

UNIFIED SCHOOL DISTRICT #413
Chanute, Kansas

Independent Auditors' Reports and
Regulatory Basis Financial Statement
with Supplementary Information

For the Fiscal Year Ended June 30, 2017

UNIFIED SCHOOL DISTRICT #413
Chanute, Kansas

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JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Board of Education
Unified School District #413
Chanute, Kansas

Report on the Financial Statement

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District #413, Chanute, Kansas, a municipality, as of and for the year ended June 30, 2017, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are 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 the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District'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 District'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 statements.

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 of the financial statement, the financial statement is prepared by Unified School District #413 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 matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Unified School District #413 as of June 30, 2017, 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 the Unified School District #413 as of June 30, 2017, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note 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, schedule of regulatory basis receipts and disbursements-agency funds, and summary 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. 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 also not a required part of the basic financial statements. 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 #461 as of and for the year ended June 30, 2016 (not presented herein), and have issued our report thereon dated November 30, 2016, which contained an unmodified opinion on the basic financial statement. The 2016 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <http://www.admin.ks.gov/offices/chief-financial-officer/municipal-services>. The 2016 actual column (2016 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended June 30, 2017 (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 2016 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2016 basic financial statement. The 2016 comparative information was subjected to the auditing procedures applied in the audit of the 2016 basic financial statement and certain additional procedures, including comparing and reconciling such information

directly to the underlying accounting and other records used to prepare the 2016 basic financial statement or to the 2016 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2016 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, 2016, on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2017, on our consideration of the Unified School District #413's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Unified School District #413's 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 #413's internal control over financial reporting and compliance.



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
December 18, 2017

UNIFIED SCHOOL DISTRICT #413

Chanute, Kansas

Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis

For the Fiscal Year Ended June 30, 2017

Funds	Beginning Unencumbered Cash Balances	Receipts	Expenditures	Ending Unencumbered Cash Balances	Plus		Ending Cash Balances June 30, 2017
					Encumbrances and Accounts Payable	Cash Balances June 30, 2017	
General	\$ -	\$ 12,591,076.86	\$ 12,591,076.86	\$ -	\$ 882,868.95	\$ 882,868.95	
Supplemental General	252,961.02	3,620,661.40	3,873,622.23	0.19	117,042.01	117,042.20	
Special Purpose Funds:							
4 Year Old At-Risk	101,301.09	115,576.34	114,518.30	102,359.13	6,818.86	109,177.99	
K-12 At-Risk	949,037.57	2,103,269.03	2,103,269.03	949,037.57	196,485.06	1,145,522.63	
Bilingual Education	24,367.21	25,816.49	25,816.49	24,367.21	2,666.96	27,034.17	
Capital Outlay	4,855,104.28	772,832.59	468,407.75	5,159,529.12	34,217.44	5,193,746.56	
Driver Training	66,385.32	32,165.00	28,909.40	69,640.92	5,933.34	75,574.26	
Food Service	573,498.13	1,184,753.71	1,224,403.81	533,848.03	55,784.31	589,632.34	
Professional Development	200,219.93	107,467.59	110,669.20	197,018.32	10,551.29	207,569.61	
Special Education	1,777,802.12	3,154,325.90	3,154,325.90	1,777,802.12	9,870.98	1,787,673.10	
Vocational Education	89,643.82	297,722.87	300,358.41	87,008.28	25,369.37	112,377.65	
Gifts and Grants	1,153.34	45.00	607.73	590.61	-	590.61	
KPERS Special Retirement Contributions	-	784,339.73	784,339.73	-	-	-	
Contingency Reserve	1,811,780.16	397,197.17	-	2,208,977.33	-	2,208,977.33	
Text Book and Student Materials	141,125.28	57,984.83	38,468.61	160,641.50	4,521.30	165,162.80	
Recreation Commission	91,489.93	433,819.95	433,466.00	91,843.88	-	91,843.88	
Recreation Commission Employee Benefits	14,219.50	120,390.18	107,999.50	26,610.18	-	26,610.18	
Title I - Low Income ESEA	(80.86)	531,022.00	532,001.30	(1,060.16)	63,058.22	61,998.06	
Title II - Improving Teacher Quality	(80.74)	88,918.00	89,771.34	(934.08)	12,541.30	11,607.22	
Jump Start Program	14,779.11	-	14,742.60	36.51	-	36.51	
IDL Services	5,080.60	7,000.00	5,213.91	6,866.69	-	6,866.69	
Title VI-B - Rural Education	(25.88)	34,485.00	34,559.12	(100.00)	21,136.80	21,036.80	

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

UNIFIED SCHOOL DISTRICT #413
Chanute, Kansas

Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Fiscal Year Ended June 30, 2017

Funds	Beginning Unencumbered Cash Balances	Receipts	Expenditures	Ending Unencumbered Cash Balances	Plus		Ending Cash Balances 2017
					Encumbrances and Accounts Payable	Cash Balances	
Special Purpose Funds: (Continued)							
Healthy Kansas Schools Grant	\$ 731.28	\$ 9,600.00	\$ 9,825.18	\$ 506.10	\$ 2,245.00	\$	2,751.10
Foundation Grants	(1,009.80)	2,874.68	1,864.88	-	-	-	-
Kansas Kids Fitness and Safety	-	428.57	382.80	45.77	-	-	45.77
Gate Receipts	32,269.90	141,610.09	131,891.11	41,988.88	-	-	41,988.88
Special Projects	6,629.21	37,258.22	29,458.00	14,429.43	-	-	14,429.43
Bond and Interest Funds:							
Bond and Interest	830,115.17	2,538,880.59	2,229,263.76	1,139,732.00	-	-	1,139,732.00
Capital Projects Funds:							
School Building Capital Project	1,747,219.00	-	541,716.11	1,205,502.89	25,560.00	-	1,231,062.89
Hail Damage - 2017	-	32,328.63	30,407.40	1,921.23	20,527.40	-	22,448.63
Trust Funds:							
School Nurse - Needy Family	674.35	1,500.00	1,137.93	1,036.42	-	-	1,036.42
Total Reporting Entity	\$ 13,586,390.04	\$ 29,225,350.42	\$ 29,012,494.39	\$ 13,799,246.07	\$ 1,497,198.59	\$	15,296,444.66
Composition of Cash							
Cash on Hand.....						\$	1,625.00
Petty Cash (CHS-RMS).....							2,000.00
General Checking Account.....							12,470,616.87
Activity Checking Accounts.....							109,922.28
Certificates of Deposit.....							2,862,334.17
Total Cash							15,446,498.32
Less Agency Funds per Schedule 3							(150,053.66)
Total Reporting Entity.....						\$	15,296,444.66

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

UNIFIED SCHOOL DISTRICT #413
Chanute, Kansas
Notes to the Financial Statement
For the Fiscal Year Ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statement and schedules of Unified School District #413, Chanute, Kansas, have been prepared in order to show compliance with the cash basis and budget laws of the State of Kansas. The Governmental Accounting Standards Board is the principal standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies follow. Note 1 describes how the District's accounting policies differ from accounting principles generally accepted in the United States of America.

Reporting Entity

The District is a municipal corporation governed by an elected seven-member board. This financial statement presents Unified School District #413.

Related Municipal Entities: A related municipal entity is determined by the following criteria. Whether the District exercises oversight responsibility on financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters, scope of the public service, and significant operational or financial relationships with the District. Related municipal entities are not required to be included in the District's audit by the Kansas Municipal Audit and Accounting Guide (KMAAG). Based upon the application of this criterion, the following is a brief review of potential related entities:

Jointly Governed Component Unit. The financial statement and schedules include the following financial data of a jointly governed component unit. Two members of the governing body of this component unit are appointed by the USD. Other members of the governing body include two members appointed by the City of Chanute and one at-large member.

Recreation Commission - Chanute Recreation Commission oversees recreational activities. The recreation commission can sue and be sued, but acquisition of real property by the commission must be approved by the USD. The USD levies taxes for the recreation commission. Bond issuances must be approved by the USD. The Recreation Commission funds in this financial statement only include tax levy money collected by the USD and distributed to the Commission. Financial statements are available at the Commission.

USD #413 Foundation - The economic resources received or held by the component unit are held almost entirely for the direct benefit of the District. The USD #413 Foundation was formed to promote and foster the educational purposes of the District, and to create a fund to be used for any program, project or enterprise undertaken in the interest of the District. The Foundation acts largely as a fundraising organization, soliciting, receiving, managing and disbursing contributions on behalf of the District. Most of the contributions received are designated by the donors to be used for specific purposes or by specific departments. In these instances, the Foundation serves essentially as a conduit. Contributions that are not designated are used where the need is considered greatest, as determined by the Foundation board of directors. The Foundation can sue and be sued, and can buy, sell, or lease real property. Separate internal financial statements are available from the Foundation.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Regulatory Basis Fund Types

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

The following types of funds comprise the financial activities of Unified School District #413, for the year ended June 30, 2017:

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.

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

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

Basis of Presentation – Regulatory Basis of Accounting

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

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.

Property Taxes

In accordance with governing state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1 of the ensuing year.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Property Taxes (Continued)

Consequently, for revenue recognition purposes, taxes levied during the current year are not due and receivable until the ensuing year. At December 31 such taxes are a lien on the property.

Reimbursed Expenses

K.S.A. 79-2934 provides that reimbursed expenditures, in excess of those budgeted, should be recorded as reductions in expenditures rather than as revenues. In the financial statements and budget comparison schedules presented in this report, reimbursements and refunds are recorded as revenues. The reimbursements are recorded as cash receipts when received by the District Treasurer and are often difficult to identify the exact expenditure which they are reimbursing. In funds showing expenditures in excess of the original adopted budget, reimbursements are added to the adopted budget as budget credits for comparison with the actual expenditures.

Pension Plan

Substantially all full-time District employees are members of the State of Kansas Public Employees Retirement System which is a multi-employer state-wide pension plan. The District's policy is the State of Kansas will fund all pension costs accrued; such costs to be funded are actuarially determined annually by the State.

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

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

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. The District had no such amendments during the fiscal year, however, the General Fund budget was decreased to the legal maximum budget based upon final enrollment numbers being lower than originally budgeted.

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Information (Continued)

All legal annual operating budgets are prepared using the cash basis of accounting, modified further by the recording of accounts payable and encumbrances. Revenues are recognized when cash is received. Expenditures include cash disbursements, accounts payable and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments of the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end. A legal operating budget is not required for fiduciary funds and certain special purpose 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.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance with Kansas Statutes

Statement 1 and Schedule 1 have been prepared in order to show compliance with the cash basis and budget laws of Kansas. As shown in Statement 1, the District was in apparent violation with K.S.A. 10-1113, as the District has obligated expenditures in excess of available monies in the Title I-Low Income ESEA Fund, Title II-Improving Teacher Quality Fund and Title VI-B-Rural Education Fund. However, K.S.A 10-1116 provides that under certain situations, a fund can end the year with a negative unencumbered cash balance and therefore, exempt from the cash basis laws of the State of Kansas. The funds listed above met the criteria under the statutes, and therefore, are not deemed to be in violation of the Kansas cash basis law. As shown in Schedule 1, the District was in apparent compliance with Kansas budget laws.

3. DEPOSITS AND INVESTMENTS

K.S.A 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main branch 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.

3. DEPOSITS AND INVESTMENTS (Continued)

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. All deposits were legally secured at June 30, 2017.

At year-end, the District's carrying amount of deposits was \$15,442,873.32 and the bank balance was \$14,917,354.63. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$520,405.31 was covered by FDIC insurance and \$14,396,949.32 was collateralized with securities held by the pledging financial institution's agents in the District's name.

4. LONG-TERM DEBT

Changes in long-term liabilities for the District for the year ended June 30, 2017, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balances Beginning of Year	Additions/ New Debt	Reductions/ Principal Paid	Balances End of Year	Interest Paid
General Obligation Bonds									
Series 2011 Refunding	2.00%-4.00%	11/22/2011	\$ 9,390,000.00	9/1/2029	\$ 9,340,000.00	\$ -	\$ 50,000.00	\$ 9,290,000.00	\$ 340,763.76
Series 2012 Refunding	2.00%-4.25%	1/4/2012	9,330,000.00	9/1/2030	9,255,000.00	-	75,000.00	9,180,000.00	308,800.00
Series 2013 Refunding	2.00%-4.00%	1/9/2013	23,860,000.00	9/1/2035	23,400,000.00	-	550,000.00	22,850,000.00	904,700.00
Total Contractual Indebtedness					\$ 41,995,000.00	\$ -	\$ 675,000.00	\$ 41,320,000.00	\$ 1,554,263.76

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

Principal	Issue	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023-2027	June 30, 2028-2032	June 30, 2033-2036	Totals
General Obligation Bonds										
Paid with Tax Levies										
Series 2011 Refunding	\$ 55,000.00	\$ 55,000.00	\$ 55,000.00	\$ 55,000.00	\$ 55,000.00	\$ 60,000.00	\$ 1,915,000.00	\$ 7,095,000.00	\$ -	\$ 9,290,000.00
Series 2012 Refunding	80,000.00	80,000.00	1,035,000.00	1,145,000.00	1,250,000.00	1,250,000.00	2,850,000.00	2,740,000.00	-	9,180,000.00
Series 2013 Refunding	645,000.00	735,000.00	-	30,000.00	30,000.00	30,000.00	3,930,000.00	3,095,000.00	14,385,000.00	22,850,000.00
Total Principal	780,000.00	870,000.00	1,090,000.00	1,230,000.00	1,340,000.00	1,340,000.00	8,695,000.00	12,930,000.00	14,385,000.00	41,320,000.00
Interest										
General Obligation Bonds										
Paid with Tax Levies										
Series 2011 Refunding	339,713.76	338,338.76	336,688.76	335,141.88	333,632.50	333,632.50	1,478,400.00	406,630.00	-	3,568,545.66
Series 2012 Refunding	307,250.00	305,650.00	289,325.00	256,625.00	220,700.00	220,700.00	669,550.00	407,575.00	-	2,456,675.00
Series 2013 Refunding	886,775.00	866,075.00	855,050.00	854,777.00	854,150.00	854,150.00	4,111,150.00	3,424,500.00	1,201,100.00	13,053,577.00
Total Interest	1,533,738.76	1,510,063.76	1,481,063.76	1,446,543.88	1,408,482.50	1,408,482.50	6,259,100.00	4,238,705.00	1,201,100.00	19,078,797.66
Total Principal and Interest	\$ 2,313,738.76	\$ 2,380,063.76	\$ 2,571,063.76	\$ 2,676,543.88	\$ 2,748,482.50	\$ 2,748,482.50	\$ 14,954,100.00	\$ 17,168,705.00	\$ 15,586,100.00	\$ 60,398,797.66

5. **OPERATING LEASES**

As of June 30, 2017 the District has entered into a number of operating leases for equipment. Total payments for the year ended June 30, 2017, was \$588.00. Under the current lease agreements, the future minimum lease rentals are as follows:

2018	\$ 294.00
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6. **DEFINED BENEFIT PENSION PLAN**

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

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

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1.00% contribution rate for the Death and Disability Program) and the statutory contribution rate was 16.03% and 10.81%, respectively, for the fiscal year ended June 30, 2017. Per 2016 House Substitute for Senate Bill 161, Section 98(a)(1), state general fund and expanded lottery act revenue funds for employer contributions to KPERS were deferred. The amount deferred for school contributions was \$92,917,091.

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled \$784,339.73 for the year ended June 30, 2017.

6. DEFINED BENEFIT PENSION PLAN (Continued)

Net Pension Liability

At June 30, 2017, the District's proportionate share of the collective net pension liability reported by KPERS was \$14,611,990.00. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015, which was rolled forward to June 30, 2016. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2016. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

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

7. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Compensated Absences:

It is the policy of Unified School District #413 that two weeks (10 working days) vacation is granted annually. New employees working less than one year (July 1 through June 30) are granted one day vacation for every month employed as of May 31st. (Maximum of 10 days.) Employees are granted three weeks (15 working days) vacation annually after being employed five (5) consecutive years and four weeks (20 working days) vacation annually after being employed fifteen (15) consecutive years. Vacation time is to be approved in advance by the superintendent or designee. The superintendent may designate paid vacation schedules, i.e., spring break, for any or all employees. Vacation time is to be used annually and is not accumulative.

The school district's sick leave policy allows crediting each employee with twelve days sick leave per year to a maximum of one hundred days. At retirement or death all full time employees with fifteen years of service are compensated for fifty percent of accumulated and unused sick leave days. Such payments will be paid into an individual 403(b) account.

The District accrues a liability for compensated absences which meet the following criteria:

- 1) The District's obligation relating to employees' rights to receive compensation for future absences is attributed to employee's services already rendered.
- 2) The obligation relates to rights that vest or accumulate.
- 3) Payment of the compensation is probable.
- 4) The amount can be reasonably estimated.

In accordance with the above criteria, the District has not estimated a liability for leave earned, but not taken, by District employees, as the amounts cannot be reasonably estimated at this time.

7. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS (Continued)

Other Post Employment Benefits:

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

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

Early Professional Employee Retirement

The school district's professional employee early retirement plan allows any professional employee, at the employee's option, to take early retirement at ages fifty-five through sixty-five providing the employee has at least fifteen years prior service with the school district. An employee who takes early retirement is entitled to five annual payments equal to fifteen percent of that employee's last basic contracted salary until the end of the contract year in which that employee reaches age sixty-five or five annual payments whichever occurs first. Such payments will be paid into an individual 403(b) account.

8. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disasters. The District manages these risks of loss through the purchase of various insurance policies.

9. CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government and state grantors. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

10. INTERFUND TRANSFERS

Operating transfers were as follows:

<u>From Fund:</u>	<u>To Fund:</u>	<u>Statutory Authority</u>	<u>Amount</u>
General	Contingency Reserve	K.S.A. 72-6428	\$ 397,197.17
General	Special Education	K.S.A. 72-6428	3,154,325.90
General	Bilingual Education	K.S.A. 72-6428	25,816.49
General	KPERS	K.S.A. 72-6428	784,339.73
General	Vocational Education	K.S.A. 72-6428	264,924.83
Supplemental General	Vocational Education	K.S.A. 72-6428	13,345.04
Supplemental General	K-12 At-Risk	K.S.A. 72-6428	2,103,269.03
Supplemental General	Professional Development	K.S.A. 72-6428	107,467.59
Supplemental General	4 Year Old At-Risk	K.S.A. 72-6428	115,576.34
Capital Outlay	Bond & Interest	K.S.A. 72-6428	475.59

11. RELATED PARTIES

MRH Insurance Group, Inc. is an insurance company owned by one member of the Board of Education. During the year, the District paid \$164,398.00 to MRH Insurance Group, Inc. for insurance.

12. SUBSEQUENT EVENTS

The District evaluated events and transactions occurring subsequent to June 30, 2017, and there were no subsequent events requiring recognition in the financial statement. Additionally, there were no nonrecognized subsequent events requiring disclosure.

SUPPLEMENTARY INFORMATION

UNIFIED SCHOOL DISTRICT #413
Chanute, Kansas
(Budgeted Funds Only)
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Fiscal Year Ended June 30, 2017

Funds	Certified Budget	Adjustments to Comply with Legal Maximum	Total Budget for Comparison	Expenditures		Variance - Over (Under)
				Charged to Current Year Budget		
General	\$ 13,173,383.00	\$ (582,306.00)	\$ 12,591,077.00	\$ 12,591,076.86	\$	(0.14)
Supplemental General	4,090,402.00	-	4,090,402.00	3,873,622.23		(216,779.77)
Special Purpose Funds:						
4 Year Old At-Risk	156,500.00	-	156,500.00	114,518.30		(41,981.70)
K-12 At-Risk	2,583,318.00	-	2,583,318.00	2,103,269.03		(480,048.97)
Bilingual Education	78,749.00	-	78,749.00	25,816.49		(52,932.51)
Capital Outlay	4,940,399.00	-	4,940,399.00	468,407.75		(4,471,991.25)
Driver Training	73,436.00	-	73,436.00	28,909.40		(44,526.60)
Food Service	1,327,150.00	-	1,327,150.00	1,224,403.81		(102,746.19)
Professional Development	239,062.00	-	239,062.00	110,669.20		(128,392.80)
Special Education	4,691,803.00	-	4,691,803.00	3,154,325.90		(1,537,477.10)
Vocational Education	358,738.00	-	358,738.00	300,358.41		(58,379.59)
Recreation Commission	433,466.00	-	433,466.00	433,466.00		-
Recreation Commission Employee Benefits	108,000.00	-	108,000.00	107,999.50		(0.50)
KPERS Special Retirement Contributions	1,136,579.00	-	1,136,579.00	784,339.73		(352,239.27)
Bond and Interest Funds:						
Bond and Interest	2,336,346.00	-	2,336,346.00	2,229,263.76		(107,082.24)

UNIFIED SCHOOL DISTRICT #413

Chanute, Kansas

GENERAL FUND

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Fiscal Year Ended June 30, 2017

(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
County Sources				
Mineral Tax	\$ 30.46	\$ 6.13	\$ -	\$ 6.13
State Sources				
General State Aid	9,801,192.00	9,777,506.00	9,845,522.00	(68,016.00)
Supplemental General State Aid	2,096,781.00	-	-	-
KPERS Aid	822,229.96	784,339.73	1,136,579.00	(352,239.27)
Capital Outlay Aid	93,571.00	-	-	-
Special Education Aid	2,016,822.00	2,029,225.00	2,191,282.00	(162,057.00)
Total Receipts	14,830,626.42	12,591,076.86	\$ 13,173,383.00	\$ (582,306.14)
Expenditures				
Instruction	4,622,280.51	4,716,465.32	\$ 5,035,350.00	\$ (318,884.68)
Support Services				
Student Support	411,435.16	417,316.85	525,900.00	(108,583.15)
Instructional Support	221,139.23	166,058.44	299,950.00	(133,891.56)
General Administration	416,196.51	442,825.10	512,400.00	(69,574.90)
School Administration	916,248.96	945,040.58	968,500.00	(23,459.42)
Central Services	34,349.82	35,375.47	38,600.00	(3,224.53)
Student Transportation Services	329,018.01	311,540.36	373,300.00	(61,759.64)
Operations and Maintenance	814,695.78	898,474.56	1,038,500.00	(140,025.44)
Other Supplemental Services	31,044.89	31,376.06	-	31,376.06
Operating Transfers to:				
4 Year Old At-Risk Fund	108,573.54	-	45,000.00	(45,000.00)
Capital Outlay Fund	103,267.28	-	-	-

UNIFIED SCHOOL DISTRICT #413

Chanute, Kansas

GENERAL FUND

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Fiscal Year Ended June 30, 2017

(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Expenditures (Continued)				
Operating Transfers to: (Continued)				
Special Education Fund	\$ 3,128,951.98	\$ 3,154,325.90	\$ 2,904,304.00	\$ 250,021.90
Supplemental General Fund	2,096,781.00	-	-	-
Bilingual Education Fund	28,507.88	25,816.49	25,000.00	816.49
KPERS Fund	822,229.96	784,339.73	1,136,579.00	(352,239.27)
K-12 At-Risk Fund	449,738.95	-	50,000.00	(50,000.00)
Professional Development Fund	95,285.14	-	-	-
Contingency Reserve	-	397,197.17	-	397,197.17
Vocational Education Fund	210,578.10	264,924.83	220,000.00	44,924.83
Total Certified Budget			13,173,383.00	(582,306.14)
Adjustments to Budget				
Adjustment to Comply with Legal Maximum Budget			(582,306.00)	582,306.00
Total Expenditures	14,840,322.70	12,591,076.86	\$ 12,591,077.00	\$ (0.14)
Receipts Over (Under) Expenditures	(9,696.28)	-		
Unencumbered Cash, Beginning	9,696.28	-		
Unencumbered Cash, Ending	\$ -	\$ -		

UNIFIED SCHOOL DISTRICT #413

Chanute, Kansas

SUPPLEMENTAL GENERAL FUND

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Fiscal Year Ended June 30, 2017

(With Comparative Actual Amounts for the Year Ended June 30, 2016)

		Current Year		Variance -
	Prior Year Actual	Actual	Budget	Over (Under)
Receipts				
Local Sources				
Ad Valorem Tax	\$ 839,207.53	\$ 1,029,944.28	\$ 1,276,400.00	\$ (246,455.72)
Delinquent Tax	31,720.89	33,122.04	36,949.00	(3,826.96)
County Sources				
Motor Vehicle Tax	214,800.10	155,952.52	154,306.00	1,646.52
Recreational Vehicle Tax	1,766.15	1,509.50	1,341.00	168.50
Commercial Vehicle Tax	3,054.81	10,487.55	17,223.00	(6,735.45)
16/20 Motor Vehicle Tax	-	2,895.51	-	2,895.51
State Sources				
Supplemental State Aid	-	2,386,750.00	2,386,750.00	-
Operating Transfers from:				
General Fund	2,096,781.00	-	-	-
Contingency Reserve Fund	-	-	400,000.00	(400,000.00)
Total Receipts	3,187,330.48	3,620,661.40	\$ 4,272,969.00	\$ (652,307.60)
Expenditures				
Instruction	366,263.27	384,025.18	\$ 829,325.00	\$ (445,299.82)
Support Services				
Student Support	114,283.85	117,251.67	136,800.00	(19,548.33)
Instructional Support	307,770.72	305,762.97	355,600.00	(49,837.03)
General Administration	828.84	274.16	35,000.00	(34,725.84)
School Administration	43,266.86	40,514.86	146,000.00	(105,485.14)
Operations and Maintenance	484,237.36	686,135.39	818,200.00	(132,064.61)
Vehicle Operating Services	-	-	25,000.00	(25,000.00)
Operating Transfers to:				
Vocational Education Fund	67,106.30	13,345.04	80,000.00	(66,654.96)
Bilingual Education	-	-	28,000.00	(28,000.00)
Professional Development	-	107,467.59	40,050.00	67,417.59
4 Year Old At-Risk Fund	-	115,576.34	11,000.00	104,576.34
K-12 At-Risk Fund	1,803,573.29	2,103,269.03	1,585,427.00	517,842.03
Total Expenditures	3,187,330.49	3,873,622.23	\$ 4,090,402.00	\$ (216,779.77)
Receipts Over (Under) Expenditures	(0.01)	(252,960.83)		
Unencumbered Cash, Beginning	252,961.03	252,961.02		
Unencumbered Cash, Ending	\$ 252,961.02	\$ 0.19		

UNIFIED SCHOOL DISTRICT #413

Chanute, Kansas

4 YEAR OLD AT-RISK FUND

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Fiscal Year Ended June 30, 2017

(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Operating Transfers from:				
General Fund	\$ 108,573.54	\$ -	\$ 45,000.00	\$ (45,000.00)
Supplemental General Fund	-	115,576.34	11,000.00	104,576.34
Total Receipts	108,573.54	115,576.34	\$ 56,000.00	\$ 59,576.34
Expenditures				
Instruction	91,413.72	94,802.08	\$ 135,200.00	\$ (40,397.92)
Support Services				
Instructional Support Staff	2,350.17	897.94	3,000.00	(2,102.06)
School Administration	14,485.21	18,818.28	18,300.00	518.28
Total Expenditures	108,249.10	114,518.30	\$ 156,500.00	\$ (41,981.70)
Receipts Over (Under) Expenditures	324.44	1,058.04		
Unencumbered Cash, Beginning	100,976.65	101,301.09		
Unencumbered Cash, Ending	\$ 101,301.09	\$ 102,359.13		

UNIFIED SCHOOL DISTRICT #413

Chanute, Kansas

K-12 AT-RISK FUND

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Fiscal Year Ended June 30, 2017

(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Operating Transfers from:				
General Fund	\$ 449,738.95	\$ -	\$ 50,000.00	\$ (50,000.00)
Supplemental General Fund	1,803,573.29	2,103,269.03	1,585,427.00	517,842.03
Total Receipts	2,253,312.24	2,103,269.03	\$ 1,635,427.00	\$ 467,842.03
Expenditures				
Instruction	2,204,599.58	2,097,034.53	\$ 2,583,318.00	\$ (486,283.47)
Support Services				
Student Support	2,444.00	4,247.00	-	4,247.00
Instructional Support	4,137.50	1,987.50	-	1,987.50
Total Expenditures	2,211,181.08	2,103,269.03	\$ 2,583,318.00	\$ (480,048.97)
Receipts Over (Under) Expenditures	42,131.16	-		
Unencumbered Cash, Beginning	906,906.41	949,037.57		
Unencumbered Cash, Ending	\$ 949,037.57	\$ 949,037.57		

UNIFIED SCHOOL DISTRICT #413

Chanute, Kansas

BILINGUAL EDUCATION FUND

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Fiscal Year Ended June 30, 2017

(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Operating Transfers from:				
General Fund	\$ 28,507.88	\$ 25,816.49	\$ 25,000.00	\$ 816.49
Supplemental General Fund	-	-	28,000.00	(28,000.00)
Total Receipts	28,507.88	25,816.49	\$ 53,000.00	\$ (27,183.51)
Expenditures				
Instruction	28,507.88	25,816.49	\$ 78,749.00	\$ (52,932.51)
Total Expenditures	28,507.88	25,816.49	\$ 78,749.00	\$ (52,932.51)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	24,367.21	24,367.21		
Unencumbered Cash, Ending	\$ 24,367.21	\$ 24,367.21		

UNIFIED SCHOOL DISTRICT #413

Chanute, Kansas

CAPITAL OUTLAY FUND

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Fiscal Year Ended June 30, 2017

(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Local Sources				
Ad Valorem Tax	\$ 666,969.35	\$ 234,687.94	\$ 179,213.00	\$ 55,474.94
Delinquent Tax	2,225.44	7,344.06	25,177.00	(17,832.94)
Interest on Idle Funds	89,412.17	116,726.27	-	116,726.27
Other	156,801.19	234,658.26	-	234,658.26
County Sources				
Motor Vehicle Tax	20,745.80	61,363.38	57,560.00	3,803.38
Recreational Tax	186.82	633.69	500.00	133.69
Commercial Vehicle Tax	-	4,135.28	6,425.00	(2,289.72)
16/20 Motor Vehicle Tax	-	764.71	-	764.71
State Sources				
Capital Outlay State Aid	-	112,519.00	112,638.00	(119.00)
Operating Transfers from General Fund	103,267.28	-	-	-
Total Receipts	1,039,608.05	772,832.59	\$ 381,513.00	\$ 391,319.59
Expenditures				
Instruction	411,689.01	198,514.73	\$ 723,399.00	\$ (524,884.27)
Support Services				
Student Support	3,543.75	36,159.16	100,000.00	(63,840.84)
Instructional Support	-	-	100,000.00	(100,000.00)
General Administration	634.08	3,578.61	3,000.00	578.61
School Administration	-	4,066.68	5,000.00	(933.32)
Central Services	4,010.00	7,020.00	150,000.00	(142,980.00)
Operations and Maintenance	328,093.66	121,554.91	459,000.00	(337,445.09)
Transportation	4,115.00	73,961.00	200,000.00	(126,039.00)
Building Improvements	137,842.26	23,077.07	3,200,000.00	(3,176,922.93)
Operating Transfers to Bond & Intererst Fund	-	475.59	-	475.59
Total Expenditures	889,927.76	468,407.75	\$ 4,940,399.00	\$ (4,471,991.25)
Receipts Over (Under) Expenditures	149,680.29	304,424.84		
Unencumbered Cash, Beginning	4,705,423.99	4,855,104.28		
Unencumbered Cash, Ending	\$ 4,855,104.28	\$ 5,159,529.12		

UNIFIED SCHOOL DISTRICT #413

Chanute, Kansas

DRIVER TRAINING FUND

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Fiscal Year Ended June 30, 2017

(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Local Sources				
Student Receipts	\$ 10,670.00	\$ 25,125.00	\$ -	\$ 25,125.00
State Sources				
State Aid	2,788.00	7,040.00	5,850.00	1,190.00
Total Receipts	13,458.00	32,165.00	\$ 5,850.00	\$ 26,315.00
Expenditures				
Instruction	10,361.74	28,909.40	\$ 32,750.00	\$ (3,840.60)
Support Services				
Operations and Maintenance	-	-	40,686.00	(40,686.00)
Total Expenditures	10,361.74	28,909.40	\$ 73,436.00	\$ (44,526.60)
Receipts Over (Under) Expenditures	3,096.26	3,255.60		
Unencumbered Cash, Beginning	63,289.06	66,385.32		
Unencumbered Cash, Ending	\$ 66,385.32	\$ 69,640.92		

UNIFIED SCHOOL DISTRICT #413

Chanute, Kansas

FOOD SERVICE FUND

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Fiscal Year Ended June 30, 2017

(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Local Sources				
Food Service Sales	\$ 311,255.45	\$ 320,893.48	\$ 264,447.00	\$ 56,446.48
Miscellaneous	44,113.05	21,980.63	35,000.00	(13,019.37)
State Sources				
Food Service Aid	10,440.78	10,396.53	8,929.00	1,467.53
Federal Sources				
Child Nutrition Aid	789,093.92	790,120.95	734,102.00	56,018.95
Fresh Fruits & Vegetables	40,263.06	41,362.12	-	41,362.12
Total Receipts	1,195,166.26	1,184,753.71	\$ 1,042,478.00	\$ 142,275.71
Expenditures				
Operation of Non- Instructional Services				
Food Service Operations	1,161,920.01	1,224,403.81	\$ 1,327,150.00	\$ (102,746.19)
Total Expenditures	1,161,920.01	1,224,403.81	\$ 1,327,150.00	\$ (102,746.19)
Receipts Over (Under) Expenditures	33,246.25	(39,650.10)		
Unencumbered Cash, Beginning	540,251.88	573,498.13		
Unencumbered Cash, Ending	\$ 573,498.13	\$ 533,848.03		

UNIFIED SCHOOL DISTRICT #413

Chanute, Kansas

PROFESSIONAL DEVELOPMENT FUND

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Fiscal Year Ended June 30, 2017

(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Operating Transfers from:				
General Fund	\$ 95,285.14	\$ -	\$ -	\$ -
Supplemental General Fund	-	107,467.59	40,050.00	67,417.59
Total Receipts	95,285.14	107,467.59	\$ 40,050.00	\$ 67,417.59
Expenditures				
Support Services				
Instructional Support Staff	90,918.00	110,669.20	\$ 219,062.00	\$ (108,392.80)
Central Services	-	-	20,000.00	(20,000.00)
Total Expenditures	90,918.00	110,669.20	\$ 239,062.00	\$ (128,392.80)
Receipts Over (Under) Expenditures	4,367.14	(3,201.61)		
Unencumbered Cash, Beginning	195,852.79	200,219.93		
Unencumbered Cash, Ending	\$ 200,219.93	\$ 197,018.32		

UNIFIED SCHOOL DISTRICT #413

Chanute, Kansas

SPECIAL EDUCATION FUND

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Fiscal Year Ended June 30, 2017

(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Operating Transfers from General Fund	\$ 3,128,951.98	\$ 3,154,325.90	\$ 2,904,304.00	\$ 250,021.90
Total Receipts	3,128,951.98	3,154,325.90	\$ 2,904,304.00	\$ 250,021.90
Expenditures				
Instruction	3,009,556.00	3,052,856.00	\$ 4,456,803.00	\$ (1,403,947.00)
Support Services				
Vehicle Operating Services	94,005.45	101,469.90	235,000.00	(133,530.10)
Total Expenditures	3,103,561.45	3,154,325.90	\$ 4,691,803.00	\$ (1,537,477.10)
Receipts Over (Under) Expenditures	25,390.53	-		
Unencumbered Cash, Beginning	1,752,411.59	1,777,802.12		
Unencumbered Cash, Ending	\$ 1,777,802.12	\$ 1,777,802.12		

UNIFIED SCHOOL DISTRICT #413

Chanute, Kansas

VOCATIONAL EDUCATION FUND

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Fiscal Year Ended June 30, 2017

(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Local Sources				
Miscellaneous	\$ 1,165.00	\$ -	\$ -	\$ -
State Sources				
Tech Ed Grant	9,465.00	-	-	-
Federal Sources				
Program Improvement	21,216.00	19,453.00	-	19,453.00
Operating Transfers from:				
General Fund	210,578.10	264,924.83	220,000.00	44,924.83
Supplemental General Fund	67,106.30	13,345.04	80,000.00	(66,654.96)
Total Receipts	309,530.40	297,722.87	\$ 300,000.00	\$ (2,277.13)
Expenditures				
Instruction	307,657.09	299,035.21	\$ 358,738.00	\$ (59,702.79)
Support Services				
Instructional Support Staff	1,996.88	1,323.20	-	1,323.20
Total Expenditures	309,653.97	300,358.41	\$ 358,738.00	\$ (58,379.59)
Receipts Over (Under) Expenditures	(123.57)	(2,635.54)		
Unencumbered Cash, Beginning	89,767.39	89,643.82		
Unencumbered Cash, Ending	\$ 89,643.82	\$ 87,008.28		

UNIFIED SCHOOL DISTRICT #413

Chanute, Kansas

GIFTS AND GRANTS FUND

Schedule of Receipts and Expenditures - Actual

Regulatory Basis

For the Fiscal Year Ended June 30, 2017

(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	Prior Year Actual	Current Year Actual
Receipts		
Local Sources		
Donations	\$ -	\$ 45.00
Total Receipts	-	45.00
Expenditures		
Instruction	894.88	607.73
Total Expenditures	894.88	607.73
Receipts Over (Under) Expenditures	(894.88)	(562.73)
Unencumbered Cash, Beginning	2,048.22	1,153.34
Unencumbered Cash, Ending	\$ 1,153.34	\$ 590.61

UNIFIED SCHOOL DISTRICT #413

Chanute, Kansas

KPERS SPECIAL RETIREMENT CONTRIBUTIONS FUND

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Fiscal Year Ended June 30, 2017

(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Operating Transfers from General Fund	\$ 822,229.96	\$ 784,339.73	\$ 1,136,579.00	\$ (352,239.27)
Total Receipts	822,229.96	784,339.73	\$ 1,136,579.00	\$ (352,239.27)
Expenditures				
Instruction	562,365.74	531,645.83	\$ 777,446.00	\$ (245,800.17)
Support Services				
Student Support	42,471.45	38,872.21	58,695.00	(19,822.79)
Instructional Support	37,892.19	32,104.76	52,367.00	(20,262.24)
General Administration	17,011.72	19,922.25	23,511.00	(3,588.75)
School Administration	64,333.77	66,258.96	88,910.00	(22,651.04)
Central Services	3,853.83	3,833.66	5,326.00	(1,492.34)
Operations and Maintenance	41,482.63	42,872.08	57,330.00	(14,457.92)
Student Transportation Services	16,734.37	16,570.45	23,126.00	(6,555.55)
Food Service	36,084.26	32,259.53	49,868.00	(17,608.47)
Total Expenditures	822,229.96	784,339.73	\$ 1,136,579.00	\$ (352,239.27)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ -		

UNIFIED SCHOOL DISTRICT #413

Chanute, Kansas

CONTINGENCY RESERVE FUND

Schedule of Receipts and Expenditures - Actual

Regulatory Basis

For the Fiscal Year Ended June 30, 2017

(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	Prior Year Actual	Current Year Actual
Receipts		
Operating Transfers from General Fund	\$ -	\$ 397,197.17
Total Receipts	-	397,197.17
Expenditures		
Instruction	-	-
Total Expenditures	-	-
Receipts Over (Under) Expenditures	-	397,197.17
Unencumbered Cash, Beginning	1,811,780.16	1,811,780.16
Unencumbered Cash, Ending	\$ 1,811,780.16	\$ 2,208,977.33

UNIFIED SCHOOL DISTRICT #413
Chanute, Kansas
TEXT BOOK AND STUDENT MATERIALS FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Fiscal Year Ended June 30, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	Prior Year Actual	Current Year Actual
Receipts		
Local Sources		
Student Fees	\$ 45,810.34	\$ 57,984.83
Total Receipts	45,810.34	57,984.83
Expenditures		
Instruction	35,852.47	38,468.61
Total Expenditures	35,852.47	38,468.61
Receipts Over (Under) Expenditures	9,957.87	19,516.22
Unencumbered Cash, Beginning	131,167.41	141,125.28
Unencumbered Cash, Ending	\$ 141,125.28	\$ 160,641.50

UNIFIED SCHOOL DISTRICT #413

Chanute, Kansas

RECREATION COMMISSION FUND

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Fiscal Year Ended June 30, 2017

(With Comparative Actual Amounts for the Year Ended June 30, 2016)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Local Sources				
Ad Valorem Tax	\$ 390,822.69	\$ 385,906.18	\$ 326,949.00	\$ 58,957.18
Delinquent Tax	4,596.72	6,708.20	15,735.00	(9,026.80)
County Sources				
Motor Vehicle Tax	32,612.55	37,786.93	35,359.00	2,427.93
Recreational Vehicle Tax	269.59	390.91	308.00	82.91
Commercial Vehicle Tax	-	2,545.35	3,947.00	(1,401.65)
16/20 Motor Vehicle Tax	438.38	482.38	-	482.38
Total Receipts	428,739.93	433,819.95	\$ 382,298.00	\$ 51,521.95
Expenditures				
Community Service Operations	337,250.00	433,466.00	\$ 433,466.00	\$ -
Total Expenditures	337,250.00	433,466.00	\$ 433,466.00	\$ -
Receipts Over (Under) Expenditures	91,489.93	353.95		
Unencumbered Cash, Beginning	-	91,489.93		
Unencumbered Cash, Ending	\$ 91,489.93	\$ 91,843.88		

UNIFIED SCHOOL DISTRICT #413

Chanute, Kansas

RECREATION COMMISSION EMPLOYEE BENEFITS FUND

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Fiscal Year Ended June 30, 2017

(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Local Sources				
Ad Valorem Tax	\$ 87,673.91	\$ 109,000.68	\$ 87,882.00	\$ 21,118.68
Delinquent Tax	735.24	1,222.18	3,342.00	(2,119.82)
County Sources				
Motor Vehicle Tax	3,770.56	9,314.69	8,887.00	427.69
Recreational Vehicle Tax	33.69	94.41	77.00	17.41
Commercial Vehicle Tax	-	627.39	992.00	(364.61)
16/20 Motor Vehicle Tax	6.10	130.83	-	130.83
Total Receipts	92,219.50	120,390.18	\$ 101,180.00	\$ 19,210.18
Expenditures				
Community Service Operations	78,000.00	107,999.50	\$ 108,000.00	\$ (0.50)
Total Expenditures	78,000.00	107,999.50	\$ 108,000.00	\$ (0.50)
Receipts Over (Under) Expenditures	14,219.50	12,390.68		
Unencumbered Cash, Beginning	-	14,219.50		
Unencumbered Cash, Ending	\$ 14,219.50	\$ 26,610.18		

UNIFIED SCHOOL DISTRICT #413

Chanute, Kansas

TITLE I - LOW INCOME ESEA FUND

Schedule of Receipts and Expenditures - Actual

Regulatory Basis

For the Fiscal Year Ended June 30, 2017

(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	Prior Year Actual	Current Year Actual
Receipts		
Federal Sources		
Federal Grants	\$ 500,550.00	\$ 531,022.00
Total Receipts	500,550.00	531,022.00
Expenditures		
Instruction	363,622.80	500,951.16
Support Services		
Student Support	137,008.06	31,050.14
Total Expenditures	500,630.86	532,001.30
Receipts Over (Under) Expenditures	(80.86)	(979.30)
Unencumbered Cash, Beginning	-	(80.86)
Unencumbered Cash, Ending	\$ (80.86)	\$ (1,060.16)

UNIFIED SCHOOL DISTRICT #413

Chanute, Kansas

TITLE II - IMPROVING TEACHER QUALITY FUND

Schedule of Receipts and Expenditures - Actual

Regulatory Basis

For the Fiscal Year Ended June 30, 2017

(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Receipts		
Federal Sources		
Federal Grants	\$ 89,610.00	\$ 88,918.00
Total Receipts	<u>89,610.00</u>	<u>88,918.00</u>
Expenditures		
Instruction	<u>89,690.74</u>	<u>89,771.34</u>
Total Expenditures	<u>89,690.74</u>	<u>89,771.34</u>
Receipts Over (Under) Expenditures	(80.74)	(853.34)
Unencumbered Cash, Beginning	<u>-</u>	<u>(80.74)</u>
Unencumbered Cash, Ending	<u>\$ (80.74)</u>	<u>\$ (934.08)</u>

UNIFIED SCHOOL DISTRICT #413

Chanute, Kansas

JUMP START PROGRAM FUND

Schedule of Receipts and Expenditures - Actual

Regulatory Basis

For the Fiscal Year Ended June 30, 2017

(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	Prior Year Actual	Current Year Actual
Receipts		
Local Sources		
Donations	\$ 15,000.00	\$ -
Total Receipts	15,000.00	-
Expenditures		
Instruction	15,199.29	10,672.96
Support Services		
Student Transportation	3,190.89	4,069.64
Total Expenditures	18,390.18	14,742.60
Receipts Over (Under) Expenditures	(3,390.18)	(14,742.60)
Unencumbered Cash, Beginning	18,169.29	14,779.11
Unencumbered Cash, Ending	\$ 14,779.11	\$ 36.51

UNIFIED SCHOOL DISTRICT #413

Chanute, Kansas

IDL SERVICES FUND

Schedule of Receipts and Expenditures - Actual

Regulatory Basis

For the Fiscal Year Ended June 30, 2017

(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Receipts		
Local Sources		
Greenbush Payments	\$ 7,000.00	\$ 7,000.00
Total Receipts	<u>7,000.00</u>	<u>7,000.00</u>
Expenditures		
Instruction	<u>5,200.00</u>	<u>5,213.91</u>
Total Expenditures	<u>5,200.00</u>	<u>5,213.91</u>
Receipts Over (Under) Expenditures	1,800.00	1,786.09
Unencumbered Cash, Beginning	<u>3,280.60</u>	<u>5,080.60</u>
Unencumbered Cash, Ending	<u>\$ 5,080.60</u>	<u>\$ 6,866.69</u>

UNIFIED SCHOOL DISTRICT #413
Chanute, Kansas
TITLE VI-B RURAL EDUCATION FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Fiscal Year Ended June 30, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	Prior Year Actual	Current Year Actual
Receipts		
Federal Sources		
Federal Grant	\$ 33,047.00	\$ 34,485.00
Total Receipts	33,047.00	34,485.00
Expenditures		
Instruction	33,072.88	34,559.12
Total Expenditures	33,072.88	34,559.12
Receipts Over (Under) Expenditures	(25.88)	(74.12)
Unencumbered Cash, Beginning	-	(25.88)
Unencumbered Cash, Ending	\$ (25.88)	\$ (100.00)

UNIFIED SCHOOL DISTRICT #413
Chanute, Kansas
HEALTHY KANSAS SCHOOLS GRANT FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Fiscal Year Ended June 30, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	Prior Year Actual	Current Year Actual
Receipts		
State Sources		
State Grants	\$ 10,300.00	\$ 9,600.00
Total Receipts	10,300.00	9,600.00
Expenditures		
Instruction	5,602.58	7,039.14
Support Services		
Support	1,847.79	3,741.99
Attendance & Social Work	943.60	(943.60)
General Administration	1,174.75	(12.35)
Total Expenditures	9,568.72	9,825.18
Receipts Over (Under) Expenditures	731.28	(225.18)
Unencumbered Cash, Beginning	-	731.28
Unencumbered Cash, Ending	\$ 731.28	\$ 506.10

UNIFIED SCHOOL DISTRICT #413

Chanute, Kansas

FOUNDATION GRANTS FUND

Schedule of Receipts and Expenditures - Actual

Regulatory Basis

For the Fiscal Year Ended June 30, 2017

(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	Prior Year Actual	Current Year Actual
Receipts		
Local Sources		
Donations	\$ -	\$ 2,874.68
Total Receipts	-	2,874.68
Expenditures		
Instruction	1,009.80	1,864.88
Total Expenditures	1,009.80	1,864.88
Receipts Over (Under) Expenditures	(1,009.80)	1,009.80
Unencumbered Cash, Beginning	-	(1,009.80)
Unencumbered Cash, Ending	\$ (1,009.80)	\$ -

UNIFIED SCHOOL DISTRICT #413
Chanute, Kansas
KANSAS KIDS FITNESS AND SAFETY FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Fiscal Year Ended June 30, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	Prior Year Actual	Current Year Actual
Receipts		
Local Sources		
Donations	\$ -	\$ 428.57
Total Receipts	-	428.57
Expenditures		
Instruction	-	382.80
Total Expenditures	-	382.80
Receipts Over (Under) Expenditures	-	45.77
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ 45.77

UNIFIED SCHOOL DISTRICT #413

Chanute, Kansas

BOND AND INTEREST FUND

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Fiscal Year Ended June 30, 2017

(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Local Sources				
Ad Valorem Tax	\$ 1,107,731.86	\$ 1,295,359.99	\$ 1,132,817.00	\$ 162,542.99
Delinquent Tax	21,099.12	26,460.37	46,506.00	(20,045.63)
Interest	1,260.34	-	-	-
County Sources				
Motor Vehicle Tax	148,454.79	134,136.39	128,314.00	5,822.39
Recreational Vehicle Tax	1,221.26	1,352.84	1,116.00	236.84
Commercial Vehicle Tax	-	9,028.64	14,322.00	(5,293.36)
16/20 Motor Vehicle Tax	2,113.78	2,019.77	-	2,019.77
State Sources				
State Aid	819,627.00	1,070,047.00	1,121,830.00	(51,783.00)
Operating Transfers from Capital Outlay Fund	-	475.59	-	475.59
Total Receipts	2,101,508.15	2,538,880.59	\$ 2,444,905.00	\$ 93,975.59
Expenditures				
Debt Service				
Principal	585,000.00	675,000.00	\$ 781,882.00	\$ (106,882.00)
Interest	1,571,913.76	1,554,263.76	1,554,264.00	(0.24)
Cost of Issuance	-	-	200.00	(200.00)
Total Expenditures	2,156,913.76	2,229,263.76	\$ 2,336,346.00	\$ (107,082.24)
Receipts Over (Under) Expenditures	(55,405.61)	309,616.83		
Unencumbered Cash, Beginning	885,520.78	830,115.17		
Unencumbered Cash, Ending	\$ 830,115.17	\$ 1,139,732.00		

UNIFIED SCHOOL DISTRICT #413
Chanute, Kansas
SCHOOL BUILDING CAPITAL PROJECT FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Fiscal Year Ended June 30, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	Prior Year Actual	Current Year Actual
Receipts		
Local Sources		
Bond Proceeds	\$ -	\$ -
Total Receipts	-	-
Expenditures		
Support Services		
Capital Projects - Instruction	157,882.61	130,125.00
Capital Projects - Building	-	411,591.11
Total Expenditures	157,882.61	541,716.11
Receipts Over (Under) Expenditures	(157,882.61)	(541,716.11)
Unencumbered Cash, Beginning	1,905,101.61	1,747,219.00
Unencumbered Cash, Ending	\$ 1,747,219.00	\$ 1,205,502.89

UNIFIED SCHOOL DISTRICT #413

Chanute, Kansas

HAIL DAMAGE-2017 FUND

Schedule of Receipts and Expenditures - Actual

Regulatory Basis

For the Fiscal Year Ended June 30, 2017

(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	Prior Year Actual	Current Year Actual
Receipts		
Local Sources		
Insurance Proceeds	\$ -	\$ 32,328.63
Total Receipts	-	32,328.63
Expenditures		
Support Services		
Site Improvements	-	30,407.40
Total Expenditures	-	30,407.40
Receipts Over (Under) Expenditures	-	1,921.23
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ 1,921.23

UNIFIED SCHOOL DISTRICT #413
Chanute, Kansas
SCHOOL NURSE- NEEDY FAMILY FUND
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Fiscal Year Ended June 30, 2017
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	Prior Year Actual	Current Year Actual
Receipts		
Local Sources		
Donations	\$ 510.00	\$ 1,500.00
Total Receipts	510.00	1,500.00
Expenditures		
Instruction	1,941.57	1,137.93
Total Expenditures	1,941.57	1,137.93
Receipts Over (Under) Expenditures	(1,431.57)	362.07
Unencumbered Cash, Beginning	2,105.92	674.35
Unencumbered Cash, Ending	\$ 674.35	\$ 1,036.42

UNIFIED SCHOOL DISTRICT #413

Chanute, Kansas

SNYDER LIBRARY FUND

Schedule of Receipts and Expenditures - Actual

Regulatory Basis

For the Fiscal Year Ended June 30, 2017

(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	Prior Year Actual	Current Year Actual
Receipts		
Local Sources		
Miscellaneous	\$ -	\$ -
Total Receipts	-	-
Expenditures		
Support Services		
Attendance & Social Worker	1,250.00	-
Total Expenditures	1,250.00	-
Receipts Over (Under) Expenditures	(1,250.00)	-
Unencumbered Cash, Beginning	1,250.00	-
Unencumbered Cash, Ending	\$ -	\$ -

UNIFIED SCHOOL DISTRICT #413

Chanute, Kansas

AGENCY FUNDS

Schedule of Receipts and Cash Disbursements

Regulatory Basis

For the Fiscal Year Ended June 30, 2017

	Beginning Cash Balances	Receipts	Cash Disbursements	Ending Cash Balances
Agency Funds				
Health Insurance	\$ -	\$ 122,038.24	\$ 122,038.24	\$ -
District Petty Cash	1,000.00	3,265.74	4,256.48	9.26
Arbitrage Reserve	98,346.37	-	-	98,346.37
Sales Tax				
Middle School	2.45	2,072.98	1,774.03	301.40
High School	1,029.28	14,344.54	14,370.82	1,003.00
Student Organizations				
Middle School				
Music Club	796.95	518.00	1,314.62	0.33
Circus of the Kids	899.35	1,000.00	-	1,899.35
Journalism	817.31	4,943.20	5,573.59	186.92
Library	655.77	1,320.36	1,379.05	597.08
Office	87.07	500.00	334.65	252.42
Recycling Club	68.54	-	68.54	-
Special Ed Club	4.35	17.20	0.79	20.76
Student Council	758.01	1,703.94	1,889.35	572.60
Students	931.94	58,054.77	52,724.46	6,262.25
Teacher's Fund	64.35	1,345.23	1,246.00	163.58
Boosters	4,121.75	5,334.21	3,432.14	6,023.82
High School				
Art	5.00	750.48	750.48	5.00
At Risk	548.37	-	209.90	338.47
Band	227.45	419.23	152.99	493.69
Chess Club	1,212.62	758.96	436.50	1,535.08
Chess Scholarship	100.00	-	-	100.00
Chorus	352.51	2,130.48	1,560.07	922.92
Class of 15	812.11	-	252.00	560.11
Class of 19	15.72	800.00	15.72	800.00
Class of 17	223.50	-	223.50	-
Class of 18	800.00	13,116.06	13,709.28	206.78
Debate	738.77	1,618.09	1,112.54	1,244.32
Musical	2,251.04	1,913.86	1,102.04	3,062.86
Drama	526.91	1,008.18	803.29	731.80
Comet Creations	2,342.97	4,380.39	4,954.43	1,768.93
Spotlight A Comet	1,643.45	100.00	112.00	1,631.45
FBLA	35.00	4,122.00	3,490.00	667.00
FCA	874.95	20.00	602.11	292.84
FCLAA	1,355.10	4,771.83	3,301.91	2,825.02

Schedule 3 (Continued)**UNIFIED SCHOOL DISTRICT #413**

Chanute, Kansas

AGENCY FUNDS

Schedule of Receipts and Cash Disbursements

Regulatory Basis

For the Fiscal Year Ended June 30, 2017

	Beginning Cash Balances	Receipts	Cash Disbursements	Ending Cash Balances
Agency Funds				
High School (Continued)				
History Club	\$ 105.34	\$ -	\$ -	\$ 105.34
KFEA	1,472.16	195.69	1,302.44	365.41
KMSE	124.32	-	-	124.32
Leadership - Student Gov't	1,717.52	10,175.72	9,616.74	2,276.50
Testing	-	-	-	-
Leadership Crew	453.48	796.00	780.00	469.48
Library	705.66	1,885.15	1,369.18	1,221.63
Lost Textbooks	84.98	725.76	600.00	210.74
Newspaper	2,524.53	1,685.00	1,262.52	2,947.01
NHS	325.01	261.40	236.37	350.04
Office Scholarship	2,922.78	780.00	1,000.00	2,702.78
Pep/Blue Crew	75.00	-	-	75.00
Scholarship Bowl	105.14	750.00	800.18	54.96
SEK League	-	9,436.35	8,685.51	750.84
TSA	1,240.93	6,814.95	6,837.58	1,218.30
Spanish Club	2,136.73	240.00	474.61	1,902.12
Green Team	23.84	35.90	27.84	31.90
Special Education	107.61	-	11.12	96.49
Spirit Club	1,523.93	7,741.63	7,736.32	1,529.24
Student Planner - Agenda	1,298.63	1,066.20	1,670.75	694.08
Weight Lifting	102.07	-	-	102.07
Totals	\$ 140,698.62	\$ 294,957.72	\$ 285,602.68	\$ 150,053.66

UNIFIED SCHOOL DISTRICT #413

Chanute, Kansas

DISTRICT ACTIVITY FUNDS

Summary of Receipts, Expenditures, and Unencumbered Cash

Regulatory Basis

For the Fiscal Year Ended June 30, 2017

Funds	Beginning Unencumbered Cash Balances	Receipts	Expenditures	Ending Unencumbered Cash Balances	Plus Encumbrances and Accounts Payable	Ending Cash Balances June 30, 2017
Gate Receipts						
Middle School	\$ 1,733.97	\$ 9,064.42	\$ 9,463.67	\$ 1,334.72	\$ -	\$ 1,334.72
High School	30,535.93	132,545.67	122,427.44	40,654.16	-	40,654.16
Sub-Total Gate Receipts	32,269.90	141,610.09	131,891.11	41,988.88	-	41,988.88
School Projects						
Middle School						
F&CS	158.37	2,561.79	2,670.92	49.24	-	49.24
Interest	-	245.88	245.88	-	-	-
Tobacco Media Grant	46.95	-	-	46.95	-	46.95
Principals Pay Day	0.75	4,225.00	4,222.21	3.54	-	3.54
High School						
Year Book	3,494.76	20,005.94	11,900.38	11,600.32	-	11,600.32
Concessions and Vending	2,928.38	10,219.61	10,418.61	2,729.38	-	2,729.38
Sub-Total Special Projects	6,629.21	37,258.22	29,458.00	14,429.43	-	14,429.43
Total District Activity Funds	\$ 38,899.11	\$ 178,868.31	\$ 161,349.11	\$ 56,418.31	\$ -	\$ 56,418.31

UNIFIED SCHOOL DISTRICT #413
Chanute, Kansas
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2017

Federal Grantor/ Pass Through Grantor/ Program Title	Pass-Through Entity Identifying Number	Federal CFDA Number	Cash Receipts	Disbursements/ Expenditures
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Passed through the Kansas Department of Education				
Title I Grant to Local Educational Agencies	DO413	84.010	\$ 531,022.00	\$ 532,001.30
Vocational Education - Basic Grants to States - Program Imp.	DO413	84.048	19,453.00	19,453.00
Rural Low Income Schools Program	DO413	84.358	34,485.00	34,559.00
Improving Teacher Quality State Grants - Disc Grant	DO413	84.367	130.00	130.00
Improving Teacher Quality State Grants	DO413	84.367	88,918.00	89,771.34
Total U.S. Department of Education			674,008.00	675,914.64
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Passed through the Kansas Department of Education				
Child USDA Nutrition Cluster:				
National School Lunch Program	DO413	10.555	557,737.67	557,737.67
Special Milk Program for Children	DO413	10.556	1,018.42	1,018.42
School Breakfast Program	DO413	10.553	215,770.65	215,770.65
Summer Food Service Program for Children	DO413	10.559	15,594.21	15,594.21
Total Child USDA Nutrition Cluster: (M)			790,120.95	790,120.95
State Administrative Expense	DO413	10.560	1,000.00	1,000.00
Fresh Fruits and Vegetables	DO413	10.582	41,362.12	41,362.12
Total U.S. Department of Agriculture			832,483.07	832,483.07
<u>US DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>				
Passed through the Kansas Department of Education				
Youth Risk Behavior Survey	DO413	93.079	1,300.00	1,300.00
Total U.S. Department of Health and Human Services			1,300.00	1,300.00
TOTAL FEDERAL AWARDS			\$ 1,507,791.07	\$ 1,509,697.71

Note to the Schedule of Expenditures of Federal Awards:

NOTE A -- BASIS OF PRESENTATION

Federal expenditures are recorded on the accrual basis of accounting, which records expenses when the goods or services are received, and not necessarily when paid.

NOTE B --INDIRECT COST RATE

Unified School District #413 did not elect to use the 10% de minimis cost rate.

(M) = Major Program

JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

**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**

Board of Education
Unified School District #413
Chanute, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of Unified School District #413, Chanute, Kansas, as of and for the year ended June 30, 2017, and the related notes to the financial statement, which collectively comprise the Unified School District #413's basic financial statement, and have issued our report thereon dated December 18, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered the Unified School District #413's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Unified School District #413's internal control. Accordingly, we do not express an opinion on the effectiveness of the Unified School District #413's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Unified School District #413's financial statement are 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*.

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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
December 18, 2017

JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

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

Board of Education
Unified School District #413
Chanute, Kansas

Report on Compliance for Each Major Federal Program

We have audited the Unified School District #413, Chanute, 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 the Unified School District #413's major federal programs for the year ended June 30, 2017. Unified School District #413's 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 the Unified School District #413's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Unified School District #413's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Unified School District #413's compliance.

Opinion on Each Major Federal Program

In our opinion, the Unified School District #413, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control over Compliance

Management of the Unified School District #413, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Unified School District #413's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Unified School District #413's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

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.



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
December 18, 2017

UNIFIED SCHOOL DISTRICT #413
Chanute, Kansas

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

I. SUMMARY OF AUDITORS' RESULTS

Financial Statement:

The auditors' report expresses an adverse opinion on the basic financial statement of Unified School District #413 on the Generally Accepted Accounting Principles (GAAP) basis of accounting and an unmodified opinion on the regulatory basis of accounting.

Internal Control over Financial Reporting:

Material weakness(es) identified?	_____	Yes	<u> X </u>	No
Significant deficiencies identified?	_____	Yes	<u> X </u>	None Reported
Noncompliance or other matters required to be reported under <i>Government Auditing Standards</i>	_____	Yes	<u> X </u>	No

Federal Awards:

Internal control over major programs:				
Material weakness(es) identified?	_____	Yes	<u> X </u>	No
Significant deficiencies identified?	_____	Yes	<u> X </u>	None Reported

The auditors' report on compliance for the major federal award programs for Unified School District #413 expresses an unmodified opinion.

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance?	_____	Yes	<u> X </u>	No
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Identification of major programs:

U.S. DEPARTMENT OF AGRICULTURE

Child USDA Nutrition Cluster:	
National School Lunch Program	CFDA No. 10.555
School Breakfast Program	CFDA No. 10.553
Special Milk Program for Children	CFDA No. 10.556
Summer Food Service Program for Children	CFDA No. 10.559

The threshold for distinguishing Types A and B programs was \$750,000.00.

Auditee qualified as a low risk auditee?	_____	Yes	<u> X </u>	No
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II. FINANCIAL STATEMENT FINDINGS

NONE

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

NONE

UNIFIED SCHOOL DISTRICT #413

Chanute, Kansas

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2017

NONE