

**UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS**

Primary Government Financial Statement  
With Independent Auditors' Report

For the Year Ended June 30, 2019

**UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS**  
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## INDEPENDENT AUDITORS' REPORT

To the Board of Education  
**Unified School District No. 489 Hays, Kansas**  
Hays, Kansas

### Report on the Financial Statements

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of **Unified School District No. 489 Hays, 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 Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1; 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.

### Auditors' 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 *Kansas Municipal Audit and Accounting Guide* and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

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

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

## INDEPENDENT AUDITORS' REPORT

To the Board of Education

**Unified School District No. 489 Hays, Kansas**

Hays, Kansas

### Report on the Financial Statements

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of **Unified School District No. 489 Hays, 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 Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1; 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.

### Auditors' 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 *Kansas Municipal Audit and Accounting Guide* and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

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

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

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

As described in Note 1, the financial statement is prepared by **Unified School District No. 489 Hays, Kansas** on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### **Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matters discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of **Unified School District No. 489 Hays, 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 balance of **Unified School District No. 489 Hays, 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 1.

### **Other Matters**

#### **Supplementary Information**

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

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of **Unified School District No. 489 Hays, Kansas** as of and for the year ended June 30, 2018 (not presented herein), and have issued our report thereon dated December 17, 2018, which contained an unmodified opinion on the basic financial statement. The 2018

basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <http://admin.ks.gov/offices/chief-financial-officer/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 statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2018 comparative information is fairly 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 1.

#### **Other 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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statement. The schedule of expenditures of federal awards 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. Such 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statement as a whole.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2020, on our consideration of **Unified School District No. 489 Hays, Kansas**' 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 solely 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 effectiveness of **Unified School District No. 489 Hays, Kansas**' 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 **Unified School District No. 489 Hays, Kansas**' internal control over financial reporting and compliance.

*Adams, Brown, Beran & Ball, Chartered*

**ADAMS, BROWN, BERAN & BALL, CHTD.**

Certified Public Accountants

February 24, 2020

**UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS**  
Summary Statement of Receipts, Expenditures and Unencumbered Cash  
Regulatory Basis  
For the Year Ended June 30, 2019

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
<b>Governmental Type Funds</b>							
<b>General Funds</b>							
General Fund	\$ -	-	19,013,670	19,013,670	-	60,443	<b>60,443</b>
Supplemental General Fund	439,627	598	6,280,139	6,032,645	<b>687,719</b>	6,433	<b>694,152</b>
<b>Special Purpose Funds</b>							
At Risk (4 Year Old) Fund	-	-	322,225	322,225	-	11,701	<b>11,701</b>
At Risk (K-12) Fund	-	-	2,125,593	2,125,593	-	33	<b>33</b>
Bilingual Education Fund	-	-	295,256	295,256	-	8	<b>8</b>
Capital Outlay Fund	2,703,974	39,433	2,999,252	2,558,386	<b>3,184,273</b>	500,877	<b>3,685,150</b>
Driver Training Fund	81,392	-	76,213	63,562	<b>94,043</b>	2,385	<b>96,428</b>
Declining Enrollment Fund	20,878	-	59,015	-	<b>79,893</b>	-	<b>79,893</b>
Extraordinary School Program Fund	139,218	-	173,857	179,952	<b>133,123</b>	6,912	<b>140,035</b>
Food Service Fund	401,337	-	1,858,899	1,848,486	<b>411,750</b>	16,155	<b>427,905</b>
Parent Education Program Fund	28,054	136	91,970	101,167	<b>18,993</b>	3,510	<b>22,503</b>
Summer School Fund	6,970	-	-	6,970	-	-	-
Special Education Fund	69,496	-	4,570,478	4,599,323	<b>40,651</b>	-	<b>40,651</b>
Virtual Education Fund	-	-	222,602	222,602	-	-	-
Vocational Education Fund	-	-	685,678	685,678	-	4,430	<b>4,430</b>
Professional Development Fund	-	-	26,874	24,850	<b>2,024</b>	-	<b>2,024</b>
KPERS Special Retirement Contribution Fund	-	-	2,149,376	2,149,376	-	-	-
Coop Special Education Fund	1,782,018	-	7,215,322	7,470,125	<b>1,527,215</b>	15,808	<b>1,543,023</b>
Recreation Commission Fund	-	-	1,084,110	1,084,110	-	-	-
Recreation Commission Employee Benefits Fund	-	-	487,106	488,650	<b>(1,544)</b>	-	<b>(1,544)</b>
Preschool Fund	2,500	-	57,015	59,515	-	-	-
Reading Recovery Collaboration Fund	1,813	-	5,870	4,920	<b>2,763</b>	672	<b>3,435</b>
Contingency Reserve Fund	961,829	-	301,620	-	<b>1,263,449</b>	-	<b>1,263,449</b>
Head Start Fund	(68,502)	1,551	1,317,635	1,278,165	<b>(27,481)</b>	29,023	<b>1,542</b>
Early Head Start Fund	(154,839)	1,675	1,214,538	1,313,535	<b>(252,161)</b>	71,559	<b>(180,602)</b>
Title I Fund	-	-	405,303	413,417	<b>(8,114)</b>	219	<b>(7,895)</b>
Title I Carryover Fund	-	-	55,000	55,000	-	-	-
Title I Migrant Fund	-	-	47,000	47,000	-	1,414	<b>1,414</b>
Title II A Teacher Quality Fund	-	2,547	110,773	113,320	-	15,719	<b>15,719</b>
Title III English Language Fund	-	-	14,428	14,428	-	-	-
Miscellaneous Mini Grants Fund	5,005	-	559,948	559,685	<b>5,268</b>	76,123	<b>81,391</b>

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



**UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS**  
Summary Statement of Receipts, Expenditures and Unencumbered Cash  
Regulatory Basis  
For the Year Ended June 30, 2019

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
<b>Special Purpose Funds (continued)</b>							
Mental Health Systems Fund	\$ -	-	6,920	4,968	<b>1,952</b>	371	<b>2,323</b>
Smart Start 2016 Grant Fund	(156,345)	-	502,571	414,875	<b>(68,649)</b>	11,063	<b>(57,586)</b>
Textbooks and Materials Fund	224,415	525	328,248	337,164	<b>216,024</b>	16,809	<b>232,833</b>
ECC Building Grant Fund	-	-	-	598,801	<b>(598,801)</b>	308,970	<b>(289,831)</b>
District Activity Funds	302,048	-	867,787	832,388	<b>337,447</b>	15,613	<b>353,060</b>
<b>Total Primary Government (Excluding Agency Funds)</b>	<b>\$ 6,790,888</b>	<b>46,465</b>	<b>55,532,291</b>	<b>55,319,807</b>	<b>7,049,837</b>	<b>1,176,250</b>	<b>8,226,087</b>
<b>Composition of Cash</b>				Checking Accounts		\$	<b>6,357,220</b>
				Savings Accounts			<b>1,926,133</b>
				Total Cash			<b>8,283,353</b>
				Agency Funds per Schedule 3			<b>(57,266)</b>
				<b>Total Primary Government (Excluding Agency Funds)</b>		<b>\$</b>	<b>8,226,087</b>

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

## UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS

Notes to Financial Statement

June 30, 2019

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Unified School District No. 489 Hays, Kansas** has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. The accompanying financial statement is presented to conform to the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The following is a summary of such significant policies.

#### **Use of Estimates**

The preparation of financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas requires management to make estimates and assumptions that affect the reported amount of unencumbered cash balances and accounts payable during the reporting period. Actual results could differ from those estimates.

#### **Financial Reporting Entity**

The District is a municipal corporation governed by an elected seven-member board. This financial statement does not include the related municipal entity shown below. A related municipal entity is an entity established to benefit the District and/or its constituents.

#### **Recreation Commission**

Hays Recreation Commission oversees recreational activities. The recreation commission operates as a separate governing body but the District levies the tax for the recreation commission and the recreation commission has only the powers granted by statute, K.S.A. 12-1928. Audited financial statements can be obtained by contacting the recreation commission's office.

The District is the primary government as defined in GASB #61. The board of education is elected by the public. The board has the authority to make decisions, levy taxes, influence operations and has the primary accountability in fiscal matters.

#### **Basis of Presentation – Fund Accounting**

The accounts of the District are organized and operated on the basis of funds. In governmental accounting, 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 minimum number of funds is maintained consistent with legal and managerial requirements.

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

#### **Regulatory Basis Fund Types**

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

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

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

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

## UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS

### Notes to Financial Statement

June 30, 2019

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#### **Basis of Accounting**

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

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

#### **Departure From Accounting Principles Generally Accepted in the United States of America**

The basis of accounting described above results in a financial statement presentation which shows cash receipts, expenditures, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expenses, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. Capital assets that account for the land, buildings, and equipment owned by the District are not presented in the financial statement. Also, long-term debt such as general obligation bonds, revenue bonds, capital leases, and temporary notes are not presented in the financial statement.

#### **Property Tax Calendar**

Collection of current year property tax by the County Treasurer is not completed, apportioned nor distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes. Property taxes are collected and remitted to the County Treasurer. Taxes levied annually on November 1st are due one-half by December 20th and one-half by May 10th. Major tax distributions are made in the months of December through July. Lien dates for personal property are in March and August and lien dates for real property are in September. Taxes are recognized as revenue in the year received. Delinquent tax payments are recognized as revenue in the year received.

#### **Restricted Assets**

Restricted cash balances are reported in various funds that are legally restricted for specified uses such as the payment of debt service and fiscal fees on long-term debt and for expenditures approved in federal and state grant contracts. Also, cash is restricted in the agency funds of the District for special purposes.

#### **Reimbursements**

The District records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as a receipt to the fund that receives the reimbursement. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements under KMAAG regulatory basis of accounting.

#### **NOTE 2 – 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.

## UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS

### Notes to Financial Statement

June 30, 2019

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Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

- a. Preparation of the budget for the succeeding calendar year on or before August 1st.
- b. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
- c. Public hearing on or before August 15th, but at least 10 days after publication of notice of hearing.
- d. 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 revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least 10 days after publication, the hearing may be held and the governing body may amend the budget at that time. There were budget amendments for this year for the General Fund and Special Education Fund.

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.

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

A legal operating budget is not required for trust funds and the following special purpose funds: Preschool Fund, Munjor Child Care Fund, Reading Recovery Collaboration Fund, Contingency Reserve Fund, Head Start Fund, Early Head Start Fund, Title I Fund, Title I Carryover Fund, Title I Migrant Fund, Title II A Teacher Quality Fund, Title III English Language Fund, Miscellaneous Mini Grants Fund, Mental Health Systems Fund, Smart Start 2016 Grant Fund, Textbooks and Materials Fund, ECMH Grant Fund and District Activity Funds.

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

### NOTE 3 – DEPOSITS AND INVESTMENTS

**Unified School District No. 489 Hays, Kansas** follows the practice of pooling cash and investments of all funds. Each fund's portion of total cash and investments is summarized by fund category in the summary statement of receipts, expenditures and unencumbered cash.

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

## UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS

### Notes to Financial Statement

June 30, 2019

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.

#### 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 K.S.A. 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%. The District does not use "peak periods". All deposits were legally secured at June 30, 2019.

At June 30, 2019, the District's carrying amount of deposits was \$8,283,353 and the bank balance was \$9,239,914. The bank balance was held by four banks resulting in a concentration of credit risk. Of the bank balance, \$999,635 as covered by federal depository insurance and \$8,240,279 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

#### Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured. The District had no investments at June 30, 2019.

### NOTE 4 – IN-SUBSTANCE RECEIPT IN TRANSIT

**Unified School District No. 489 Hays, Kansas** received \$943,513 subsequent to June 30, 2019 and as required by K.S.A. 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.

### NOTE 5 – INTERFUND TRANSFERS

Interfund transfers within the reporting entity are substantially for the purpose of subsidizing operating functions, funding capital projects and asset acquisitions or maintaining debt service on a routine basis as authorized by Kansas statutes. **Unified School District No. 489 Hays, Kansas'** interfund transfers and regulatory authority for the year ended June 30, 2019 were as follows:

From	To	Regulatory Authority	Amount
General Fund	Bilingual Education Fund	K.S.A. 72-5167	\$ 249,355
General Fund	Virtual Education Fund	K.S.A. 72-5167	222,602
General Fund	Parent Education Program Fund	K.S.A. 72-5167	30,657
General Fund	Special Education Fund	K.S.A. 72-5167	4,570,478
General Fund	Vocational Education Fund	K.S.A. 72-5167	628,224
General Fund	At Risk (4 Year Old) Fund	K.S.A. 72-5167	226,160
General Fund	At Risk (K-12) Fund	K.S.A. 72-5167	1,309,830
General Fund	Professional Development Fund	K.S.A. 72-5167	23,089
General Fund	Contingency Reserve Fund	K.S.A. 72-5167	156,095
General Fund	Preschool Fund	K.S.A. 72-5167	8,200

## UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS

### Notes to Financial Statement

June 30, 2019

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Supplemental General Fund	Bilingual Education Fund	K.S.A. 72-6433	\$ 45,901
Supplemental General Fund	At Risk (K-12) Fund	K.S.A. 72-6433	796,065
Supplemental General Fund	Contingency Reserve Fund	K.S.A. 72-6433	145,525
Special Education Fund	Coop Special Education Fund	K.S.A. 72-968	4,455,098

#### NOTE 6 – LITIGATION

**Hays Unified School District No. 489 Hays, Kansas** is a party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material financial impact on the affected funds of the District.

#### NOTE 7 – RISK MANAGEMENT

**Unified School District No. 489 Hays, Kansas** carries commercial insurance for risks of loss, including property, crime, inland marine, general liability, business automobile, school leader's professional liability, student accident, flood, and worker's compensation. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

#### NOTE 8 – GRANTS AND SHARED REVENUES

**Unified School District No. 489 Hays, Kansas** participates in numerous state and federal grant programs, which are governed by various rules and regulations for the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the District, any liability for reimbursement, which may arise as the result of the audit, is not believed to be material.

#### NOTE 9 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

**Unified School District No. 489 Hays, Kansas** had negative cash in the Recreation Commission Employee Benefits Fund, which is in violation of K.S.A. 10-1113.

The District did not control expenditures in the Recreation Commission Employee Benefits Fund, which resulted in expenditures in excess of budgeted amounts. This is in violation of K.S.A. 79-2935.

The District did not purchase products or services offered by Kansas industries for the blind and severely disabled. This is in violation of K.S.A. 75-3317.

#### NOTE 10 – DEFERRED COMPENSATION PLAN

**Unified School District No. 489 Hays, Kansas** sponsors deferred compensation plans under Internal Revenue Code Sections 403(b) and 457(b). Permanent and part-time employees are eligible to participate under these plans. The employee is responsible for the amount of deferred compensation to be contributed. The District is not required to make any contributions.

#### NOTE 11 – DEFINED BENEFIT PENSION PLAN

##### General Information about the Pension Plan

##### Plan Description

**Unified School District No. 489 Hays, 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.

## UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS

### Notes to Financial Statement

June 30, 2019

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74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at [www.kpers.org](http://www.kpers.org) or by writing to KPERS (611 S Kansas, Suite 100; Topeka, KS 66603) or by calling 1-888-275-5737.

#### Contributions

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

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

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

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

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled \$2,149,376 for the year ended June 30, 2019.

#### Net Pension Liability

At June 30, 2019, the District's proportionate share of the collective net pension liability reported by KPERS was \$27,470,919. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2018. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

## UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS

### Notes to Financial Statement

June 30, 2019

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

#### NOTE 12 – OTHER POST EMPLOYMENT BENEFITS

As provided by K.S.A. 12-5040, **Unified School District No. 489 Hays, Kansas** allows retirees to participate in the group health insurance plan. The District pays 100% of the premium for each retiree for single coverage and each retiree is responsible for any amounts above the single coverage premium. The District is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of the subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

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.

The District provides post retirement healthcare benefits in accordance with state statutes. The District allows early retirees, those retiring under the provisions of full KPERS retirement requirements, to remain on the District's health policy until age 65 or Medicare eligible. It is required that these employees have been employed full-time by the District for the preceding 15 years before retirement. The year of retirement must be included in the 15 consecutive years of employment. Beginning in 2012-2013, there is a maximum 10 year payout. The annual District contribution will be frozen at the fiscal year 2013 actual cost of retiree health insurance. The District will pay a minimum of \$6,910 annually toward the retired employees' health insurance in the District pool for employees retiring prior to June 30, 2016. Employees that retired during the 2016-2017 school year would receive \$6,000 annually and employees that retired during the 2017-2018 school year would receive \$4,800 annually. For the year ended June 30, 2019, 68 retirees met those eligibility requirements. Expenditures for post retirement healthcare benefits are recognized as retirees report claims. During the year, expenditures of \$509,175 were recognized for post retirement healthcare.

Beginning in 2013-2014, the District started a 403(b) with negotiated match, based on base salary only. For early retirees, there will be a five year period, beginning in 2013-2014, to receive 10 years of retiree benefits when there is a minimum of 2% match for the 403(b), followed by a 5 year period to receive 7 years of retiree benefits. The retiree insurance program will end following the 10 year period. Staff who previously selected the retiree health insurance in lieu of the 403(b) and are no longer eligible will have the option to sign up for the 403(b). For these staff members, the district will provide up to 2 years of additional matching with a maximum match of 4% of the base salary each year. The additional match must be completed by the end of the 2018-2019 contract year.

#### NOTE 13 – COMPENSATED ABSENCES

##### Vacation

Classified personnel who have completed a full year of service on June 1 are granted vacation based on length of service. All vacation awarded in any given year shall be taken during that same contract year.

##### Sick Leave

**Unified School District No. 489 Hays, Kansas'** contracts with various employees permit them to



## **UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS**

### **Notes to Financial Statement**

June 30, 2019

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accumulate sick leave. Certified and non-certified personnel may accumulate sick leave at two days per annum and one day per contract month with full salary.

Classified staff hired in the 2015-2016 school year and subsequent years will be paid up to 80 days of unused sick leave at a rate of \$45 per day if a minimum of 20 days is accumulated.

For classified staff employed prior to the 2015-2016 school year and have a sick leave balance of 100 days or more as of June 30, 2015, they will be capped at their June 30, 2015 balance and paid \$65 per day less the first 20 days. For classified staff employed prior to the 2015-2016 school year and have a sick leave balance under 100 days, they will be paid \$65 per day for a maximum payment of 80 days.

Upon termination, employees with five years of service will receive accumulated sick leave pay at their qualified rate. The potential liability for sick leave at June 30, 2019 was \$910,132. This is not reflected in the financial statement.

#### **NOTE 14 – LONG-TERM DEBT**

**Unified School District No. 489 Hays, Kansas** has the following type of long-term debt.

##### **Lease Obligations**

A capital lease obligation in the amount of \$752,600 was entered into on March 1, 2012, for the construction of a classroom building. The effective interest rate is 3.00% per annum.

A capital lease obligation in the amount of \$1,136,844 was entered into on August 14, 2013, for the construction of the FEMA eight classroom addition. The effective interest rate is 2.38% per annum.

A capital lease obligation in the amount of \$1,160,250 was entered into on March 1, 2016, for the purchase of HVAC and controls system at Hays Middle School. The effective interest rate is 1.62% per annum.

A capital lease obligation in the amount of \$1,800,000 was entered into on December 21, 2018, for the Early Childhood Connections building. The effective interest rate is 3.49% per annum.

Each capital lease contains a fiscal funding clause.

**UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS**

Notes to Financial Statement

June 30, 2019

Changes in long-term liabilities for the District for the year ended June 30, 2019, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
<b>Capital Leases</b>									
Middle School Addition	3.00%	3/1/2012	\$ 752,600	8/15/2021	\$ 316,561	-	(76,301)	240,260	10,538
Middle School FEMA Addition	2.38%	8/14/2013	1,136,844	9/16/2022	481,993	-	(132,971)	349,022	11,471
Middle School - HVAC and controls system	1.62%	3/1/2016	1,160,250	3/1/2020	560,189	-	(292,695)	267,494	7,894
Oak Park Purchase	3.49%	12/21/2018	1,800,000	1/15/2029	-	1,800,000	-	1,800,000	-
<b>Total Contractual Indebtedness</b>					<b>\$ 1,358,743</b>	<b>1,800,000</b>	<b>(501,967)</b>	<b>2,656,776</b>	<b>29,903</b>

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

	YEAR						Total
	2020	2021	2022	2023	2024	2025 - 2029	
<b>Capital Leases</b>							
Principal	\$ 632,741	380,356	316,740	170,482	176,483	979,974	<b>2,656,776</b>
Interest	84,469	66,227	54,693	44,820	38,819	96,536	<b>385,564</b>
<b>Total Capital Leases</b>	<b>\$ 717,210</b>	<b>446,583</b>	<b>371,433</b>	<b>215,302</b>	<b>215,302</b>	<b>1,076,510</b>	<b>3,042,340</b>

**UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS**

Regulatory-Required Supplementary Information

**UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS**

Supplementary Information

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

To the Board of Education  
**Unified School District No. 489 Hays, Kansas**  
Hays, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit and Accounting Guide* and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of **Unified School District No. 489 Hays, Kansas**, as of and for the year ended June 30, 2019, and the related notes to the financial statement, and have issued our report thereon dated February 24, 2020. The report on the audited financial statement was adverse because it was not presented in conformity with accounting principles generally accepted in the United States of America; however, it was unqualified as presented on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statement, we considered **Unified School District No. 489 Hays, Kansas**' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of **Unified School District No. 489 Hays, Kansas**' internal control. Accordingly, we do not express an opinion on the effectiveness of **Unified School District No. 489 Hays, Kansas**' 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 a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those 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 were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs (2019-001, 2019-002, and 2019-003) that we consider to be significant deficiencies.

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

To the Board of Education  
**Unified School District No. 489 Hays, Kansas**  
Hays, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit and Accounting Guide* and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of **Unified School District No. 489 Hays, Kansas**, as of and for the year ended June 30, 2019, and the related notes to the financial statement, and have issued our report thereon dated February 24, 2020. The report on the audited financial statement was adverse because it was not presented in conformity with accounting principles generally accepted in the United States of America; however, it was unqualified as presented on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statement, we considered **Unified School District No. 489 Hays, Kansas**' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of **Unified School District No. 489 Hays, Kansas**' internal control. Accordingly, we do not express an opinion on the effectiveness of **Unified School District No. 489 Hays, Kansas**' 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 a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those 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 were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs (2019-001, 2019-002, and 2019-003) that we consider to be significant deficiencies.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether **Unified School District No. 489 Hays, Kansas**' financial statement is free from 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*.

### **Unified School District No. 489 Hays, Kansas' Response to Findings**

**Unified School District No. 489 Hays, Kansas**' response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. **Unified School District No. 489 Hays, Kansas**' response was not subjected to the auditing procedures applied in the audit of the financial statement 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.

*Adams, Brown, Beran & Ball, Chartered*

**ADAMS, BROWN, BERAN & BALL, CHTD.**

Certified Public Accountants

February 24, 2020

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

To the Board of Education  
**Unified School District No. 489 Hays, Kansas**  
Hays, Kansas

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

We have audited **Unified School District No. 489 Hays, Kansas'** compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of **Unified School District No. 489 Hays, Kansas'** major federal programs for the year ended June 30, 2019. **Unified School District No. 489 Hays, Kansas'** major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of **Unified School District No. 489 Hays, Kansas'** 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 *Kansas Municipal Audit and Accounting Guide*; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* 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 **Unified School District No. 489 Hays, Kansas'** 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 qualified and unqualified opinion on compliance for each major federal program. However, our audit does not provide a legal determination of **Unified School District No. 489 Hays, Kansas'** compliance.

***Basis for Qualified Opinion on CFDA 93.600 Head Start***

As described in the accompanying schedule of findings and questioned costs, **Unified School District No. 489 Hays, Kansas** did not comply with requirements regarding CFDA 93.600 Head Start as described in finding number 2019-004 for Activities Allowed and Unallowed and Allowable Costs/Cost Principles.



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

To the Board of Education

**Unified School District No. 489 Hays, Kansas**

Hays, Kansas

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

We have audited **Unified School District No. 489 Hays, Kansas'** compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of **Unified School District No. 489 Hays, Kansas'** major federal programs for the year ended June 30, 2019. **Unified School District No. 489 Hays, Kansas'** major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of **Unified School District No. 489 Hays, Kansas'** 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 *Kansas Municipal Audit and Accounting Guide*; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* 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 **Unified School District No. 489 Hays, Kansas'** 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 qualified and unqualified opinion on compliance for each major federal program. However, our audit does not provide a legal determination of **Unified School District No. 489 Hays, Kansas'** compliance.

***Basis for Qualified Opinion on CFDA 93.600 Head Start***

As described in the accompanying schedule of findings and questioned costs, **Unified School District No. 489 Hays, Kansas** did not comply with requirements regarding CFDA 93.600 Head Start as described in finding number 2019-004 for Activities Allowed and Unallowed and Allowable Costs/Cost Principles.

Compliance with such requirements is necessary, in our opinion, for **Unified School District No. 489 Hays, Kansas** to comply with the requirements applicable to that program.

#### ***Qualified Opinion on CFDA 93.600 Head Start***

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the **Unified School District No. 489 Hays, Kansas** complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on CFDA 93.600 Head Start for the year ended June 30, 2019.

#### **Other Matters**

**Unified School District No. 489 Hays, Kansas'** response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. **Unified School District No. 489 Hays, Kansas'** response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

#### **Report on Internal Control Over Compliance**

Management of **Unified School District No. 489 Hays, Kansas** 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 **Unified School District No. 489 Hays, Kansas'** 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 **Unified School District No. 489 Hays, Kansas'** internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph 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. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a significant deficiency.

*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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2019-004 to be a significant deficiency.

**Unified School District No. 489 Hays, Kansas'** response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. **Unified School District No. 489 Hays, Kansas'** response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

*Adams, Brown, Beran & Ball, Chartered*

**ADAMS, BROWN, BERAN & BALL, CHTD.**

Certified Public Accountants

February 24, 2020

## UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS

Summary of Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2019

Funds	Certified Budget	Adjustment to Comply With Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
<b>Governmental Type Funds</b>						
<b>General Funds</b>						
General Fund	\$ 19,043,877	(75,330)	45,123	19,013,670	<b>19,013,670</b>	-
Supplemental General Fund	6,032,645	-	-	6,032,645	<b>6,032,645</b>	-
<b>Special Purpose Funds</b>						
At Risk (4 Year Old) Fund	322,225	-	-	322,225	<b>322,225</b>	-
At Risk (K-12) Fund	2,330,905	-	-	2,330,905	<b>2,125,593</b>	(205,312)
Bilingual Education Fund	350,145	-	-	350,145	<b>295,256</b>	(54,889)
Capital Outlay Fund	5,397,767	-	-	5,397,767	<b>2,558,386</b>	(2,839,381)
Driver Training Fund	130,042	-	-	130,042	<b>63,562</b>	(66,480)
Declining Enrollment Fund	-	-	-	-	-	-
Extraordinary School Program Fund	348,293	-	-	348,293	<b>179,952</b>	(168,341)
Food Service Fund	2,334,082	-	-	2,334,082	<b>1,848,486</b>	(485,596)
Parent Education Program Fund	120,024	-	-	120,024	<b>101,167</b>	(18,857)
Summer School Fund	6,970	-	-	6,970	<b>6,970</b>	-
Special Education Fund	4,920,100	-	-	4,920,100	<b>4,599,323</b>	(320,777)
Virtual Education Fund	255,305	-	-	255,305	<b>222,602</b>	(32,703)
Vocational Education Fund	658,653	-	30,981	689,634	<b>685,678</b>	(3,956)
Professional Development Fund	62,388	-	-	62,388	<b>24,850</b>	(37,538)
KPERs Special Retirement Contribution Fund	3,541,371	-	-	3,541,371	<b>2,149,376</b>	(1,391,995)
Coop Special Education Fund	8,828,008	-	-	8,828,008	<b>7,470,125</b>	(1,357,883)
Recreation Commission Fund	1,300,000	-	-	1,300,000	<b>1,084,110</b>	(215,890)
Recreation Commission Employee Benefits Fund	450,000	-	-	450,000	<b>488,650</b>	38,650

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

**UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS**  
**General Fund**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended June 30, 2019

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

	Prior Year Actual	Current Year		Variance Over Under
		Actual	Budget	(Under)
<b>Receipts</b>				
<b>Intergovernmental Revenues</b>				
Equalization Aid	\$ 15,545,886	<b>16,048,045</b>	15,991,786	56,259
Mineral Severance Tax	13,493	<b>29,411</b>	14,000	15,411
Federal Aid	-	<b>4,000</b>	-	4,000
State Aid	5,187	<b>14,596</b>	-	14,596
Special Education State Aid	2,539,678	<b>2,891,091</b>	2,913,211	(22,120)
<b>Total Intergovernmental Revenues</b>	<u>18,104,244</u>	<u><b>18,987,143</b></u>	<u>18,918,997</u>	<u>68,146</u>
<b>Other Local Sources</b>				
Reimbursements	119,401	<b>26,527</b>	-	26,527
Miscellaneous	10,442	-	-	-
<b>Total Other Local Sources</b>	<u>129,843</u>	<u><b>26,527</b></u>	<u>-</u>	<u>26,527</u>
<b>Total Receipts</b>	<u>18,234,087</u>	<u><b>19,013,670</b></u>	<u>18,918,997</u>	<u>94,673</u>
<b>Expenditures</b>				
<b>Instruction</b>				
Salaries and Benefits	5,321,770	<b>5,638,714</b>	5,796,693	(157,979)
Purchased Services	17,094	<b>26,496</b>	59,595	(33,099)
Supplies	73,174	<b>118,039</b>	121,675	(3,636)
Textbooks and Software	146,993	<b>129,820</b>	137,555	(7,735)
Other Expenditures	5,625	<b>6,963</b>	18,300	(11,337)
<b>Total Instruction</b>	<u>5,564,656</u>	<u><b>5,920,032</b></u>	<u>6,133,818</u>	<u>(213,786)</u>
<b>Student Support Services</b>				
Salaries and Benefits	-	<b>192,895</b>	200,755	(7,860)
Purchased Services	12,668	<b>14,123</b>	12,550	1,573
Supplies	-	<b>4,825</b>	5,045	(220)
<b>Total Student Support Services</b>	<u>12,668</u>	<u><b>211,843</b></u>	<u>218,350</u>	<u>(6,507)</u>
<b>Instructional Support Services</b>				
Salaries and Benefits	102,356	<b>166,326</b>	143,995	22,331
Purchased Services	11,948	<b>13,265</b>	48,500	(35,235)
Supplies	6,345	<b>544</b>	5,000	(4,456)
<b>Total Instruct. Support Services</b>	<u>\$ 120,649</u>	<u><b>180,135</b></u>	<u>197,495</u>	<u>(17,360)</u>

**UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS**  
**General Fund**  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2019  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	Prior Year Actual	Current Year		Variance Over Under
		Actual	Budget	
<b>Expenditures (continued)</b>				
<b>General Administration</b>				
Salaries and Benefits	\$ 419,226	<b>437,308</b>	410,220	27,088
Purchased Services	212,091	<b>245,407</b>	204,195	41,212
Supplies	7,907	<b>7,328</b>	132,575	(125,247)
Other Expenditures	13,695	<b>2,380</b>	18,320	(15,940)
<b>Total General Administration</b>	<u>652,919</u>	<u><b>692,423</b></u>	<u>765,310</u>	<u>(72,887)</u>
<b>School Administration</b>				
Salaries and Benefits	903,292	<b>1,121,463</b>	1,110,605	10,858
Purchased Services	9,288	<b>17,854</b>	14,650	3,204
<b>Total School Administration</b>	<u>912,580</u>	<u><b>1,139,317</b></u>	<u>1,125,255</u>	<u>14,062</u>
<b>Operations and Maintenance</b>				
Salaries and Benefits	883,826	<b>1,025,335</b>	947,260	78,075
Purchased Services	252,876	<b>312,768</b>	333,675	(20,907)
Supplies	136,854	<b>162,799</b>	176,050	(13,251)
Utilities	352,456	<b>392,273</b>	374,950	17,323
<b>Total Operations and Maintenance</b>	<u>1,626,012</u>	<u><b>1,893,175</b></u>	<u>1,831,935</u>	<u>61,240</u>
<b>Student Transportation Services</b>				
Salaries and Benefits	677,889	<b>701,304</b>	710,932	(9,628)
Purchased Services	25,103	<b>25,234</b>	23,060	2,174
Supplies	44,975	<b>35,912</b>	71,000	(35,088)
Motor Fuel	50,857	<b>58,954</b>	40,050	18,904
Other Expenditures	3,047	<b>2,785</b>	5,700	(2,915)
<b>Total Student Transportation Services</b>	<u>801,871</u>	<u><b>824,189</b></u>	<u>850,742</u>	<u>(26,553)</u>
<b>Other Supplemental Services</b>				
Salaries and Benefits	672,311	<b>714,030</b>	710,805	3,225
Purchased Services	3,309	<b>11,737</b>	17,790	(6,053)
Other Expenditures	2,103	<b>2,099</b>	3,500	(1,401)
<b>Total Other Supplemental Services</b>	<u>677,723</u>	<u><b>727,866</b></u>	<u>732,095</u>	<u>(4,229)</u>
<b>Operating Transfers</b>				
Bilingual Education	166,249	<b>249,355</b>	250,145	(790)
Parent Education Program	42,738	<b>30,657</b>	30,657	-
Special Education	4,237,125	<b>4,502,993</b>	4,299,980	203,013
Coop Special Education	96,016	<b>67,485</b>	-	67,485
Vocational Education	\$ 513,260	<b>628,224</b>	632,180	(3,956)

**UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS**  
**General Fund**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended June 30, 2019

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

	Prior Year Actual	Current Year		Variance Over Under
		Actual	Budget	(Under)
<b>Operating Transfers (continued)</b>				
At Risk (4 Year Old)	\$ 194,298	<b>226,160</b>	226,160	-
At Risk (K-12)	1,952,665	<b>1,309,830</b>	1,430,905	(121,075)
Virtual Education	226,324	<b>222,602</b>	255,305	(32,703)
Contingency Reserve	300,000	<b>156,095</b>	-	156,095
Textbook	100,000	-	-	-
Professional Development	41,173	<b>23,089</b>	55,345	(32,256)
Preschool	-	<b>8,200</b>	8,200	-
<b>Total Operating Transfers</b>	<u>7,869,848</u>	<u><b>7,424,690</b></u>	<u>7,188,877</u>	<u>235,813</u>
Adjustment to Comply With Legal Max	-	-	(75,330)	75,330
Legal General Fund Budget	18,238,926	<b>19,013,670</b>	18,968,547	45,123
(a) Adjustment for Qualifying Budget Credits	-	-	45,123	(45,123)
<b>Total Expenditures</b>	<u>18,238,926</u>	<u><b>19,013,670</b></u>	<u>19,013,670</u>	<u>-</u>
<b>Receipts Over (Under) Expenditures</b>	(4,839)	-		
<b>Unencumbered Cash - Beginning</b>	<u>4,839</u>	<u>-</u>		
<b>Unencumbered Cash - Ending</b>	<u>\$ -</u>	<u>-</u>		
<b>(a) Adjustment for Qualifying Budget Credits</b>				
Reimbursements Over Amount Budgeted		\$ 26,527		
Federal Aid Over Amount Budgeted		4,000		
State Aid Over Amount Budgeted		14,596		
<b>Total</b>		<u>\$ 45,123</u>		

**UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS**  
**Supplemental General Fund**  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2019  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

		Current Year		Variance
	Prior Year Actual	Actual	Budget	Over Under
<b>Receipts</b>				
Taxes and Shared Revenues				
Taxes	\$ 5,110,342	<b>5,342,063</b>	582,040	4,760,023
Intergovernmental Revenues				
Equalization Aid	815,564	<b>938,076</b>	938,076	-
<b>Total Receipts</b>	<u>5,925,906</u>	<u><b>6,280,139</b></u>	<u>1,520,116</u>	<u>4,760,023</u>
<b>Expenditures</b>				
Instruction	4,376,887	<b>3,656,274</b>	3,711,045	(54,771)
Student Support Services	-	<b>95,677</b>	93,740	1,937
Instructional Support Services	212,702	<b>165,403</b>	172,250	(6,847)
General Administration	190	<b>225</b>	305	(80)
School Administration	676,490	<b>519,144</b>	562,760	(43,616)
Operations and Maintenance	729,352	<b>608,431</b>	492,545	115,886
Operating Transfers	-	<b>987,491</b>	1,000,000	(12,509)
<b>Total Expenditures</b>	<u>5,995,621</u>	<u><b>6,032,645</b></u>	<u>6,032,645</u>	<u>-</u>
<b>Receipts Over (Under) Expenditures</b>	(69,715)	<b>247,494</b>		
<b>Unencumbered Cash - Beginning</b>	509,189	<b>439,627</b>		
<b>Prior Year Cancelled Encumbrances</b>	<u>153</u>	<u><b>598</b></u>		
<b>Unencumbered Cash - Ending</b>	<u>\$ 439,627</u>	<u><b>687,719</b></u>		



**UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS**  
**At Risk (4 Year Old) Fund**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended June 30, 2019

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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
<b>Receipts</b>				
Other Local Sources				
Operating Transfers	\$ 194,298	<b>226,160</b>	226,160	-
Reimbursements	87,223	<b>96,065</b>	96,065	-
<b>Total Receipts</b>	281,521	<b>322,225</b>	322,225	-
<b>Expenditures</b>				
Instruction	271,343	<b>309,797</b>	310,272	(475)
Supplies	290	<b>209</b>	460	(251)
Operations and Maintenance	9,888	<b>12,219</b>	11,493	726
<b>Total Expenditures</b>	281,521	<b>322,225</b>	322,225	-
<b>Receipts Over (Under) Expenditures</b>	-	-		
<b>Unencumbered Cash - Beginning</b>	-	-		
<b>Unencumbered Cash - Ending</b>	\$ -	-		

**UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS**  
**At Risk (K-12) Fund**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended June 30, 2019

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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
<b>Receipts</b>				
Intergovernmental Revenues				
Federal Aid	\$ -	13,500	-	13,500
Other Local Sources				
Tuition Fees	3,700	6,198	-	6,198
Operating Transfers	1,952,665	2,105,895	2,330,905	(225,010)
<b>Total Receipts</b>	1,956,365	2,125,593	2,330,905	(205,312)
<b>Expenditures</b>				
Instruction	1,058,802	1,517,230	1,696,360	(179,130)
Student Support Services	895,976	607,031	604,025	3,006
School Administration	1,587	1,332	1,100	232
Operations and Maintenance	-	-	29,420	(29,420)
<b>Total Expenditures</b>	1,956,365	2,125,593	2,330,905	(205,312)
<b>Receipts Over (Under) Expenditures</b>	-	-		
<b>Unencumbered Cash - Beginning</b>	-	-		
<b>Unencumbered Cash - Ending</b>	\$ -	-		

**UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS**  
**Bilingual Education Fund**  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended June 30, 2019  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

		Current Year		Variance
	Prior Year Actual	Actual	Budget	Over Over (Under)
<b>Receipts</b>				
Other Local Sources				
Operating Transfers	\$ 166,249	<b>295,256</b>	<u>350,145</u>	<u>(54,889)</u>
<b>Expenditures</b>				
Instruction	<u>166,249</u>	<u><b>295,256</b></u>	<u>350,145</u>	<u>(54,889)</u>
<b>Receipts Over (Under) Expenditures</b>	-	-		
<b>Unencumbered Cash - Beginning</b>	-	-		
<b>Unencumbered Cash - Ending</b>	\$ <u>-</u>	<u>-</u>		

**UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS**  
**Capital Outlay Fund**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended June 30, 2019

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

			Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)	
<b>Receipts</b>					
Taxes and Shared Revenues					
Taxes	\$ 2,740,804	<b>2,891,924</b>	2,618,694	273,230	
Intergovernmental Revenues					
State Aid	-	<b>400</b>	-	400	
Other Local Sources					
Interest on Idle Funds	4,998	<b>4,921</b>	4,000	921	
Sale of Assets	20,990	<b>10,621</b>	-	10,621	
Operating Transfers	23,334	-	-	-	
Miscellaneous Income	80,056	<b>91,386</b>	71,074	20,312	
<b>Total Receipts</b>	<u>2,870,182</u>	<u><b>2,999,252</b></u>	<u>2,693,768</u>	<u>305,484</u>	
<b>Expenditures</b>					
Instruction	1,712,080	<b>789,571</b>	647,255	142,316	
Central Services	25,682	<b>7,039</b>	3,475	3,564	
Operations and Maintenance	867,634	<b>1,001,940</b>	3,257,847	(2,255,907)	
Transportation	308,371	<b>291,790</b>	304,000	(12,210)	
Other Supplemental Services	29,760	-	156,500	(156,500)	
Facility Acquisition and Construction	346,545	<b>468,046</b>	1,028,690	(560,644)	
<b>Total Expenditures</b>	<u>3,290,072</u>	<u><b>2,558,386</b></u>	<u>5,397,767</u>	<u>(2,839,381)</u>	
<b>Receipts Over (Under) Expenditures</b>	(419,890)	<b>440,866</b>			
<b>Unencumbered Cash - Beginning</b>	3,123,864	<b>2,703,974</b>			
<b>Prior Year Cancelled Encumbrances</b>	-	<b>39,433</b>			
<b>Unencumbered Cash - Ending</b>	\$ <u>2,703,974</u>	<u><b>3,184,273</b></u>			

**UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS**  
**Driver Training Fund**  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2019  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

		Current Year		Variance
	Prior Year Actual	Actual	Budget	Over Over (Under)
<b>Receipts</b>				
Intergovernmental Revenues				
State Aid	\$ 25,856	<b>27,783</b>	13,650	14,133
Other Local Sources				
Fees	40,438	<b>48,430</b>	35,000	13,430
<b>Total Receipts</b>	66,294	<b>76,213</b>	<u>48,650</u>	<u>27,563</u>
<b>Expenditures</b>				
Instruction	58,505	<b>63,562</b>	<u>130,042</u>	<u>(66,480)</u>
<b>Receipts Over (Under) Expenditures</b>	7,789	<b>12,651</b>		
<b>Unencumbered Cash - Beginning</b>	73,603	<b>81,392</b>		
<b>Unencumbered Cash - Ending</b>	\$ <u>81,392</u>	<u><b>94,043</b></u>		

**UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS**  
**Declining Enrollment Fund**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended June 30, 2019

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

		Current Year		Variance
	Prior Year Actual	Actual	Budget	Over Under
<b>Receipts</b>				
Taxes and Shared Revenues				
Taxes	\$ 258,202	<b>59,015</b>	4,591	54,424
<b>Expenditures</b>				
State Payment	241,727	-	-	-
<b>Receipts Over (Under) Expenditures</b>	16,475	<b>59,015</b>		
<b>Unencumbered Cash - Beginning</b>	4,403	<b>20,878</b>		
<b>Unencumbered Cash - Ending</b>	\$ 20,878	<b>79,893</b>		

**UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS**  
**Extraordinary School Program Fund**  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2019  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
<b>Receipts</b>				
Other Local Sources				
Tuition Fees	\$ 156,926	<b>173,857</b>	188,375	(14,518)
Other Revenue	-	-	18,200	(18,200)
<b>Total Receipts</b>	156,926	<b>173,857</b>	206,575	(32,718)
<b>Expenditures</b>				
Instruction	9,703	<b>6,323</b>	67,873	(61,550)
Student Support Services	135,109	<b>173,629</b>	280,420	(106,791)
<b>Total Expenditures</b>	144,812	<b>179,952</b>	348,293	(168,341)
<b>Receipts Over (Under) Expenditures</b>	12,114	<b>(6,095)</b>		
<b>Unencumbered Cash - Beginning</b>	127,104	<b>139,218</b>		
<b>Unencumbered Cash - Ending</b>	\$ 139,218	<b>133,123</b>		

**UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS**  
**Food Service Fund**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Year Ended June 30, 2019

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

		Current Year		Variance
	Prior Year Actual	Actual	Budget	Over Under
<b>Receipts</b>				
Intergovernmental Revenues				
State Aid	\$ 19,289	<b>19,369</b>	19,252	117
Federal Aid	923,224	<b>979,380</b>	894,437	84,943
Other Local Sources				
Food Service Receipts	792,918	<b>818,498</b>	922,765	(104,267)
Interest on Idle Funds	556	<b>528</b>	600	(72)
Miscellaneous Income	49,311	<b>41,124</b>	84,700	(43,576)
<b>Total Receipts</b>	<u>1,785,298</u>	<u><b>1,858,899</b></u>	<u>1,921,754</u>	<u>(62,855)</u>
<b>Expenditures</b>				
Operations and Maintenance	51,132	<b>53,868</b>	47,311	6,557
Food Service Operation	<u>1,783,643</u>	<u><b>1,794,618</b></u>	<u>2,286,771</u>	<u>(492,153)</u>
<b>Total Expenditures</b>	<u>1,834,775</u>	<u><b>1,848,486</b></u>	<u>2,334,082</u>	<u>(485,596)</u>
<b>Receipts Over (Under) Expenditures</b>	(49,477)	<b>10,413</b>		
<b>Unencumbered Cash - Beginning</b>	<u>450,814</u>	<u><b>401,337</b></u>		
<b>Unencumbered Cash - Ending</b>	<u>\$ 401,337</u>	<u><b>411,750</b></u>		



**UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS**  
**Parent Education Program Fund**  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2019  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

		Current Year		Variance
	Prior Year Actual	Actual	Budget	Over Over (Under)
<b>Receipts</b>				
Intergovernmental Revenues				
State Aid	\$ 65,751	<b>61,313</b>	61,313	-
Other Local Sources				
Operating Transfers	42,738	<b>30,657</b>	30,657	-
<b>Total Receipts</b>	108,489	<b>91,970</b>	91,970	-
<b>Expenditures</b>				
Student Support Services	104,392	<b>96,692</b>	113,921	(17,229)
Instructional Support Services	1,273	<b>1,288</b>	2,666	(1,378)
Operations and Maintenance	2,823	<b>3,187</b>	3,437	(250)
<b>Total Expenditures</b>	108,488	<b>101,167</b>	120,024	(18,857)
<b>Receipts Over (Under) Expenditures</b>	1	<b>(9,197)</b>		
<b>Unencumbered Cash - Beginning</b>	28,053	<b>28,054</b>		
<b>Prior Year Cancelled Encumbrances</b>	-	<b>136</b>		
<b>Unencumbered Cash - Ending</b>	\$ 28,054	<b>18,993</b>		

**UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS**  
**Summer School Fund**

Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis

For the Year Ended June 30, 2019

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Receipts</b>	\$ -	-	-	-
<b>Expenditures</b>				
Instruction	-	<b>6,970</b>	6,970	-
<b>Receipts Over (Under) Expenditures</b>	-	<b>(6,970)</b>		
<b>Unencumbered Cash - Beginning</b>	6,970	<b>6,970</b>		
<b>Unencumbered Cash - Ending</b>	\$ 6,970	-		

**UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS**  
**Special Education Fund**  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2019  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
<b>Receipts</b>				
Intergovernmental Revenues				
Federal Aid	\$ 17,110	-	-	-
Other Local Sources				
Operating Transfers	4,237,125	4,570,478	4,299,980	270,498
<b>Total Receipts</b>	4,254,235	4,570,478	4,299,980	270,498
<b>Expenditures</b>				
Student Transportation Services	158,166	144,225	259,975	(115,750)
Operating Transfers	4,038,377	4,455,098	4,660,125	(205,027)
<b>Total Expenditures</b>	4,196,543	4,599,323	4,920,100	(320,777)
<b>Receipts Over (Under) Expenditures</b>	57,692	(28,845)		
<b>Unencumbered Cash - Beginning</b>	11,804	69,496		
<b>Unencumbered Cash - Ending</b>	\$ 69,496	40,651		

**UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS**  
**Virtual Education Fund**

Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis

For the Year Ended June 30, 2019

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

			Current Year		
	Prior Year Actual		Actual	Budget	Variance Over (Under)
<b>Receipts</b>					
Other Local Sources					
Operating Transfers	\$ 226,324	<b>222,602</b>	255,305		(32,703)
<b>Expenditures</b>					
Instruction	226,324	<b>222,602</b>	255,305		(32,703)
<b>Receipts Over (Under) Expenditures</b>	-	-			
<b>Unencumbered Cash - Beginning</b>	-	-			
<b>Unencumbered Cash - Ending</b>	\$ -	-			

**UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS**  
**Vocational Education Fund**  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2019  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

		Current Year		Variance
	Prior Year Actual	Actual	Budget	Over Under (Under)
<b>Receipts</b>				
Intergovernmental Revenues				
Federal Aid	\$ 25,859	<b>57,454</b>	26,473	30,981
Other Local Sources				
Operating Transfers	513,260	<b>628,224</b>	632,180	(3,956)
<b>Total Receipts</b>	539,119	<b>685,678</b>	658,653	27,025
<b>Expenditures</b>				
Instruction	539,119	<b>685,678</b>	658,653	27,025
(a) Adjustment for Qualifying Budget Credit	-	-	30,981	(30,981)
<b>Total Expenditures</b>	539,119	<b>685,678</b>	689,634	(3,956)
<b>Receipts Over (Under) Expenditures</b>	-	-		
<b>Unencumbered Cash - Beginning</b>	-	-		
<b>Unencumbered Cash - Ending</b>	\$ -	-		
<b>(a) Adjustment for Qualifying Budget Credit</b>				
Federal Aid Over Amount Budgeted			\$ 30,981	

**UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS**  
**Professional Development Fund**  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2019  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

		Current Year		Variance
	Prior Year Actual	Actual	Budget	Over Over (Under)
<b>Receipts</b>				
Intergovernmental Revenues				
State Aid	\$ 4,560	3,785	7,043	(3,258)
Other Local Sources				
Operating Transfers	41,173	23,089	55,345	(32,256)
<b>Total Receipts</b>	45,733	26,874	62,388	(35,514)
<b>Expenditures</b>				
Instruction	45,733	24,850	62,388	(37,538)
<b>Receipts Over (Under) Expenditures</b>	-	2,024		
<b>Unencumbered Cash - Beginning</b>	-	-		
<b>Unencumbered Cash - Ending</b>	\$ -	2,024		

**UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS**  
**KPERS Special Retirement Contribution Fund**  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2019  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Intergovernmental Revenues				
State Aid	\$ 2,403,863	<b>2,149,376</b>	3,541,371	(1,391,995)
<b>Expenditures</b>				
Instruction	1,610,588	<b>1,440,082</b>	2,372,717	(932,635)
Student Support Services	166,291	<b>107,469</b>	177,069	(69,600)
Operations and Maintenance	74,095	<b>107,469</b>	177,069	(69,600)
General Administration	96,155	<b>85,975</b>	141,655	(55,680)
School Administration	168,270	<b>150,456</b>	247,896	(97,440)
Other Supplemental Services	24,039	<b>21,494</b>	35,414	(13,920)
Operations and Maintenance	120,193	<b>107,469</b>	177,069	(69,600)
Student Transportation Services	72,116	<b>64,481</b>	106,241	(41,760)
Food Service Operation	72,116	<b>64,481</b>	106,241	(41,760)
<b>Total Expenditures</b>	2,403,863	<b>2,149,376</b>	3,541,371	(1,391,995)
<b>Receipts Over (Under) Expenditures</b>	-	-		
<b>Unencumbered Cash - Beginning</b>	-	-		
<b>Unencumbered Cash - Ending</b>	\$ -	-		

**UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS**  
**Coop Special Education Fund**  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2019  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

		Current Year		Variance
	Prior Year Actual	Actual	Budget	Over Over (Under)
<b>Receipts</b>				
Intergovernmental Revenues				
State Aid	\$ 937	3,079	-	3,079
Federal Aid	958,426	955,763	1,199,296	(243,533)
Medicaid - State Funded	128,152	256,260	-	256,260
Other Local Sources				
Out of District Tuition	754,167	672,492	-	672,492
Reimbursed Equalization Aid	781,508	870,410	-	870,410
Interest on Idle Funds	1,982	2,115	1,500	615
Miscellaneous	-	105	-	105
Operating Transfers	4,134,393	4,455,098	5,845,194	(1,390,096)
<b>Total Receipts</b>	6,759,565	7,215,322	7,045,990	169,332
<b>Expenditures</b>				
Instruction	6,429,910	6,939,017	8,319,065	(1,380,048)
Student Support Services	27,909	38,456	41,520	(3,064)
##	12,698	43,850	15,699	28,151
Special Area Administration Services	222,223	263,604	271,095	(7,491)
School Administration	122,061	102,239	104,341	(2,102)
Other Supplemental Services	88,402	82,959	76,288	6,671
<b>Total Expenditures</b>	6,903,203	7,470,125	8,828,008	(1,357,883)
<b>Receipts Over (Under) Expenditures</b>	(143,638)	(254,803)		
<b>Unencumbered Cash - Beginning</b>	1,925,506	1,782,018		
<b>Prior Year Cancelled Encumbrances</b>	150	-		
<b>Unencumbered Cash - Ending</b>	\$ 1,782,018	1,527,215		



**UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS**  
**Recreation Commission Fund**  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2019  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

		Current Year		Variance
	Prior Year Actual	Actual	Budget	Over Over (Under)
<b>Receipts</b>				
Taxes and Shared Revenues				
Taxes	\$ 1,027,751	<b>1,084,110</b>	<u>1,301,582</u>	<u>(217,472)</u>
<b>Expenditures</b>				
Community Service Operations	<u>1,208,634</u>	<u><b>1,084,110</b></u>	<u>1,300,000</u>	<u>(215,890)</u>
<b>Receipts Over (Under) Expenditures</b>	(180,883)	-		
<b>Unencumbered Cash - Beginning</b>	<u>180,883</u>	<u>-</u>		
<b>Unencumbered Cash - Ending</b>	\$ <u>-</u>	<u>-</u>		

**UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS**  
**Recreation Commission Employee Benefits Fund**  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended June 30, 2019  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

		Current Year		Variance
	Prior Year Actual	Actual	Budget	Over Over (Under)
<b>Receipts</b>				
Taxes and Shared Revenues				
Taxes	\$ 386,488	<b>487,106</b>	<u>450,056</u>	<u>37,050</u>
<b>Expenditures</b>				
Community Service Operations	<u>430,708</u>	<u><b>488,650</b></u>	<u>450,000</u>	<u>38,650</u>
<b>Receipts Over (Under) Expenditures</b>	(44,220)	<b>(1,544)</b>		
<b>Unencumbered Cash - Beginning</b>	<u>44,220</u>	<u>-</u>		
<b>Unencumbered Cash - Ending</b>	\$ <u>-</u>	<u><b>(1,544)</b></u>		

**UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS**  
**Preschool Fund**  
 Schedule of Receipts and Expenditures  
 Regulatory Basis  
 For the Year Ended June 30, 2019  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	Prior Year Actual	Current Year Actual
<b>Receipts</b>		
Other Local Sources		
Tuition Fees	\$ 51,650	48,815
Transfers In	-	8,200
<b>Total Receipts</b>	51,650	57,015
<b>Expenditures</b>		
Instruction	59,704	59,515
<b>Receipts Over (Under) Expenditures</b>	(8,054)	(2,500)
<b>Unencumbered Cash - Beginning</b>	10,554	2,500
<b>Unencumbered Cash - Ending</b>	\$ 2,500	-

**UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS**  
**Munjoy Child Care Fund**  
 Schedule of Receipts and Expenditures  
 Regulatory Basis  
 For the Year Ended June 30, 2019  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	Prior Year Actual	Current Year Actual
<b>Receipts</b>	\$ -	-
<b>Expenditures</b>		
Student Support Services	5,769	-
<b>Receipts Over (Under) Expenditures</b>	(5,769)	-
<b>Unencumbered Cash - Beginning</b>	5,769	-
<b>Unencumbered Cash - Ending</b>	\$ -	-

**UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS**  
**Reading Recovery Collaboration Fund**  
 Schedule of Receipts and Expenditures  
 Regulatory Basis  
 For the Year Ended June 30, 2019  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	Prior Year Actual	Current Year Actual
<b>Receipts</b>		
Other Local Sources		
Tuition Fees	\$ 5,500	5,870
<b>Expenditures</b>		
Instructional Support Services	5,340	4,920
<b>Receipts Over (Under) Expenditures</b>	160	950
<b>Unencumbered Cash - Beginning</b>	1,653	1,813
<b>Unencumbered Cash - Ending</b>	\$ 1,813	2,763

**UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS**  
**Contingency Reserve Fund**  
 Schedule of Receipts and Expenditures  
 Regulatory Basis  
 For the Year Ended June 30, 2019  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	Prior Year Actual	Current Year Actual
<b>Receipts</b>		
Other Local Sources		
Operating Transfers	\$ 300,000	301,620
<b>Expenditures</b>	-	-
<b>Receipts Over (Under) Expenditures</b>	300,000	301,620
<b>Unencumbered Cash - Beginning</b>	661,829	961,829
<b>Unencumbered Cash - Ending</b>	\$ 961,829	1,263,449

**UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS**  
**Head Start Fund**  
 Schedule of Receipts and Expenditures  
 Regulatory Basis  
 For the Year Ended June 30, 2019  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	Prior Year Actual	Current Year Actual
<b>Receipts</b>		
Intergovernmental Revenues		
Federal Aid	\$ 1,336,939	1,317,635
<b>Expenditures</b>		
Instruction	1,146,135	1,168,720
School Administration	67,175	65,420
Operations and Maintenance	32,888	44,025
<b>Total Expenditures</b>	1,246,198	1,278,165
<b>Receipts Over (Under) Expenditures</b>	90,741	39,470
<b>Unencumbered Cash - Beginning</b>	(186,088)	(68,502)
<b>Prior Year Cancelled Encumbrances</b>	26,845	1,551
<b>Unencumbered Cash - Ending</b>	\$ (68,502)	(27,481)

**UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS**  
**Early Head Start Fund**  
 Schedule of Receipts and Expenditures  
 Regulatory Basis  
 For the Year Ended June 30, 2019  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	Prior Year Actual	Current Year Actual
<b>Receipts</b>		
Intergovernmental Revenues		
State Aid	\$ 31,439	46,850
Federal Aid	1,113,079	1,167,688
<b>Total Receipts</b>	1,144,518	1,214,538
<b>Expenditures</b>		
Instruction	1,020,431	1,176,658
School Administration	50,441	49,929
Capital Outlay	19,987	16,987
Operations and Maintenance	61,364	68,801
Building Improvements	-	1,160
<b>Total Expenditures</b>	1,152,223	1,313,535
<b>Receipts Over (Under) Expenditures</b>	(7,705)	(98,997)
<b>Unencumbered Cash - Beginning</b>	(151,511)	(154,839)
<b>Prior Year Cancelled Encumbrances</b>	4,377	1,675
<b>Unencumbered Cash - Ending</b>	\$ (154,839)	(252,161)



**UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS**  
**Title I Fund**  
 Schedule of Receipts and Expenditures  
 Regulatory Basis  
 For the Year Ended June 30, 2019  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	Prior Year Actual	Current Year Actual
<b>Receipts</b>		
Intergovernmental Revenues		
Federal Aid	\$ 403,681	<b>405,303</b>
<b>Expenditures</b>		
Instruction	383,102	<b>403,144</b>
General Administration	10,053	<b>10,273</b>
<b>Total Expenditures</b>	393,155	<b>413,417</b>
<b>Receipts Over (Under) Expenditures</b>	10,526	<b>(8,114)</b>
<b>Unencumbered Cash - Beginning</b>	(10,526)	-
<b>Unencumbered Cash - Ending</b>	\$ -	<b>(8,114)</b>

**UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS**  
**Title I Carryover Fund**  
 Schedule of Receipts and Expenditures  
 Regulatory Basis  
 For the Year Ended June 30, 2019  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	Prior Year Actual	Current Year Actual
<b>Receipts</b>		
Intergovernmental Revenues		
Federal Aid	\$ 42,000	55,000
<b>Expenditures</b>		
Instruction	42,000	55,000
<b>Receipts Over (Under) Expenditures</b>	-	-
<b>Unencumbered Cash - Beginning</b>	-	-
<b>Unencumbered Cash - Ending</b>	\$ -	-

**UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS**  
**Title I Migrant Fund**  
 Schedule of Receipts and Expenditures  
 Regulatory Basis  
 For the Year Ended June 30, 2019  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	Prior Year Actual	Current Year Actual
<b>Receipts</b>		
Intergovernmental Revenues		
Federal Aid	\$ 54,000	47,000
<b>Expenditures</b>		
Instruction	53,104	44,976
School Administration	1,992	2,024
<b>Total Expenditures</b>	55,096	47,000
<b>Receipts Over (Under) Expenditures</b>	(1,096)	-
<b>Unencumbered Cash - Beginning</b>	1,096	-
<b>Prior Year Cancelled Encumbrances</b>	-	-
<b>Unencumbered Cash - Ending</b>	\$ -	-

**UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS**  
**Title II A Teacher Quality Fund**  
 Schedule of Receipts and Expenditures  
 Regulatory Basis  
 For the Year Ended June 30, 2019  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	Prior Year Actual	Current Year Actual
<b>Receipts</b>		
Intergovernmental Revenues		
Federal Aid	\$ 108,952	110,748
State Aid	-	25
<b>Total Receipts</b>	108,952	110,773
<b>Expenditures</b>		
Instruction	108,991	113,320
<b>Receipts Over (Under) Expenditures</b>	(39)	(2,547)
<b>Unencumbered Cash - Beginning</b>	39	-
<b>Prior Year Cancelled Encumbrances</b>	-	2,547
<b>Unencumbered Cash - Ending</b>	\$ -	-

**UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS**  
**Title III English Language Fund**  
 Schedule of Receipts and Expenditures  
 Regulatory Basis  
 For the Year Ended June 30, 2019  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	Prior Year Actual	Current Year Actual
<b>Receipts</b>		
Intergovernmental Revenues		
Federal Aid	\$ 16,106	14,428
<b>Expenditures</b>		
Instruction	18,977	14,428
<b>Receipts Over (Under) Expenditures</b>	(2,871)	-
<b>Unencumbered Cash - Beginning</b>	2,871	-
<b>Prior Year Cancelled Encumbrances</b>	-	-
<b>Unencumbered Cash - Ending</b>	\$ -	-

**UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS**  
**Miscellaneous Mini Grants Fund**  
 Schedule of Receipts and Expenditures  
 Regulatory Basis  
 For the Year Ended June 30, 2019  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	Prior Year Actual	Current Year Actual
<b>Receipts</b>		
Other Local Sources		
State Aid	\$ -	57,773
Other State Aid	-	260
Public Grants	738	501,192
Sophie's Fund	500	723
<b>Total Receipts</b>	1,238	559,948
<b>Expenditures</b>		
Instruction	747	58,964
Operations and Maintenance	-	340,326
Building Improvements	-	159,674
Sophie's Meals	207	721
<b>Total Expenditures</b>	954	559,685
<b>Receipts Over (Under) Expenditures</b>	284	263
<b>Unencumbered Cash - Beginning</b>	4,721	5,005
<b>Unencumbered Cash - Ending</b>	\$ 5,005	5,268

**UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS**  
**Mental Health Systems Fund**  
 Schedule of Receipts and Expenditures  
 Regulatory Basis  
 For the Year Ended June 30, 2019  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	Prior Year Actual	Current Year Actual
<b>Receipts</b>		
Reimbursement	\$ -	6,920
<b>Expenditures</b>		
Instruction	-	4,261
Instructional Support Services	-	362
School Administration	-	345
<b>Total Expenditures</b>	-	4,968
<b>Receipts Over (Under) Expenditures</b>	-	1,952
<b>Unencumbered Cash - Beginning</b>	-	-
<b>Unencumbered Cash - Ending</b>	\$ -	1,952

**UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS**  
**Smart Start 2016 Grant Fund**  
 Schedule of Receipts and Expenditures  
 Regulatory Basis  
 For the Year Ended June 30, 2019  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	Prior Year Actual	Current Year Actual
<b>Receipts</b>		
Intergovernmental Revenues		
State Aid	\$ 340,963	502,571
Federal Aid	2,370	-
<b>Total Receipts</b>	343,333	502,571
<b>Expenditures</b>		
Instruction	321,512	366,723
Instructional Support Services	54,235	39,389
Operations and Maintenance	7,106	8,763
<b>Total Expenditures</b>	382,853	414,875
<b>Receipts Over (Under) Expenditures</b>	(39,520)	87,696
<b>Unencumbered Cash - Beginning</b>	(116,825)	(156,345)
<b>Unencumbered Cash - Ending</b>	\$ (156,345)	(68,649)



**UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS**  
**Textbooks and Materials Fund**  
 Schedule of Receipts and Expenditures  
 Regulatory Basis  
 For the Year Ended June 30, 2019  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	Prior Year Actual	Current Year Actual
<b>Receipts</b>		
Intergovernmental Revenues		
State Aid	\$ 400	-
Federal Aid	-	514
Operating Transfers	100,000	-
Textbook and Material Fees	218,201	327,734
<b>Total Receipts</b>	318,601	328,248
<b>Expenditures</b>		
Instruction	206,547	308,294
Student Support Services	5,295	6,295
Instructional Support Services	20,068	19,709
School Administration	1,514	2,866
<b>Total Expenditures</b>	233,424	337,164
<b>Receipts Over (Under) Expenditures</b>	85,177	(8,916)
<b>Unencumbered Cash - Beginning</b>	139,238	224,415
<b>Prior Year Cancelled Encumbrances</b>	-	525
<b>Unencumbered Cash - Ending</b>	\$ 224,415	216,024

**UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS**  
**ECC Building Grant Fund**  
 Schedule of Receipts and Expenditures  
 Regulatory Basis  
 For the Year Ended June 30, 2019  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	Prior Year Actual	Current Year Actual
<b>Receipts</b>	\$ -	-
<b>Expenditures</b>		
Building Improvements	-	<b>598,801</b>
<b>Receipts Over (Under) Expenditures</b>	-	<b>(598,801)</b>
<b>Unencumbered Cash - Beginning</b>	-	-
<b>Unencumbered Cash - Ending</b>	\$ -	<b>(598,801)</b>

**UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS**  
**No Fund Warrant Fund**  
 Schedule of Receipts and Expenditures  
 Regulatory Basis  
 For the Year Ended June 30, 2019  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	Prior Year Actual	Current Year Actual
<b>Receipts</b>	\$ -	-
<b>Expenditures</b>		
Operating Transfers	23,334	-
<b>Receipts Over (Under) Expenditures</b>	(23,334)	-
<b>Unencumbered Cash - Beginning</b>	23,334	-
<b>Unencumbered Cash - Ending</b>	\$ -	-

## UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS

## Agency Funds

## Summary of Receipts and Disbursements

## Regulatory Basis

For the Year Ended June 30, 2019

Funds	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
<b>High School</b>				
Class of 2018	\$ 4,735	15	4,750	-
Class of 2019	2,309	3,512	2,443	3,378
Class of 2020	5,421	3,448	6,568	2,301
Class of 2021	3,267	4,001	537	6,731
Class of 2022	-	3,783	706	3,077
Project Graduation	-	4,530	4,530	-
DECA	2,713	25,504	23,793	4,424
Concessions	1,490	14,228	14,538	1,180
FFA	6,910	37,352	35,653	8,609
National Honor Society	854	2,231	2,452	633
Spanish	1,109	3,774	4,020	863
STUCO	400	12,544	11,939	1,005
Leadership Team	2,070	2,250	2,267	2,053
Helping Hands	7,556	21,671	21,035	8,192
Tribe Anglers Club	-	350	-	350
Knitting Club	-	406	-	406
Chess Club	-	966	897	69
<b>Total High School</b>	<b>38,834</b>	<b>140,565</b>	<b>136,128</b>	<b>43,271</b>
<b>Hays Middle School</b>				
6th Grade	2,777	-	277	2,500
7th Grade	4,652	-	1,652	3,000
8th Grade	4,847	-	997	3,850
8th Grade Recognition	1,866	-	1,866	-
Cheerleader	1,517	7,621	7,629	1,509
STUCO	3,132	2,966	2,962	3,136
<b>Total Hays Middle School</b>	<b>18,791</b>	<b>10,587</b>	<b>15,383</b>	<b>13,995</b>
<b>Total Student Organization Funds</b>	<b>\$ 57,625</b>	<b>151,152</b>	<b>151,511</b>	<b>57,266</b>

**UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS**  
**District Activity Funds**  
Schedule of Receipts, Expenditures and Unencumbered Cash  
Regulatory Basis  
For the Year Ended June 30, 2019

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
<b>Gate Receipts</b>							
<b>High School</b>							
Athletics	\$ 51,295	-	265,841	245,980	<b>71,156</b>	6,906	<b>78,062</b>
Musical	6,943	-	24,282	15,611	<b>15,614</b>	-	<b>15,614</b>
<b>Total High School</b>	<u>58,238</u>	<u>-</u>	<u>290,123</u>	<u>261,591</u>	<u><b>86,770</b></u>	<u>6,906</u>	<u><b>93,676</b></u>
<b>Hays Middle School</b>							
Athletics	<u>20,558</u>	<u>-</u>	<u>60,399</u>	<u>63,040</u>	<u><b>17,917</b></u>	<u>-</u>	<u><b>17,917</b></u>
<b>Total Gate Receipts</b>	<u>78,796</u>	<u>-</u>	<u>350,522</u>	<u>324,631</u>	<u><b>104,687</b></u>	<u>6,906</u>	<u><b>111,593</b></u>
<b>School Projects</b>							
<b>High School</b>							
Band	3,324	-	2,845	5,677	<b>492</b>	-	<b>492</b>
Chamber Singers	4,963	-	5,421	3,626	<b>6,758</b>	-	<b>6,758</b>
Publications/Journalism	12,463	-	25,685	20,461	<b>17,687</b>	151	<b>17,838</b>
HHS Vocal	5,201	-	15,942	13,580	<b>7,563</b>	-	<b>7,563</b>
Orchestra	3,156	-	11,203	8,653	<b>5,706</b>	-	<b>5,706</b>
Hays City Shootout	2,500	-	19,206	19,917	<b>1,789</b>	-	<b>1,789</b>
Drama	2,848	-	3,131	2,937	<b>3,042</b>	-	<b>3,042</b>
Dance Student ID Fee	422	-	1,284	105	<b>1,601</b>	-	<b>1,601</b>
Debate/Forensics	1,313	-	3,862	4,202	<b>973</b>	792	<b>1,765</b>
Hays High Industrial Tech Association	5,211	-	5,236	4,947	<b>5,500</b>	-	<b>5,500</b>
Welding Metals Tech	836	-	2,165	2,281	<b>720</b>	-	<b>720</b>
Video Tech	3,141	-	1,186	1,507	<b>2,820</b>	-	<b>2,820</b>
Special Woods	2,102	-	7,473	7,398	<b>2,177</b>	-	<b>2,177</b>
Project Management	740	-	645	573	<b>812</b>	-	<b>812</b>
Stitch N'Design	309	-	1,618	1,117	<b>810</b>	-	<b>810</b>
Sales Tax	16	-	13,960	13,927	<b>49</b>	-	<b>49</b>
Athletic Equipment	5,000	-	-	1,903	<b>3,097</b>	-	<b>3,097</b>
Athletic Supplies	4,707	-	23	1,849	<b>2,881</b>	-	<b>2,881</b>
Athletic Officials	4,929	-	32,000	33,616	<b>3,313</b>	-	<b>3,313</b>
SO Project Utility	120	-	-	-	<b>120</b>	-	<b>120</b>
Crafts/Leisure	132	-	-	132	-	-	-
Web Team	327	-	-	327	-	-	-
Business Club	-	-	1,145	348	<b>797</b>	-	<b>797</b>
Foreign Language National Honor Society	-	-	422	229	<b>193</b>	-	<b>193</b>
Scholars Bowl	-	-	740	738	<b>2</b>	-	<b>2</b>
Jag-K	-	-	250	-	<b>250</b>	-	<b>250</b>
Direct Rewards	-	-	2,597	-	<b>2,597</b>	-	<b>2,597</b>

**UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS**  
**District Activity Funds**  
Schedule of Receipts, Expenditures and Unencumbered Cash  
Regulatory Basis  
For the Year Ended June 30, 2019

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
<b>High School (continued)</b>							
Alex Santos Memorial	\$ 1,121	-	-	-	1,121	-	1,121
489 Preschool Activity	232	-	378	610	-	-	-
Migrant	500	-	-	-	500	-	500
Science Lab Books	1,401	-	-	185	1,216	-	1,216
Newspaper	1,783	-	1,518	3,008	293	-	293
Art	1,941	-	827	1,813	955	-	955
Library	34	-	89	123	-	-	-
School Improvements	5,997	-	15,166	13,841	7,322	138	7,460
Guidance Office	983	-	7,295	7,457	821	-	821
Transition Program	471	-	-	-	471	-	471
SAFE Program	118	-	1,600	691	1,027	-	1,027
Hays High School Pantry	1,993	-	1,887	695	3,185	-	3,185
Grants/Mini Grants	233	-	900	400	733	-	733
Enroll Activity Fee	1,061	-	42,067	39,383	3,745	7,626	11,371
Dillions Community Rewards	3,503	-	6,973	919	9,557	-	9,557
Concurrent Credit	7,527	-	4,166	203	11,490	-	11,490
Red Cross Club	19	-	935	924	30	-	30
<b>Total High School</b>	<u>92,677</u>	<u>-</u>	<u>241,840</u>	<u>220,302</u>	<u>114,215</u>	<u>8,707</u>	<u>122,922</u>
<b>Hays Middle School</b>							
Band	2,122	-	1,945	3,502	565	-	565
Vocal	12,437	-	667	7,346	5,758	-	5,758
Orchestra	582	-	16,672	16,220	1,034	-	1,034
Yearbook	3,643	-	14,423	12,284	5,782	-	5,782
Quiz/Scholar Bowl	110	-	364	474	-	-	-
Teacher Classroom	19,388	-	8,326	7,789	19,925	-	19,925
Magazine	1,924	-	-	1,924	-	-	-
Library	4,663	-	84	424	4,323	-	4,323
Special Project - Improvements	14,488	-	52,306	48,790	18,004	-	18,004
<b>Total Hays Middle School</b>	<u>59,357</u>	<u>-</u>	<u>94,787</u>	<u>98,753</u>	<u>55,391</u>	<u>-</u>	<u>55,391</u>
<b>Wilson Grade School</b>							
Principal's Contingency	1,694	-	3,500	3,546	1,648	-	1,648
Teacher Classroom	13,008	-	59,733	61,688	11,053	-	11,053
Field Trips/Projects	1,889	-	3,810	4,081	1,618	-	1,618
Yearbook	46	-	-	-	46	-	46
Library	3,387	-	358	3,622	123	-	123
Boxtops/Campbell's Labels	6,451	-	998	6,062	1,387	-	1,387
<b>Total Wilson Grade School</b>	<u>\$ 26,475</u>	<u>-</u>	<u>68,399</u>	<u>78,999</u>	<u>15,875</u>	<u>-</u>	<u>15,875</u>

**UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS**  
**District Activity Funds**  
Schedule of Receipts, Expenditures and Unencumbered Cash  
Regulatory Basis  
For the Year Ended June 30, 2019

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
<b>Lincoln Grade School</b>							
Principal's Contingency	\$ 10,326	-	4,021	2,120	12,227	-	12,227
Teacher Classroom	4,377	-	20,628	19,275	5,730	-	5,730
Pictures	471	-	357	-	828	-	828
Special Projects	6,368	-	759	473	6,654	-	6,654
Grants	3,418	-	1,041	908	3,551	-	3,551
<b>Total Lincoln Grade School</b>	<u>24,960</u>	<u>-</u>	<u>26,806</u>	<u>22,776</u>	<u>28,990</u>	<u>-</u>	<u>28,990</u>
<b>O'Loughlin Grade School</b>							
School Pictures	1,287	-	1,645	1,129	1,803	-	1,803
Teacher Classroom	7,301	-	41,490	40,884	7,907	-	7,907
Ambassador	312	-	2,213	1,346	1,179	-	1,179
Boxtops/Campbell's Labels	142	-	523	556	109	-	109
Principal's Contingency	304	-	-	25	279	-	279
<b>Total O'Loughlin Grade School</b>	<u>9,346</u>	<u>-</u>	<u>45,871</u>	<u>43,940</u>	<u>11,277</u>	<u>-</u>	<u>11,277</u>
<b>Roosevelt Grade School</b>							
Library	664	-	252	89	827	-	827
Principal's Contingency	4,505	-	4,457	7,142	1,820	-	1,820
Teacher Classroom	3,649	-	31,921	31,225	4,345	-	4,345
Pencil and Notebook	115	-	-	115	-	-	-
Special Projects	1,504	-	2,932	4,416	20	-	20
<b>Total Roosevelt Grade School</b>	<u>10,437</u>	<u>-</u>	<u>39,562</u>	<u>42,987</u>	<u>7,012</u>	<u>-</u>	<u>7,012</u>
<b>Total School Projects</b>	<u>223,252</u>	<u>-</u>	<u>517,265</u>	<u>507,757</u>	<u>232,760</u>	<u>8,707</u>	<u>241,467</u>
<b>Total District Activity Funds</b>	<u>\$ 302,048</u>	<u>-</u>	<u>867,787</u>	<u>832,388</u>	<u>337,447</u>	<u>15,613</u>	<u>353,060</u>

**UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS**  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2019

**SECTION I - SUMMARY OF AUDITORS' RESULTS**

**FINANCIAL STATEMENTS**

Type of auditors' report issued on whether the financial statement was prepared in accordance with a special purpose framework that is not in compliance with GAAP.

Unmodified

Internal control over financial reporting:

- |   |               |     |               |               |
|---|---------------|-----|---------------|---------------|
| • Material weakness identified?                         | <u>      </u> | Yes | <u>  X  </u>  | No            |
| • Significant deficiency identified?                    | <u>  X  </u>  | Yes | <u>      </u> | None Reported |
| • Noncompliance material to financial statements noted? | <u>      </u> | Yes | <u>  X  </u>  | No            |

**FEDERAL AWARDS**

Internal control over major programs:

- |                                      |               |     |               |               |
|--------------------------------------|---------------|-----|---------------|---------------|
| • Material weakness identified?      | <u>      </u> | Yes | <u>  X  </u>  | No            |
| • Significant deficiency identified? | <u>  X  </u>  | Yes | <u>      </u> | None Reported |

Type of auditors' report issued on compliance for major programs:

Qualified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)?

       Yes   X   No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
93.600	Head Start

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

       Yes   X   No



**UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS**  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2019

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

**Significant Deficiency in Internal Control**

**2019-001**

Criteria or specific requirement

Internal controls should be in place to ensure that employees do not have incompatible duties.

Condition

Proper segregation of duties does not exist in the accounting system.

Context

We determined, through walkthroughs and documentation of the Districts' internal controls, that there is a failure to properly segregate duties for the financial reporting process.

Effect

Management may not become aware of problems or irregularities in a timely manner.

Cause

The District has had turnover in key positions.

Recommendation

Procedures should be implemented to establish segregation of duties wherever possible. This would include segregating the duties for the bank reconciliation processes for all bank accounts. Due to key position employees leaving the District, these positions have changed roles, which eliminated the segregation of duties that were in place. The Board should remain involved in the financial affairs of the District to provide oversight and independent review functions.

Views of responsible officials and planned corrective actions

See corrective action plan.

**2019-002**

Criteria or specific requirement

Internal controls should be in place to ensure that all accounts payable and encumbrances are recorded on the District's books.

Condition

A material accounts payable was not recorded on the books at year-end.

Context

We determined, through a search for unrecorded liabilities, that there was a failure to properly record all outstanding payables.

Effect

Management may not be aware of accurate expenditures for the year, which could result in budget violations.

**UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS**

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2019

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Cause

The District has a large capital project going on and personnel did not recognize one of the invoices as a payable.

Recommendation

Procedures should be established and implemented where the District employees review invoices received after year-end to determine if they were for services performed prior to year-end.

Views of responsible officials and planned corrective actions

See corrective action plan.

**2019-003**

Criteria or specific requirement

Internal controls should be in place to ensure that information input into the payroll system is being reviewed against source documents.

Condition

There is no secondary review of the signed agreements/contracts to ensure they are entered into the payroll system with the correct pay changes implemented.

Context

We determined, through inquiry with HR and the payroll department, that once the payroll amounts are entered by the payroll department, there is no subsequent review of the inputs to determine they were entered correctly by the payroll department employee. Furthermore, the HR department directs the payroll department of a change but does not always have a signed agreement/contract to verify the change was directed or approved by administration.

Effect

Payroll amounts could be entered incorrectly resulting in the employees' pay being wrong or pay being changed without the approval of the administration and no documentation of a signed agreement/contract.

Cause

Changes are being made within the payroll system without a non-payroll employee reviewing the inputs and not having a signed agreement/contract.

Recommendation

We recommend that someone in HR review the payroll amounts after the signed contracts have been input into the payroll system but before the first payroll on the new contract has been paid. The final contracts should be kept in a file to be readily accessed if anyone asks for them.

Views of responsible officials and planned corrective actions

See corrective action plan.

**UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS**  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2019

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**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**Significant Deficiency in Internal Control and Compliance**

**2019-004**

Criteria or specific requirement

Internal controls should be in place to ensure that any raises given, or other changes made to an employee's pay during the year, are properly documented. Proper documentation is needed to allow for review and monitoring of the payroll process. Part of this process includes ensuring that updated contracts are properly signed by the appropriate individuals and filed for record-keeping.

Condition

Updated contracts are not consistently being signed and stored for record-keeping and review. In addition, due to the lack of review process, errors on works agreements are not being caught or corrected.

Context

We determined, through testing of a sample of the Head Start Program, that employees are receiving raises or other changes are being made to their salary, and some of these updated contracts are not being signed by the appropriate officials and the individual employee. In addition, work agreements were found that did not match the amount paid to the employee. Of the 32 employees tested, 2 did not have proper supporting documentation showing the wages or salary that they were paid.

Effect

Two employees were not paid the amount that their documentation shows. Total questioned costs are \$2,938.

Cause

Changes are being made within the payroll system without ensuring that a signed contract or work agreement exists to support the changes.

Recommendation

We recommend that the District put in place a policy that is effective at ensuring that all contracted employees sign and return a copy of their contract. In addition, these contracts should be reviewed before entering changes into the payroll system.

Views of responsible officials and planned corrective actions

See corrective action plan.

**UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS**  
Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2019

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**Significant Deficiency in Internal Control**

**2018-001**

Criteria or specific requirement

Internal controls should be in place to ensure that employees are added/removed from human resource reports as they are hired or terminated. Also, vacation and sick leave used needs to be updated before being handed over to the payroll department.

Condition

Employees are not being removed and vacation/sick leave is not being updated on the human resource reports prior to them being turned over to the payroll department to initiate payroll.

Context

We determined, through inquiry with the payroll department, that a prior employee was on the payroll direct deposit for the first payroll of the school year. Although immaterial in nature, we discovered that this employee was paid and should not have been.

Effect

A prior employee may not report to the school district that they are not scheduled to receive a direct deposit and end up keeping the payment.

Cause

The District's department head did not notify the human resources department of the employee's termination of employment until after the payroll was processed for the first payroll.

Recommendation

The District's department heads need to contact human resources as soon as they are aware of any change of employment. The human resources department needs to review the employee listing prior to turning it over to the payroll department.

Views of responsible officials and planned corrective actions

This was noted in the prior year audit and has since been addressed and corrected.

**UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS**

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2019

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Agency or Pass-through Number	Federal Expenditures
<b>U.S. Department of Agriculture</b>			
Passed Through Kansas State Department of Education			
<b>Food Service Fund</b>			
<b>Child Nutrition Cluster</b>			
School Breakfast Program	10.553	N/A	\$ 120,807
National School Lunch Program	10.555	N/A	722,303
Summer Food Service Program for Children	10.559	N/A	24,197
<b>Total Child Nutrition Cluster</b>			<u>867,307</u>
<b>Food Service Fund</b>			
Child and Adult Care Food Program	10.558	N/A	<u>110,973</u>
<b>Food Service Fund</b>			
State Administrative Expenses for Child Nutrition	10.560	N/A	<u>1,100</u>
<b>Textbooks and Materials Fund</b>			
Team Nutrition Grants	10.574	N/A	<u>200</u>
<b>U.S. Department of Education</b>			
Passed Through Kansas State Board of Education			
<b>Title I Fund</b>			
Title I Grants to Local Educational Agencies	84.010	N/A	<u>399,553</u>
<b>General Fund</b>			
Title I Grants to Local Educational Agencies	84.010	N/A	<u>2,337</u>
<b>Title I Carry Over Fund</b>			
Title I Grants to Local Educational Agencies	84.010	N/A	<u>55,000</u>
<b>Title I Migrant Fund</b>			
Migrant Education State Grant Program	84.011	N/A	<u>47,000</u>
<b>General Fund</b>			
Migrant Education State Grant Program	84.011	N/A	<u>242</u>
<b>General Fund</b>			
Title I State Agency Program for Neglected and Delinquent Children and Youth	84.013	N/A	<u>4</u>
<b>Coop Special Education Fund</b>			
<b>IDEA Cluster</b>			
Special Education - Grants to States	84.027	N/A	927,618
Special Education - Preschool Grants	84.173	N/A	28,145
<b>Total IDEA Cluster</b>			<u>955,763</u>
<b>Vocational Education Fund</b>			
Career and Technical Education - Basic Grants to States	84.048	N/A	<u>59,454</u>
<b>General Fund</b>			
Twenty-First Century Community Learning Centers	84.287	N/A	<u>412</u>
<b>General Fund</b>			
Rural Education	84.358	N/A	<u>119</u>
<b>Title III English Language Fund</b>			
English Language Acquisition State Grants	84.365	N/A	<u>14,428</u>

See accompanying notes to schedule of expenditures of federal awards.

**UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS**

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2019

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Agency or Pass-through Number	Federal Expenditures
<b>General Fund</b>			
English Language Acquisition State Grants	84.365	N/A	\$ 422
<b>Title II A Teacher Quality Fund</b>			
Supporting Effective Instruction State Grants	84.367	N/A	95,673
<b>General Fund</b>			
Supporting Effective Instruction State Grants	84.367	N/A	394
<b>Title I Fund</b>			
Student Support and Academic Enrichment Program	84.424	N/A	13,863
<b>Title II A Teacher Quality Fund</b>			
Student Support and Academic Enrichment Program	84.424	N/A	15,075
<b>General Fund</b>			
Student Support and Academic Enrichment Program	84.424	N/A	70
<b>At Risk K-12 Fund</b>			
Disaster Recovery Assistance for Education	84.938	N/A	13,500
<b>U.S. Department of Health and Human Services</b>			
Direct Programs			
<b>Head Start Fund</b>			
Head Start	93.600	N/A	1,278,165
<b>ECC Building Grant Fund</b>			
Head Start	93.600	N/A	598,801
<b>Early Head Start Fund</b>			
Head Start	93.600	N/A	460,855
Passed Through Kansas Department of Children and Families			
Child Care and Development Block Grant	93.575	N/A	398,695
Temporary Assistance for Needy Families	93.558	N/A	407,136
<b>Total Head Start Funds</b>			3,143,652
<b>Textbooks and Materials Fund</b>			
Cooperative agreements to promote adolescent health through school-based HIV/STD prevention and school-based surveillance	93.079	N/A	314
<b>Smart Start Fund</b>			
Cooperative agreements to promote adolescent health through school-based HIV/STD prevention and school-based surveillance	93.938	N/A	1,000
<b>Total Expenditures of Federal Awards</b>			\$ <b>5,797,855</b>

Note - There were no awards made to subrecipients for the 2018-2019 Fiscal Year.

See accompanying notes to schedule of expenditures of federal awards.

**UNIFIED SCHOOL DISTRICT NO. 489 HAYS, KANSAS**  
Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2019

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**NOTE 1 – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of **Unified School District No. 489 Hays, Kansas**, and is presented on the basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than generally accepted accounting principles. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

**NOTE 2 – INDIRECT COST RATE**

The District has elected not to use the 10% de minimis cost rate allowed under Section 200.414(f) of the Uniform Guidance.

**NOTE 3 – OTHER EXPENDITURES**

The District did not receive any federal awards in the form of noncash assistance, insurance, loans, or loan guarantees and incurred no expenditures in relation thereof for the year ended June 30, 2019.