

**UNIFIED SCHOOL DISTRICT NO. 386  
MADISON, KANSAS**

**FINANCIAL STATEMENT  
JUNE 30, 2018**

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**BUSBY FORD & REIMER, LLC**

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CERTIFIED PUBLIC ACCOUNTANTS

**UNIFIED SCHOOL DISTRICT NO. 386**  
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**JUNE 30, 2018**

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# BUSBY FORD & REIMER, LLC

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CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT

**Board of Education  
Unified School District No. 386  
Madison, Kansas**

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures and unencumbered cash balances of **Unified School District No. 386, Madison, Kansas**, as of and for the year ended **June 30, 2018**, and the related notes to the financial statement.

*Management's Responsibility for the Financial Statement*

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1 to meet the financial reporting requirements of the State of Kansas. 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 standards applicable to financial audits contained in *Government Auditing Standards* and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditors' 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 auditors consider 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.

**Board of Education**  
**Unified School District No. 386**

*Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America*

As described in Note 1 of the financial statement, the financial statement is prepared by **Unified School District No. 386, Madison, Kansas**, to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

*Adverse Opinion on Accounting Principles Generally Accepted in the United States of America*

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of **Unified School District No. 386, Madison, Kansas**, as of **June 30, 2018**, or changes in financial position and cash flows thereof for the year then ended.

*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. 386, Madison, Kansas**, as of **June 30, 2018**, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

*Report on Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual, agency funds schedules of regulatory basis cash receipts and disbursements, district activity funds schedules of regulatory basis cash receipts, expenditures and unencumbered cash (Regulatory-Required Supplementary Information as listed in the table of contents) and schedule of expenditures of federal awards (Federal Award Information 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.

**Board of Education  
Unified School District No. 386**

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 financial statement as a whole, on the basis of accounting described in Note 1.

The 2017 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget and individual fund schedules of regulatory basis receipts and expenditures-actual (as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2017 basic financial statement upon which we rendered an unmodified opinion dated December 4, 2017. The 2017 basic financial statement and our accompanying report are not presented herein but are available in electronic form from the web site of the Kansas Department of Administration at the following link <http://da.ks.gov/ar/muniserv/>. Such 2017 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2017 basic financial statement. The 2017 comparative information was subjected to the auditing procedures applied in the audit of the 2017 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2017 basic financial statement or to the 2017 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2017 comparative information is fairly stated in all material respects in relation to the 2017 basic financial statement as a whole, on the basis of accounting described in Note 1.

***Busby Ford & Reimer, LLC***

Busby Ford & Reimer, LLC  
January 10, 2019

**UNIFIED SCHOOL DISTRICT NO. 386**  
**SUMMARY OF CASH RECEIPTS, EXPENDITURES,**  
**AND UNENCUMBERED CASH**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Fund	\$ 0	\$ 0	\$ 2,147,244	\$ 2,147,244	\$ 0	\$ 9,517	\$ 9,517
Special Purpose Funds							
Supplemental General	28,494	0	750,053	753,361	25,186	24,217	49,403
At Risk (4 Year Old)	0	0	30,000	30,000	0	0	0
At Risk (K-12)	0	0	219,800	219,800	0	0	0
Capital Outlay	186,889	0	168,969	158,869	196,989	2,180	199,169
Driver Training	1,935	0	1,665	3,600	0	0	0
Food Service	60,000	0	182,593	197,593	45,000	0	45,000
Professional Development	0	0	17,684	17,684	0	0	0
Special Education	40,000	0	502,063	491,296	50,767	0	50,767
Career and Postsecondary Education	1,301	0	16,522	17,823	0	0	0
KPERS Contribution	0	0	204,977	204,977	0	0	0
Recreation Commission	26,957	0	24,243	16,092	35,108	0	35,108
Federal Funds	14,515	0	171,012	170,700	14,827	5,376	20,203
Gifts and Grants	17,908	0	232,366	197,784	52,490	218	52,708
Contingency Reserve	144,804	0	0	0	144,804	0	144,804
Textbook & Student Material							
Revolving	7,031	0	6,234	8,489	4,776	0	4,776
District Activity Funds	1,214	0	1,210	1,110	1,314	0	1,314
	<u>\$ 531,048</u>	<u>\$ 0</u>	<u>\$ 4,676,635</u>	<u>\$ 4,636,422</u>	<u>\$ 571,261</u>	<u>\$ 41,508</u>	<u>\$ 612,769</u>

Composition of Cash:

Checking and Money Market Accounts	\$ 548,159
Certificate of Deposit	100,000
	<u>648,159</u>
Agency Funds	(35,390)
	<u>\$ 612,769</u>

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



**UNIFIED SCHOOL DISTRICT NO. 386**  
**NOTES TO FINANCIAL STATEMENT**  
**JUNE 30, 2018**

**Note 1 - Summary of Significant Accounting Policies:**

Financial Reporting Entity

**Unified School District No. 386** is a municipal corporation established under State of Kansas statutes designed to meet educational requirements at the primary and secondary levels in and around Madison and Virgil, Kansas. The District is governed by an elected seven-member Board of Education. The District's financial statement includes all funds over which the Board of Education exercises financial responsibility. Financial responsibility includes appointment of governing body members, designation of management, the ability to significantly influence operations and accountability for fiscal matters.

**KMAAG Regulatory Basis of Presentation Fund Definitions:**

General Fund-The primary operating fund. Used to account for all unrestricted resources except those required to be accounted for in another fund.

Special Purpose Funds-To account for the proceeds of specific receipts (other than major capital projects) that are restricted by law or administrative action to expenditure for specific purposes.

Agency Funds-To account for resources held in a trustee or agency capacity for others which therefore cannot be used to support the government's own programs.

Regulatory Basis of Accounting and Departure from Accounting Principles Generally accepted in the United States of America

The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments 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 accounting principles generally accepted in the United States of America and allowing the municipality to use the regulatory basis of accounting.

Budget and Tax Cycle

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

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

**UNIFIED SCHOOL DISTRICT NO. 386**  
**NOTES TO FINANCIAL STATEMENT**  
**JUNE 30, 2018**

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 ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no amendments for the year ended June 30, 2018.

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 modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

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

Federal Funds  
Contingency Reserve Fund  
District Activity Funds

Gifts and Grants Fund  
Textbook & Student Material Revolving Fund

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 2 - In Substance Receipt in Transit:**

The District received \$149,475 subsequent to June 30, 2018, and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2018.

**Note 3 - Defined Benefit Pension Plan:**

Plan Description

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



**UNIFIED SCHOOL DISTRICT NO. 386**  
**NOTES TO FINANCIAL STATEMENT**  
**JUNE 30, 2018**

Contributions

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

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate with a 0% moratorium for the period of July 1, 2017 through September 30, 2017 for the Death and Disability Program) was 10.81% for the fiscal year ended June 30, 2017. The actuarially determined employer contribution rate was 12.01% for the fiscal year ended June 30, 2018. Per 2016 House Substitute for Senate Bill 161, Section 98(a)(1), state general fund and expanded lottery act revenue funds for employer contributions to KPERS were deferred. The amount deferred for school contributions was \$92,917,091 for the fiscal year ended June 30, 2016 and the anticipated repayments per SB249 were nullified per HB2052 during fiscal year 2017.

The State of Kansas contribution to KPERS for all school municipalities for the year ending June 30, 2017, received as of June 30<sup>th</sup> was \$304,596,361. Per 2017 Senate Substitute for House Bill 2052, Section 37(a), state general fund employer contributions to KPERS were decreased by \$64,130,234 for the fiscal year ended June 30, 2017. Section 43(17) of the bill also stipulates that repayments of the reduced contributions are to be amortized over twenty years at a level dollar amount commencing in fiscal year 2018. The level dollar amount was computed to be \$6.4 million dollars per year.

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled \$204,977 for the year ended June 30, 2018.

Net Pension Liability

At June 30, 2018, the District's proportionate share of the collective net pension liability reported by KPERS was \$2,696,591. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016, which was rolled forward to June 30, 2017. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2017. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

**UNIFIED SCHOOL DISTRICT NO. 386**  
**NOTES TO FINANCIAL STATEMENT**  
**JUNE 30, 2018**

**Note 4 - Postemployment Benefits:**

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

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

**Note 5 - Contingencies:**

Grant Programs

The District participates in various federal and state grant programs. These grant programs are often subject to additional audits by agents of the granting agency, the purpose of which is to ensure compliance with the specific conditions of the grant. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District carries commercial insurance for all risks of loss. Settled claims resulting from these risks have not materially exceeded commercial insurance coverage in any of the past three years.

**Note 6 - Reimbursed Expenses:**

The District records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as revenue to the fund. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements.

**Note 7 - Interfund Transactions:**

Operating transfers in accordance with K.S.A. 72-7063 were as follows:

		Transfer to:						
Transfer from:	At Risk (4 Year Old)	At Risk (K-12)	Drivers Education	Food Service	Professional Development	Special Education	Career and Postsecondary Education	Total
General Fund	\$ 30,000	\$ 215,843	\$ 0	\$ 0	\$ 13,266	\$ 391,005	\$ 3,883	\$ 653,997
Supplemental								
General Fund	0	0	1,665	50,060	0	109,269	2,953	163,947
	<u>\$ 30,000</u>	<u>\$ 215,843</u>	<u>\$ 1,665</u>	<u>\$ 50,060</u>	<u>\$ 13,266</u>	<u>\$ 500,274</u>	<u>\$ 6,836</u>	<u>\$ 817,944</u>

**UNIFIED SCHOOL DISTRICT NO. 386**  
**NOTES TO FINANCIAL STATEMENT**  
**JUNE 30, 2018**

**Note 8 - Compensated Absences:**

Sick leave is available to certified and classified staff and is issued according to the individuals work day. Classified employees may be granted a maximum of 15 days of sick leave a year (of which 4 may be used as personal business) with a total accumulation of 70 days allowed. There shall be no payment for unused sick leave when a classified employee ceases employment with the district. Each full-time certified employee of the district shall be entitled to 15 days of sick leave per year to accumulate at the rate of 3 days per month starting in August and running until December. The total book accumulation of sick leave shall not exceed 80 days for any one employee. Eligible teachers shall receive an annual payment on the June payroll each year for excess sick leave accrued beyond 80 days. The rate of compensation for such days shall be \$30.00 per such day. In addition, upon retirement, teachers with a minimum of 15 years of service with USD No. 386, will be given a stipend of \$5 per day to be paid for their sick leave accumulation not to exceed 80 days with the maximum amount to be \$400.00.

Full-time, twelve-month employees will have two weeks paid vacation per year. Employees with more than 14 years of service will have 3 weeks paid vacation per year. The clerk of the board has one month paid vacation per year. Vacation time must be used by July 1. Part-time and temporary employees are not eligible for vacation pay. Employees leaving the district shall be paid for accrued vacation time at the employee's regular daily rate of pay.

**Note 9 - Deposits:**

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

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts and certificates of 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 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 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%. All deposits were legally secured at June 30, 2018.

At June 30, 2018, the District's carrying amount of deposits was \$648,159 and the bank balance was \$1,018,344. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$250,000 was covered by federal depository insurance and the remaining \$768,344 was collateralized with securities held by the pledging financial institution's agent in the District's name.



**UNIFIED SCHOOL DISTRICT NO. 386**  
**NOTES TO FINANCIAL STATEMENT**  
**JUNE 30, 2018**

**Note 10 - Lease Purchase Agreements:**

The District is leasing its real property located in Greenwood County, Kansas to Southwest Trust Company (the Trustee) for a term commencing on June 21, 2011 and ending on June 21, 2023. Under this lease, the Trustee provided \$600,000 to acquire, construct and equip energy improvements to the existing Madison Elementary and Madison Junior/Senior High School including boiler, lighting, mechanical, plumbing, other energy efficient upgrades and resurfacing of the track.

Southwest Trust Company will then lease the real property and improvements to the District pursuant to a Lease Purchase Agreement dated June 21, 2011. Under the Lease Purchase Agreement, the District is obligated to make payments to the Trustee (the Basic Rent Payments). The agreement requires a basic rent payment in the amount of \$600,000 with a due date of June 21, 2023. The annual average effective interest rate of the Lease Purchase is 0%. The lease provides for early termination in the event of the happening of certain contingencies. The Lease contains various other covenants, terms and conditions. Copies of these documents are on file in the office of the Clerk of the District. The Lease Purchase Agreement has been designated by the District as a Qualified Zone Academy Bond pursuant to Sections 54A and 54E of the Internal Revenue Code, pursuant to an allocation received from the Kansas Department of Education.

**Note 11 - Certificates of Participation, Series 2011:**

The District issued Certificates of Participation, Series 2011, in the aggregate principal amount of \$600,000 to Citizens State Bank, Madison, Kansas for the purchase price of \$600,000 on June 21, 2011, and the proceeds were immediately deposited with Southwest Trust Company for the purpose of providing funds for construction of the Improvements. These Certificates of Participation, Series 2011, evidence interests in basic rent payments to be made by the District, pursuant to the Lease Purchase Agreement designated as Energy Qualified Zone Academy Bonds (QZABs), dated June 21, 2011, with Southwest Trust Company.

Pursuant to the Lease Purchase Agreement (see Note 10), the proceeds of the Series 2011 Certificates together with other available funds of the District are to be applied (i) to acquire, construct and equip energy improvements to the existing Madison Elementary and Madison Junior/Senior High School including boiler, lighting, mechanical, plumbing and other energy efficient upgrades, and (ii) to pay the costs of issuance of the Certificates. The improvements financed with the proceeds of the Series 2011 Certificates are hereinafter referred to as the "Improvements."

The Series 2011 Certificates are payable solely from the Basic Rent Payments made by the District under the Lease Purchase Agreement as specified above in Note 9. The Series 2011 Certificates are further secured by the Improvements under the Lease Purchase Agreement.

The Declaration of Trust by Southwest Trust Company for the Certificates of Participation, Series 2011, requires a Series 2011 Sinking Fund Account. It is to be established by the District, held with the Purchaser (Citizens State Bank) and the District agrees to make a deposit on June 21 of each year, commencing June 21, 2012, in the amount of \$50,000. The District agrees to direct the purchaser to transfer amounts on deposit in the Series 2011 Sinking Fund to the Trustee at any time basic rent is due under the lease and the amounts transferred to the Trustee shall be treated as payments of basic rent under the lease. The District agrees not to make any withdrawals from the Sinking Fund unless a Directive shall have been obtained to consent to such withdrawal.

**UNIFIED SCHOOL DISTRICT NO. 386**  
**NOTES TO FINANCIAL STATEMENT**  
**JUNE 30, 2018**

**Note 12 - Long-Term Debt:**

Principal payments and interest payments on lease purchase agreements are due annually.

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

<u>Issue</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>
Capital Leases				
Apple Equipment	0.30467%	6/27/16	\$ 102,779	7/5/18
2 71 Passenger Buses	2.70000%	6/30/16	\$ 152,780	8/1/21

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

<u>Issue</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Balance End of Year</u>	<u>Interest Paid</u>
Capital Leases					
Apple Equipment	\$ 68,415	\$ 0	\$ 34,156	\$ 34,259	\$ 208
2 71 Passenger Buses	128,128	0	21,193	106,935	3,459
	<u>\$ 196,543</u>	<u>\$ 0</u>	<u>\$ 55,349</u>	<u>\$ 141,194</u>	<u>\$ 3,667</u>

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

	<u>Principal</u>	<u>Interest</u>	<u>Total Principal and Interest</u>
2019	\$ 56,025	\$ 2,992	\$ 59,017
2020	32,214	2,300	34,514
2021	33,084	1,430	34,514
2022	19,871	539	20,410
	<u>\$ 141,194</u>	<u>\$ 7,261</u>	<u>\$ 148,455</u>

**Note 13 - Subsequent Events:**

The District has evaluated subsequent events through January 10, 2019, the date which the financial statement was available to be issued.

Subsequent to June 30, 2018, the District entered into a lease agreement for the purchase of two buses. Terms of the agreement call for six annual payments totaling \$169,695 including interest at 3.95% with a final maturity on September 1, 2023.

**REGULATORY REQUIRED  
SUPPLEMENTARY INFORMATION**



**UNIFIED SCHOOL DISTRICT NO. 386**  
**SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
General Fund	\$ 2,153,626	\$ (15,223)	\$ 8,841	\$ 2,147,244	\$ 2,147,244	\$ 0
Special Purpose Funds						
Supplemental General	712,718	(5,616)	46,259	753,361	753,361	0
At Risk (4 Year Old)	30,000	0	0	30,000	30,000	0
At Risk (K-12)	225,000	0	0	225,000	219,800	(5,200)
Capital Outlay	286,630	0	0	286,630	158,869	(127,761)
Driver Training	5,435	0	0	5,435	3,600	(1,835)
Food Service	247,746	0	0	247,746	197,593	(50,153)
Professional Development	21,000	0	0	21,000	17,684	(3,316)
Special Education	600,000	0	0	600,000	491,296	(108,704)
Career and Postsecondary Education	40,000	0	0	40,000	17,823	(22,177)
KPERS Contribution	205,524	0	0	205,524	204,977	(547)
Recreation Commission	42,110	0	0	42,110	16,092	(26,018)
Federal Funds	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	170,700	XXXXXXXXXX
Gifts and Grants	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	197,784	XXXXXXXXXX
Contingency Reserve	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0	XXXXXXXXXX
Textbook & Student Material						
Revolving	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	8,489	XXXXXXXXXX
District Activity Funds	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	1,110	XXXXXXXXXX
	<u>\$ 4,569,789</u>	<u>\$ (20,839)</u>	<u>\$ 55,100</u>	<u>\$ 4,604,050</u>	<u>\$ 4,636,422</u>	<u>\$ (345,711)</u>

**UNIFIED SCHOOL DISTRICT NO. 386**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -**  
**ACTUAL AND BUDGET**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2018**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)**

<u>General Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 19,898	\$ 8,841	\$ 0	\$ 8,841
State Sources	2,299,429	2,138,403	2,153,626	(15,223)
	<u>2,319,327</u>	<u>2,147,244</u>	<u>\$ 2,153,626</u>	<u>\$ (6,382)</u>
Expenditures				
Instruction	1,046,450	1,016,654	\$ 983,148	\$ 33,506
Student Support Services	56,668	65,436	65,801	(365)
Instructional Support Staff	1,433	2,408	5,000	(2,592)
General Administration	164,412	180,594	176,725	3,869
School Administration	182,964	173,723	187,091	(13,368)
Operations & Maintenance	134,096	53,663	50,669	2,994
Student Transportation Services	628	769	1,000	(231)
Other Support Services	0	0	4,000	(4,000)
Transfers	732,676	653,997	680,192	(26,195)
Adjustment to Comply with Legal Max	0	0	(15,223)	15,223
Adjustment for Qualifying Budget Credits	0	0	8,841	(8,841)
	<u>2,319,327</u>	<u>2,147,244</u>	<u>\$ 2,147,244</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>		

**UNIFIED SCHOOL DISTRICT NO. 386**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -**  
**ACTUAL AND BUDGET**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2018**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)**

<u>Supplemental General Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 443,651	\$ 434,156	\$ 366,126	\$ 68,030
County Sources	45,685	48,172	50,373	(2,201)
State Sources	292,182	267,725	267,725	0
	<u>781,518</u>	<u>750,053</u>	<u>\$ 684,224</u>	<u>\$ 65,829</u>
Expenditures				
Instruction	110,440	163,601	\$ 183,725	\$ (20,124)
Student Support Services	102,162	58,073	47,093	10,980
Instructional Support Staff	108	0	0	0
Operations & Maintenance	257,667	247,879	163,900	83,979
Student Transportation Services	117,274	119,861	68,000	51,861
Transfers	198,861	163,947	250,000	(86,053)
Adjustment to Comply with Legal Max	0	0	(5,616)	5,616
Adjustment for Qualifying Budget Credits	0	0	46,259	(46,259)
	<u>786,512</u>	<u>753,361</u>	<u>\$ 753,361</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	(4,994)	(3,308)		
Unencumbered Cash, Beginning	33,488	28,494		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 28,494</u>	<u>\$ 25,186</u>		

**UNIFIED SCHOOL DISTRICT NO. 386**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -**  
**ACTUAL AND BUDGET**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2018**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)**

<u>At Risk (4 Year Old) Fund</u>	Prior Year	<u>Current Year</u>		Variance -
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Over (Under)</u>
Cash Receipts				
Transfers	\$ 21,000	30,000	\$ 30,000	\$ 0
	<u>21,000</u>	<u>30,000</u>	<u>\$ 30,000</u>	<u>\$ 0</u>
Expenditures				
Instruction	21,000	\$ 30,000	\$ 30,000	\$ 0
	<u>21,000</u>	<u>30,000</u>	<u>\$ 30,000</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>		

**UNIFIED SCHOOL DISTRICT NO. 386**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -**  
**ACTUAL AND BUDGET**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2018**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)**

<u>At Risk (K-12) Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 5,648	\$ 3,957	\$ 0	\$ 3,957
Transfers	<u>156,390</u>	<u>215,843</u>	<u>225,000</u>	<u>(9,157)</u>
	<u>162,038</u>	<u>219,800</u>	<u>\$ 225,000</u>	<u>\$ (5,200)</u>
Expenditures				
Instruction	<u>202,038</u>	<u>219,800</u>	<u>\$ 225,000</u>	<u>\$ (5,200)</u>
	<u>202,038</u>	<u>219,800</u>	<u>\$ 225,000</u>	<u>\$ (5,200)</u>
Receipts Over (Under) Expenditures	(40,000)	0		
Unencumbered Cash, Beginning	40,000	0		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>		

**UNIFIED SCHOOL DISTRICT NO. 386**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -**  
**ACTUAL AND BUDGET**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2018**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)**

<u>Capital Outlay Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 116,781	\$ 131,385	\$ 107,588	\$ 23,797
County Sources	7,265	9,882	10,082	(200)
State Sources	28,904	27,702	27,890	(188)
	<u>152,950</u>	<u>168,969</u>	<u>\$ 145,560</u>	<u>\$ 23,409</u>
Expenditures				
Instruction	0	23,064	\$ 100,000	\$ (76,936)
Instructional Support Staff	0	0	46,630	(46,630)
Operations & Maintenance	0	18,845	0	18,845
Transportation	24,652	24,652	90,000	(65,348)
Facility Acquisition & Construction Services	<u>77,384</u>	<u>92,308</u>	<u>50,000</u>	<u>42,308</u>
	<u>102,036</u>	<u>158,869</u>	<u>\$ 286,630</u>	<u>\$ (127,761)</u>
Receipts Over (Under) Expenditures	50,914	10,100		
Unencumbered Cash, Beginning	135,975	186,889		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 186,889</u>	<u>\$ 196,989</u>		



**UNIFIED SCHOOL DISTRICT NO. 386**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -**  
**ACTUAL AND BUDGET**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2018**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)**

<u>Driver Training Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Transfers	\$ 0	\$ 1,665	\$ 3,500	\$ (1,835)
	<u>0</u>	<u>1,665</u>	<u>\$ 3,500</u>	<u>\$ (1,835)</u>
Expenditures				
Instruction	<u>0</u>	<u>3,600</u>	<u>\$ 5,435</u>	<u>\$ (1,835)</u>
	<u>0</u>	<u>3,600</u>	<u>\$ 5,435</u>	<u>\$ (1,835)</u>
Receipts Over (Under) Expenditures	0	(1,935)		
Unencumbered Cash, Beginning	1,935	1,935		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 1,935</u>	<u>\$ 0</u>		

**UNIFIED SCHOOL DISTRICT NO. 386**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -**  
**ACTUAL AND BUDGET**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2018**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)**

<u>Food Service Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 41,772	\$ 48,008	\$ 51,427	\$ (3,419)
State Sources	1,267	1,243	1,025	218
Federal Sources	91,160	83,282	70,294	12,988
Transfers	75,734	50,060	65,000	(14,940)
	<u>209,933</u>	<u>182,593</u>	<u>\$ 187,746</u>	<u>\$ (5,153)</u>
Expenditures				
Operations & Maintenance	13,859	14,105	\$ 19,140	\$ (5,035)
Food Service Operation	196,076	183,488	228,606	(45,118)
	<u>209,935</u>	<u>197,593</u>	<u>\$ 247,746</u>	<u>\$ (50,153)</u>
Receipts Over (Under) Expenditures	(2)	(15,000)		
Unencumbered Cash, Beginning	60,002	60,000		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 60,000</u>	<u>\$ 45,000</u>		

**UNIFIED SCHOOL DISTRICT NO. 386**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -**  
**ACTUAL AND BUDGET**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2018**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)**

<u>Professional Development Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 1,357	\$ 620	\$ 0	\$ 620
State Sources	0	1,950	2,000	(50)
Federal Sources	1,679	1,848	0	1,848
Transfers	14,658	13,266	19,000	(5,734)
	<u>17,694</u>	<u>17,684</u>	<u>\$ 21,000</u>	<u>\$ (3,316)</u>
Expenditures				
Instructional Support Staff	<u>19,471</u>	<u>17,684</u>	<u>\$ 21,000</u>	<u>\$ (3,316)</u>
	<u>19,471</u>	<u>17,684</u>	<u>\$ 21,000</u>	<u>\$ (3,316)</u>
Receipts Over (Under) Expenditures	(1,777)	0		
Unencumbered Cash, Beginning	1,646	0		
Prior Year Canceled Encumbrances	<u>131</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>		

**UNIFIED SCHOOL DISTRICT NO. 386**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -**  
**ACTUAL AND BUDGET**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2018**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)**

<u>Special Education Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 635	\$ 0	\$ 0	\$ 0
Federal Sources	0	1,789	0	1,789
Transfers	<u>531,106</u>	<u>500,274</u>	<u>560,000</u>	<u>(59,726)</u>
	<u>531,741</u>	<u>502,063</u>	<u>\$ 560,000</u>	<u>\$ (57,937)</u>
Expenditures				
Instruction	470,955	435,545	\$ 475,000	\$ (39,455)
Student Support Services	0	0	39,999	(39,999)
Student Transportation Services	<u>60,786</u>	<u>55,751</u>	<u>85,001</u>	<u>(29,250)</u>
	<u>531,741</u>	<u>491,296</u>	<u>\$ 600,000</u>	<u>\$ (108,704)</u>
Receipts Over (Under) Expenditures	0	10,767		
Unencumbered Cash, Beginning	40,000	40,000		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 40,000</u>	<u>\$ 50,767</u>		

**UNIFIED SCHOOL DISTRICT NO. 386**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -**  
**ACTUAL AND BUDGET**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2018**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)**

Career and Postsecondary Education Fund	Current Year			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 1,378	\$ 960	\$ 1,200	\$ (240)
State Sources	8,348	7,936	6,307	1,629
Federal Sources	0	790	0	790
Transfers	0	6,836	31,192	(24,356)
	<u>9,726</u>	<u>16,522</u>	<u>\$ 38,699</u>	<u>\$ (22,177)</u>
Expenditures				
Instruction	886	8,927	\$ 31,380	\$ (22,453)
Student Transportation Services	<u>7,652</u>	<u>8,896</u>	<u>8,620</u>	<u>276</u>
	<u>8,538</u>	<u>17,823</u>	<u>\$ 40,000</u>	<u>\$ (22,177)</u>
Receipts Over (Under) Expenditures	1,188	(1,301)		
Unencumbered Cash, Beginning	113	1,301		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 1,301</u>	<u>\$ 0</u>		

**UNIFIED SCHOOL DISTRICT NO. 386**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -**  
**ACTUAL AND BUDGET**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2018**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)**

<u>KPERS Contribution Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
State Sources	\$ 0	\$ 204,977	\$ 205,524	\$ (547)
Transfers	130,491	0	0	0
	<u>130,491</u>	<u>204,977</u>	<u>\$ 205,524</u>	<u>\$ (547)</u>
Expenditures				
Instruction	83,549	132,318	\$ 131,589	\$ 729
Student Support Services	7,135	10,472	11,238	(766)
Instructional Support Staff	1,521	2,035	2,396	(361)
General Administration	6,702	10,501	10,556	(55)
School Administration	10,464	16,634	16,481	153
Operations & Maintenance	9,223	14,553	14,526	27
Student Transportation Services	5,284	8,010	8,322	(312)
Food Service Operation	6,613	10,454	10,416	38
	<u>130,491</u>	<u>204,977</u>	<u>\$ 205,524</u>	<u>\$ (547)</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>		



**UNIFIED SCHOOL DISTRICT NO. 386**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -**  
**ACTUAL AND BUDGET**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2018**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)**

<u>Recreation Commission Fund</u>	<u>Current Year</u>		Variance - Over (Under)
	Prior Year Actual	Actual      Budget	
Cash Receipts			
Local Sources	\$ 22,621	\$ 22,298    \$ 15,285	\$ 7,013
County Sources	659	1,945      1,992	(47)
	<u>23,280</u>	<u>24,243</u> <u>\$ 17,277</u>	<u>\$ 6,966</u>
Expenditures			
Community Service Operations	13,596	16,092    \$ 42,110	\$ (26,018)
	<u>13,596</u>	<u>16,092</u> <u>\$ 42,110</u>	<u>\$ (26,018)</u>
Receipts Over (Under) Expenditures	9,684	8,151	
Unencumbered Cash, Beginning	17,273	26,957	
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>	
Unencumbered Cash, Ending	<u>\$ 26,957</u>	<u>\$ 35,108</u>	

**UNIFIED SCHOOL DISTRICT NO. 386**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2018**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)**

<u>Federal Funds</u>		
	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources	\$ 166,617	\$ 171,012
	<u>166,617</u>	<u>171,012</u>
Expenditures		
Instruction	152,102	170,700
	<u>152,102</u>	<u>170,700</u>
Receipts Over (Under) Expenditures	14,515	312
Unencumbered Cash, Beginning	0	14,515
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 14,515</u>	<u>\$ 14,827</u>

**UNIFIED SCHOOL DISTRICT NO. 386**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2018**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)**

Gifts and Grants Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	\$ 128,639	\$ 232,366
	<u>128,639</u>	<u>232,366</u>
Expenditures		
Instruction	106,637	183,790
Student Support Services	3,232	2,745
Student Transportation Services	12,746	3,081
Other Support Services	0	5,040
Food Services	0	3,128
	<u>122,615</u>	<u>197,784</u>
Receipts Over (Under) Expenditures	6,024	34,582
Unencumbered Cash, Beginning	11,884	17,908
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 17,908</u>	<u>\$ 52,490</u>

**UNIFIED SCHOOL DISTRICT NO. 386**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2018**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)**

Contingency Reserve Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers	\$ 2,158	\$ 0
	<u>2,158</u>	<u>0</u>
Expenditures	<u>0</u>	<u>0</u>
Receipts Over (Under) Expenditures	2,158	0
Unencumbered Cash, Beginning	142,646	144,804
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 144,804</u>	<u>\$ 144,804</u>

**UNIFIED SCHOOL DISTRICT NO. 386**  
**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2018**  
**(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)**

Textbook & Student Material		
<u>Revolving Fund</u>		
	Prior Year	Current Year
	<u>Actual</u>	<u>Actual</u>
Cash Receipts		
Local Sources	\$ 6,619	\$ 6,234
	<u>6,619</u>	<u>6,234</u>
Expenditures		
Instruction	9,125	8,489
	<u>9,125</u>	<u>8,489</u>
Receipts Over (Under) Expenditures	(2,506)	(2,255)
Unencumbered Cash, Beginning	9,537	7,031
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 7,031</u>	<u>\$ 4,776</u>

**UNIFIED SCHOOL DISTRICT NO. 386**  
**AGENCY FUNDS**  
**SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS**  
**REGULATORY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Madison High School				
Student Athletics	\$ 6,432	\$ 6,891	\$ 8,181	\$ 5,142
Class of 2017	0	8	8	0
Class of 2018	2,027	35,369	37,396	0
Class of 2019	1,939	3,520	2,778	2,681
Class of 2020	878	1,233	0	2,111
Class of 2021	261	2,842	1,746	1,357
Class of 2022	275	625	651	249
Class of 2023	0	210	128	82
Student Activities	892	968	1,160	700
Student Assistance	202	792	716	278
Bake Shop	371	509	276	604
Band	696	50	48	698
Gifted	0	351	144	207
In House Training	139	1,287	757	669
Vocal Music Fund	2,490	489	426	2,553
Odyssey of the Mind	2,381	1	0	2,382
Play Performance	312	0	0	312
STUGO	646	1,984	2,519	111
Economics	10	0	0	10
Art Club	288	100	0	388
Physics	16	0	0	16
Madison Invitational Music Festival	5,813	4,626	3,892	6,547
Ag Team	2,407	2,521	50	4,878
Newspaper Club	187	0	0	187
Outdoor Environmental Center	64	212	0	276
Sales Tax	0	4,202	4,195	7
Interest	25	46	0	71
Library	259	35	84	210
Flower Fund	174	52	153	73
Elementary Fund	37	1,371	1,088	320
Beautification	302	0	0	302
SAFE Program	2	381	370	13
	<u>29,525</u>	<u>70,675</u>	<u>66,766</u>	<u>33,434</u>
Madison Elementary School				
Music	0	211	203	8
Sales Tax	(19)	81	109	(47)
Student Publications	(532)	357	510	(685)
Student Welfare	1,592	1,487	399	2,680
	<u>1,041</u>	<u>2,136</u>	<u>1,221</u>	<u>1,956</u>
Total Agency Funds	<u>\$ 30,566</u>	<u>\$ 72,811</u>	<u>\$ 67,987</u>	<u>\$ 35,390</u>



**UNIFIED SCHOOL DISTRICT NO. 386  
DISTRICT ACTIVITY FUNDS  
SCHEDULE OF CASH RECEIPTS, EXPENDITURES,  
AND UNENCUMBERED CASH  
REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2018**

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Gate Receipts							
Athletics							
Madison Jr High/Sr High	\$ 1,214	\$ 0	\$ 1,210	\$ 1,110	\$ 1,314	\$ 0	\$ 1,314
Total District Activity Funds	<u>\$ 1,214</u>	<u>\$ 0</u>	<u>\$ 1,210</u>	<u>\$ 1,110</u>	<u>\$ 1,314</u>	<u>\$ 0</u>	<u>\$ 1,314</u>

**FEDERAL AWARD INFORMATION**

**UNIFIED SCHOOL DISTRICT NO. 386**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

Grant Title	Federal CFDA No.	Program Amount	Unencumbered Cash 7-1-17	Receipts	Expenditures	Unencumbered Cash 6-30-18
Department of Education						
Rural Education	84.358	\$ 19,813	\$ 0	\$ 19,813	\$ 19,813	\$ 0
(Passes Through Kansas Department of Education)						
Department of Agriculture						
School Breakfast Program	10.553	19,170				
National School Lunch Program	10.555	58,845				
Summer School Service Program for Children	10.559	5,267				
		<u>83,282</u>	<u>0</u>	<u>83,282</u>	<u>83,282</u>	<u>0</u>
Department of Education						
Title I Grants to Local Educational Agencies	84.010	49,825	0	49,825	49,825	0
Special Education Grants to States	84.027	1,789	0	1,789	1,789	0
Twenty-First Century Community Learning Centers	84.287	89,812	14,515	89,812	89,500	14,827
Supporting Effective Instruction State Grants	84.367	10,430	0	10,430	10,430	0
Student Support and Academic Enrichment Program	84.424	1,132	0	1,132	1,132	0
		<u>152,988</u>	<u>14,515</u>	<u>152,988</u>	<u>152,676</u>	<u>14,827</u>
(Passes Through Southeast Kansas Education Service Center)						
Department of Education						
Career and Technical Education-Basic Grants to States	84.048	<u>2,638</u>	<u>0</u>	<u>2,638</u>	<u>2,638</u>	<u>0</u>
Total Federal Awards		<u>\$ 258,721</u>	<u>\$ 14,515</u>	<u>\$ 258,721</u>	<u>\$ 258,409</u>	<u>\$ 14,827</u>