

**COLUMBUS  
UNIFIED SCHOOL DISTRICT #493  
COLUMBUS, KANSAS**

Regulatory Basis Financial Statement and  
Independent Auditors' Report with  
Regulatory Required  
Supplemental Information  
And Federal Compliance Section

For the Fiscal Year Ended June 30, 2017

**COLUMBUS UNIFIED SCHOOL DISTRICT #493**  
**COLUMBUS, KANSAS**

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# Diehl Banwart Bolton

*Certified Public Accountants PA*

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## INDEPENDENT AUDITORS' REPORT

To the Board of Education  
Unified School District #493  
Columbus, Kansas 66725

We have audited the accompanying fund summary statement of receipts, expenditures, and unencumbered cash - regulatory basis, of the Unified School District #493 (District), Columbus, Kansas, a Municipal Financial Reporting Entity as of and for the fiscal year ended June 30, 2017 and the related notes to the financial statement.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1 to meet the financial reporting requirements of the State of Kansas. This includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the applicable audit requirements of the *Kansas Municipal Audit and Accounting Guide*. Those standards and the *Kansas Municipal Audit and Accounting Guide* 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

Board of Education  
Unified School District #493  
Columbus, Kansas

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 the District 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 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 District as of June 30, 2017 or changes in financial position and cash flows thereof for the fiscal 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 the District as of June 30, 2017, and the aggregate receipts and expenditures for the fiscal year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

**Report on Required Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the June 30, 2017 fund summary statement of receipts, expenditures, and unencumbered cash – regulatory basis (financial statement) as a whole. The summary of expenditures – actual and budget – regulatory basis, individual fund schedules of receipts and expenditures – actual and budget – regulatory basis, schedule of receipts and disbursements – agency funds – regulatory basis and schedule of receipts, expenditures, and unencumbered cash – district activity funds – regulatory basis (Schedules 1, 2, 3, and 4 as listed in the table of contents), are presented for purposes of additional analysis and are not a required part of the June 30, 2017 financial statement, however they 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 financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the June 30, 2017 financial statement. The June 30, 2017 information has been subjected to the auditing procedures applied in the audit of the June 30, 2017 financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the June 30, 2017 financial statement or to the June 30, 2017 financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the June 30, 2017 supplementary information is fairly stated in all material respects in relation to the June 30, 2017 financial statement as a whole, on the basis of accounting described in Note 1.

Board of Education  
Unified School District #493  
Columbus, Kansas

The prior year actual column presented in the individual fund schedules of receipts and expenditures – actual and budget – regulatory basis (Schedules 2 as listed in the table of contents), are also presented for comparative analysis and are not a required part of the prior year financial statement upon which we rendered an unqualified opinion dated November 30, 2016. The June 30, 2016 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, Office of Management Analysis and Standards at the following link <http://da.ks.gov/ar/muniserv/>. Such prior year 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 June 30, 2016 financial statement. The prior year comparative information was subjected to the auditing procedures applied in the audit of the June 30, 2016 financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the June 30, 2016 financial statement or to the June 30, 2016 financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the prior year comparative information is fairly stated in all material respects in relation to the June 30, 2016 financial statement as a whole, 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 November 9, 2017 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Diehl, Banwart, Bolton CPAs PA*

DIEHL, BANWART, BOLTON CPAs PA

November 9, 2017  
Pittsburg, Kansas

**UNIFIED SCHOOL DISTRICT #493  
COLUMBUS, KANSAS**

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

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Funds:						
General	\$ 30	\$ 7,937,781	\$ 7,937,810	\$ 1	\$ 220	\$ 221
Supplemental General	228,533	2,429,920	2,496,158	162,294	-	162,294
Special Purpose Funds:						
4 Yr Old At Risk	-	75,721	75,721	-	-	-
K-12 At Risk	-	1,043,320	1,043,319	1	-	1
Bilingual Education	-	-	-	-	-	-
Capital Outlay	947,815	526,316	365,154	1,108,977	26,676	1,135,653
Driver Education	46,472	14,880	15,105	46,247	-	46,247
Food Service	100,000	579,367	579,367	100,000	-	100,000
Inservice Education	84,352	1,529	13,528	72,353	-	72,353
Special Education	684,920	1,485,987	1,491,015	679,892	-	679,892
Vocational Education	-	406,416	406,416	-	-	0
KPERs Special Retirement	-	618,386	618,386	-	-	-
Contingency Reserve	300,000	-	-	300,000	-	300,000
Textbook Rental	120,908	166	2,259	118,815	-	118,815
Title I	-	241,855	241,855	-	-	-
Safety Grant	-	-	-	-	-	-
Title II -A Teacher Quality	-	73,735	73,735	-	-	-
Title VI Rural Low Income	-	-	-	-	-	-
KDADS Character Education Grant	-	-	-	-	-	-
Kansas Reading Roadmap Grant	10,764	155,374	196,651	(30,514)	-	(30,514)
Gifts and Grants	11,822	-	11,296	526	-	526
District Activity Funds	43,713	90,536	83,295	50,955	-	50,955
Bond and Interest Fund	226,658	-	-	226,658	-	226,658
Scholarships	63,147	1,056	2,422	61,782	-	61,782
Total Entity (Excluding Agency Funds)	<u>\$ 2,869,133</u>	<u>\$ 15,682,344</u>	<u>\$ 15,653,492</u>	<u>\$ 2,897,985</u>	<u>\$ 26,896</u>	<u>\$ 2,924,881</u>

Composition of Cash

District Checking Accounts.....	\$ 2,299,768
Activity Checking Accounts.....	232,744
Petty Cash.....	-
Certificates of Deposit.....	525,000
Scholarship Certificates of Deposit.....	49,159
Total Cash	3,106,671
Agency Funds per Schedule 3	(181,789)
Total Reporting Entity	<u>\$ 2,924,882</u>

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

**COLUMBUS UNIFIED SCHOOL DISTRICT #493  
COLUMBUS, KANSAS**

**NOTES TO THE FINANCIAL STATEMENT  
For the Fiscal Year Ended June 30, 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statement of Unified School District #493, Columbus, Kansas (District), has 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 USD #493 (the primary government). The District has developed criteria to determine whether outside agencies, with activities which benefit the members of the District, should be included within its financial reporting entity. This criteria include but are not limited to, whether the District exercises financial accountability, selection of governing authority, designation of management, ability to significantly influence operations, scope of public service and special financing relationships. Based on the above criteria, the District has determined that no outside agency meets the criteria; therefore, no outside agency has been included as a related municipal entity in this financial statement.

Basis of Presentation - Fund Accounting

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

The following types of funds comprise the financial activities of the District:

**REGULATORY BASIS FUND TYPES**

General Fund – 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 tax levies and other specific revenue sources (other than capital projects and tax levies for long-term debt) that are intended for specified purposes.



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

**Basis of Presentation - Fund Accounting** - (continued)

**REGULATORY BASIS FUNDS** - (Continued)

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

Capital Project Funds -- to account for debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

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

Trust Fund -- funds used to report assets held in trust for the benefit of the municipal financial reporting entity (ie. Pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.).

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

**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 municipality to use the regulatory basis of accounting.

**Budgetary Information**

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), and bond and interest 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. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - (Continued)

**Budgetary Information** (Continued)

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 budgeted expenditures in the General Fund were reduced to comply with the legal budget maximum based upon enrollment.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented as regulatory required supplemental information for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

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. 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. Expenditures which are reimbursed by third parties result in budget credits which increase the spending authority by the amount of the reimbursement.

A legal operating budget is not required for the Contingency Reserve, Textbook Rental, Family and Schools Together, Title I, Safety Grant, Title II A – Teacher Quality, Title VI Rural Low Income, KDADS Character Education, Kansas Reading Roadmap Grant, Gifts and Grants, District Activity, and Scholarship 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.

**Compensated Absences**

Employees may accrue 10 days of sick leave each year. An employee may accumulate up to 90 days of sick leave. At retirement the District pays \$80 per day of accumulated unused sick leave to employees that qualify under the early retirement program. No other payments are made for unused sick leave.

Full time, twelve-month employees accrue 20 days of vacation each year on June 30, which is to be taken within twelve months after year end.

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

Compensated Absences (Continued)

The District determines a liability for compensated absences when the following conditions are met:

1. The District's obligation relating to the employee's rights to receive compensation for future absences is attributable 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 and is material to the financial statements.

In accordance with the above criteria, the District has not accrued a liability for sick pay or vacation pay.

**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. 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.

2. **STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Compliance with Kansas Statutes**

The financial statement has been prepared in order to show compliance with the cash basis and budget laws of Kansas. As shown in the financial statements and required supplementary schedules, the District was in apparent compliance with all cash basis and budget laws of Kansas. The negative unencumbered cash balance in the Kansas Reading Roadmap Fund is allowed since it will be reimbursed by a federal grant.

3. **CASH IN BANK AND DEPOSITORY SECURITY**

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 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.

### 3. **CASH IN BANK AND DEPOSITORY SECURITY** (Continued)

*Concentration of credit risk.* State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

*Custodial credit risk – deposits.* Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at June 30, 2017.

At June 30, 2017 the District's carrying amount of deposits was \$3,106,671 and the bank balance was \$3,405,968. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$503,620 was covered by federal depository insurance, and \$2,902,348 was collateralized with securities held by the pledging financial institutions' agents in the District's name with a market value of \$4,107,922. All of the pledged securities were from the only bank where bank balances exceeded federal deposit insurance limits.

### 4. **IN-SUBSTANCE RECEIPT IN TRANSIT**

The District received \$586,625 subsequent to June 30, 2017, and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2017.

### 5. **PENSION PLAN**

#### General Information about the 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.

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

5. **PENSION PLAN** (Continued)

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 through March 31, 2016 with a 0% moratorium until June 30, 2017 for the Death and Disability Program) and the statutory contribution rate was 16.00% and 10.91%, respectively, for the fiscal year ended June 30, 2017. The actuarially determined employer contribution rate and the statutory contribution rate was 16.03% and 10.81%, respectively, for the fiscal year ended June 30, 2017. Per 2016 House substitute for Senate Bill 161, Section 98(a)(1), state general fund and expanded lottery act revenue 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 \$618,386 for the year ended June 30, 2017.

**Net Pension Liability**

At June 30, 2017, the District's proportionate share of the collective net pension liability reported by KPERS was \$11,205,756. The net pension liability was measured as of June 30, 2017 and the total net 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 publicly available on the website at [www.kpers.org](http://www.kpers.org) or can be obtained as described above.

6. **POST EMPLOYMENT BENEFITS**

**Early Retirement**

A professional certified employee is eligible for early retirement if such person: (a) is currently a professional certified employee of the District; (b) will be at least 55 years of age and not more than 65 years of age on or before June 30 of the retiring year; (c) has 15 years or more of service with the District. Early retirement is entirely voluntary and at the discretion of an eligible employee. Retirement benefits are \$80 per day of accumulated unused sick leave. The District funds these benefits on a pay as you go basis. The early retirement benefits are paid by making contributions to a section 403(b) Plan. For the year ended June 30, 2017, the District contributed \$7,200 to the plan.

## **6. POST EMPLOYMENT BENEFITS**

### **Participation in Group Health Insurance Plan**

As provided by K.S. A. 12-5040, retired employees are eligible to participate in the District's group health insurance plan until they have reached the age of 65. 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 premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

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

## **7. 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 continues to carry commercial insurance for these risks. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

## **8. TRANSFERS**

FROM	TO	STATUTORY AUTHORITY	AMOUNT
General	Special Education	K.S.A. 72-6420	\$ 1,189,439
General	Capital Outlay	K.S.A. 72-8801	40,000
General	Vocational Education	K.S.A. 72-6421	64,000
General	KPERS	2015 HSSB 7	618,386
General	K-12 At Risk	K.S.A. 72-6414a	246,083
General	Food Service	K.S.A. 72-5119	67,453
Supplemental General	Vocational Education	K.S.A. 72-6421	335,601
Supplemental General	K-12 At Risk	K.S.A. 72-6414a	797,237
Supplemental General	4 Year Old At Risk	K.S.A. 72-6414b	75,721
Supplemental General	Special Education	K.S.A. 72-6420	259,046

## **9. SUBSEQUENT EVENTS**

Management has evaluated events and transactions occurring subsequent to June 30, 2017 through November 9, 2017, the date the financial statement was available for issue. During this period, there were no subsequent events requiring recognition in the financial statement or disclosure in the notes to the financial statements.

## **10. LONG-TERM OBLIGATIONS**

Attached are schedules detailing the long-term debt and its maturity.

**Schedule of Changes in Long-Term Debt**

<u>Issue</u>	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>	<u>Balances Beginning of Year</u>	<u>Additions / New Debt</u>	<u>Reductions / Principal Paid</u>	<u>Balances End of Year</u>	<u>Interest Paid</u>
Capital Lease									
Buses and Vehicles	1.85%		\$ 251,210	6/8/2019	<u>\$ 251,210</u>	<u>\$ -</u>	<u>\$ 82,206</u>	<u>\$ 169,004</u>	<u>\$ 4,647</u>

### Schedule of Maturities in Long-Term Debt

Fiscal Year Ended June 30,	2017	2018	2019	2020	2021	Totals
<b>PRINCIPAL</b>						
Capital Lease						
Buses and Vehicles	\$ 83,727	\$ 85,276	\$ -	\$ -	\$ -	\$ 169,004
<b>INTEREST</b>						
Capital Lease						
Buses and Vehicles	<u>3,127</u>	<u>1,578</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,704</u>
Total Principal and Interest	<u><u>\$ 86,854</u></u>	<u><u>\$ 86,854</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 173,708</u></u>

**10. LONG TERM DEBT OBLIGATIONS** (Continued)



**UNIFIED SCHOOL DISTRICT #493  
COLUMBUS, KANSAS**

**REGULATORY REQUIRED  
SUPPLEMENTAL INFORMATION**

## Schedule 1

**UNIFIED SCHOOL DISTRICT #493  
COLUMBUS, KANSAS**

Summary of Expenditures - Actual and Budget  
Regulatory Basis  
For the Fiscal Year Ended June 30, 2017

Funds	Certified Budget	Adjustment to Comply with Legal Maximum	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Charged to Current Year Budget	Variance - Over (Under)
General Funds:						
General	\$ 8,164,456	\$ (337,276)	\$ 110,630	\$ 7,937,810	\$ 7,937,810	\$ -
Supplemental General	2,496,158	-	-	2,496,158	2,496,158	-
Local Sources						
4 Year Old At Risk	86,000	-	-	86,000	75,721	(10,279)
K-12 At Risk	1,094,083	-	-	1,094,083	1,043,319	(50,764)
Bilingual Education	1,500	-	-	1,500	-	(1,500)
Capital Outlay	1,378,583	-	-	1,378,583	365,154	(1,013,429)
Driver Education	25,475	-	-	25,475	15,105	(10,370)
Food Service	638,993	-	-	638,993	579,367	(59,626)
Inservice Education	40,000	-	-	40,000	13,528	(26,472)
Special Education	1,628,521	-	-	1,628,521	1,491,015	(137,506)
Vocational Education	414,000	-	-	414,000	406,416	(7,584)
KPERS Special Retirement	928,696	-	-	928,696	618,386	(310,310)
Bond and Interest Fund	226,658	-	-	226,658	-	(226,658)
	<u>17,123,123</u>					

**UNIFIED SCHOOL DISTRICT #493**  
**COLUMBUS, KANSAS**  
**GENERAL FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Fiscal Year Ended June 30, 2017

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

	Prior Year Actual	Current Year		Variance - Over (Under)
	Actual	Actual	Budget	
Cash Receipts				
Local Sources				
Grant	\$ -	\$ -	\$ -	\$ -
Delinquent tax	-	-	-	-
Reimbursement	114,905	110,630	-	110,630
Interest	587	2,414	5,000	(2,586)
State Sources				
General Aid	6,213,800	6,213,800	6,213,800	-
Supplemental General Aid	1,150,759	-	-	-
KPERS Aid	653,177	618,386	928,696	(310,310)
Capital Outlay Aid	42,313	-	-	-
Special Education Aid	980,573	992,550	1,016,930	(24,380)
Total Cash Receipts	9,156,114	7,937,781	\$ 8,164,426	\$ (226,645)
Expenditures				
Instruction	3,426,394	3,338,260	\$ 3,520,753	\$ (182,493)
Support Services				
Student Support	221,227	210,275	229,500	(19,225)
Instructional Support	189,459	194,401	197,200	(2,799)
General Administration	208,891	219,145	209,700	9,445
School Administration	784,882	768,699	798,150	(29,451)
Operations and Maintenance	258,177	273,306	250,500	22,806
Transportation	439,945	430,362	524,665	(94,303)
Central Services	290,652	278,000	298,972	(20,972)
Operating transfers to Other Funds				
4 Yr Old At Risk	-	-	-	-
K-12 At Risk	87,051	246,083	99,083	147,000
Supplemental General	1,150,759	-	-	-
Bilingual Education	-	-	1,500	(1,500)
Food Service	-	67,453	-	67,453
Inservice Education	450	-	-	-
Capital Outlay	-	40,000	-	40,000
Special Education	1,417,520	1,189,439	1,041,737	147,702
KPERS	653,177	618,386	928,696	(310,310)
Vocational Education	27,500	64,000	64,000	-
Adjustments to Budget				
Adjustment for Reimbursed Expenses	-	-	110,630	(110,630)
Adjustment for Legal Maximum	-	-	(337,276)	337,276
Total Expenditures Subject to Budget	9,156,084	7,937,810	\$ 7,937,810	\$ -
Receipts Over (Under) Expenditures	30	(29)		
Unencumbered Cash, Beginning	-	30		
Unencumbered Cash, Ending	\$ 30	\$ 1		

**UNIFIED SCHOOL DISTRICT #493**  
**COLUMBUS, 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 Totals for the Prior Year Ended June 30, 2016)

		Current Year		Variance -
	Prior Year Actual	Actual	Budget	Over Under (Under)
Cash Receipts				
Local Sources				
Advalorem tax	\$ 1,174,224	\$ 1,131,782	\$ 997,800	\$ 133,982
Delinquent tax	37,493	33,673	25,160	8,513
Motor vehicle tax	205,477	165,157	145,358	19,799
Reimbursements	-	-	-	-
State Sources				
Supplemental aid	-	1,099,308	1,099,308	-
Operating Transfer from Other Funds				
General Fund	1,150,759	-	-	-
Total Cash Receipts	2,567,953	2,429,920	\$ 2,267,626	\$ 162,294
Expenditures				
Instruction	76,096	104,940	\$ 24,310	\$ 80,630
Support Services				
Student Support	-	-	-	-
Instructional Support	183,290	120,313	157,800	(37,487)
General Administration	5	-	-	-
School Administration	-	-	-	-
Operations and Maintenance	821,629	803,300	836,500	(33,200)
Transportation	-	-	-	-
Other Supplemental Services	-	-	-	-
Operating transfers to Other Funds				
Inservice Education	-	-	-	-
Food Service	51,536	-	56,548	(56,548)
Special Education	4,152	259,046	-	259,046
4 Yr Old At Risk	81,819	75,721	86,000	(10,279)
K-12 At Risk	981,222	797,237	995,000	(197,763)
Vocational Education	296,409	335,601	340,000	(4,399)
Adjustments to Budget				
Adjustment for Legal Maximum	-	-	-	-
Total Expenditures Subject to Budget	2,496,158	2,496,158	\$ 2,496,158	\$ -
Receipts Over (Under) Expenditures	71,795	(66,238)		
Unencumbered Cash, Beginning	156,738	228,533		
Unencumbered Cash, Ending	\$ 228,533	\$ 162,294		

**UNIFIED SCHOOL DISTRICT #493  
COLUMBUS, KANSAS  
4 YR 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 Totals for the Prior Year Ended June 30, 2016)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources				
Grant	\$ -	\$ -	\$ -	\$ -
Operating Transfer from Other Funds				
Supplemental General	81,819	75,721	86,000	
General Fund	-	-	-	-
Total Cash Receipts	81,819	75,721	\$ 86,000	\$ -
Expenditures				
Instruction	62,226	61,829	\$ 63,500	\$ (1,671)
Other Supplemental Services	19,593	13,892	22,500	(8,608)
Total Expenditures				
Subject to Budget	81,819	75,721	\$ 86,000	\$ (10,279)
Receipts Over (Under) Expenditures	-	0		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ 0		

**UNIFIED SCHOOL DISTRICT #493**  
**COLUMBUS, 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 Totals for the Prior Year Ended June 30, 2016)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Local Sources				
Grant	\$ -	\$ -	\$ -	\$ -
Operating Transfer from Other Funds				
Supplemental General Fund	981,222	797,237	995,000	(197,763)
General Fund	87,051	246,083	99,083	147,000
Total Cash Receipts	1,068,273	1,043,320	\$ 1,094,083	\$ (50,763)
Expenditures				
Instruction	1,017,678	995,798	\$ 1,040,356	\$ (44,558)
Student Support Services	50,595	47,521	53,727	(6,206)
Total Expenditures				
Subject to Budget	1,068,273	1,043,319	\$ 1,094,083	\$ (50,764)
Receipts Over (Under) Expenditures	-	1		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ 1		

**UNIFIED SCHOOL DISTRICT #493**  
**COLUMBUS, 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 Totals for the Prior Year Ended June 30, 2016)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources				
Grant	\$ -	\$ -	\$ -	\$ -
Operating Transfer from Other Funds				
General Fund	-	-	1,500	(1,500)
Supplemental General Fund	-	-	-	-
Total Cash Receipts	-	-	<u>\$ 1,500</u>	<u>\$ (1,500)</u>
Expenditures				
Instruction	-	-	\$ 1,500	\$ (1,500)
Total Expenditures				
Subject to Budget	-	-	<u>\$ 1,500</u>	<u>\$ (1,500)</u>
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

**UNIFIED SCHOOL DISTRICT #493**  
**COLUMBUS, 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 Totals for the Prior Year Ended June 30, 2016)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Local Sources				
Advalorem tax	\$ 238,279	\$ 252,386	\$ 242,321	\$ 10,065
Delinquent tax	6,769	6,515	5,060	1,455
Motor vehicle tax	35,662	38,388	33,632	4,756
Interest on idle funds	-	-	30,000	(30,000)
Miscellaneous	118,316	109,306	40,027	69,279
State Sources				
State Aid	-	79,720	79,729	(9)
Operating Transfer from Other Funds				
General Fund	-	40,000	-	40,000
Total Cash Receipts	399,026	526,316	\$ 430,769	\$ 95,547
Expenditures				
Instruction	173,661	188,919	\$ 130,000	\$ 58,919
Instructional Support	-	-	45,273	(45,273)
General Administration	-	2,948	50,000	(47,052)
School Administration	3,845	229	5,000	(4,771)
Operations & Maintenance	87,535	81,210	191,355	(110,145)
Transportation	68,743	86,854	180,000	(93,146)
Central Services	-	-	-	-
Facility Acquisition and Construction	99,828	4,994	776,955	(771,961)
Total Expenditures				
Subject to Budget	433,612	365,154	\$ 1,378,583	\$ (1,013,429)
Receipts Over (Under) Expenditures	(34,586)	161,162		
Unencumbered Cash, Beginning	982,401	947,815		
Unencumbered Cash, Ending	\$ 947,815	\$ 1,108,977		



**UNIFIED SCHOOL DISTRICT #493  
COLUMBUS, KANSAS  
DRIVER EDUCATION FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Fiscal Year Ended June 30, 2017

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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Local Sources				
Miscellaneous	\$ 6,100	\$ 7,200	\$ 7,000	\$ 200
State Sources				
State aid	4,420	7,680	5,850	1,830
Operating Transfer from Other Funds				
General Fund	-	-	-	-
Total Cash Receipts	10,520	14,880	\$ 12,850	\$ 2,030
Expenditures				
Instruction	12,467	15,105	\$ 25,475	\$ (10,370)
Support Services				
Operations and Maintenance	-	-	-	-
Total Expenditures				
Subject to Budget	12,467	15,105	\$ 25,475	\$ (10,370)
Receipts Over (Under) Expenditures	(1,947)	(225)		
Unencumbered Cash, Beginning	48,419	46,472		
Unencumbered Cash, Ending	\$ 46,472	\$ 46,247		

**UNIFIED SCHOOL DISTRICT #493  
COLUMBUS, 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 Totals for the Prior Year Ended June 30, 2016)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Local Sources				
Students	\$ 140,565	\$ 134,839	\$ 110,801	\$ 24,038
Adults	4,330	5,197	50,425	(45,228)
Other	4,871	3,651	607	3,044
State Sources				
State Aid	4,894	4,882	4,186	696
Federal Sources				
Child nutrition aid	340,074	347,557	316,426	31,131
Fresh fruits and vegetables aid	-	15,788	-	15,788
Operating Transfer from Other Funds				
General Fund	-	67,453	-	67,453
Supplemental General Fund	51,536	-	56,548	(56,548)
Total Cash Receipts	546,270	579,367	\$ 538,993	\$ 40,374
Expenditures				
Support Services				
Operations and Maintenance	596,270	579,367	\$ 638,993	\$ (59,626)
Total Expenditures				
Subject to Budget	596,270	579,367	\$ 638,993	\$ (59,626)
Receipts Over (Under) Expenditures	(50,000)	-		
Unencumbered Cash, Beginning	150,000	100,000		
Unencumbered Cash, Ending	\$ 100,000	\$ 100,000		

**UNIFIED SCHOOL DISTRICT #493  
COLUMBUS, KANSAS  
INSERVICE EDUCATION FUND**

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Fiscal Year Ended June 30, 2017

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources				
Miscellaneous	\$ 1,378	\$ 1,529	\$ -	\$ 1,529
State Sources				
State Aid	-	-	-	-
Operating Transfer from Other Funds				
Supplemental General Fund	-	-	-	-
General Fund	450	-	-	-
Total Cash Receipts	1,828	1,529	\$ -	\$ 1,529
Expenditures				
Support Services				
Instructional Support Staff	14,570	13,528	\$ 40,000	\$ (26,472)
Central Services	2,235	-	-	-
Total Expenditures				
Subject to Budget	16,805	13,528	\$ 40,000	\$ (26,472)
Receipts Over (Under) Expenditures	(14,977)	(11,999)		
Unencumbered Cash, Beginning	99,329	84,352		
Prior Year Cancelled Encumbrance	-	-		
Unencumbered Cash, Ending	\$ 84,352	\$ 72,353		

**UNIFIED SCHOOL DISTRICT #493  
COLUMBUS, 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 Totals for the Prior Year Ended June 30, 2016)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Local Sources				
Interest	\$ -	\$ -	\$ -	\$ -
Miscellaneous	47,065	37,502	10,000	27,502
Operating Transfer from Other Funds				
Supplemental General Fund	4,152	259,046	-	
General Fund	1,417,520	1,189,439	1,041,737	147,702
Total Cash Receipts	1,468,737	1,485,987	\$ 1,051,737	\$ 175,204
Expenditures				
Instruction	1,348,246	1,365,820	\$ 1,406,805	\$ (40,985)
Support Services				
Operations and Maintenance	-	-	19,500	(19,500)
Transportation	135,571	125,194	202,216	(77,022)
Total Expenditures				
Subject to Budget	1,483,817	1,491,015	\$ 1,628,521	\$ (137,506)
Receipts Over (Under) Expenditures	(15,080)	(5,028)		
Unencumbered Cash, Beginning	700,000	684,920		
Unencumbered Cash, Ending	\$ 684,920	\$ 679,892		

**UNIFIED SCHOOL DISTRICT #493  
COLUMBUS, 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 Totals for the Prior Year Ended June 30, 2016)

	Prior Year Actual	Current Year		Variance - Over Under
		Actual	Budget	
Cash Receipts				
Local Sources				
Miscellaneous	\$ 82	\$ 209	\$ -	\$ 209
State Sources				
State aid	-	-	10,000	(10,000)
Federal Sources				
Federal aid	15,654	6,606	-	6,606
Operating Transfer from Other Funds				
Supplemental General Fund	296,409	335,601	340,000	(4,399)
General Fund	27,500	64,000	64,000	-
Total Cash Receipts	339,645	406,416	\$ 414,000	\$ (7,584)
Expenditures				
Instruction	400,492	397,383	\$ 404,000	\$ (6,617)
Student Support Services	4,508	7,289	5,000	2,289
Instructional Support	4,155	1,743	5,000	(3,257)
Total Expenditures				
Subject to Budget	409,155	406,416	\$ 414,000	\$ (7,584)
Receipts Over (Under) Expenditures	(69,510)	-		
Unencumbered Cash, Beginning	69,510	-		
Unencumbered Cash, Ending	\$ -	\$ -		

**UNIFIED SCHOOL DISTRICT #493**  
**COLUMBUS, KANSAS**  
**KPERS SPECIAL RETIREMENT FUND**  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Fiscal Year Ended June 30, 2017  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2016)

	Prior Year Actual	Current Year		Variance - Over Under
		Actual	Budget	
Cash Receipts				
Operating Transfer from Other Funds				
General Fund	\$ 653,177	\$ 618,386	\$ 928,696	\$ (310,310)
Total Cash Receipts	653,177	618,386	\$ 928,696	\$ (310,310)
Expenditures				
Instruction	422,052	402,332	\$ 580,000	\$ (177,668)
Student Support	20,494	15,957	48,000	(32,043)
Instructional Support	14,316	15,009	27,696	(12,687)
General Administration	13,064	12,445	25,000	(12,555)
School Administration	62,135	57,643	80,000	(22,357)
Central Services	15,639	15,661	22,000	(6,339)
Operations and Maintenance	45,307	43,492	60,000	(16,508)
Trasnportation	33,641	30,233	51,000	(20,767)
Food Service	26,529	25,613	35,000	(9,387)
Total Expenditures				
Subject to Budget	653,177	618,386	\$ 928,696	\$ (310,310)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ -		

**UNIFIED SCHOOL DISTRICT #493  
COLUMBUS, KANSAS  
CONTINGENCY RESERVE FUND**

Schedule of Receipts and Expenditures - Actual  
Regulatory Basis

For the Fiscal Year Ended June 30, 2017

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

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Local Sources		
Grant	<u>\$ -</u>	<u>\$ -</u>
Total Cash Receipts	<u>-</u>	<u>-</u>
Expenditures		
Instruction	-	-
Support Services		
Operations and Maintenance	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>300,000</u>	<u>300,000</u>
Unencumbered Cash, Ending	<u><u>\$ 300,000</u></u>	<u><u>\$ 300,000</u></u>

**UNIFIED SCHOOL DISTRICT #493**  
**COLUMBUS, KANSAS**  
**TEXTBOOK RENTAL FUND**

Schedule of Receipts and Expenditures - Actual  
Regulatory Basis

For the Fiscal Year Ended June 30, 2017

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

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Local Sources		
Fees	\$ 55	\$ 166
Operating Transfer From General Fund	<u>-</u>	<u>-</u>
	<u>55</u>	<u>166</u>
Total Cash Receipts		
Expenditures		
Instruction	<u>21,014</u>	<u>2,259</u>
Total Expenditures	<u>21,014</u>	<u>2,259</u>
Receipts Over (Under) Expenditures	(20,959)	(2,093)
Unencumbered Cash, Beginning	<u>141,867</u>	<u>120,908</u>
Unencumbered Cash, Ending	<u>\$ 120,908</u>	<u>\$ 118,815</u>



**UNIFIED SCHOOL DISTRICT #493**  
**COLUMBUS, KANSAS**  
**TITLE I FUND**

Schedule of Receipts and Expenditures - Actual  
Regulatory Basis

For the Fiscal Year Ended June 30, 2017

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources		
Grant	\$ 251,661	\$ 241,855
Total Cash Receipts	251,661	241,855
Expenditures		
Instruction	251,661	241,855
Total Expenditures	251,661	241,855
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

**UNIFIED SCHOOL DISTRICT #493**  
**COLUMBUS, KANSAS**  
**SAFETY GRANT FUND**

Schedule of Receipts and Expenditures - Actual  
Regulatory Basis

For the Fiscal Year Ended June 30, 2017

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

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Local Sources		
Grant	<u>\$ 1,250</u>	<u>\$ -</u>
Total Cash Receipts	<u>1,250</u>	<u>-</u>
Expenditures		
Student Support	<u>1,250</u>	<u>-</u>
Total Expenditures	<u>1,250</u>	<u>-</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**UNIFIED SCHOOL DISTRICT #493**  
**COLUMBUS, KANSAS**  
**TITLE II - A TEACHER QUALITY**  
Schedule of Receipts and Expenditures - Actual  
Regulatory Basis

For the Fiscal Year Ended June 30, 2017  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2016)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources		
Grant	\$ 77,180	\$ 73,735
Total Cash Receipts	77,180	73,735
Expenditures		
Instruction	77,180	73,735
Total Expenditures	77,180	73,735
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

**UNIFIED SCHOOL DISTRICT #493**  
**COLUMBUS, KANSAS**  
**TITLE VI RURAL LOW INCOME FUND**  
Schedule of Receipts and Expenditures - Actual

Regulatory Basis

For the Fiscal Year Ended June 30, 2017

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources		
Grant	\$ 25,465	\$ -
Total Cash Receipts	25,465	-
Expenditures		
Instruction	25,465	-
Total Expenditures	25,465	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

**UNIFIED SCHOOL DISTRICT #493**  
**COLUMBUS, KANSAS**  
**KDADS CHARACTER EDUCATION FUND**

Schedule of Receipts and Expenditures - Actual  
Regulatory Basis

For the Fiscal Year Ended June 30, 2017

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources		
Grant	\$ 8,556	\$ -
Total Cash Receipts	8,556	-
Expenditures		
Instruction	8,556	-
Total Expenditures	8,556	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

**UNIFIED SCHOOL DISTRICT #493**  
**COLUMBUS, KANSAS**  
**KANSAS READING ROADMAP GRANT FUND**

Schedule of Receipts and Expenditures - Actual

Regulatory Basis

For the Fiscal Year Ended June 30, 2017

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources		
Grant	\$ 180,832	\$ 155,374
Miscellaneous	80	-
Total Cash Receipts	180,912	155,374
Expenditures		
Instruction	181,712	196,651
Total Expenditures	181,712	196,651
Receipts Over (Under) Expenditures	(800)	(41,277)
Unencumbered Cash, Beginning	11,564	10,764
Unencumbered Cash, Ending	<u>\$ 10,764</u>	<u>\$ (30,514)</u>

**UNIFIED SCHOOL DISTRICT #493**  
**COLUMBUS, KANSAS**  
**GIFTS AND GRANTS FUND**

Schedule of Receipts and Expenditures - Actual  
Regulatory Basis

For the Fiscal Year Ended June 30, 2017

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

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Local Sources		
Grant	<u>\$ 17,500</u>	<u>\$ -</u>
Total Cash Receipts	<u>17,500</u>	<u>-</u>
Expenditures		
Instruction	<u>23,129</u>	<u>11,296</u>
Total Expenditures	<u>23,129</u>	<u>11,296</u>
Receipts Over (Under) Expenditures	(5,629)	(11,296)
Unencumbered Cash, Beginning	<u>17,451</u>	<u>11,822</u>
Unencumbered Cash, Ending	<u><u>\$ 11,822</u></u>	<u><u>\$ 526</u></u>

**UNIFIED SCHOOL DISTRICT #493**  
**COLUMBUS, 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 Totals for the Prior Year Ended June 30, 2016)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources				
Grant	\$ -	\$ -	\$ -	\$ -
Delinquent tax	772	-	-	-
Motor vehicle tax	-	-	-	-
Interest on idle funds	-	-	-	-
Other	-	-	-	-
State Sources				
State aid	-	-	-	-
Total Cash Receipts	772	-	\$ -	\$ -
Expenditures				
Debt Service				
Principal	-	-	\$ -	\$ -
Interest	-	-	-	-
Other	-	-	226,658	(226,658)
Total Expenditures				
Subject to Budget	-	-	226,658	(226,658)
Receipts Over (Under) Expenditures	772	-		
Unencumbered Cash, Beginning	225,886	226,658		
Unencumbered Cash, Ending	\$ 226,658	\$ 226,658		



**UNIFIED SCHOOL DISTRICT #493**  
**COLUMBUS, KANSAS**  
**SCHOLARSHIPS FUND**

Schedule of Receipts and Expenditures - Actual  
Regulatory Basis

For the Fiscal Year Ended June 30, 2017

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

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Local Sources		
Grant	\$ 2,265	\$ 960
Interest	68	96
	<u>2,333</u>	<u>1,056</u>
Total Cash Receipts		
Expenditures		
Scholarships	<u>3,035</u>	<u>2,422</u>
Total Expenditures	<u>3,035</u>	<u>2,422</u>
Receipts Over (Under) Expenditures	(702)	(1,365)
Unencumbered Cash, Beginning	<u>63,849</u>	<u>63,147</u>
Unencumbered Cash, Ending	<u>\$ 63,147</u>	<u>\$ 61,782</u>

**UNIFIED SCHOOL DISTRICT #493**  
**COLUMBUS, KANSAS**  
**AGENCY FUNDS**

Schedule of Receipts and Disbursements

Regulatory Basis

For the Fiscal Year Ended June 30, 2017

	Beginning Cash Balances	Cash Receipts	Cash Disbursements	Ending Cash Balances
Agency Funds				
Columbus High School	\$ 106,771	\$ 212,884	\$ 203,633	\$ 116,022
Columbus Central School	43,080	44,838	45,235	42,683
Highland Elementary	8,967	17,982	18,981	7,968
Park Elementary	15,029	4,715	4,627	15,116
Totals	<u>\$ 173,847</u>	<u>\$ 280,418</u>	<u>\$ 272,476</u>	<u>\$ 181,789</u>

## UNIFIED SCHOOL DISTRICT #493

## COLUMBUS, KANSAS

## DISTRICT ACTIVITY FUNDS

## Schedule of Receipts, Expenditures, and Unencumbered Cash

## Regulatory Basis

For the Fiscal Year Ended June 30, 2017

Funds	Beginning Unencumbered Cash Balances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balances	Plus Encumbrances and Accounts Payable	Cash Balances June, 30 2017
Gate Receipts						
High School Athletics	\$ 27,671	\$ 81,927	\$ 73,332	\$ 36,267	\$ -	\$ 36,267
Middle School Athletics	16,042	8,608	9,963	14,688	-	14,688
Subtotal Gate Receipts	43,713	90,536	83,295	50,955	-	50,955
Food Service						
High School	-	38,153	38,153	-	-	-
Middle School	-	51,746	51,746	-	-	-
Subtotal Food Service						
Total District Activity Funds	\$ 43,713	\$ 90,536	\$ 83,295	\$ 50,955	\$ -	\$ 50,955

**UNIFIED SCHOOL DISTRICT #493  
COLUMBUS, KANSAS**

**FEDERAL COMPLIANCE SECTION**

For the Fiscal Year Ended June 30, 2017

COLUMBUS UNIFIED SCHOOL DISTRICT #493  
COLUMBUS , KANSAS

Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 2017

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	AMOUNT RECEIVED	AMOUNT EXPENDED
<u>U.S. Department of Agriculture</u>			
Passed Through the State of Kansas			
Department of Education:			
Team Nutrition Grant	10.574	\$ 250	\$ 250
Child Nutrition Cluster			
School Breakfast Program	10.553	75,704	75,704
National School Lunch Program	10.555	262,541	262,541
Summer Food Service Program	10.559	9,312	9,312
Fresh Fruits & Vegetables	10.582	<u>15,788</u>	<u>15,788</u>
		<u>363,595</u>	<u>363,595</u>
<u>U.S. Department of Education</u>			
Passed Through the State of Kansas			
Department of Education:			
Title I Grants to Local Educational Agencies	84.010	241,855	241,855
Title II - Improving Teacher Quality	84.367	73,735	73,735
Career and Technical Education - Basic			
Grants to States	84.048	<u>680</u>	<u>680</u>
		316,270	316,270
Passed Through the Southeast Kansas			
Education Service Center			
Career and Technical Education - Basic	84.048	<u>5,926</u>	<u>5,926</u>
Grants to States		<u>322,196</u>	<u>322,196</u>
<u>U.S. Department of Health and Human Services</u>			
Passed Through the State of Kansas			
Department of Education			
Block Grants for Prevention & Treatment of			
Substance Abuse	93.079	1,000	1,000
Passed Through Kansas Reading Roadmap			
Temporary Assistance to Needy Families	93.558	<u>155,374</u>	<u>196,651</u>
		<u>156,374</u>	<u>197,651</u>
TOTALS		<u>\$ 842,165</u>	<u>\$ 883,442</u>

Note:

The schedule of expenditures of federal awards has been prepared in accordance with the regulatory basis of accounting as set forth in the Kansas Municipal Audit and Accounting Guide. Under the regulatory basis of accounting, revenues are recognized when cash is received. Expenditures include disbursements, accounts payable and encumbrances. Encumbrances are commitments of the District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract.

The District did not elect to use the 10% de minimis indirect cost rate as allowed under Uniform Guidance.

Total expenditures under the Child Nutrition Cluster was \$347,557.

# Diehl Banwart Bolton

*Certified Public Accountants PA*

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

Board of Education  
Columbus Unified School District #493  
Columbus, Kansas 66725

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement and related notes to the financial statement of Columbus Unified School District #493 as of the fiscal year ended June 30, 2017, and have issued our report thereon dated November 9, 2017.

### **Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We identified certain deficiencies in internal control described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies (2017-001).

**Compliance and Other Matters**

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

We noted certain other matters that we reported to Management of the District in a separate letter dated November 9, 2017.

**District's Response to Findings**

The District's response to the findings identified in our audit is described in the Corrective Action Plan. We did not audit the District's response and accordingly, we express no opinion on it.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization'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 organization's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

*Diehl, Banwart, Bolton CPAs PA*

DIEHL, BANWART, BOLTON, CPAs PA

November 9, 2017  
Pittsburg, Kansas

# Diehl Banwart Bolton

*Certified Public Accountants PA*

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

Board of Education  
Columbus Unified School District #493  
Columbus, Kansas 66725

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

We have audited the Columbus Unified School District #493's (District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2017. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

### **Auditors' Responsibilities**

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

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



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

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

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

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

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

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.

*Diehl, Banwart, Bolton CPAs PA*

DIEHL, BANWART, BOLTON, CPAs PA

November 9, 2017  
Pittsburg, Kansas

**UNIFIED SCHOOL DISTRICT #493  
COLUMBUS, KANSAS**

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

**Finding 2016-01 Drafting Financial Statements**

Condition: The District's auditors provide significant assistance with preparing their financial statement in the regulatory basis format as well as determining which disclosures are required.

Recommendation: None

Current Status: The District continues to rely on their auditors to assist in preparing the financial statement and disclosures. The District periodically reviews the situation. The District continues to believe this is the most cost-effective way to produce their financial statement. This remains a current year audit finding

**COLUMBUS UNIFIED SCHOOL DISTRICT #493  
COLUMBUS, KANSAS**

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

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

**FINANCIAL STATEMENTS:**

Type of auditors' report issued:

- Adverse for departures from accounting principles generally accepted in the United States of America due to preparation of financial statements in accordance with the regulatory basis of accounting.
- Unqualified opinion on the regulatory basis financial statements.

Internal control over financial reporting:

- Material weakness(es) identified? \_\_ YES X NO
- Significant Deficiency(ies) identified that  
are not considered to be material weaknesses? NONE  
X YES \_\_ REPORTED

Noncompliance material to financial statements noted? \_\_ YES X NO

**FEDERAL AWARDS:**

Internal control over major programs:

- Material weakness(es) identified? \_\_ YES X NO
- Significant deficiency (ies) identified that  
are not considered to be material weaknesses? NONE  
\_\_ YES X REPORTED

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

Any audit findings disclosed that are required to be reported  
in accordance with Section 510(a) of Circular A-133? \_\_ YES X NO

**IDENTIFICATION OF MAJOR PROGRAMS:**

<u>CFDA #</u>	<u>NAME OF PROGRAM</u>
10.553, 10.555 & 10.559	Child Nutrition Cluster
84.010	Title I

Auditee qualified as low-risk auditee? \_\_ YES X NO

The dollar threshold used to distinguish between Type A and Type B Programs was \$750,000.

## **SECTION II - FINANCIAL STATEMENT FINDINGS**

### Significant Deficiency

#### 2017-001 Drafting Financial Statements

Condition: As auditors, we provide significant assistance with adjusting entries, as well as determining which disclosures are required under the regulatory basis of accounting. This is a repeat finding from June 30, 2016, and was identified in that report as 2016-001.

Criteria: Internal controls should be in place that provide a reasonable assurance that the financial statements are appropriate in form and contain the required disclosures.

Cause: Relying upon the independent auditors is a significant deficiency in internal controls as they can not be considered part of the District's internal control.

Effect: Since the District relies on independent auditors to determine the financial statements are in the correct form and include the proper disclosures, the District does not have controls in place for this.

Recommendation: None

Response: The District agrees with the finding. The District's response is in the attached Corrective Action Plan.

## **SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None reported.

## COLUMBUS UNIFIED SCHOOL DISTRICT #493 (USD #493)

June 30, 2017 Financial Statements

### Corrective Action Plan

#### Audit Finding 2017-001

USD #493 has always relied upon its auditors to provide significant assistance with adjusting entries and with determining which disclosures were required under accounting principles generally accepted in the United States of America and the regulatory basis of accounting. While USD #493 understands that this is a significant deficiency in our internal controls, we believe it is the most cost-effective manner for us to produce our financial statements. Our accounting staff concentrate on providing the reports needed for management purposes and preparing the required reports for the Kansas Department of Education. We believe it would be inefficient and cost prohibitive for our staff to attempt to stay current on all the requirements of accounting principles generally accepted in the United States of America and the regulatory basis of accounting. We do not plan on making any changes at this time. However, we will monitor this situation and periodically determine if it is cost effective for us to perform these functions.