

UNIFIED SCHOOL DISTRICT NO. 223
BARNES, KANSAS

INDEPENDENT AUDITOR'S REPORT

REGULATORY BASIS FINANCIAL STATEMENTS

JUNE 30, 2017

BRUNA AUDITING SERVICES LLC
DEREK BRUNA
CERTIFIED PUBLIC ACCOUNTANT
WASHINGTON, KANSAS

Unified School District No. 223
Barnes, Kansas

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Unified School District No. 223
Barnes, Kansas 66933

I have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 223, as of and for the year ended June 30, 2017 and the related notes to the financial statement.

Management's Responsibility for the Financial Statements

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 A 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

My responsibility is to express an opinion on the financial statement based on my audit. I conducted my 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 I 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

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

As described in Note A of the financial statement, the financial statement is prepared by the Unified School District No. 223 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 A 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 my 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 Unified School District No. 223 as of June 30, 2017, or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In my opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the Unified School District No. 223 as of June 30, 2017, 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 A.

Report on Supplementary Information

My audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and expenditures-agency funds, and schedules of regulatory basis receipts, expenditures, and unencumbered cash – district activity funds, (Statements 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. 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 my 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 A.

The 2016 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget (Statement 3 as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2017 basic financial statement upon which I rendered an unmodified opinion dated October 10, 2016. The 2016 basic financial statement and my 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 2016 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 2016 basic financial statement. The 2016 comparative information was subjected to the auditing procedures applied in the audit of the 2016 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 2016 basic financial statement or to the 2016 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the 2016 comparative information is fairly stated in all material respects in relation to the 2016 basic financial statement as a whole, on the basis of accounting described in Note A.

Bruna Auditing Services LLC

CPA

Derek Bruna, CPA
Washington, Kansas
September 11, 2017

SUMMARY STATEMENT OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH

Regulatory Basis

For The Year Ended June 30, 2017

STATEMENT 1									
Fund	Statement Number	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances & A/P	Ending Cash Balance	
General Fund	3-1	\$	0	\$	3,220,137	\$	0	\$	0
Supplemental General	3-2	68,538	0	1,016,966	1,017,857	67,647	0	67,647	0
Special Purpose Funds:									
At Risk-[K 12] Fund	3-3	0	0	150,000	150,000	0	0	0	0
Bilingual Education	3-4	1,861	0	35,000	23,950	12,911	0	12,911	0
Capital Outlay Fund	3-5	752,953	0	448,649	516,824	684,778	0	684,778	0
Driver Training	3-6	28,140	0	7,252	10,165	25,227	0	25,227	0
Food Service Fund	3-7	83,287	0	276,441	269,868	89,860	0	89,860	0
Professional Development Fund	3-8	34,911	0	6,000	5,926	34,985	0	34,985	0
Parent as Teachers	3-9	0	0	0	0	0	0	0	0
Special Education Fund	3-10	178,747	0	670,427	667,661	181,513	0	181,513	0
Vocational Education Fund	3-11	0	0	169,625	169,625	0	0	0	0
Gifts and Grants Fund	3-12	22,344	0	47,198	48,497	21,045	0	21,045	0
Interest	3-13	0	0	0	0	0	0	0	0
Title I Fund-Migrant	3-14	0	0	21,000	21,000	0	0	0	0
Title I Fund-Current	3-15	0	0	55,509	55,509	0	0	0	0
Title I-Carryover	3-16	0	0	0	0	0	0	0	0
Title II A-Teacher Quality Fund	3-17	0	0	13,744	13,744	0	0	0	0
KPERS Retirement Fund	3-18	0	0	194,449	194,449	0	0	0	0
Contingency Reserve Fund	3-19	173,266	0	11,734	0	185,000	0	185,000	0
Textbook Rental Fund	3-20	50,552	0	22,882	25,007	48,427	0	48,427	0
Small Rural School Fund	3-21	0	0	0	0	0	0	0	0
Bond and Interest Funds:									
Bond and Interest Fund	3-22	0	0	1,374	0	1,374	0	1,374	0
		\$	1,394,599	\$	6,368,387	\$	1,352,767	\$	1,352,767
Composition of Cash									
\$									
Checking Account UBT									
Checking Account Palmer									
School Accounts									
Certificate of Deposit									
Total Cash									
Agency Funds Statement 4									
Total Excluding Fiduciary, & Agency Funds									
1,134,566									
18,201									
108,148									
200,000									
1,460,915									
(108,148)									
1,352,767									

UNIFIED SCHOOL DISTRICT NO. 223
Barnes, Kansas

NOTES TO FINANCIAL STATEMENTS
June 30, 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

Unified School District No. 223 is a municipal Corporation established under Kansas Statute. All USDs in Kansas are required to be audited under K.S.A. 75-1122. The District is governed by an elected seven member board. The financial statements present the financial condition and results of operation of the district. The District's major operations include primary and secondary education for young people. The scope of the entity for financial reporting purposes is designed as those funds for which the District has oversight responsibility and is primarily accountable. Oversight responsibility includes budgetary authority and fiscal management responsibility. Budgetary authority is defined as authority for final approval of budgetary appropriations and revisions. Fiscal management responsibility is control of the collection and disbursement of funds.

This report is intended solely for the information and use of the Board of Education and management of USD 223, and for filing with the Kansas Department of Administration, Division of Accounts and Reports, and Kansas State Board of Education, and should not be used for any other purposes.

The Kansas Municipal Audit and Accounting Guide will be referred to as KMAAG throughout the notes.

Basis of Presentation

In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restricts, or limitations. The following are Regulatory Basis Fund Types:

Regulatory Basis Fund Types

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 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.

Capital project 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.

Business fund – funds financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service fund etc.)

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.).

Basis of Accounting-KMAAG Regulatory Basis of Accounting (Formerly Statutory Basis)

The KMAAG regulatory audit requirement of K.S.A. 75-1122 applies to each individual municipality as defined in K.S.A. 75-1117. The KMAAG regulatory financial reporting entity is comprised of the "municipality" as defined in K.S.A. 75-1117, as a minimum, and may also include certain separate legal entities referred to as "related municipal entities" as defined by KMAAG.

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June 30, 2017

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

GAAP Basis Financial Statements - Minimum Requirements. GAAP basis financial statements are financial statements prepared in accordance with "Governmental Accounting and Financial Reporting Standards" as promulgated by the Governmental Accounting Standards Board (GASB). For KMAAG purposes, if GAAP basis financial statements are presented, the basic financial statements and notes must be presented at a minimum. All other supplemental schedules are optional. However, the KMAAG mandatory note disclosures (if applicable) must still be presented even though they might not otherwise be required by GAAP to be included in the notes. KMAAG does not provide an example of GAAP financial statements.

Regulatory Basis Financial Statements - Minimum Requirements. If GAAP basis financial statements are not presented, then: 1) a GAAP waiver resolution must be passed, and 2) regulatory basis financial statements including regulatory-required supplementary information, must be presented. Regulatory basis financial statements are financial statements prepared in accordance with the guidelines of KMAAG. Such financial statements are prepared on a basis of accounting which demonstrates compliance with the cash basis and budget laws of the State of Kansas and prepared in accordance with the prescribed format established by KMAAG.

The regulatory basis financial statement consists of a single basic financial statement which is a summary statement is containing all funds and related municipalities included in the financial reporting entity and demonstrating compliance with the cash basis law. The remainder of the required financial information to be presented is considered regulatory-required supplementary information which includes 1) a fund summary schedule containing all funds and showing compliance with the budget law for those funds required to be budgeted, 2) individual fund schedules for all funds except agency funds, with budget comparisons for those funds required to be budgeted, 3) a fund summary schedule, for agency funds only, showing cash balances and changes therein, and 4) special schedules unique to the municipality. Note: Regulatory-required supplementary information are the additional schedules that are required to be presented under the provisions of the Kansas Municipal Audit and Accounting Guide and are not to be considered as required supplementary information as defined by auditing standards generally accepted in the United States of America. In addition, the KMAAG mandatory note disclosures must be presented and must include all disclosures necessary for fair presentation in accordance with the KMAAG regulatory basis framework. All other schedules that may be presented are optional.

Departure from GAAP

A waiver from the requirement to prepare and audit GAAP basis financial statements is necessary *only if* the municipality decides to present regulatory basis financial statements. A waiver is not required for financial statements that are prepared in accordance with the GAAP basis framework but include certain departures from GAAP. For example, if GAAP financial statements are presented but do not include the management discussion and analysis, this would be a departure from GAAP. However, even lacking the management discussion and analysis required supplementary information, the basic financial statements may still be presented on a GAAP basis framework, thus a waiver would not be required. The District has approved a resolution that is compliance with K.S.A. 75-1120a(c) waiving the annual for application of GAAP for the year ended 6/30/17. This waiver is completed annually and allows the District to use the regulatory basis of accounting.

The basis of accounting described above results in a financial statement presentation, which shows cash receipts, cash disbursements, cash and unencumbered cash balance, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under generally accepted accounting principles, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year-end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance

UNIFIED SCHOOL DISTRICT NO. 223
Barnes, Kansas

NOTES TO FINANCIAL STATEMENTS
June 30, 2017

with generally accepted accounting principles. General fixed assets that account for the land, buildings, and equipment owned by the municipality are not presented in the financial statement.

Reimbursed Expenses

The purpose of these expenditures is to repay the district for amounts remitted on behalf of another party and such expenditures are exempt for 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. The Municipality records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as a receipt to the fund that receives the reimbursement. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements under KMAAG regulatory basis accounting.

2016 Financial Data

Amounts that are shown for 2016 in the accompanying financial statements are included where practical, only to provide a basis for comparison with 2017, and are not intended to present all information necessary for a fair presentation in accordance with generally accepted accounting principles.

Cash and Investments

Cash balances from all funds are combined and invested to the extent available in certificates of deposit and other authorized investments. Earnings from these investments are allocated to designated funds. All investments are stated at cost.

Ad Valorem Tax Revenue

The determination of assessed valuation and the collections of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County Appraiser's Office annually the determination of assessed valuation and the collections of property taxes for all political subdivisions in determines assessed valuation and the County Clerk spreads the annual assessment on the tax rolls. One-half of the property taxes are due December 20 and distributed to the District by January 20 to help finance the current year's budget. The second half is due May 10 and distributed to the District June 5. The District Treasurer draws all available funds from the County Treasurer's Office at designated times throughout the year.

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service fund. The statutes provide for the following sequence and time table in the adoption of the annual operating budget:

- Preparation of the budget for the succeeding calendar year on or before August 1st.
- Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
- Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
- 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 increase in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least 10 days after publication the hearing may be held and the governing body may amend the budget at that time. These taxes become a lien against all property November 1st. Taxpayers have the option of paying in full or in two installments. The delinquency dates are December 20 and May 10. Delinquent taxes are assessed interest at 9% per annum. This interest is retained by the County.

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 budget receipts and expenditures.

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All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, 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. All unencumbered appropriations (legal budget expenditures authority) lapse at year-end.

A legal operating budget is not required for trust funds, agency funds, and the following special revenue funds: Textbooks and Student Materials, Athletic Gate Receipts and other School Agency/Activity Funds, Fee and User Charges/Clearing Accounts, Contingency Reserve, Employee Benefits, Interest, Title I Migrant, Title IIA-Teacher Quality, Title I Current and Carryover, Small Rural School Fund, and Federal Funds.

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

Inventories and prepaid expenses which benefit future periods are recorded as an expenditures during the year of purchase. For disclosure purposes, material inventories would be reported as an asset offset by a reserve. The district had no material inventories.

The process of preparing financial statements requires the use of estimates and assumptions regarding certain types of revenues, expenditures, and fund balances. Such estimates relate primarily to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

NOTE B - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Compliance With Kansas Statutes and Other Finance Related Legal Matters

There are no noted violations with such compliance requirements.

NOTE C- 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 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. Cash balances from all funds are combined and invested to the extent available in certificates of deposits and other authorized investments. Earnings from these investments are allocated to designated funds. All investments are stated at cost.

Custodial Credit Risk-Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Municipality's deposits may not be returned to it. State statutes require the Municipality'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%. All deposits were legally secured at December 31, 2016.

At year-end the carrying amount of the district's deposits, including certificates of deposit and money market accounts was \$1,460,915. Checking Accounts equaled \$1,152,767, activity operating accounts had a balance of \$108,148. The certificate of deposit had a balance of \$200,000. The difference between the carrying amount and the bank balance are outstanding checks and deposits in transit. Of the bank balance, \$468,201 was covered by FDIC insurance and the remaining balance was collateralized by pledged securities held under joint custody receipts issued by a third-party bank in the district's name. The third-party bank holding the pledged securities is independent of the pledging bank. The pledged securities are held under a third-party custodial agreement signed by all three parties: the district, the pledging bank, and the independent third-party banks holding the securities.

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Investment Policy

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 investment choices. Funds of the district were on deposit in interest bearing accounts in banks and Certificates of Deposits issued by banks at June 30, 2017.

The cash of each of the funds of the district is pooled together so that better management of cash and investments can be practiced, resulting in greater earnings accruing to the district. Please refer to Statement 1 to review how the various funds are accruing interest.

Custodial Credit Risk – investments

For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the Municipality 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.

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.

NOTE D- FRINGE BENEFIT PLAN I.R.C. 125

The District has in place an IRS-IRC Section #125 "Cafeteria" Fringe Benefit Plan. The District shall pay the cost of a single health care premium for each teacher up to and including an amount of \$515.50 per month. No cash-in-lieu arrangements will be considered under any circumstances. Participation in the district group health plan is mandatory to receive this benefit.

Any employee may reduce his/her salary by an amount up to the statutory limit on non-taxable benefits as set forth in the program. Items by which the employee may reduce his/her contract are as follows: Group Medical Insurance, Disability Insurance, Group term life insurance up to \$50,000, Cancer Insurance, Medical Reimbursement, Dependent Care, Dental and Vision Insurance, and Health Savings Accounts. The District provides full family health insurance coverage for the Superintendent and for the principals with the designated common carrier.

The plan year runs from September 1 to August 31st annually. The maximum benefit allowance per employee is \$ \$2500/yr for the year ended June 30, 2017 for Medical Reimbursements. The maximum for the dependent care reimbursement account is \$5000 annually.

NOTE E- CONTINGENT LIABILITIES

The district has computed the unfunded accumulated sick/personal leave costs as of June 30, 2017 to be \$195,585. Please Refer to Note F for further information on compensated absences.

NOTE F- COMPENSATED ABSENCES

The District's policies regarding vacation and sick leave are: Teachers are allowed nine days sick leave accumulative to 90 days and three personal leave, non-accumulative; the Superintendent is allowed 12 days sick leave accumulative to 60 days, three days personal leave, non-accumulative, and 20 days annual vacation leave; the principals are allowed 12 days sick leave accumulative to 60 days and two days personal leave accumulative to three days; the U.S.D. clerk/secretary is allowed 12 days sick leave accumulative to 60 days, three days personal leave, non-accumulative, and 12 days annual leave, non-accumulative; the building secretaries are allowed nine days sick leave accumulative to 30 days and two days personal leave, non-accumulative; the cooks and teachers' aides are allowed nine days sick leave accumulative to 30 days and two days personal leave, non-accumulative; the custodians are allowed 12 days sick leave accumulative to 60 days, two days personal leave, non-accumulative, and 12 days annual leave, non-accumulative; the maintenance/transportation supervisor is allowed 12 days sick-leave accumulative to 60 days, three days personal leave, non-accumulative, and 12 days annual leave, non-accumulative; the U.S.D. treasurer/central

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office secretary is allowed 12 days sick leave accumulative to 60 days, three days personal leave, non-accumulative, and 12 days annual leave, non-accumulative; the bus drivers are allowed nine days sick leave accumulative to 30 days and 2 personal days leave, non-accumulative.

After 5 years of consecutive and continuous service in USD #223, teachers who retire in the district under KPERS guidelines shall be paid for unused sick leave up to a maximum of 60 days at the amount of half rate of substitute pay per day for every day of unused sick leave that they may have accumulated at the end of the contract year at which retirement is to take place. In order to receive benefits for payment of unused sick leave, the teacher must notify the central office by the end of their contract period that their intention of retirement will take place the following year.

After 5 years of consecutive and continuous years of service in USD #223, teachers who resign their position, or their contract is terminated shall be paid for unused sick leave up to a maximum of 90 days in the amount of half of substitute pay for every day of unused sick leave that they may have accumulated at the end of the contract year at which the resignation/termination is to take place. Liability for compensated absences is not reflected in the financial statements.

NOTE G- 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. 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 through March 31, 2016 with a 0% moratorium until June 30, 2017 for the Death and Disability Program) and the statutory contribution rate was 16.00% and 10.91%, respectively, for the fiscal year ended June 30, 2016. The actuarially determined employer contribution rate and the statutory contribution rate was 16.03% and 10.81%, respectively, for the fiscal year ended June 30, 2017. 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. 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 \$194,449 for the year ended June 30, 2017.

Net Pension Liability

At June 30, 2017, the District's proportionate share of the collective net pension liability reported by KPERS was \$3,659,752. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015, which was rolled forward to June 30, 2016. 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, 2016. Since the KMAAG regulatory basis of accounting does not recognize longterm 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. The report FYE 6/30/17 was not available at the time of the audit report.

NOTE H- RISK FINANCING AND RELATED INSURANCE ISSUES

UNIFIED SCHOOL DISTRICT NO. 223
Barnes, Kansas

NOTES TO FINANCIAL STATEMENTS
June 30, 2017

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 nature disasters. The district continues to carry insurance for all risks of loss including workers compensation. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

NOTE I- FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value amounts for cash and cash equivalents approximate carrying amounts due to the short maturities of these instruments. Financial instruments that subject the district to significant concentration and credit risk consist of cash and cash equivalents. The district places its cash in market interest rate accounts and are insured fully by FDIC coverage and pledged securities with fair market value equal to or greater than its cash and cash equivalents.

NOTE J- FIDUCIARY/TRUST TYPE FUNDS

The District does not currently have any of these funds in their financial statement FYE 6/30/17.

NOTE K- 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 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 these financial statements. Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the District under this program.

NOTE L- IN-SUBSTANCE RECEIPT IN TRANSIT

The District received \$122,602 subsequent to June 30, 2017 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, 2017.

NOTE M- LONG-TERM DEBT

The District is not responsible for any long term debt.

NOTE N- CAPITAL PROJECT COMPLIANCE

The District currently has no capital projects being undertaken.

NOTE O- LITIGATION CONTINGENCIES

The District currently has no litigation contingencies that it is involved in.

NOTE P- COMMITMENT 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 are 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 effect on any of the financial statements of the District at June 30, 2017.

NOTE Q- SUBSEQUENT EVENTS

These financial statements considered subsequent events through September 11, 2017, the date the financial statements were available to be issued.

NOTE R- RISK MANAGEMENT

The District is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the district carries insurance. There have been no significant reductions in coverage from prior years and settlements have not exceeded coverage in the past three years.

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

Note S- INTER-FUND TRANSACTIONS

Recurring annual transfers between budgetary funds for the purpose of shifting resources from the fund legally required to receive the revenue, to the fund authorized to expend the revenue, have been segregated from normal revenues and expenditures for reporting purposes are are:

FROM	TO	2016	2017
General	Professional Development	\$ 10,000	0
General	Special Education	562,216	549,066
General	Supplemental	174,277	0
General	Food Service	8,216	14,646
General	KPERS	203,311	194,449
General	Contingency Reserve	0	11,734
General	Vocational Ed	160,000	160,000
General	At Risk K-12	150,000	150,000
General	Capital Outlay	181,982	0
General	Bilingual	17,600	15,000
	Totals	1,467,602	1,094,895
Supplemental General	Special Education	117,934	107,823
Supplemental General	Food Service	10,000	12,000
Supplemental General	Professional Development	0	6,000
Supplemental General	Bilingual	5,000	20,000
	Totals	132,934	145,823
Bond	General	181,982	0
	Totals	181,982	0
	Totals	1,782,518	1,240,718

The above transfers are included in the expenditures of the disbursing fund and included in the revenues of the receiving fund as required by the Cash Basis and Budget Laws of Kansas, and for budget comparison purposes.

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

Note T-INTER-GOVERNMENTAL ASSISTANCE STATE

<u>Type of Aid</u>	<u>2016</u>	<u>2017</u>
General State Aid	\$ 1,894,508	2,007,543
Supplemental State Aid	174,277	40,072
State Safety	2,992	5,052
Governor's Teaching Award	1,000	1,000
Block Grants	196,763	0
State Food Service	2,088	2,145
State Special Ed	428,619	441,110
School District Mill Levy	415,443	499,171
Kansas Health Foundation	500	500
KPERS Employer Cont.	203,311	194,449
Totals	3,319,501	3,191,042

Note T-INTER-GOVERNMENTAL ASSISTANCE FEDERAL

<u>Type of Aid</u>	<u>2016</u>	<u>2017</u>
Title I Fund	\$ 49,633	55,509
Youth Risk Behavior Survey	300	0
Food Service-Breakfast	20,370	18,361
Food Service-Other	79,859	81,578
Reserve Fund	3,492	1,500
Title II Improving Teacher Quality	13,846	13,744
Title I C Migrant	25,000	21,000
Totals	192,500	191,692

Federal programs in which the school district participated have specified for what purpose funds are to be expended. All funds unexpended at June 30, 2017 are restricted to federal program specified expenditures.

**REGULATORY - REQUIRED
SUPPLEMENTARY INFORMATION**

UNIFIED SCHOOL DISTRICT NO. 223
Barnes, Kansas

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For The Year Ended June 30, 2017

STATEMENT 2

Fund	Statement Number	Certified Budget	Adjustments		Adjustments For		Total Budget For Comparison	Expenditures Chargeable To Current Year	Variance Over (Under)
			To Comply With Legal Max	Qualifying Budget Credits					
General Funds:									
General Fund	3-1	\$ 3,276,662	\$ (72)	\$ 63,218	\$ 0	\$ 3,339,808	\$ 3,220,137	\$ (119,671)	
Supplemental General	3-2	1,011,921	0	0	0	1,011,921	1,017,857	5,936	
Special Purpose Funds:									
At Risk (K-12)	3-3	170,000	0	0	0	170,000	150,000	(20,000)	
Bilingual Education	3-4	41,861	0	0	0	41,861	23,950	(17,911)	
Capital Outlay	3-5	570,000	0	0	0	570,000	516,824	(53,176)	
Driver Training	3-6	28,400	0	0	0	28,400	10,165	(18,235)	
Food Service	3-7	317,600	0	0	0	317,600	269,868	(47,732)	
Professional Development	3-8	26,600	0	0	0	26,600	5,926	(20,674)	
Parent as Teachers	3-9	0	0	0	0	0	0	0	
Special Education	3-10	706,660	0	0	0	706,660	667,661	(38,999)	
Vocational Education	3-11	180,000	0	0	0	180,000	169,625	(10,375)	
Gifts and Grants Fund	3-12	32,300	0	0	0	32,300	48,497	16,197	
KPERS	3-18	286,076	0	0	0	286,076	194,449	(91,627)	
Bond and Interest Funds:									
Bond And Interest		10,000	0	0	0	10,000	0	(10,000)	
TOTALS		\$ 6,658,080	\$ (72)	\$ 63,218	\$ 0	\$ 6,721,226	\$ 6,294,959	\$ (426,267)	

UNIFIED SCHOOL DISTRICT NO. 223

Barnes, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES

ACTUAL AND BUDGET

Regulatory Basis

For The Year Ended June 30, 2017

(With Comparative Actual Totals for Prior Year Ended June 30, 2016)

STATEMENT 3-1

GENERAL FUND

	Current Year			
	Prior Year Actual Transactions	Actual Transactions	Budget	Variance Over (Under)
Cash Receipts				
Taxes in Process	\$ 0	\$ 0	\$ 0	\$ 0
Current Tax	0	0	0	0
Delinquent Tax	0	0	0	0
State Equalization Aid	2,506,714	2,506,714	2,506,786	(72)
Misc	23,067	0	0	0
KPERS	203,311	194,450	0	194,450
Special Education Aid	428,619	441,110	473,800	(32,690)
Supplemental State Aid	174,278	0	286,076	(286,076)
Interest on Idle Funds	190,198	14,646	10,000	4,646
Reimbursements	18,045	63,217	0	63,217
Total Cash Receipts	\$ 3,544,232	\$ 3,220,137	\$ 3,276,662	\$ (56,525)
Expenditures				
Instruction	\$ 1,603,230	\$ 1,585,968	\$ 1,579,000	\$ 6,968
Student Support Services	108,853	109,326	111,500	(2,174)
Instructional Support Staff	69,526	106,330	51,950	54,380
General Administration	89,701	94,216	91,875	2,341
School Administration	73,441	67,510	74,700	(7,190)
Other Central Services/Operations & Maintenance	124,037	153,415	139,100	14,315
Student Transportation Services	7,842	8,477	8,500	(23)
Other Supplemental Service	0	0	0	0
Operating Transfers	1,467,602	1,094,895	1,220,037	(125,142)
Adjustment For Legal Max	0	0	0	0
Adjustment for Reimbursements	0	0	0	0
Total Expenditures	\$ 3,544,232	\$ 3,220,137	\$ 3,276,662	\$ (56,525)
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash - Beginning	0	0		
Unencumbered Cash - Ending	\$ 0	\$ 0		

UNIFIED SCHOOL DISTRICT NO. 223

Barnes, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES

ACTUAL AND BUDGET

Regulatory Basis

For The Year Ended June 30, 2017

(With Comparative Actual Totals for Prior Year Ended June 30, 2016)

STATEMENT 3-2

SUPPLEMENTAL GENERAL FUND

	Prior Year Actual Transactions	Current Year		
		Actual Transactions	Budget	Variance Over (Under)
Cash Receipts				
Ad Valorem	\$ 20,590	\$ 21,064	\$ 19,806	\$ 1,258
Current Tax	755,632	869,246	0	869,246
Delinquent Tax	6,375	7,711	0	7,711
Motor Vehicle Tax - 16/20 Truck	79,051	58,102	66,428	(8,326)
Misc	2,465	5,026	0	5,026
RV/Comm Tax	667	14,835	3,717	11,118
State Aid	174,277	40,072	40,072	0
Reimbursement	2,049	910	0	910
Transfers	0	0	0	0
Total Cash Receipts	\$ 1,041,106	\$ 1,016,966	\$ 130,023	\$ 886,943
Expenditures				
Instruction	\$ 152,398	\$ 170,005	\$ 158,000	\$ 12,005
School Administration	147,700	95,000	95,000	0
General Administration	92,700	97,335	97,335	0
Support Service	0	0	0	0
Central Services	8,072	10,497	9,500	997
Operation and Maintenance	292,655	324,558	358,900	(34,342)
Transportation	186,944	174,639	208,200	(33,561)
Operating Transfers	132,934	145,823	84,986	60,837
Adjustment For Legal Max	0	0	0	0
Total Expenditures	\$ 1,013,403	\$ 1,017,857	\$ 1,011,921	\$ 5,936
Receipts Over (Under) Expenditures	27,703	(891)		
Unencumbered Cash - Beginning	40,835	68,538		
Unencumbered Cash - Ending	\$ 68,538	\$ 67,647		

UNIFIED SCHOOL DISTRICT NO. 223
Barnes, Kansas
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET
Regulatory Basis
For The Year Ended June 30, 2017
(With Comparative Actual Totals for Prior Year Ended June 30, 2016)

STATEMENT 3-3

AT RISK (K-12) FUND

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Other Revenue	\$ 0	\$ 0	\$ 20,000	\$ (20,000)
Transfer from General	<u> 150,000</u>	<u> 150,000</u>	<u> 150,000</u>	<u> 0</u>
Total Cash Receipts	<u><u> 150,000</u></u>	<u><u> 150,000</u></u>	<u><u> 170,000</u></u>	<u><u> (20,000)</u></u>
Expenditures				
Instruction	150,000	150,000	170,000	(20,000)
Transportation	<u> 0</u>	<u> 0</u>	<u> 0</u>	<u> 0</u>
Total Expenditures	<u><u> 150,000</u></u>	<u><u> 150,000</u></u>	<u><u> 170,000</u></u>	<u><u> (20,000)</u></u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash - Beginning	<u> 0</u>	<u> 0</u>		
Unencumbered Cash - Ending	<u> 0</u>	<u> 0</u>		

UNIFIED SCHOOL DISTRICT NO. 223
Barnes, Kansas
SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET
Regulatory Basis
For The Year Ended June 30, 2017
(With Comparative Actual Totals for Prior Year Ended June 30, 2016)

STATEMENT 3-4

BILINGUAL EDUCATION

		<u>Current Year</u>		
	<u>Prior Year Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Cash Receipts				
Other Revenue	\$ 0	\$ 0	\$ 10,000	\$ (10,000)
Transfer from General	17,600	15,000	15,000	0
Transfer from Supp General	5,000	20,000	15,000	5,000
Total Cash Receipts	<u>22,600</u>	<u>35,000</u>	<u>40,000</u>	<u>(5,000)</u>
Expenditures				
Instruction	<u>20,739</u>	<u>23,950</u>	<u>41,861</u>	<u>(17,911)</u>
Total Expenditures	<u>20,739</u>	<u>23,950</u>	<u>41,861</u>	<u>(17,911)</u>
Receipts Over (Under) Expenditures	\$ 1,861	11,050		
Unencumbered Cash - Beginning	<u>0</u>	<u>1,861</u>		
Unencumbered Cash - Ending	<u>1,861</u>	<u>12,911</u>		

UNIFIED SCHOOL DISTRICT NO. 223

Barnes, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES

ACTUAL AND BUDGET

Regulatory Basis

For The Year Ended June 30, 2017

(With Comparative Actual Totals for Prior Year Ended June 30, 2016)

STATEMENT 3-5CAPITAL OUTLAY

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Ad Volorem Tax	\$ 8,661	\$ 8,603	\$ 327,523	\$ (318,920)
Ad Volorem In Process	308,634	329,397	0	329,397
Delinquent Tax	1,773	2,188	0	2,188
Motor Vehicle Tax	16,479	24,208	27,705	(3,497)
Rec Vehicle Tax	184	271	253	18
Commercial/16-20	2,071	5,863	1,297	4,566
Interest on Idle Funds	0	0	0	0
Misc Receipts	13,102	13,341	0	13,341
Insurance Receipts	361,748	40,694	0	40,694
Transfer from General	181,982	0	500	(500)
State Aid	0	0	0	0
E-rate Receipts	9,280	24,084	0	24,084
Total Cash Receipts	<u>903,914</u>	<u>448,649</u>	<u>357,278</u>	<u>91,371</u>
Expenditures				
Instruction	78,942	50,797	100,000	(49,203)
Support Services	0	0	0	0
General Administration	0	0	0	0
Operations & Maintenance	418,923	308,837	300,000	0
Transportation	212,532	145,988	150,000	(4,012)
Architect/Engineering	4,729	3,760	20,000	0
Building Additions	0	7,442	0	7,442
Other	0	0	0	0
Total Expenditures	<u>715,126</u>	<u>516,824</u>	<u>570,000</u>	<u>(45,773)</u>
Receipts Over (Under) Expenditures	188,788	(68,175)		
Unencumbered Cash - Beginning	<u>564,165</u>	<u>752,953</u>		
Unencumbered Cash - Ending	\$ <u>752,953</u>	<u>684,778</u>		

UNIFIED SCHOOL DISTRICT NO. 223

Barnes, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES

ACTUAL AND BUDGET

Regulatory Basis

For The Year Ended June 30, 2017

(With Comparative Actual Totals for Prior Year Ended June 30, 2016)

STATEMENT 3-6DRIVER TRAINING

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
State Aid	\$ 2,992	\$ 5,052	\$ 4,050	\$ 1,002
Reimbursements	3,650	0	0	0
Miscellaneous	0	2,200	7,000	(4,800)
Operating Transfers	0	0	1,000	(1,000)
Total Cash Receipts	<u>6,642</u>	<u>7,252</u>	<u>12,050</u>	<u>(4,798)</u>
Expenditures				
Instruction	8,981	9,080	10,200	(1,120)
Vehicle Operating & Maintenance	1,187	1,085	18,200	(17,115)
Total Expenditures	<u>10,168</u>	<u>10,165</u>	<u>28,400</u>	<u>(18,235)</u>
Receipts Over (Under) Expenditures	(3,526)	(2,913)		
Unencumbered Cash - Beginning	<u>31,666</u>	<u>28,140</u>		
Unencumbered Cash - Ending	<u>28,140</u>	<u>25,227</u>		

UNIFIED SCHOOL DISTRICT NO. 223

Barnes, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES

ACTUAL AND BUDGET

Regulatory Basis

For The Year Ended June 30, 2017

(With Comparative Actual Totals for Prior Year Ended June 30, 2016)

STATEMENT 3-7FOOD SERVICE FUND

	<u>Current Year</u>			<u>Variance Over (Under)</u>
	<u>Prior Year Actual</u>	<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Federal Aid	\$ 100,231	\$ 99,938	\$ 106,139	\$ (6,201)
State Aid	2,088	2,145	1,986	159
Meals	142,845	146,798	144,180	2,618
Interest	0	0	0	0
Grant	0	500	0	500
Miscellaneous	481	415	0	415
Transfer	18,216	26,645	9,000	17,645
Total Cash Receipts	<u>263,861</u>	<u>276,441</u>	<u>261,305</u>	<u>15,136</u>
Expenditures				
Operations & Maintenance	0	0	17,000	(17,000)
Food Service Operations	260,615	269,868	300,600	(30,732)
Total Expenditures	<u>260,615</u>	<u>269,868</u>	<u>317,600</u>	<u>(47,732)</u>
Receipts Over (Under) Expenditures	3,246	6,573		
Unencumbered Cash - Beginning	<u>80,041</u>	<u>83,287</u>		
Unencumbered Cash - Ending	<u>\$ 83,287</u>	<u>89,860</u>		

UNIFIED SCHOOL DISTRICT NO. 223

Barnes, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES

ACTUAL AND BUDGET

Regulatory Basis

For The Year Ended June 30, 2017

(With Comparative Actual Totals for Prior Year Ended June 30, 2016)

STATEMENT 3-8PROFESSIONAL DEVELOPMENT FUND

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Other Revenue	\$ 150	\$ 0	\$ 5,000	\$ (5,000)
State Aid	0	0	0	0
Transfer General	10,000	0	500	(500)
Transfer Supplemental/ LOB	0	6,000	500	5,500
Total Cash Receipts	<u>10,150</u>	<u>6,000</u>	<u>6,000</u>	<u>0</u>
Expenditures				
Instructional Support Staff	<u>8,134</u>	<u>5,926</u>	<u>26,600</u>	<u>(20,674)</u>
Total Expenditures	<u>8,134</u>	<u>5,926</u>	<u>26,600</u>	<u>(20,674)</u>
Receipts Over (Under) Expenditures	2,016	74		
Unencumbered Cash - Beginning	<u>32,895</u>	<u>34,911</u>		
Unencumbered Cash - Ending	\$ <u>34,911</u>	<u>34,985</u>		

UNIFIED SCHOOL DISTRICT NO. 223

Barnes, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES

ACTUAL AND BUDGET

Regulatory Basis

For The Year Ended June 30, 2017

(With Comparative Actual Totals for Prior Year Ended June 30, 2016)

STATEMENT 3-9PARENT EDUCATION PROGRAM FUND

	Current Year			
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Local Source	\$ 0	\$ 0	\$ 0	\$ 0
Operating Transfers General	0	0	0	0
Miscellaneous	0	0	0	0
Operating Transfers Supplemental/LOB	0	0	0	0
Total Cash Receipts	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Support Service				
Misc Supplies	0	0	0	0
Fees	0	0	0	0
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash - Beginning	<u>0</u>	<u>0</u>		
Unencumbered Cash - Ending	\$ <u>0</u>	<u>0</u>		

UNIFIED SCHOOL DISTRICT NO. 223

Barnes, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES

ACTUAL AND BUDGET

Regulatory Basis

For The Year Ended June 30, 2017

(With Comparative Actual Totals for Prior Year Ended June 30, 2016)

STATEMENT 3-10SPECIAL EDUCATION FUND

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
State Sources	\$ 428,619	\$ 441,110	\$ 0	\$ 441,110
Federal Sources	0	13,538	10,000	3,538
Other	0	0	20,000	(20,000)
Miscellaneous	28	0	0	0
Transfer	133,597	107,956	666,947	(558,991)
Operating Transfers/ LOB	117,934	107,823	0	107,823
Total Cash Receipts	<u>680,178</u>	<u>670,427</u>	<u>696,947</u>	<u>(26,520)</u>
Expenditures				
Instruction	576,998	608,204	629,810	(21,606)
Operations/Maintenance	5,623	4,687	9,000	(4,313)
Transportation	49,749	54,770	67,850	(13,080)
Total Expenditures	<u>632,370</u>	<u>667,661</u>	<u>706,660</u>	<u>(38,999)</u>
Receipts Over (Under) Expenditures	47,808	2,766		
Unencumbered Cash - Beginning	<u>130,939</u>	<u>178,747</u>		
Unencumbered Cash - Ending	\$ <u>178,747</u>	<u>181,513</u>		

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SCHEDULE OF RECEIPTS AND EXPENDITURES

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(With Comparative Actual Totals for Prior Year Ended June 30, 2016)

STATEMENT 3-11VOCATIONAL EDUCATION FUND

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Miscellaneous/Reimb	\$ 4,998	\$ 9,625	\$ 20,000	\$ (10,375)
Interest	0	0	0	0
Transfer from General	160,000	160,000	160,000	0
Total Cash Receipts	<u>164,998</u>	<u>169,625</u>	<u>180,000</u>	<u>(10,375)</u>
Expenditures				
Instruction	<u>164,998</u>	<u>169,625</u>	<u>180,000</u>	<u>(10,375)</u>
Total Expenditures	<u>164,998</u>	<u>169,625</u>	<u>180,000</u>	<u>(10,375)</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash - Beginning	<u>0</u>	<u>0</u>		
Unencumbered Cash - Ending	\$ <u>0</u>	\$ <u>0</u>		

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(With Comparative Actual Totals for Prior Year Ended June 30, 2016)

STATEMENT 3-12

GIFTS AND GRANTS

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
Cash Receipts				
Contributions & Donations	\$ <u>47,379</u>	\$ <u>47,198</u>	\$ <u>25,000</u>	\$ <u>22,198</u>
Total Cash Receipts	<u>47,379</u>	<u>47,198</u>	<u>25,000</u>	<u>22,198</u>
Expenditures				
Instructional & Educational Mat	<u>44,850</u>	<u>48,497</u>	<u>32,300</u>	<u>16,197</u>
Total Expenditures	<u>44,850</u>	<u>48,497</u>	<u>32,300</u>	<u>16,197</u>
 Receipts Over (Under) Expenditures	 2,529	 (1,299)		
Unencumbered Cash - Beginning	<u>19,815</u>	<u>22,344</u>		
Unencumbered Cash - Ending	\$ <u>22,344</u>	\$ <u>21,045</u>		

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(With Comparative Actual Totals for Prior Year Ended June 30, 2016)

STATEMENT 3-13INTEREST

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Interest Holding	\$ 0	\$ 0
Total Cash Receipts	<u>0</u>	<u>0</u>
Expenditures		
Transfer to Vo Ag	0	0
Transfer to Food Service	0	0
Transfer to Sp Ed	0	0
Transfer to Capital Outlay	0	0
Bilingual	0	0
Total Expenditures	<u>0</u>	<u>0</u>
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash - Beginning	<u>0</u>	<u>0</u>
Unencumbered Cash - Ending	\$ <u>0</u>	\$ <u>0</u>

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STATEMENT 3-14

TITLE I C MIGRANT

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Federal Aid	\$ <u>25,247</u>	\$ <u>21,000</u>
Total Cash Receipts	<u>25,247</u>	<u>21,000</u>
 Expenditures		
Instruction	<u>25,247</u>	<u>21,000</u>
Total Expenditures	<u>25,247</u>	<u>21,000</u>
 Receipts Over (Under) Expenditures	0	0
Unencumbered Cash - Beginning	<u>0</u>	<u>0</u>
Unencumbered Cash - Ending	\$ <u>0</u>	\$ <u>0</u>

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STATEMENT 3-15

TITLE I - CURRENT

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Federal	\$ <u>49,632</u>	\$ <u>55,509</u>
Total Cash Receipts	<u>49,632</u>	<u>55,509</u>
Expenditures		
Instruction	<u>49,632</u>	<u>55,509</u>
Total Expenditures	<u>49,632</u>	<u>55,509</u>
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash - Beginning	<u>0</u>	<u>0</u>
Unencumbered Cash - Ending	\$ <u>0</u>	\$ <u>0</u>

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STATEMENT 3-16

TITLE I CARRYOVER

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Intergovernmental Revenue	\$ 0	\$ 0
Federal	0	0
Total Cash Receipts	<u>0</u>	<u>0</u>
Expenditures		
Instruction	0	0
Support Service	0	0
Total Expenditures	<u>0</u>	<u>0</u>
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash - Beginning	<u>0</u>	<u>0</u>
Unencumbered Cash - Ending	<u>\$ 0</u>	<u>\$ 0</u>

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(With Comparative Actual Totals for Prior Year Ended June 30, 2016)

STATEMENT 3-17

FEDERAL FUNDS

TITLE II A

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts	\$ <u>13,846</u>	\$ <u>13,744</u>
Cash Disbursements	<u>13,846</u>	<u>13,744</u>
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash - Beginning	<u>0</u>	<u>0</u>
Unencumbered Cash - Ending	\$ <u>0</u>	\$ <u>0</u>

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SCHEDULE OF RECEIPTS AND EXPENDITURES

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STATEMENT 3-18KPERS

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts Flow Through	\$ 203,311	\$ 194,449	\$ 286,076	\$ (91,627)
Total Cash Receipts	<u>203,311</u>	<u>194,449</u>	<u>286,076</u>	<u>(91,627)</u>
Expenditures Instruction	<u>203,311</u>	<u>194,449</u>	<u>286,076</u>	<u>(91,627)</u>
Total Expenditures	<u>203,311</u>	<u>194,449</u>	<u>286,076</u>	<u>(91,627)</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash - Beginning	<u>0</u>	<u>0</u>		
Unencumbered Cash - Ending	\$ <u>0</u>	\$ <u>0</u>		

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SCHEDULE OF RECEIPTS AND EXPENDITURES

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(With Comparative Actual Totals for Prior Year Ended June 30, 2016)

STATEMENT 3-19

CONTINGENCY RESERVE

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts/Transfer	\$ <u>0</u>	\$ <u>11,734</u>
Expenditures	<u>0</u>	<u>0</u>
Receipts Over (Under) Expenditures	0	11,734
Unencumbered Cash - Beginning	<u>173,266</u>	<u>173,266</u>
Unencumbered Cash - Ending	\$ <u>173,266</u>	\$ <u>185,000</u>

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Barnes, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES

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STATEMENT 3-20

TEXTBOOK & STUDENT MATERIAL REVOLVING

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Textbook Rental & Fees	<u>27,600</u>	<u>22,882</u>
Total Cash Receipts	<u><u>27,600</u></u>	<u><u>22,882</u></u>
 Expenditures		
Textbooks Materials & Supplies	<u>39,263</u>	<u>25,007</u>
Total Expenditures	<u><u>39,263</u></u>	<u><u>25,007</u></u>
 Receipts Over (Under) Expenditures	 (11,663)	 (2,125)
Unencumbered Cash - Beginning	<u>62,215</u>	<u>50,552</u>
Unencumbered Cash - Ending	\$ <u><u>50,552</u></u>	\$ <u><u>48,427</u></u>

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STATEMENT 3-21

SMALL RURAL SCHOOLS

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Small Rural School	\$ <u>60,902</u>	\$ <u>0</u>
Total Cash Receipts	<u><u>60,902</u></u>	<u><u>0</u></u>
Expenditures		
School Improvement/Equipment	<u>60,902</u>	<u>0</u>
Total Expenditures	<u><u>60,902</u></u>	<u><u>0</u></u>
Receipts Over (Under) Expenditures	<u>0</u>	<u>0</u>
Unencumbered Cash - Beginning	<u>0</u>	<u>0</u>
Unencumbered Cash - Ending	\$ <u><u>0</u></u>	\$ <u><u>0</u></u>

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Barnes, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES

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STATEMENT 3-22

BOND AND INTEREST FUND

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Motor Vehicle Tax	\$ 12,383	\$ 0	\$ 0	\$ 0
RV/Comm/16-20 Tax	3,451	60	0	
Back Taxes	1,065	1,314	0	1,314
Ad Valorem Taxes	7	0	0	0
State Aid	0	0	0	0
Miscellaneous	0	0	10,000	(10,000)
Total Cash Receipts	16,906	1,374	10,000	(8,686)
Expenditures				
Bond Principal	0	0	0	0
Bond Interest	0	0	0	0
Transfer	181,982	0	0	0
Bond Fees	0	0	10,000	(10,000)
Total Expenditures	181,982	0	10,000	(10,000)
Receipts Over (Under) Expenditures	(165,076)	1,374		
Unencumbered Cash - Beginning	165,076	0		
Unencumbered Cash - Ending	\$ 0	\$ 1,374		

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SCHOOL ACTIVITY FUNDS STATEMENT 4

Fund	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Cash Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances & A/P	Ending Cash Balance
Hanover High School							
Student Activities	\$ 6,166		63,272	58,495	10,943		10,943
Athletic Fee	445		4,200	4,169	476		476
Weight Room	0		738	306	432		432
Wildcat Scholarship	0		500	500	0		0
Organizations/Classes							
Freshman	48		353	71	330		330
Sophomores	786		5,686	5,530	942		942
Juniors	1,155		14,041	14,329	867		867
Seniors	721		434	426	729		729
Art Club	333		213	0	546		546
Annual Club	8,095		5,215	7,765	5,545		5,545
Music	695		0	0	695		695
Cheerleaders	5		6,675	6,340	340		340
FBLA	2,432		20,619	19,685	3,366		3,366
FFA	11,171		21,136	18,071	14,236		14,236
FCCLA	5,227		0	2,371	2,856		2,856
H-Club	717		7,299	7,851	165		165
Jr. High Cheerleaders	203		2,223	1,052	1,374		1,374
HS Scholar Bowl	511		400	571	340		340
National Honor Society	708		1,356	1,433	631		631
Junior High FBLA	333		0	0	333		333
Student Council	764		768	1,465	67		67
Thespians	1,334		1,486	1,749	1,071		1,071
Subtotal Hanover Organizations	\$ 35,238	0	87,904	88,709	34,433	0	34,433
Revolving/Clearing Accounts							
Lunch	0		47,090	47,090	0		0
Library	0		55	59	(4)		(4)
Textbooks	0		8,439	8,439	0		0
Revolving Music	0		90	90	0		0
Revolving Vo-Ag	0		547	547	0		0
Revolving Wood	0		3,212	3,152	60		60
Revolving Art	0		810	810	0		0
Petty Cash	0		2,190	2,190	0		0
Student - Art Petty Cash	0		4,461	4,461	0		0
Subtotal Hanover Clearing Accounts	0	0	66,894	66,838	56	0	56
Total Hanover Activity	41,849	0	218,570	214,542	45,432	0	46,340

This is not a budgeted fund
.See Accountant's Report and Accompanying Notes

SCHEDULE OF RECEIPTS AND EXPENDITURES
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SCHOOL ACTIVITY FUNDS

Fund	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Cash Expenditures	Ending Unencumbered Cash Balance	STATEMENT 4 (Continued)	
						Add Outstanding Encumbrances & A/P	Ending Cash Balance
Linn High School							
Administrative Activities	\$ 566		19,069	19,434	201		201
Athletic Fee	897		4,290	4,266	921		921
Organizations/Classes							
Yearbook	8,672		6,855	4,409	11,118		11,118
National Honor Society	693		359	788	264		264
Scholars Bowl	571		0	114	457		457
Class of 2019	3,025		7,665	3,578	7,112		7,112
Class of 2018	5,400		9,829	10,921	4,308		4,308
Class of 2014	401		0	401	0		0
Class of 2020	0		8,808	5,379	3,429		3,429
Class of 2016	1,352		0	1,352	0		0
Class of 2017	233		250	206	277		277
Class of 2009	61		0	0	61		61
Art Club	196		824	613	407		407
Linn Music	439		33	174	298		298
FBLA	3,870		3,947	3,407	4,410		4,410
FFA	12,399		15,673	16,815	11,257		11,257
FCCLA	2,950		15,589	16,496	2,043		2,043
L-Club	593		1,081	921	753		753
Jr. High Cheerleaders	278		715	174	819		819
Peclub/Cheerleaders	77		2,150	183	2,044		2,044
Student Council	1,966		7,378	7,637	1,707		1,707
Thespian	569		465	496	538		538
Subtotal Linn Organization	\$ 43,745	0	81,621	74,064	52,424	0	51,302
Scholarship Funds							
National Honor Society Alumni	60		0	0	60		60
Bulldog Scholarship	8,175		7,851	6,752	9,274		9,274
Subtotal Linn Scholarships	8,235	0	7,851	6,752	9,334	0	9,334
Revolving/Clearing Accounts							
Lunch	0		48,067	48,067	0		0
Textbooks	0		10,677	10,627	50		50
Revolving Music	0		403	403	0		0
Revolving Vo-Ag	0		786	786	0		0
Revolving Wood	0		244	244	0		0
Revolving Art	0		760	760	0		0
Petty Cash	0		2,168	2,168	0		0
Student - Act Petty Cash	0		3,870	3,870	0		0
Subtotal Linn Clearing Accounts	0	0	66,975	66,925	50	0	50
Total Linn Activity	53,443	0	175,516	167,175	62,009	0	61,808

This is not a budgeted fund.
See Accountant's Report and Accompanying Notes