

**UNIFIED SCHOOL DISTRICT NUMBER 367**  
Osawatomie, Kansas

FINANCIAL STATEMENT  
AND  
INDEPENDENT AUDITOR'S REPORT

June 30, 2019

**Unified School District 367**  
**Osawatomie, Kansas**

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Year ended June 30, 2019

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**Agler & Gaeddert** CHARTERED  
Certified Public Accountants  
**INDEPENDENT AUDITOR'S REPORT**

Harold K. Mayes, CPA  
Jennifer L. Kettler, CPA  
Lucille L. Hinderliter, CPA

Board of Education  
Unified School District Number 367  
Osawatomie, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District Number 367, Osawatomie, Kansas, as of and for the year ended June 30, 2019 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 C; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on 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 controls. 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 C of the financial statement, the financial statement is prepared by the Unified School District Number 367, Osawatomie, 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 C 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 Number 367, Osawatomie, Kansas as of June 30, 2019, or changes in financial position and cash flows thereof for the year then ended.

### ***Unmodified Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balances of the Unified School District Number 367, Osawatomie, Kansas as of June 30, 2019, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note C.

### ***Other Matters - Supplementary Information***

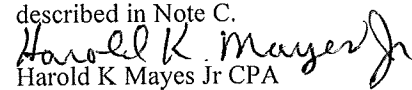
Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditure-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and expenditures-agency funds, and schedule of regulatory basis receipts and expenditures-district activity funds (Schedule 1, 2, 3 and 4 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement; however, are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The accompanying Schedule of Expenditures of Federal Awards is also presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note C.

### ***Other reporting required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 14, 2020, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

### ***Prior Year Comparative***

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Unified School District Number 367, Osawatomie, Kansas as of and for the year ended June 30, 2018 (not presented herein), and have issued our report thereon dated March 30, 2019, which contained an unmodified opinion on the basic financial statement. The 2018 basic financial statements and accompanying report are not presented herein, but available in electronic form from the web site of the Kansas Department of Administration at the following link <http://admin.ks.gov/offices/oar/municipal-services>. The 2018 actual column (2018 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget for the year ended June 30, 2019 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2018 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2018 basic financial statement. The 2018 comparative information was subjected to the auditing procedures applied in the audit of the 2018 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 2018 basic financial statement or to the 2018 basic financial statements itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2018 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended June 30, 2018, on the basis of accounting described in Note C.

  
Harold K. Mayes Jr CPA

Agler & Gaeddert, Chartered

Ottawa, Kansas

May 14, 2020

**Unified School District Number 367**  
**Osawatomie, Kansas**

SUMMARY OF CASH RECEIPTS, EXPENDITURES  
AND UNENCUMBERED CASH  
REGULATORY BASIS  
For Year Ended June 30, 2019

	<u>Beginning Unencumbered Cash Balances</u>	<u>Prior Year Cancelled Encumbrances</u>	<u>Receipts</u>
<b>Governmental type funds</b>			
<b>General Funds</b>			
General	\$ 28	\$ 0	\$ 9,500,846
Supplemental general	0	0	3,261,983
<b>Special Purpose Funds</b>			
Adult education	699	0	50,850
Adult Supplementary Education	3,396	0	589,773
At risk - 4 year old	0	0	60,440
At risk - K-12	0	0	1,300,091
Capital outlay	249,405	0	1,634,277
Driver training	3,077	0	20,914
Food service	6,079	0	809,019
Professional development	9,100	0	41,864
Parent education program	0	0	19,755
Special education	148,086	0	2,953,078
KPERS special retirement contribution	0	0	745,566
Vocational education program	491	0	174,630
Gifts & grants	78,748	0	311,098
Carl Perkins grant	0	0	10,786
Contingency reserve	0	0	0
Textbook & student materials	199	0	69,325
Title I	0	0	315,821
Title II A - teacher quality	0	0	45,830
Fees and user charges	1,982	0	11,334
Gate receipts	0	0	33,770
Recreation Commission	9,878	0	55,528
Kansas reading roadmap	0	0	0
<b>Bond &amp; Interest Fund</b>			
Bond and interest	823,188	0	1,443,326
<b>Business Fund</b>			
Health Insurance	413,441	0	957,497
<b>Trust Funds</b>			
Expendable Scholarship & other trusts	233,777	0	66,472
Permanent Scholarship & other trusts	<u>1,263,023</u>	<u>0</u>	<u>72,247</u>
 Total reporting entity (excluding agency funds)	 \$ <u>3,244,597</u>	 \$ <u>0</u>	 \$ <u>24,556,120</u>

**Composition of ending cash**

**Demand Deposits, Money Markets & certificates of deposit**

First Option Bank	\$ 2,389,830
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**Composition of ending cash - continued**

**Time Deposits**

Edward Jones	\$ 52,225
First Option	58,775
Landmark	20,451

The accompanying notes are an integral part of this statement.

**Statement 1**

<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
\$ 9,500,874	\$ 0	\$ 619,936	\$ 619,936
3,256,007	5,976	18,478	24,454
50,718	831	167	998
591,682	1,487	6,404	7,891
60,027	413	12,670	13,083
1,300,000	91	161,384	161,475
1,774,709	108,973	0	108,973
16,786	7,205	292	7,497
812,121	2,977	40,084	43,061
44,000	6,964	0	6,964
19,755	0	0	0
3,087,346	13,818	9,597	23,415
745,566	0	0	0
174,630	491	30,179	30,670
289,922	99,924	0	99,924
10,786	0	60	60
0	0	0	0
68,982	542	709	1,251
315,821	0	50,755	50,755
45,830	0	3,443	3,443
11,424	1,892	0	1,892
33,770	0	0	0
53,692	11,714	0	11,714
0	0	0	0
1,440,893	825,621	0	825,621
1,001,386	369,552	86,511	456,063
22,549	277,700	0	277,700
45,187	1,290,083	0	1,290,083
<u>\$ 24,774,464</u>	<u>\$ 3,026,254</u>	<u>\$ 1,040,669</u>	<u>\$ 4,066,923</u>

**Composition of ending cash - continued**

**Governmental investments**

Edward Jones	\$ 487,466
First Option	1,168,930

**Total cash**

and investments	\$ 4,177,677
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Less Agency funds

Per Schedule 3	110,754
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\$	<u>4,066,923</u>
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The accompanying notes are an integral part of this statement.



**Unified School District Number 367  
Osawatomie, Kansas**

**NOTES TO FINANCIAL STATEMENT  
June 30, 2019**

**NOTE A. MUNICIPAL REPORTING ENTITY**

Unified School District Number 367 is a municipal corporation governed by an elected seven-member board. As required by generally accepted accounting principles, these financial statements include all the accounts for which the District is considered to be financially accountable. The District has no component units.

**NOTE B. REGULATORY BASIS FUND TYPES**

The accounts of the District are organized and operated on the basis of funds. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The District potentially could have the following types of funds.

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

**Special Purpose Funds** – used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specific 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 goods or services (i.e. enterprise and internal service funds, 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 purely a custodial capacity (payroll clearing fund, county treasurer tax collection accounts, etc.).

**NOTE C. BASIS OF ACCOUNTING**

*Regulatory Basis of Accounting and departure from Accounting Principles Generally Accepted in the United States of America* - The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments 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 obligations 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 mentioned above.

Unified School District Number 367, Osawatomie, Kansas has approved a resolution that it is in compliance with K.S.A. 75-1120a (c) waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

**Unified School District Number 367  
Osawatomie, Kansas**

**NOTES TO FINANCIAL STATEMENT  
June 30, 2019**

**NOTE D. 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 5<sup>th</sup> of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such 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 schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

**Adjustment for Qualifying Budget Credits** – Municipalities may use this line item for any budgeted fund. The adjustment would be a positive amount. All budget adjustments must be authorized by Kansas statutes. Examples include: expenditure of federal grant monies, gifts and donations, and receipts authorized by law to be spent as if they were reimbursed expenses.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

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

Gifts & Grants	Carl Perkins	Contingency Reserve	Textbook & student materials
Title I	Title IIA – teacher quality	Health Insurance	

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 E. DEPOSITS 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.

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.



**Unified School District Number 367  
Osawatomie, Kansas**

**NOTES TO FINANCIAL STATEMENT  
June 30, 2019**

**NOTE E. DEPOSITS AND INVESTMENTS – Continued**

In addition, K.S.A. 9-1402 requires the bank to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

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

*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 City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. There were no designated "peak periods" during the year. All bank deposits were legally secured at June 30, 2019.

At June 30, 2018, the carrying amount of the District's bank deposits was \$3,640,177 and the bank balance was \$4,066,923. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$2,037,597 was covered by federal depository insurance, and \$1,575,944 was collateralized with securities held by the pledging financial institution's agents in the District's name. One bank is under secured by \$26,385 as of June 30, 2019.

*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 be adequately secured. The rating of the District's investments is noted below. Fair values are based upon quoted market values as of June 30, 2019. As of June 30, 2019, the District had the following investments and maturities.

<u>Investment Type</u>	<u>Fair Value *</u>	<u>Investment Maturities (in Years)</u>		<u>Rating</u>
		<u>1-2</u>	<u>2+</u>	
Edward Jones Fixed Income Investments	\$ <u>539,691</u>	\$ <u>55,225</u>	\$ <u>487,466</u>	AAA
Total	\$ <u>539,691</u>	\$ <u>55,225</u>	\$ <u>487,466</u>	

\*Changes in market value are adjusted at June 30, 2019.

**Interest Rate Risk** – Per Kansas statutes, maturities of investments shall not exceed two years. A majority of the District's investment maturities are greater than 5 years.

**Concentration of credit risk** - State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The District's allocation of investments as of June 30, 2019, is as follows:

**Unified School District Number 367  
Osawatomie, Kansas**

**NOTES TO FINANCIAL STATEMENT  
June 30, 2019**

**NOTE E. DEPOSITS AND INVESTMENTS – Continued**

<u>Investments</u>	<u>Percentage of Investments</u>
Edward Jones	100%

**NOTE F. LONG-TERM DEBT**

<u>Issue</u>	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>
General Obligation Bonds:				
Refunding Series 2012 A	3.00% to 3.50%	03/15/12	\$ 4,475,000	09/01/2025
Series 2013 A	2.00% to 5.00%	07/16/13	4,015,000	09/01/2028
Refunding Series 2017-A	3.00%	12/28/2017	2,865,000	09/01-2028
Capital Leases:				
Ozone Equipment	3.25%	5/19/2014	86,800	6/1/2019
Skid Loader	2.45%	4/23/2015	47,373	4/23/2019
Pool Project	2.45%	8/27/2015	1,500,000	8/1/2025
Sports Lighting Project	2.99%	2/4/2016	270,794	9/9/2018
Special Ed Suburban	3.15%	3/2/2016	115,187	7/1/2018
Thomas Bus	3.25%	9/7/2016	92,654	7/1/2019
First Option Buses	3.45%	7/18/2018	684,458	10/1/2024

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

<u>Issue</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Net Change</u>	<u>Balance End of Year</u>	<u>Interest Expense</u>
G. O. Bonds:						
Refunding Series 2012 A	\$ 8,760,000	\$ 0	\$ 620,000	\$ (620,000)	\$ 8,140,000	\$ 175,693
Series 2013 A	3,655,000	0	3,655,000	(3,655,000)	0	164,550
Refunding Series 2017-A	2,865,000	0	70,000	(70,000)	2,795,000	84,900
G. O. Bonds Subtotal	15,280,000	0	4,345,000	(4,345,000)	10,935,000	425,143
Capital Leases:						
Ozone Equipment	18,544	0	18,544	(18,544)	0	333
Skid Loader	9,470	0	9,470	(9,470)	0	1,328
Pool Project	1,156,493	0	142,272	(142,272)	1,014,221	27,468
Sports Lighting Project	91,414	0	91,414	(91,414)	0	2,730
Special Ed. Suburban	38,789	0	38,789	(38,789)	0	1,239
Thomas Bus	62,392	0	30,690	(30,690)	31,702	2,056
First Option Buses	0	684,458	103,241	581,217	581,217	5,838
Capital lease Subtotal	1,377,102	684,458	434,420	250,038	1,627,140	40,992
Total Long-Term Debt	\$ 16,657,102	\$ 684,458	\$ 4,779,420	\$ (4,094,962)	\$ 12,562,140	\$ 466,135

**Unified School District Number 367**  
**Osawatomie, Kansas**

**NOTES TO FINANCIAL STATEMENT**  
June 30, 2019

**NOTE F. LONG-TERM DEBT - continued**

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

	June 30,				
	2020	2021	2022	2023	2024
Principal					
G. O. bonds	\$ 1,120,000	\$ 1,140,000	\$ 1,165,000	\$ 1,185,000	\$ 1,210,000
Capital leases	<u>266,229</u>	<u>241,177</u>	<u>248,117</u>	<u>255,216</u>	<u>262,522</u>
Total principal	<u>1,386,229</u>	<u>1,381,177</u>	<u>1,413,117</u>	<u>1,440,216</u>	<u>1,472,522</u>
Interest					
G. O. bonds	242,392	219,543	196,243	172,493	147,700
Capital leases	<u>45,336</u>	<u>37,640</u>	<u>30,700</u>	<u>23,603</u>	<u>16,295</u>
Total interest	<u>287,728</u>	<u>257,183</u>	<u>226,943</u>	<u>196,096</u>	<u>163,995</u>
Total principal & interest	<u>\$ 1,673,957</u>	<u>\$ 1,638,360</u>	<u>\$ 1,640,060</u>	<u>\$ 1,636,312</u>	<u>\$ 1,636,517</u>

Principal

<u>2025-2029</u>	<u>Total</u>
\$ 5,115,000	\$ 10,935,000
<u>353,879</u>	<u>1,627,140</u>
<u>5,468,879</u>	<u>12,562,140</u>
374,040	1,352,411
<u>9,809</u>	<u>163,383</u>
<u>383,849</u>	<u>1,515,794</u>
<u>\$ 5,852,728</u>	<u>\$ 14,077,934</u>

The District is subject to statutes of the State of Kansas, which limits the net bonded debt. The debt outstanding may not exceed 14% of the assessed value of all tangible property within the District unless additional authority is granted by the Kansas State Board of Education. The amount of bonds outstanding is computed exclusive of certain bonds specifically exempted from this limitation. At June 30, 2019 the statutory limit for the District was \$6,535,292. The District currently exceeds this limit by \$4,399,708. The Kansas State Board of Education has granted a waiver from K.S.A. 79-5037 which allows the District to exceed its debt margin.

**Unified School District Number 367**  
**Osawatomie, Kansas**

**NOTES TO FINANCIAL STATEMENT**  
June 30, 2019

**NOTE F. LONG-TERM DEBT – continued**

**Defeasance of Debt**

The District has defeased certain outstanding debt obligations by placing the proceeds of bonds in a trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account and the defeased bonds are not included in the District's financial statements. On June 30, 2019, the following outstanding bonds are considered defeased:

General Obligation Bond Series 2005 A	\$735,000
---------------------------------------	-----------

**Operating Leases**

The District has entered into operating lease agreements for the use of a Mail machine, an ice machine, and RICOH machines as allowed by state law.

Rental expense under these operating lease was as follows for the year ended June 30, 2019.

<u>Lease Description</u>	<u>Amount</u>
Mail Machine	\$ 4,139
Ice Machine	2,390
RICOH	<u>27,132</u>
Total	\$ <u>38,266</u>

Future lease obligations are as follows:

<u>Year</u>	<u>Amount</u>
2020	\$ 27,132
2021	<u>18,088</u>
Total	\$ <u>78,881</u>

**NOTE G. IN-SUBSTANCE RECEIPT IN TRANSIT**

The District received \$592,253 subsequent to June 30, 2019 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, 2019.

**Unified School District Number 367  
Osawatomie, Kansas**

**NOTES TO FINANCIAL STATEMENT  
June 30, 2019**

**NOTE H. INTERFUND TRANSFERS**

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General Fund	At-Risk - 4 Year Olds	K.S.A. 72-6478	\$ 60,413
General Fund	At-Risk K-12	K.S.A. 72-6478	1,000,000
General Fund	Capital Outlay	K.S.A. 72-6478	67,713
General Fund	Special Education	K.S.A. 72-6478	1,891,796
General Fund	Vocational Education	K.S.A. 72-6478	771
General Fund	Food Service	K.S.A. 72-6478	100,000
General Fund	Professional Development	K.S.A. 72-6478	35,000
Supplemental General	Vocational Education	K.S.A. 72-6478	163,150
Supplemental General	Parent Education	K.S.A. 72-6478	19,755
Supplemental General	Special Education	K.S.A. 72-6478	1,016,538
Supplemental General	At-Risk K-12	K.S.A. 72-6478	300,000

**NOTE I. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS**

**Health Insurance**

During the year ended June 30, 2019, employees of the District were covered by the District's medical self-insurance plan ("the plan"). The plan was established October 1, 2013. There are currently two plans employees can choose from. For both plans, the District's contribution per employee is \$480 per month for a single policy, \$635 per month for employee plus spouse, \$635 per month for employee plus child, and \$740 per month for a family policy. All District employees, at their option, can authorize payroll withholdings to pay non-District provided contributions. Claims are paid by a third party administrator acting on behalf of the District. The plan is documented by contractual agreement.

The administrative contract between the District and the third party administrator is renewable annually and stop-loss premiums are included in the contractual provisions. The District was protected against unanticipated catastrophic individual or aggregate loss by stop-loss coverage carried through Humana, a commercial insurer licensed or eligible to do business in Kansas in accordance with Kansas Insurance Code. Stop-loss coverage was in effect for individual claims exceeding \$60,000 and with aggregate stop-loss insurance at 90% of annualized expected claims.

*Incurred but not reported claims:* Liabilities include an amount for claims that have been incurred but not reported (IBNR's). Liabilities are reported when it is probable that claims have been incurred and the amount of liability can be reasonably estimated. Claim liabilities are calculated by the plan administrator and are expected to be liquidated with expendable available financial resources.

	Balance July 1, 2018	Claims	Payments	Balance June 30, 2019
Incurred but not reported claims	\$ 74,049	\$ 914,875	\$ 902,413	\$ 86,511

**Other Post Employment Benefits:** The District makes available to qualified retired employees an employer-sponsored group health care benefit plan upon written application filed with the Clerk of the District. The District payment toward the group health insurance cost for the retiree equals the amount paid on behalf of full time teachers of the District. Participation in the Retiree Group Health Insurance Plan is voluntary. The amount paid by the District for year ended June 30, 2019 was \$30,388.

**Unified School District Number 367  
Osawatomie, Kansas**

**NOTES TO FINANCIAL STATEMENT  
June 30, 2019**

**NOTE I. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS - continued**

**Health Insurance - continued**

**Other Post Employment Benefits:** As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the District is subsidizing the retiree's health insurance plan because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been qualified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (CORBA), 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.

**Flexible Benefit Plan:** The Board adopted by resolution a salary-reduction flexible benefit plan ("Plan") under Section 125 of the Internal Revenue Code. All employees of the District are eligible to participate in the Plan beginning the first day of the month following their employment. Each participant may elect to reduce his or her salary to purchase benefits offered through the Plan. Currently benefits offered through the Plan involve insurance coverage.

**Compensated Absences:** All full-time non-certified personnel receive five days vacation after a year of service and an additional day thereafter for each year of service with a maximum accumulation of 20 days. Upon retirement or leaving the District, the accumulated vacation pay is payable. At June 30, 2019, the District has not estimated the cost of accumulated vacation pay. The District's policy regarding sick pay permits employees to accumulate sick leave at the rate of one sick day per month up to a total accumulation of 130 days. An employee shall be paid \$50 per day for every sick day over 30 that he has accumulated at retirement. The cost of accumulated sick pay is not recorded until paid out. At June 30, 2019, the District has not estimated the cost of accumulated sick pay.

As of June 30, 2019, the estimated amount of liability for the vested portion of unused sick leave and accumulated vacation leave has not been calculated. Unpaid vacation and sick pay amounts are not accrued in the accompanying financial statements.

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

**NOTE J. DEFINED BENEFIT PENSION PLAN**

General Information about the Pension Plan

**Plan description** - The Unified School District Number 367, Kansas 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 <http://www.kpers.org> or by writing to KPERS (611 S Kansas, Suite 100, Topeka, Kansas 66603) or by calling 1-888-275-5737.

**Unified School District Number 367  
Osawatomie, Kansas**

**NOTES TO FINANCIAL STATEMENT  
June 30, 2019**

**NOTE J. DEFINED BENEFIT PENSION PLAN – continued**

***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 provision 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 and the statutory contribution rate (not including the 1% contribution rate for the Death and Disability Program) was 16.38% and 12.01%, respectively, for the fiscal year ended June 30, 2018. The actuarially determined contribution rate and the statutory contribution rate was 14.59% and 13.21%, respectively, for the fiscal year ended June 30, 2019.

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

Per 2017 Senate Substitute for House Bill 2002, Section 51(a), state general fund employer contribution to KPERS were decreased by \$194,022,683 million for the fiscal year June 30, 2019. Section 56(19) of the bill also stipulates that repayments of the reduced contributions are to be amortized over twenty years at a level dollar amount commencing in fiscal year 2020. The level dollar amount was computed to be \$19.4 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 \$745,566 for the year ended June 30, 2019.

**Net Pension Liability**

At June 30, 2019, the District's proportionate share of the collective net pension liability reported for KPERS was \$10,062,343. The net pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018. The District's proportionate share of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2018. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

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

**NOTE K. RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the District carries commercial insurance. Settlement of claims has not exceeded commercial insurance coverage in any of the last three fiscal years.



**Unified School District Number 367  
Osawatomie, Kansas**

**NOTES TO FINANCIAL STATEMENT  
June 30, 2019**

**NOTE L. OTHER INFORMATION**

**Reimbursed Expenses:** The District records reimbursable expenditures in the fund that makes the disbursement and records reimbursement as a receipt to the fund that receives the reimbursement. For purposes of budgetary comparisons, the reimbursements are shown as adjustments for qualifying budget credits.

**Ad valorem tax revenues:** 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 determines assessed valuation and the County Clerk spreads the annual assessment to the taxing units. One-half of the property taxes are due December 20 and distributed to the District by January 20 to finance a portion of the current year's budget. The second half is due May 20 and distributed to the District by June 5. The District Treasurer draws available funds from the County Treasurer's office at designated times throughout the year.

**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 which are 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, 2019.

**Compliance with Kansas Statutes:** The District has budget violations in its Capital Outlay Fund. One bank is under secured by \$26,385 as of June 30, 2019. Management is not aware of any other statutory violations for the period covered by the audit.

**NOTE M. RECLASSIFICATIONS**

Certain amounts in the prior period presented have been reclassified to conform to the current period financial statement presentation. These reclassifications have no effect on previously reported cash balances.

**NOTE N. SUBSEQUENT EVENTS**

**Subsequent Events:** The District evaluated subsequent events through May 14, 2020, the date the financial statements were available to be issued.

**REGULATORY-REQUIRED  
SUPPLEMENTARY INFORMATION**

**Unified School District Number 367**  
**Osawatomie, Kansas**

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
BUDGETED FUNDS ONLY  
For Year Ended June 30, 2019

	<u>Certified Budget</u>	<u>Adjustment to Comply with Legal Max</u>	<u>Adjustment for Budget Credits</u>
<b>General Funds</b>			
General	\$ 9,328,351	\$ (39,568)	\$ 212,091
Supplemental general	3,269,930	(13,923)	0
<b>Special Purpose Funds</b>			
Adult education	50,718	0	0
Adult Supplementary	650,000	0	159,212
At risk - 4 year old	60,000	0	27
At risk - K-12	1,536,536	0	0
Capital outlay	1,484,000	0	0
Driver training	23,700	0	0
Food service	890,300	0	0
Professional development	44,000	0	0
Parent education program	20,000	0	0
Special education	3,449,210	0	0
KPERS special retirement contribution	1,205,126	0	0
Vocational education	170,765	0	4,531
Recreation Commission	135,000	0	0
<b>Bond and Interest Funds</b>			
Bond and interest	1,440,893	0	0
	\$ <u>23,758,529</u>	\$ <u>(53,491)</u>	\$ <u>375,861</u>

See Independent Auditor's Report.

**Schedule 1**

<b><u>Total Budget for Comparison</u></b>	<b><u>Expenditures Chargeable to Current Year</u></b>	<b><u>Variance - Over (Under)</u></b>
\$ 9,500,874	\$ 9,500,874	\$ 0
3,256,007	3,256,007	0
50,718	50,718	0
809,212	591,682	(217,530)
60,027	60,027	0
1,536,536	1,300,000	(236,536)
1,484,000	1,774,709	290,709
23,700	16,786	(6,914)
890,300	812,121	(78,179)
44,000	44,000	0
20,000	19,755	(245)
3,449,210	3,087,346	(361,864)
1,205,126	745,566	(459,560)
175,296	174,630	(666)
135,000	53,692	(81,308)
<u>1,440,893</u>	<u>1,440,893</u>	<u>0</u>
\$ <u><u>24,080,899</u></u>	\$ <u><u>22,928,806</u></u>	\$ <u><u>(1,152,093)</u></u>

See Independent Auditor's Report.

**Unified School District Number 367**  
**Osawatomie, Kansas**

**Schedule 2a**

GENERAL FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For Year Ended June 30, 2019  
(With Comparative Actual totals for the Prior Year Ended June 30, 2018)

		<b>2019</b>		<b>Variance</b>
	<b>2018</b>	<b>Actual</b>	<b>Budget</b>	<b>Over</b>
	<b>Actual</b>			<b>(Under)</b>
<b>Cash Receipts</b>				
<b>Local sources</b>				
Reimbursed expenses	\$ 99,617	\$ 212,091	\$ 0	\$ 212,091
<b>State sources</b>				
Equalization aid	7,185,894	7,407,531	7,437,916	(30,385)
Special education aid	2,119,935	1,881,224	1,888,391	(7,167)
<b>Total cash receipts</b>	<u>9,405,446</u>	<u>9,500,846</u>	<u>\$ 9,326,307</u>	<u>\$ 174,539</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Salaries	2,709,335	3,240,976	\$ 2,985,000	\$ 255,976
Employee benefits	419,053	623,262	407,000	216,262
Other purchased services	4,088	2,494	0	2,494
Supplies	284,420	89,240	195,000	(105,760)
Property	0	0	50,000	(50,000)
<b>Student support services</b>				
Salaries	328,125	376,155	353,000	23,155
Employee benefits	29,426	57,451	32,000	25,451
Supplies	28,215	4,905	25,000	(20,095)
<b>Instruction support staff</b>				
Salaries	54,549	40,577	95,000	(54,423)
Employee benefits	7,317	24,548	18,000	6,548
Supplies	18,012	(12,697)	12,000	(24,697)
<b>General administration</b>				
Salaries	317,921	325,477	329,000	(3,523)
Employee benefits	67,240	146,009	57,000	89,009
Purchased professional services	211,176	233,740	225,000	8,740
Other purchased services	185,862	113,877	220,000	(106,123)
Communications	0	0	12,000	(12,000)
Other	0	0	700	(700)
Supplies	41,983	3,550	32,000	(28,450)
<b>School administration</b>				
Salaries	574,844	646,899	585,000	61,899
Employee benefits	59,043	124,012	130,000	(5,988)
Supplies	82,249	5,819	5,000	819

See Independent Auditor's Report.

**Unified School District Number 367**  
**Osawatomie, Kansas**

**Schedule 2a**

GENERAL FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For Year Ended June 30, 2019

(With Comparative Actual totals for the Prior Year Ended June 30, 2018)

		<b>2019</b>		<b>Variance</b>
	<b>2018</b>	<b>Actual</b>	<b>Budget</b>	<b>Over</b>
	<b>Actual</b>			<b>(Under)</b>
<b>Expenditures (continued)</b>				
<b>Other support services</b>				
Salaries	\$ 125,736	\$ 125,560	\$ 128,000	\$ (2,440)
Employee benefits	10,414	20,386	24,000	(3,614)
Other purchased services	2,232	0	1,000	(1,000)
Supplies	12,909	2,555	4,000	(1,445)
<b>Student activities</b>	74,445	82,247	0	82,247
<b>Operations and Maintenance (Trans)</b>				
Purchased property services	56,469	68,139	62,000	6,139
<b>Operating transfers</b>				
Special education	2,104,803	1,891,796	1,888,391	3,405
At Risk (K-12)	1,176,160	1,000,000	1,100,000	(100,000)
At Risk (4 yr. old)	50,000	60,413	60,000	413
Capital outlay	0	67,713	0	67,713
Food Service	0	100,000	0	100,000
Vocational education	150,147	771	160,000	(159,229)
Professional Development	0	35,000	0	35,000
Contingency Reserve	200,000	0	133,260	(133,260)
Parent Ed	19,755	0	0	0
<b>Adjustment to comply with</b>				
<b>legal maximum</b>	<u>0</u>	<u>0</u>	<u>(39,568)</u>	<u>39,568</u>
<b>Legal general fund budget &amp; expenditures</b>	9,405,928	9,500,874	9,288,783	212,091
<b>Adjustments for qualifying</b>				
<b>budget credits</b>	<u>0</u>	<u>0</u>	<u>212,091</u>	<u>(212,091)</u>
<b>Total expenditures</b>	<u>9,405,928</u>	<u>9,500,874</u>	<u>\$ 9,500,874</u>	<u>\$ 0</u>
 Receipts over (under) expenditures	 (482)	 (28)		
 Unencumbered cash (deficit), July 1	 510	 28		
 Prior year cancelled purchase orders	 <u>0</u>	 <u>0</u>		
 Unencumbered cash (deficit), June 30	 <u>\$ 28</u>	 <u>\$ 0</u>		

See Independent Auditor's Report.

**Unified School District Number 367  
Osawatimie, Kansas**

**Schedule 2b**

SUPPLEMENTAL GENERAL FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For Year Ended June 30, 2019

(With Comparative Actual totals for the Prior Year Ended June 30, 2018)

		<b>2019</b>		<b>Variance</b>
	<b>2018</b>	<b>Actual</b>	<b>Budget</b>	<b>Over</b>
	<b>Actual</b>			<b>(Under)</b>
<b>Cash Receipts</b>				
<b>Local sources</b>				
Ad valorem property	\$ 837,106	\$ 1,006,167	\$ 1,092,241	\$ (86,074)
Delinquent	35,810	30,812	10,909	19,903
Miscellaneous	0	351	0	351
<b>County sources</b>				
Motor vehicle	121,654	117,425	112,232	5,193
Recreational Vehicle	2,697	2,545	2,548	(3)
Commercial Vehicle	0	0	2,841	(2,841)
<b>State sources</b>				
Supplemental State Aid	1,894,870	2,104,683	2,113,683	(9,000)
<b>Operating transfers</b>				
Contingency Reserve	400,000	0	30,000	(30,000)
Total cash receipts	<u>3,292,137</u>	<u>3,261,983</u>	<u>\$ 3,364,454</u>	<u>\$ (102,471)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Supplies	0	0	\$ 50,100	\$ (50,100)
Property	159,838	160,115	500	159,615
<b>General administration</b>				
Purchased professional services	2,477	2,976	0	2,976
<b>Operations and maintenance</b>				
Salaries	530,348	496,842	540,000	(43,158)
Employee benefits	80,189	92,123	80,000	12,123
Purchased professional services	65	0	50,000	(50,000)
Purchased property services	215,107	2,179	50,000	(47,821)
Supplies	693,186	518,194	0	518,194
Energy	0	0	475,000	(475,000)
Property (Equip)	29,400	4,051	10,000	(5,949)
<b>Student transportation services</b>				
Supervisor salaries	31,155	53,544	40,000	13,544
Employee benefits	5,771	5,771	6,000	(229)
Equipment	0	108,855	0	108,855
<b>Vehicle operating services</b>				
Salaries	169,354	201,803	175,000	26,803
Employee benefits	24,220	27,555	23,000	4,555
Other purchased services	0	0	6,000	(6,000)
Equipment Rental	0	0	4,000	(4,000)
Motor fuel	38,670	47,239	45,000	2,239
Other	16,797	11,067	15,000	(3,933)

See Independent Auditor's Report.



**Unified School District Number 367  
Osawatomie, Kansas**

**Schedule 2b**

SUPPLEMENTAL GENERAL FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For Year Ended June 30, 2019  
(With Comparative Actual totals for the Prior Year Ended June 30, 2018)

		<b>2019</b>		
	<b>2018</b>			<b>Variance</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Over</b>
				<b>(Under)</b>
<b>Expenditures (continued)</b>				
<b>Vehicle services &amp; maintenance services</b>				
Purchased professional services	\$ 7,018	\$ 3,244	\$ 30,000	\$ (26,756)
Supplies	28,682	21,006	0	21,006
<b>Operating transfers</b>				
Special education	965,000	1,016,538	1,183,794	(167,256)
Parent education program	0	0	20,000	(20,000)
Professional development	21,000	0	30,000	(30,000)
Vocational education	0	182,905	0	182,905
At risk k-12	323,840	300,000	436,536	(136,536)
Food service	15,000	0	0	0
<b>Adjustment to comply with</b>				
<b>legal maximum</b>	<u>0</u>	<u>0</u>	<u>(13,923)</u>	<u>13,923</u>
 <b>Legal general fund budget &amp; expenditures</b>	 <u>3,357,117</u>	 <u>3,256,007</u>	 <u>\$ 3,256,007</u>	 <u>\$ 0</u>
 Receipts over (under) expenditures	 (64,980)	 5,976		
 Unencumbered cash, July 1	 64,980	 0		
 Prior year cancelled purchase orders	 <u>0</u>	 <u>0</u>		
 Unencumbered cash, June 30	 <u>\$ 0</u>	 <u>\$ 5,976</u>		

See Independent Auditor's Report.

**Unified School District Number 367  
Osawatomie, Kansas**

**Schedule 2c**

SPECIAL PURPOSE FUNDS  
ADULT EDUCATION FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For Year Ended June 30, 2019  
(With Comparative Actual totals for the Prior Year Ended June 30, 2018)

		<b>2019</b>		<b>Variance</b>
	<b>2018</b>	<b>Actual</b>	<b>Budget</b>	<b>Over</b>
	<b>Actual</b>			<b>(Under)</b>
<b>Cash Receipts</b>				
<b>State sources</b>				
Adult basic aid	\$ 58,161	\$ 50,850	\$ 51,118	\$ (268)
<b>Total cash receipts</b>	<u>58,161</u>	<u>50,850</u>	<u>\$ 51,118</u>	<u>\$ (268)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Salaries	43,265	39,561	\$ 39,312	\$ 249
Employee benefits	9,491	8,709	8,906	(197)
Other purchased services	422	2,543	1,000	1,543
Supplies	260	(95)	1,500	(1,595)
<b>Student support services</b>				
Salaries	3,738	0	0	0
Employee benefits	<u>286</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total expenditures</b>	<u>57,462</u>	<u>50,718</u>	<u>\$ 50,718</u>	<u>\$ 0</u>
Receipts over (under) expenditures	699	132		
Unencumbered cash, July 1	<u>0</u>	<u>699</u>		
Unencumbered cash, June 30	<u>\$ 699</u>	<u>\$ 831</u>		

See Independent Auditor's Report.

**Unified School District Number 367**  
**Osawatomie, Kansas**

**Schedule 2d**

SPECIAL PURPOSE FUNDS  
ADULT SUPPLEMENTARY EDUCATION FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For Year Ended June 30, 2019

(With Comparative Actual totals for the Prior Year Ended June 30, 2018)

		<b>2019</b>		<b>Variance</b>
	<b>2018</b>	<b>Actual</b>	<b>Budget</b>	<b>Over</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>(Under)</b>
<b>Cash Receipts</b>				
<b>Local sources</b>				
Tuition and program fees	\$ 447,267	\$ 430,264	\$ 650,000	\$ (219,736)
Interest on idle funds	451	297	0	297
Miscellaneous	176,731	159,212	0	159,212
Total cash receipts	624,449	589,773	\$ 650,000	\$ (60,227)
<b>Expenditures</b>				
<b>Instruction</b>				
Salaries	202,057	228,263	\$ 244,000	\$ (15,737)
Employee benefits	15,834	24,312	0	24,312
Purchased professional and technical	23,388	15,932	45,000	(29,068)
Other purchased services	29,799	20,373	36,000	(15,627)
Supplies	56,031	11,428	25,000	(13,572)
Equipment	2,310	64	15,000	(14,936)
Other	99	120	2,000	(1,880)
<b>Student support services</b>				
Salaries	98,931	81,552	90,000	(8,448)
Employee benefits	8,097	14,808	51,000	(36,192)
Other purchased services	944	1,307	2,000	(693)
Supplies	16,216	9,936	10,000	(64)
Property	620	4,858	0	4,858
<b>Instructional Support Staff</b>				
Salaries	154,201	160,841	130,000	30,841
Benefits	13,231	12,283	0	12,283
<b>School Administration</b>				
Property	1,181	5,605	0	5,605
Total expenditures before credits	622,939	591,682	650,000	(58,318)
<b>Adjustments for qualifying budget credits</b>				
	0	0	159,212	(159,212)
Total expenditures	622,939	591,682	\$ 809,212	\$ (217,530)
Receipts over (under) expenditures	1,510	(1,909)		
Unencumbered cash, July 1	1,886	3,396		
Prior year cancelled purchase orders	0	0		
Unencumbered cash, June 30	\$ 3,396	\$ 1,487		

See Independent Auditor's Report.

**Unified School District Number 367**

**Osawatomie, Kansas**

**Schedule 2e**

SPECIAL PURPOSE FUNDS  
AT RISK - 4 YEAR OLD FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For Year Ended June 30, 2019  
(With Comparative Actual totals for the Prior Year Ended June 30, 2018)

		<b>2019</b>		
	<b>2018</b>			<b>Variance</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Over</b>
				<b>(Under)</b>
<b>Cash Receipts</b>				
<b>Local Sources</b>				
Miscellaneous	\$ 0	\$ 27	\$ 0	\$ 0
<b>Operating transfers</b>				
General	<u>50,000</u>	<u>60,413</u>	<u>60,000</u>	<u>413</u>
Total cash receipts	<u>50,000</u>	<u>60,440</u>	<u>\$ 60,000</u>	<u>\$ 413</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Salaries	39,319	49,133	\$ 60,000	\$ (10,867)
Employee benefits	<u>10,681</u>	<u>10,894</u>	<u>0</u>	<u>10,894</u>
<b>Legal general fund budget &amp; expenditur</b>	50,000	60,027	60,000	27
<b>Adjustments for qualifying</b>				
<b>budget credits</b>	<u>0</u>	<u>0</u>	<u>27</u>	<u>(27)</u>
Total expenditures	<u>50,000</u>	<u>60,027</u>	<u>\$ 60,027</u>	<u>\$ 0</u>
Receipts over (under) expenditures	0	413		
Unencumbered cash, July 1	<u>0</u>	<u>0</u>		
Unencumbered cash, June 30	<u>\$ 0</u>	<u>\$ 413</u>		

See Independent Auditor's Report.

**Unified School District Number 367**  
**Osawatomie, Kansas**

**Schedule 2f**

SPECIAL PURPOSE FUNDS  
 AT RISK - K-12 FUND  
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
 REGULATORY BASIS  
 For Year Ended June 30, 2019  
 (With Comparative Actual totals for the Prior Year Ended June 30, 2018)

		<b>2019</b>		<b>Variance</b>
	<b>2018</b>	<b>Actual</b>	<b>Budget</b>	<b>Over</b>
	<b>Actual</b>			<b>(Under)</b>
<b>Cash Receipts</b>				
<b>Local Sources</b>				
Miscellaneous	\$ 0	\$ 91	\$ 0	\$ 91
<b>Operating transfers</b>				
General	1,176,160	1,000,000	1,100,000	(100,000)
Supplemental general	323,840	300,000	436,536	(136,536)
<b>Total cash receipts</b>	<u>1,500,000</u>	<u>1,300,091</u>	<u>\$ 1,536,536</u>	<u>\$ (236,536)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Salaries	1,302,432	1,093,595	\$ 1,330,500	\$ (236,905)
Employee Benefits	106,738	154,247	85,000	69,247
Purchased professional services	11,512	16,749	40,000	(23,251)
Other purchased services	3,958	0	0	0
Supplies	75,358	35,409	81,036	(45,627)
<b>General Administration</b>				
Purchased professional services	2	0	0	0
<b>Total expenditures</b>	<u>1,500,000</u>	<u>1,300,000</u>	<u>\$ 1,536,536</u>	<u>\$ (236,536)</u>
Receipts over (under) expenditures	0	91		
Unencumbered cash, July 1	<u>0</u>	<u>0</u>		
Unencumbered cash, June 30	<u>\$ 0</u>	<u>\$ 91</u>		

See Independent Auditor's Report.

**Unified School District Number 367  
Osawatomie, Kansas**

**Schedule 2g**

SPECIAL PURPOSE FUNDS  
CAPITAL OUTLAY FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For Year Ended June 30, 2019  
(With Comparative Actual totals for the Prior Year Ended June 30, 2018)

		<b>2019</b>		<b>Variance Over (Under)</b>
	<b>2018 Actual</b>	<b>Actual</b>	<b>Budget</b>	
<b>Cash Receipts</b>				
<b>Local sources</b>				
Ad Valorem property	\$ 356,461	\$ 383,251	\$ 380,682	\$ 2,569
Delinquent	13,255	12,377	4,656	7,721
Motor vehicle	46,745	47,586	45,644	1,942
Recreational Vehicle	1,071	1,053	1,036	17
Commercial Vehicle	1,154	1,103	1,155	(52)
Idle Funds Interest	7,256	34,756	20,000	14,756
Other Revenue	4,950	851,699	844,000	7,699
<b>State sources</b>				
State aid	207,910	234,739	235,195	(456)
<b>Operating transfers</b>				
General	0	67,713	0	67,713
<b>Total cash receipts</b>	<u>638,802</u>	<u>1,634,277</u>	<u>\$ 1,532,368</u>	<u>\$ 101,909</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Property	58,776	80,069	\$ 100,000	\$ (19,931)
<b>Student support services</b>				
Property	0	684,276	100,000	584,276
<b>General administration</b>				
Supplies	0	0	200,000	(200,000)
Property	0	0	70,000	(70,000)
<b>Central Services</b>				
Other Expense	405	54	0	54
<b>Operations and maintenance</b>				
Purchased Property Services	614,236	704,955	134,000	570,955
Property	10,797	297,730	200,000	97,730
<b>Transportation</b>				
Property	0	0	680,000	(680,000)
<b>Other support services</b>				
Equipment	36	7,625	0	7,625
<b>Total expenditures</b>	<u>684,250</u>	<u>1,774,709</u>	<u>\$ 1,484,000</u>	<u>\$ 290,709</u>
Receipts over (under) expenditures	(45,448)	(140,432)		
Unencumbered cash, July 1	<u>294,853</u>	<u>249,405</u>		
Unencumbered cash, June 30	<u>\$ 249,405</u>	<u>\$ 108,973</u>		

See Independent Auditor's Report.

**Unified School District Number 367**  
**Osawatomie, Kansas**

**Schedule 2h**

SPECIAL PURPOSE FUNDS  
 DRIVER TRAINING FUND  
 SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
 REGULATORY BASIS  
 For Year Ended June 30, 2019  
 (With Comparative Actual totals for the Prior Year Ended June 30, 2018)

		<b>2019</b>		<b>Variance</b>
	<b>2018</b>	<b>Actual</b>	<b>Budget</b>	<b>Over</b>
	<b>Actual</b>			<b>(Under)</b>
<b>Cash Receipts</b>				
<b>Local sources</b>				
Other Revenue	\$ 12,584	\$ 9,595	\$ 14,000	\$ (4,405)
<b>State sources</b>				
State safety aid	<u>7,027</u>	<u>11,319</u>	<u>11,050</u>	<u>269</u>
Total cash receipts	<u>19,611</u>	<u>20,914</u>	<u>\$ 25,050</u>	<u>\$ (4,136)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Salaries	10,125	13,532	\$ 12,000	\$ 1,532
Employee benefits	1,111	1,867	1,000	867
Other purchased services	0	0	700	(700)
Supplies	7,280	450	10,000	(9,550)
Equipment	0	77	0	77
<b>Vehicle operations and maintenance</b>				
Motor fuel	<u>1,250</u>	<u>860</u>	<u>0</u>	<u>860</u>
Total expenditures	<u>19,766</u>	<u>16,786</u>	<u>\$ 23,700</u>	<u>\$ (6,914)</u>
Receipts over (under) expenditures	(155)	4,128		
Unencumbered cash, July 1	<u>3,232</u>	<u>3,077</u>		
Unencumbered cash, June 30	<u>\$ 3,077</u>	<u>\$ 7,205</u>		

See Independent Auditor's Report.



**Unified School District Number 367**

**Osawatomie, Kansas**

**Schedule 2i**

SPECIAL PURPOSE FUNDS

FOOD SERVICES

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

REGULATORY BASIS

For Year Ended June 30, 2019

(With Comparative Actual totals for the Prior Year Ended June 30, 2018)

		<u>2019</u>		<b>Variance Over (Under)</b>
	<b>2018 Actual</b>	<b>Actual</b>	<b>Budget</b>	
<b>Cash Receipts</b>				
<b>Local sources</b>				
Student receipts lunch & breakfast	\$ 136,651	\$ 125,177	\$ 150,015	\$ (24,838)
Adult and student sales	28,812	29,981	148,655	(118,674)
Miscellaneous	30,795	11,910	45,000	(33,090)
Interest on idle funds	0	0	50,000	(50,000)
<b>State sources</b>				
Equalization aid	6,883	6,512	5,607	905
<b>Federal sources</b>				
Child nutrition programs	582,792	535,439	522,321	13,118
<b>Operating transfers</b>				
General	0	100,000	0	100,000
Supplemental General	15,000	0	0	0
<b>Total cash receipts</b>	<u>800,933</u>	<u>809,019</u>	\$ <u>921,598</u>	\$ <u>(112,579)</u>
<b>Expenditures</b>				
<b>Operations &amp; Maintenance</b>				
Purchased property services	6,401	2,061	\$ 3,000	\$ (939)
Other purchased services	0	0	2,000	(2,000)
Supplies	73	0	100	(100)
<b>Food service operation</b>				
Salaries	334,534	353,603	350,000	3,603
Employee benefits	70,912	77,466	80,200	(2,734)
Other purchased services	737	0	0	0
Supplies	383,604	374,132	410,000	(35,868)
Property	1,730	4,859	45,000	(40,141)
<b>Total expenditures</b>	<u>797,991</u>	<u>812,121</u>	\$ <u>890,300</u>	\$ <u>(78,179)</u>
Receipts over (under) expenditures	2,942	(3,102)		
Unencumbered cash, July 1	<u>3,137</u>	<u>6,079</u>		
Unencumbered cash, June 30	\$ <u>6,079</u>	\$ <u>2,977</u>		

See Independent Auditor's Report.

**Unified School District Number 367**

**Osawatomie, Kansas**

**Schedule 2j**

SPECIAL PURPOSE FUNDS  
PROFESSIONAL DEVELOPMENT  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For Year Ended June 30, 2019

(With Comparative Actual totals for the Prior Year Ended June 30, 2018)

		<b>2019</b>		
	<b>2018</b>			<b>Variance</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Over</b>
				<b>(Under)</b>
<b>Cash Receipts</b>				
<b>Local Sources</b>				
Other Reimbursements	\$ 2,957	\$ 6,864	\$ 5,817	\$ 1,047
<b>Operating transfers</b>				
General	0	35,000	0	35,000
Supplemental general	<u>21,000</u>	<u>0</u>	<u>30,000</u>	<u>(30,000)</u>
Total cash receipts	<u>23,957</u>	<u>41,864</u>	<u>\$ 35,817</u>	<u>\$ 6,047</u>
<b>Expenditures</b>				
<b>Instruction support staff</b>				
Salaries	0	2,800	\$ 0	\$ 2,800
Purchased professional services	5,690	1,301	10,000	(8,699)
Other purchased services	19,363	39,777	15,000	24,777
Supplies	<u>595</u>	<u>122</u>	<u>19,000</u>	<u>(18,878)</u>
Total expenditures	<u>25,648</u>	<u>44,000</u>	<u>\$ 44,000</u>	<u>\$ 0</u>
Receipts over (under) expenditures	(1,691)	(2,136)		
Unencumbered cash, July 1	<u>10,791</u>	<u>9,100</u>		
Unencumbered cash, June 30	<u>\$ 9,100</u>	<u>\$ 6,964</u>		

See Independent Auditor's Report.

**Unified School District Number 367  
Osawatomie, Kansas**

**Schedule 2k**

SPECIAL PURPOSE FUNDS  
PARENT EDUCATION PROGRAM FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For Year Ended June 30, 2019  
(With Comparative Actual totals for the Prior Year Ended June 30, 2018)

		<b>2019</b>		<b>Variance</b>
	<b>2018</b>	<b>Actual</b>	<b>Budget</b>	<b>Over</b>
	<b>Actual</b>			<b>(Under)</b>
<b>Cash Receipts</b>				
<b>Operating transfers</b>				
Supplemental general	\$ 19,755	\$ 19,755	\$ 20,000	\$ (245)
<b>Expenditures</b>				
<b>Student support services</b>				
Other purchased services	19,755	19,755	20,000	(245)
Receipts over (under) expenditures	0	0		
Unencumbered cash, July 1	0	0		
Unencumbered cash, June 30	\$ 0	\$ 0		

See Independent Auditor's Report.

**Unified School District Number 367  
Osawatomie, Kansas**

**Schedule 21**

SPECIAL PURPOSE FUNDS  
SPECIAL EDUCATION FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For Year Ended June 30, 2019  
(With Comparative Actual totals for the Prior Year Ended June 30, 2018)

		<b>2019</b>		<b>Variance</b>
	<b>2018</b>	<b>Actual</b>	<b>Budget</b>	<b>Over</b>
	<b>Actual</b>			<b>(Under)</b>
<b>Cash Receipts</b>				
<b>Local Sources</b>				
Other	\$ 383,602	\$ 44,744	\$ 100,000	\$ (55,256)
<b>Federal Sources</b>				
Medicaid	0	0	60,000	(60,000)
<b>Operating transfers</b>				
General	2,104,803	1,891,796	1,888,391	3,405
Supplemental general	965,000	1,016,538	1,183,794	(167,256)
<b>Total cash receipts</b>	<u>3,453,405</u>	<u>2,953,078</u>	<u>\$ 3,232,185</u>	<u>\$ (279,107)</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Salaries	78,122	75,699	\$ 67,000	\$ 8,699
Employee benefits	5,527	10,993	8,000	2,993
Payments to Special Education COOP	3,122,401	2,732,058	3,012,185	(280,127)
Supplies	37,093	31,191	59,025	(27,834)
<b>Vehicle operating services</b>				
Salaries	124,484	128,279	175,000	(46,721)
Employee benefits	9,523	10,281	0	10,281
Other purchased services	0	0	98,000	(98,000)
Motor fuel	21,342	26,085	30,000	(3,915)
Equipment	96,228	72,760	0	72,760
<b>Total expenditures</b>	<u>3,494,720</u>	<u>3,087,346</u>	<u>\$ 3,449,210</u>	<u>\$ (361,864)</u>
Receipts over (under) expenditures	(41,315)	(134,268)		
Unencumbered cash, July 1	<u>189,401</u>	<u>148,086</u>		
Unencumbered cash, June 30	<u>\$ 148,086</u>	<u>\$ 13,818</u>		

See Independent Auditor's Report.

**Unified School District Number 367**

**Osawatomie, Kansas**

**Schedule 2m**

SPECIAL PURPOSE FUNDS  
KPERs SPECIAL RETIREMENT CONTRIBUTION FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For Year Ended June 30, 2019

(With Comparative Actual totals for the Prior Year Ended June 30, 2018)

		<b>2019</b>		
	<b>2018</b>			<b>Variance</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Over</b>
				<b>(Under)</b>
<b>Cash Receipts</b>				
State sources				
KPERs	\$ 862,653	\$ 745,566	\$ 1,205,126	\$ (459,560)
Total cash receipts	<u>862,653</u>	<u>745,566</u>	<u>\$ 1,205,126</u>	<u>\$ (459,560)</u>
<b>Expenditures</b>				
Instruction				
Employee benefits	598,681	433,174	\$ 700,000	\$ (266,826)
Student support				
Employee benefits	51,759	52,935	85,000	(32,065)
Instructional support				
Employee benefits	17,253	27,586	45,000	(17,414)
General administration				
Employee benefits	35,369	34,296	55,000	(20,704)
School administration				
Employee benefits	46,583	52,935	85,000	(32,065)
Other supplemental services				
Employee benefits	12,940	24,604	40,000	(15,396)
Operations and maintenance				
Employee benefits	54,347	46,225	75,000	(28,775)
Student transportation services				
Employee benefits	18,116	37,278	61,000	(23,722)
Other Support Services				
Employee benefits	0	0	59,126	(59,126)
Food services				
Employee benefits	<u>27,605</u>	<u>36,533</u>	<u>0</u>	<u>36,533</u>
Total expenditures	<u>862,653</u>	<u>745,566</u>	<u>\$ 1,205,126</u>	<u>\$ (459,560)</u>
Receipts over (under) expenditures	0	0		
Unencumbered cash, July 1	<u>0</u>	<u>0</u>		
Unencumbered cash, June 30	\$ <u>0</u>	\$ <u>0</u>		

See Independent Auditor's Report

**Unified School District Number 367**

**Osawatomie, Kansas**

**Schedule 2n**

SPECIAL PURPOSE FUNDS  
VOCATIONAL EDUCATION PROGRAM FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For Year Ended June 30, 2019

(With Comparative Actual totals for the Prior Year Ended June 30, 2018)

		<b>2019</b>		
	<b>2018</b>			<b>Variance</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Over</b>
				<b>(Under)</b>
<b>Cash Receipts</b>				
<b>State sources</b>				
State Aid	\$ 7,926	\$ 6,178	\$ 10,765	\$ (4,587)
Miscellaneous	0	4,531	0	4,531
<b>Operating transfers</b>				
General	150,147	163,921	160,000	3,921
<b>Total cash receipts</b>	158,073	174,630	\$ 170,765	\$ 3,865
<b>Expenditures</b>				
<b>Instruction support staff</b>				
Salaries	103,604	114,029	\$ 115,000	\$ (971)
Employee benefits	24,349	35,205	12,000	23,205
Purchased professional services	9,134	8,568	0	8,568
Other purchased services	9,692	0	0	0
Supplies	0	276	7,000	(6,724)
Property	0	0	1,765	(1,765)
<b>Student transportation services</b>				
Salaries	10,355	15,376	20,000	(4,624)
Employee benefits	792	1,176	0	1,176
Employee benefits	0	0	15,000	(15,000)
<b>Total expenditures before credits</b>	157,926	174,630	170,765	3,865
<b>Adjustments for qualifying budget credits</b>	0	0	4,531	(4,531)
<b>Total expenditures</b>	157,926	174,630	\$ 175,296	\$ (666)
Receipts over (under) expenditures	147	0		
Unencumbered cash, July 1	344	491		
Unencumbered cash, June 30	\$ 491	\$ 491		

See Independent Auditor's Report.

**Unified School District Number 367  
Osawatomie, Kansas**

**Schedule 2o**

SPECIAL PURPOSE FUNDS  
GIFTS AND GRANTS FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
REGULATORY BASIS  
For Year Ended June 30, 2019  
(With Comparative Actual totals for the Prior Year Ended June 30, 2018)

	<u>2018</u>	<u>2019</u>
<b>Cash Receipts</b>		
<b>Local sources</b>		
Donations	\$ 280,262	\$ 283,822
<b>Federal sources</b>		
Grant	<u>0</u>	<u>27,276</u>
Total cash receipts	<u>280,262</u>	<u>311,098</u>
<b>Expenditures</b>		
<b>Instruction</b>		
Salaries	0	26,950
Supplies	0	175
<b>General administration</b>		
Supplies	225,056	262,647
<b>Student Activities</b>		
Miscellaneous	<u>0</u>	<u>150</u>
Total expenditures	<u>225,056</u>	<u>289,922</u>
Receipts over (under) expenditures	55,206	21,176
Unencumbered cash, July 1	<u>23,542</u>	<u>78,748</u>
Unencumbered cash, June 30	\$ <u><u>78,748</u></u>	\$ <u><u>99,924</u></u>

See Independent Auditor's Report.



**Unified School District Number 367****Osawatomie, Kansas****Schedule 2p****SPECIAL PURPOSE FUNDS****CARL PERKINS GRANT****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL****REGULATORY BASIS**

For Year Ended June 30, 2019

(With Comparative Actual totals for the Prior Year Ended June 30, 2018)

	<u>2018</u>	<u>2019</u>
<b>Cash Receipts</b>		
<b>Local sources</b>		
Reimbursements	\$ <u>10,428</u>	\$ <u>10,786</u>
Total Receipts	<u>10,428</u>	<u>10,786</u>
<b>Expenditures</b>		
<b>Instruction</b>		
Salaries	0	1,000
Employee benefits	0	77
Professional development	985	3,327
Supplies	<u>9,443</u>	<u>6,382</u>
Total expenditures	<u>10,428</u>	<u>10,786</u>
Receipts over (under) expenditures	0	0
Unencumbered cash, July 1	<u>0</u>	<u>0</u>
Unencumbered cash, June 30	\$ <u><u>0</u></u>	\$ <u><u>0</u></u>

See Independent Auditor's Report.

**Unified School District Number 367  
Osawatomie, Kansas**

**Schedule 2a**

SPECIAL PURPOSE FUNDS  
CONTINGENCY RESERVE FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
REGULATORY BASIS  
For Year Ended June 30, 2019  
(With Comparative Actual totals for the Prior Year Ended June 30, 2018)

	<u>2018</u>	<u>2019</u>
<b>Cash Receipts</b>		
<b>Operating transfers</b>		
General	\$ 200,000	\$ 0
<b>Expenditures</b>		
<b>Operating transfers</b>		
Supplemental General	400,000	0
Receipts over (under) expenditures	(200,000)	0
Unencumbered cash, July 1	200,000	0
Unencumbered cash, June 30	\$ <u>0</u>	\$ <u>0</u>

See Independent Auditor's Report.

**Unified School District Number 367  
Osawatomie, Kansas**

**Schedule 2r**

SPECIAL PURPOSE FUNDS  
TEXTBOOK & STUDENT MATERIALS FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
REGULATORY BASIS  
For Year Ended June 30, 2019  
(With Comparative Actual totals for the Prior Year Ended June 30, 2018)

	<u>2018</u>	<u>2019</u>
<b>Cash Receipts</b>		
<b>Local sources</b>		
Fees	\$ <u>50,986</u>	\$ <u>69,325</u>
Total Receipts	<u>50,986</u>	<u>69,325</u>
<b>Expenditures</b>		
<b>Instruction</b>		
Supplies	50,839	68,982
<b>Support Services</b>		
Supplies	<u>120</u>	<u>0</u>
Total expenditures	<u>50,959</u>	<u>68,982</u>
Receipts over (under) expenditures	27	343
Unencumbered cash, July 1	<u>172</u>	<u>199</u>
Unencumbered cash, June 30	\$ <u><u>199</u></u>	\$ <u><u>542</u></u>

See Independent Auditor's Report.

**Unified School District Number 367  
Osawatomie, Kansas**

**Schedule 2s**

SPECIAL PURPOSE FUNDS  
TITLE I  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
REGULATORY BASIS  
For Year Ended June 30, 2019  
(With Comparative Actual totals for the Prior Year Ended June 30, 2018)

	<u>2018</u>	<u>2019</u>
<b>Cash Receipts</b>		
<b>Local Sources</b>		
Miscellaneous	\$ 0	\$ 80
<b>Federal sources</b>		
Grants	<u>344,549</u>	<u>315,741</u>
Total Receipts	<u>344,549</u>	<u>315,821</u>
<b>Expenditures</b>		
<b>Instruction</b>		
Salaries	299,443	270,277
Employee benefits	36,221	33,217
Purchased professional services	4,901	0
Supplies	3,984	8,577
Other Purchased Services	<u>0</u>	<u>3,750</u>
Total expenditures	<u>344,549</u>	<u>315,821</u>
Receipts over (under) expenditures	0	0
Unencumbered cash, July 1	<u>0</u>	<u>0</u>
Unencumbered cash, June 30	<u>\$ 0</u>	<u>\$ 0</u>

See Independent Auditor's Report

**Unified School District Number 367  
Osawatomie, Kansas**

**Schedule 2t**

SPECIAL PURPOSE FUNDS  
TITLE II A - TEACHER QUALITY  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
REGULATORY BASIS  
For Year Ended June 30, 2019  
(With Comparative Actual totals for the Prior Year Ended June 30, 2018)

	<u>2018</u>	<u>2019</u>
<b>Cash Receipts</b>		
<b>Local Sources</b>		
Miscellaneous	\$ 0	\$ 16
<b>Federal sources</b>		
Grants	<u>45,303</u>	<u>45,814</u>
Total Receipts	<u>45,303</u>	<u>45,830</u>
<b>Expenditures</b>		
<b>Instruction</b>		
Salaries	35,391	45,830
Employee benefits	<u>9,912</u>	<u>0</u>
Total expenditures	<u>45,303</u>	<u>45,830</u>
Receipts over (under) expenditures	0	0
Unencumbered cash, July 1	<u>0</u>	<u>0</u>
Unencumbered cash, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

See Independent Auditor's Report

**Unified School District Number 367  
Osawatomie, Kansas**

**Schedule 2u**

SPECIAL PURPOSE FUNDS  
RECREATION COMMISSION  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For Year Ended June 30, 2019  
(With Comparative Actual totals for the Prior Year Ended June 30, 2018)

		<b>2019</b>		<b>Variance</b>
	<b>2018</b>	<b>Actual</b>	<b>Budget</b>	<b>Over</b>
	<b>Actual</b>			<b>(Under)</b>
<b>Cash Receipts</b>				
<b>Local sources</b>				
Ad valorem property	\$ 44,506	\$ 47,819	\$ 47,680	\$ 139
Delinquent	1,332	1,494	584	910
Other	105	128	139,700	(139,572)
<b>County sources</b>				
Recreational Vehicle	132	132	130	2
Commercial Vehicle	144	138	145	(7)
Motor Vehicle Taxes	<u>5,722</u>	<u>5,817</u>	<u>5,711</u>	<u>106</u>
Total cash receipts	<u>51,941</u>	<u>55,528</u>	<u>\$ 193,950</u>	<u>\$ (138,422)</u>
<b>Expenditures</b>				
<b>Community service operation</b>				
Community services operations	<u>42,063</u>	<u>53,692</u>	<u>\$ 135,000</u>	<u>\$ (81,308)</u>
Total expenditures	<u>42,063</u>	<u>53,692</u>	<u>\$ 135,000</u>	<u>\$ (81,308)</u>
Receipts over (under) expenditures	9,878	1,836		
Unencumbered cash, July 1	<u>0</u>	<u>9,878</u>		
Unencumbered cash, June 30	<u>\$ 9,878</u>	<u>\$ 11,714</u>		

See Independent Auditor's Report

**Unified School District Number 367**  
**Osawatomie, Kansas**

**Schedule 2v**

SPECIAL PURPOSE FUNDS  
KANSAS READING ROADMAP  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For Year Ended June 30, 2019  
(With Comparative Actual totals for the Prior Year Ended June 30, 2018)

	<u>2018</u>	<u>2019</u>
<b>Cash Receipts</b>		
<b>State sources</b>		
Grants	\$ 27,110	\$ 0
Total cash receipts	<u>27,110</u>	<u>0</u>
<b>Expenditures</b>		
<b>Instruction</b>		
Salaries	21,481	0
Employee benefits	1,643	0
Purchased professional services	0	0
Other Purchased Services	0	0
Supplies	<u>1,714</u>	<u>0</u>
Total expenditures	<u>24,838</u>	<u>0</u>
Receipts over (under) expenditures	2,272	0
Unencumbered cash, July 1	<u>(2,272)</u>	<u>0</u>
Unencumbered cash, June 30	\$ <u><u>0</u></u>	\$ <u><u>0</u></u>

See Independent Auditor's Report

**Unified School District Number 367**  
**Osawatomie, Kansas**

Schedule 2w

BOND AND INTEREST FUNDS  
BOND AND INTEREST FUND  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
For Year Ended June 30, 2019  
(With Comparative Actual totals for the Prior Year Ended June 30, 2018)

		<u>2019</u>		
	<u>2018</u>	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>
	<u>Actual</u>			<u>Over</u>
				<u>(Under)</u>
<b>Cash Receipts</b>				
<b>Local sources</b>				
Ad valorem property	\$ 567,779	\$ 498,432	\$ 496,928	\$ 1,504
Delinquent	21,669	18,622	7,442	11,180
Other	2,629	1,464	0	1,464
<b>County sources</b>				
Motor vehicle	64,506	71,321	67,653	3,668
Recreational Vehicle	1,493	1,609	1,537	72
Commercial Vehicle	1,644	1,752	1,712	40
<b>State sources</b>				
Equalization aid	<u>790,058</u>	<u>850,126</u>	<u>850,127</u>	<u>(1)</u>
Total cash receipts	<u>1,449,778</u>	<u>1,443,326</u>	<u>\$ 1,425,399</u>	<u>\$ 17,927</u>
<b>Expenditures</b>				
<b>Debt service</b>				
Bond principal	1,040,000	1,145,000	\$ 1,145,000	\$ 0
Interest	<u>321,234</u>	<u>295,893</u>	<u>295,893</u>	<u>0</u>
Total expenditures	<u>1,361,234</u>	<u>1,440,893</u>	<u>\$ 1,440,893</u>	<u>\$ 0</u>
Receipts over (under) expenditures	88,544	2,433		
Unencumbered cash, July 1	<u>734,644</u>	<u>823,188</u>		
Unencumbered cash, June 30	<u>\$ 823,188</u>	<u>\$ 825,621</u>		

See Independent Auditor's Report



**Unified School District Number 367  
Osawatomie, Kansas**

**Schedule 2x**

BUSINESS FUNDS  
HEALTH INSURANCE  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
REGULATORY BASIS  
For Year Ended June 30, 2019  
(With Comparative Actual totals for the Prior Year Ended June 30, 2018)

	<u>2018</u>	<u>2019</u>
<b>Cash Receipts</b>		
<b>Other</b>		
Premiums	\$ 970,888	\$ 957,497
<b>Expenditures</b>		
Claims and administrative services	<u>980,628</u>	<u>1,001,386</u>
Receipts over (under) expenditures	(9,740)	(43,889)
Unencumbered cash, July 1	<u>423,181</u>	<u>413,441</u>
Unencumbered cash, June 30	<u>\$ 413,441</u>	<u>\$ 369,552</u>

See Independent Auditor's Report

**Unified School District Number 367**  
**Osawatomie, Kansas**

**Schedule 2y**

TRUST FUNDS  
SCHOLARSHIP FUNDS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL  
For the Year Ended June 30, 2019

<b><u>Expendable Scholarship Trust Funds</u></b>	Balance Beginning of year	Gifts, Interest & Principal	Scholarship Disbursements	Balance End of year
Carter Development Fund	\$ 15,738	\$ 606	\$ 0	\$ 16,344
K. R. Johnson Scholarship	1,579	13	0	1,592
Rae Lynn Jones Scholarship	1,657	(29)	700	928
Twin Rivers Jazz Band Scholarship	12,743	710	500	12,953
USD 367 Food Service Scholarship	8,668	497	1,000	8,165
Mac Steele Scholarship	4,806	1,138	175	5,769
Slayman/Elks School	27	(11)	0	16
Nadine Weber Memorial Scholarship	9,623	1,352	1,000	9,975
Silas/Hattie Whiteford Trust Scholarship	91,286	11,574	13,974	88,886
Whiteford Education Foundation	3,939	86	1,000	3,025
Hawkins Scholarship	59,362	43,113	1,000	101,475
Cindy Schwarz Scholarship	(597)	(48)	0	(645)
Osawatomie VFW Scholarship	12,036	371	1,000	11,407
Class of 1974	6,874	187	500	6,561
Anon Demolay	848	5	200	653
Julie Taylor Scholarship	1,096	6,803	500	7,399
Derrick Jensen	4,092	105	1,000	3,197

**Total Expendable Scholarship  
Trust Funds**

\$ 233,777	\$ 66,472	\$ 22,549	\$ 277,700
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<b><u>Permanent Scholarship Trust Funds</u></b>	Balance Beginning of year	Gifts, Interest & Principal	Scholarship Disbursements	Balance End of year
Architecture Engineer Scholarship	\$ 60,220	\$ 2,297	\$ 0	\$ 62,517
Appenfeller Memorial Scholarship	10,393	880	500	10,773
Harold D Barnhart Memorial Scholarship	66,089	1,482	2,000	65,571
H. Dean Brown Memorial Scholarship	566	574	250	890
Sarah Ingle	(206)	4,424	450	3,768
William & Nadine Eddy Scholarship	13,757	509	250	14,016
George & Ann Graham Scholarship	79,558	(3)	0	79,555
Lois Hanna Kinkead Memorial Scholarship	25,955	973	500	26,428
Roy & Mary McDaniel Scholarship	14,191	290	200	14,281
John Vasquez Memorial Scholarship	23,109	3,212	1,000	25,321
VFW Auxiliary Scholarship	3,967	129	200	3,896
Robert J. Wagers Memorial Scholarship	46,173	1,757	750	47,180
Bruce Waggoner Memorial Scholarship	20,889	62	500	20,451
Bertha & Irvin Walter Memorial Scholarship	14,080	26	0	14,106
Andrew Workman Scholarship	13,907	518	300	14,125
ONEA Teacher Scholarship	1,587	6,522	3,500	4,609
Melvin Stockwell Scholarship	19,520	717	500	19,737
Cavinee Scholarship	25,381	973	250	26,104

See Independent Auditor's Report.

**Unified School District Number 367  
Osawatomie, Kansas**

**Schedule 2v**

TRUST FUNDS  
SCHOLARSHIP FUNDS

STATEMENT OF CASH RECEIPTS AND EXPENDITURES - ACTUAL  
For the Year Ended June 30, 2019

<b>Permanent Scholarship Trust Funds</b>	Balance Beginning of year	Gifts, Interest & Principal	Scholarship Disbursements	Balance End of year
John/Arlene Shaw	\$ 72,152	\$ 2,681	2,000	\$ 72,833
Rotary Archie Parks Scholarship	38,380	8,088	8,637	37,831
Marilyn Winegar Scholarship	12,239	2,064	500	13,803
ONEA Teachers Scholarship	15,348	1,186	3,000	13,534
Royce Bray Scholarship	603,774	22,546	14,000	612,320
Lurene Swenson Memorial Scholarship	4,638	185	0	4,823
Dick Booe Scholarship	2,747	38	600	2,185
Adams Family Scholarship	0	3,157	0	3,157
Partners in Education	13,490	1,958	1,500	13,948
Frank & Rosie Bowker	1,593	1,750	1,000	2,343
Robert Kitchen Memorial	2,391	95	0	2,486
Joe Fenoughty	542	(14)	300	228
Lambert-Goodwin	54,374	2,020	1,500	54,894
Dustin Eaks	2,219	1,151	1,000	2,370
<b>Total Permanent Scholarship Trust Funds</b>	<b>\$ 1,263,023</b>	<b>\$ 72,247</b>	<b>\$ 45,187</b>	<b>\$ 1,290,083</b>
<b>Total Trust Funds</b>	<b>\$ 1,496,800</b>	<b>\$ 138,719</b>	<b>\$ 67,736</b>	<b>\$ 1,567,783</b>

See Independent Auditor's Report.

**Unified School District Number 367  
Osawatomie, Kansas**

**Schedule 3**

AGENCY FUNDS  
SCHOOL ACTIVITY FUNDS  
CASH RECEIPTS, CASH DISBURSEMENTS AND CASH BALANCES  
For the Year Ended June 30, 2019

<u>Fund</u>	<u>Balance Beginning of Year</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance End of year</u>
<b>Student Organization Accounts</b>				
O.H.S. Concessions	\$ 0	\$ 17,002	\$ 16,594	\$ 408
Catering Club	1,313	0	311	1,002
Elementary Yearbook Club	366	4,614	4,796	184
Yearbook Club O.H.S.	1,480	9,770	7,262	3,988
Yearbook Club O.M.S.	785	2,220	1,862	1,143
Journalism Club	2,849	0	0	2,849
Washington DC Club	14,436	76,725	85,314	5,847
Fellowship Christian Athletes	157	0	0	157
Art Club	173	1,263	1,391	45
O.M.S. Concessions	5,457	4,289	4,495	5,251
Lady Trojan Basketball	21	895	895	21
BB Club O.H.S.	947	540	675	812
Band Club O.H.S.	2,520	2,764	5,257	27
O.M.S. Band	204	4,236	3,633	807
O.M.S. Cheerleaders	490	0	100	390
Choir O.H.S.	1,167	5,478	4,607	2,038
Class of 2018	297	0	11	286
Class of 2019	1,486	1,315	2,678	123
Class of 2020	1,195	950	1,133	1,012
Class of 2021	580	570	25	1,125
Class of 2022	337	820	64	1,093
Class of 2023	0	125	226	(101)
Trojan Faculty Club	760	665	613	812
Faculty Club O.H.S.	2	0	0	2
FCCLA	207	660	255	612
O.M.S. Ambassadors	1,793	551	657	1,687
O.M.S. Reading Club	231	0	0	231
O.H.S. Kays	3,756	10,838	11,302	3,292
O.H.S. STUCO	1,799	7,552	6,445	2,906
O.H.S. Science Club	19,705	33,498	26,830	26,373
O.H.S. STAC	90	1,195	1,199	86
O.M.S. Faculty Club	20	0	0	20
O.M.S. STAC	2,523	24,499	25,714	1,308
2nd Grade Economics	200	0	(287)	487
Spanish Club	2,971	16,785	18,678	1,078
Swenson School STAC	6,093	2,912	1,947	7,058
Swenson School Faculty Club	183	113	113	183
O.H.S. Flag Corps	324	179	179	324

See Independent Auditor's Report.

**Unified School District Number 367  
Osawatomie, Kansas**

**Schedule 3**

AGENCY FUNDS  
SCHOOL ACTIVITY FUNDS  
CASH RECEIPTS, CASH DISBURSEMENTS, AND CASH BALANCES  
For the Year Ended June 30, 2019

<u>Fund</u>	<u>Balance Beginning of Year</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance End of year</u>
<b>Student Organization Accounts - continued</b>				
O.M.S. Drama Club	\$ 54	\$ 0	\$ 0	\$ 54
SADD Club	1,372	799	349	1,822
O.M.S. SADD	283	609	340	552
After Prom	5,132	13,296	12,119	6,309
OHS Spirit Squad	739	14,939	11,933	3,745
Trojan STAC	191	8,610	6,218	2,583
Adult Ed Vending	716	0	0	716
Technology Club	0	26,225	26,145	80
FFA Club	1,798	8,856	10,575	79
Baseball Club	5	0	0	5
Wrestling Club	45	0	0	45
Watch D.O.G.S.	51	20	0	71
Football Club	1,769	750	940	1,579
Softball Club	154	0	0	154
Cross Country Club	0	335	331	4
High School Track Club	0	180	180	0
HS Volleyball Club	946	1,000	428	1,518
Oz Envy Club	14,880	14,156	12,659	16,377
Swim Club	166	895	966	95
Total	\$ <u>105,218</u>	\$ <u>323,693</u>	\$ <u>318,157</u>	\$ <u>110,754</u>

See Independent Auditor's Report.

**Unified School District Number 367  
Osawatomie, Kansas**

**Schedule 4**

DISTRICT ACTIVITY FUNDS

CASH RECEIPTS, CASH DISBURSEMENTS AND CASH BALANCES  
For the Year Ended June 30, 2019

<u>Fund</u>	<u>Balance Beginning of Year</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance End of Year</u>
<b>Fees and User Charges</b>				
Sales Tax	\$ 26	\$ 10,739	\$ 10,739	\$ 26
Board of Education	5	47	52	0
C/A Book Rental	41	0	0	41
C/A Ind Arts Club O.H.S.	1,039	0	0	1,039
C/A Now Account	871	548	633	786
	<u>1,982</u>	<u>11,334</u>	<u>11,424</u>	<u>1,892</u>
<b>Gate Receipts</b>				
Athletics	<u>0</u>	<u>33,770</u>	<u>33,770</u>	<u>0</u>
 Total all Schools	 \$ <u><u>1,982</u></u>	 \$ <u><u>45,104</u></u>	 \$ <u><u>45,194</u></u>	 \$ <u><u>1,892</u></u>

See Independent Auditor's Report.

**Unified School District Number 367**  
**Osawatomie, Kansas**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year ended June 30, 2019

<u>Federal Grantor/ Pass Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass- Through Grantor's Number</u>	<u>Program Revenue Amount</u>	<u>Program Expenditure Amount</u>
<b><u>U.S. Department of Agriculture</u></b>				
<b><u>Pass Through Kansas Department of Education</u></b>				
Child Nutrition Cluster				
School Breakfast Program	10.553	N/A	\$ 153,283	\$ 153,283
National School Lunch Program (NSLP)	10.555	N/A	327,035	327,035
NSLP - Cash for Commodities	10.555	N/A	31,018	31,018
Summer Food Service Program for Child.	10.559	N/A	24,103	24,103
			<u>535,439</u>	<u>535,439</u>
Total Child Nutrition Cluster				
			<u>535,439</u>	<u>535,439</u>
<b><u>U.S. Department of Education</u></b>				
<b><u>Pass Through Kansas Department of Education</u></b>				
Title I Grants	84.010	DO367	292,662	292,662
Improving Teacher Quality State Grants	84.367	DO367	45,814	45,814
Student Support & Academic Enrichment Program	84.424	N/A	23,079	23,079
			<u>361,555</u>	<u>361,555</u>
TOTAL DEPARTMENT OF EDUCATION				
			<u>896,994</u>	<u>896,994</u>
<b><u>U.S. Department of Health and Human Services</u></b>				
<b><u>Pass Through Kansas Department of Education</u></b>				
Youth Risk Behavior Survey	93.079	N/A	157	157
Temporary Assistance for Needy Families (TANF)	93.558	N/A	27,275	27,275
			<u>27,432</u>	<u>27,432</u>
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES				
			<u>924,426</u>	<u>924,426</u>
TOTAL FEDERAL AWARDS				

There were no amounts that were passed through to subrecipients.

See accompanying notes.

**Unified School District Number 367**  
**Osawatomie, Kansas**

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the year ended June 30, 2019

**NOTE A. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of the District under programs of the federal government for the year ended June 30, 2019. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net assets or cash flows of the District.

**NOTE B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the regulatory basis of accounting as described in the *Kansas Municipal Audit and Accounting Guide* (KMAAG). 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 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 obligations against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt assignment to a fund, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than mentioned above. Expenditures as reported on the Schedule are recognized under the basis described above and follow the cost principles contained in the Uniform Guidance regarding *Cost Principles* wherein certain types of expenditures are not allowed or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

**NOTE C. INDIRECT COST RATES**

The District has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.



## **SPECIAL REPORTS**

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

Board of Education  
Unified School district Number 367  
Osawatomie, KS

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Unified School District Number 367, Osawatomie, KS, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's regulatory basis financial statements, and have issued our report thereon dated May 14, 2020. The District prepares its financial statement on a regulatory basis of accounting which demonstrates compliance with *Kansas Municipal Audit and Accounting Guide* which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

**Internal Control over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2019-001 that we consider to be a material weakness.

**Compliance and Other Matters**

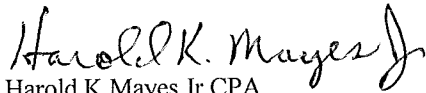
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect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

### **District's Response to Findings**

The District's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

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



Harold K Mayes Jr CPA  
Agler & Gaeddert, Chartered  
Ottawa, Kansas  
May 14, 2020



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

Board of Education  
Unified School district Number 367  
Osawatomie, KS

**Report on Compliance for Each Major Federal Program**

We have audited the District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2019. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

***Opinion on Each Major Federal Program***

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

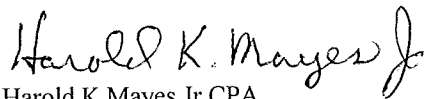
***Report Internal Control over Compliance***

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2019-001 that we consider to be a material weakness

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



Harold K Mayes Jr CPA  
Agler & Gaeddert, Chartered  
Ottawa, Kansas  
May 14, 2020

**Unified School District Number 367  
Osawatomie, Kansas**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year ended June 30, 2019

SUMMARY OF AUDITOR'S RESULTS

**Financial Statements**

Type of report the auditor issued on whether the financial statements audited was prepared in accordance with GAAP:	<u>Adverse</u>
Type of report the auditor issued on whether the financial statement audited was prepared in accordance with regulatory basis:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	<u>Yes</u>
Significant deficiencies identified not considered to be material weaknesses:	<u>None reported</u>
Noncompliance material to financial statements noted?	<u>No</u>

**Federal Awards**

Internal control over major programs:	
Material weakness(es) identified?	<u>Yes</u>
Significant deficiencies identified not considered to be material weaknesses:	<u>None reported</u>
Type of auditor's report issued on compliance for major federal programs:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<u>Yes</u>

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>	<u>Amount</u>
10.553,10.555, 10.559	Child Nutrition Cluster	\$ 535,439
84.010	Title I Grants	\$ 292,662
84.367	Improving Teacher Quality State Grants	\$45,814
84.424	Student Support & Academic Enrichment Program	\$23,079

Dollar threshold used to distinguish between Type A and Type B programs	<u>\$ 750,000</u>
Auditee qualified as a low-risk auditee?	<u>No</u>
<b>Prior Year Schedule of Findings and Questioned Costs</b>	<b>None</b>

**Unified School District Number 367  
Osawatomie, Kansas**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year ended June 30, 2019**

**Finding 2019-001**

**Grants affected:** 10.553, 10.555, 10.559 84.010 84.367 84.424

**Criteria:** Bank reconciliations should be performed on a timely basis and bank accounts reconciled to the general ledger.

**Condition:** Bank reconciliations for the year ended June 30, 2019 were performed months after the month end and at times did not reconcile to the general ledger.

**Cause:** The District has implemented a new software and staff did not have the proper training on the software. Furthermore the software is not designed for the basis of accounting used by the District making the transition from the former software to this one even more difficult.

**Effect:** As a result of the above bank reconciliations were not performed on a timely basis.

**Recommendation:** The District should consider proper training on the new software system and have staff perform the bank reconciliations timely and have the reconciliations reviewed by Board of Education on a monthly basis.

**Response:** The District will allocate additional district staff, with public accounting experience, to perform monthly bank reconciliations.

The District will allocate funding to allow for continue training on the Skyward Fiscal Management System.

The District will present monthly bank reconciliations to the BOE for approval .