash, Beginning	<u>757,662</u>	<u>843,198</u>		
Unencumbered Cash, Ending	<u>\$ 843,198</u>	<u>\$ 905,830</u>		

UNIFIED SCHOOL DISTRICT NO. 487

Schedule 2

Gifts and Grants Fund
Schedule of Receipts and Expenditures (Regulatory Basis)
For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	Prior Year Actual	Current Year Actual
Receipts		
Gifts and Grants	\$ 109,124	\$ 127,695
Interest on Idle Funds	11	14
Miscellaneous Revenue	559	465
Total Receipts	<u>109,694</u>	<u>128,174</u>
Expenditures		
Instruction and Programs	<u>128,928</u>	<u>102,896</u>
Receipts Over (Under) Expenditures	(19,234)	25,278
Unencumbered Cash, Beginning	<u>35,728</u>	<u>16,494</u>
Unencumbered Cash, Ending	<u><u>\$ 16,494</u></u>	<u><u>\$ 41,772</u></u>

UNIFIED SCHOOL DISTRICT NO. 487

Schedule 3

Agency Funds
Summary of Receipts and Disbursements (Regulatory Basis)
For the Year Ended June 30, 2018

Student Organization Funds	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Herington High School				
Seniors	\$ 542	\$ 6,204	\$ 6,746	\$ -
Juniors	2,102	4,812	6,395	519
Sophomores	1,181	83	98	1,166
Freshman	1,083	2,528	1,194	2,417
Art Club	-	1,248	1,248	-
Cheerleaders	2,517	8,512	10,765	264
CTSO	508	31,057	31,359	206
FBLA	2,089	11,666	11,840	1,915
FCCLA	1,302	6,223	7,023	502
FFA	66	9,501	7,553	2,014
HOSA	500	8,356	4,539	4,317
Library	502	365	167	700
Student Council	6,579	2,751	4,279	5,051
Engineer Ink	1,079	12,498	10,502	3,075
National Honor Society	707	680	438	949
Vocal Music Club	208	-	-	208
Dance Team	467	1,913	1,933	447
Forensics Club	496	-	100	396
Subtotal Herington High School	<u>21,928</u>	<u>108,397</u>	<u>106,179</u>	<u>24,146</u>
Herington Middle School				
Interest	17	-	17	-
8th Grade	1,698	3,667	4,203	1,162
Student Council	5,479	9,742	11,582	3,639
Subtotal Herington Middle School	<u>7,194</u>	<u>13,409</u>	<u>15,802</u>	<u>4,801</u>
Total Student Organization Funds	<u>29,122</u>	<u>121,806</u>	<u>121,981</u>	<u>28,947</u>
Sales Tax	<u>-</u>	<u>8,967</u>	<u>8,967</u>	<u>-</u>
Total Agency Funds	<u>\$ 29,122</u>	<u>\$ 130,773</u>	<u>\$ 130,948</u>	<u>\$ 28,947</u>

UNIFIED SCHOOL DISTRICT NO. 487

Schedule 4

**District Activity Funds
Schedule of Receipts, Expenditures, and Unencumbered Cash (Regulatory Basis)
For the Year Ended June 30, 2018**

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Gate Receipts						
Herington High School						
Athletics	\$ 6,189	\$ 24,092	\$ 24,872	\$ 5,409	\$ -	\$ 5,409
Band	2,385	6,822	6,431	2,776	-	2,776
Banner Fund	711	-	275	436	-	436
Scholars Bowl	417	-	-	417	-	417
Subtotal Herington High School	<u>9,702</u>	<u>30,914</u>	<u>31,578</u>	<u>9,038</u>	<u>-</u>	<u>9,038</u>
 Herington Middle School						
Athletics	<u>347</u>	<u>17,512</u>	<u>17,824</u>	<u>35</u>	<u>-</u>	<u>35</u>
 Subtotal Gate Receipts	<u>10,049</u>	<u>48,426</u>	<u>49,402</u>	<u>9,073</u>	<u>-</u>	<u>9,073</u>
 School Projects						
Herington High School	13,326	58,820	65,653	6,493	-	6,493
Herington Middle School	1,335	750	1,057	1,028	-	1,028
Herington Elementary School	<u>3,901</u>	<u>8,266</u>	<u>8,961</u>	<u>3,206</u>	<u>-</u>	<u>3,206</u>
Subtotal School Projects	<u>18,562</u>	<u>67,836</u>	<u>75,671</u>	<u>10,727</u>	<u>-</u>	<u>10,727</u>
 Total District Activity Funds	<u>\$ 28,611</u>	<u>\$ 116,262</u>	<u>\$ 125,073</u>	<u>\$ 19,800</u>	<u>\$ -</u>	<u>\$ 19,800</u>

UNIFIED SCHOOL DISTRICT NO. 487

Schedule 5

Related Municipal Entity
Herington Recreation Commission
Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)
For the Year Ended June 30, 2018
(With comparative Actual Totals for the Prior Fiscal Year Ended June 30, 2017)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Unified School District No. 487	\$ 70,000	\$ 70,000	\$ 70,000	\$ -
Interest	73	242	-	242
Fees and User Charges	18,178	16,649	16,000	649
Total Cash Receipts	<u>88,251</u>	<u>86,891</u>	<u>\$ 86,000</u>	<u>\$ 891</u>
Expenditures				
Salaries and Payroll Taxes	48,514	51,348	\$ 50,500	\$ 848
Utilities	3,332	2,911	4,000	(1,089)
Maintenance and Supplies	5,848	5,541	8,000	(2,459)
Programs and Activities	16,738	13,638	16,000	(2,362)
Insurance	3,242	3,003	3,500	(497)
Miscellaneous	2,411	2,008	2,000	8
Capital Outlay	28,975	8,371	28,605	(20,234)
Total Expenditures	<u>109,060</u>	<u>86,820</u>	<u>\$ 112,605</u>	<u>\$ (25,785)</u>
Receipts Over (Under) Expenditures	(20,809)	71		
Unencumbered Cash, Beginning	<u>47,839</u>	<u>27,030</u>		
Unencumbered Cash, Ending	<u>\$ 27,030</u>	<u>\$ 27,101</u>		

UNIFIED SCHOOL DISTRICT NO. 487

Schedule 5

Related Municipal Entity
Tri-County Arts Association
Schedule of Receipts and Expenditures (Regulatory Basis)
For the Year Ended June 30, 2018
(With comparative Actual Totals for the Prior Fiscal Year Ended June 30, 2017)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Activities and Other	\$ 1,000	\$ 474
Expenditures		
Activities and Other	5,561	91
Receipts Over (Under) Expenditures	(4,561)	383
Unencumbered Cash, Beginning	5,034	473
Unencumbered Cash, Ending	\$ 473	\$ 856