

**UNIFIED SCHOOL DISTRICT NO. 202**

**Kansas City, Kansas**

**Financial Statements**

**For the Year Ended June 30, 2017**

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UNIFIED SCHOOL DISTRICT NO. 202  
Financial Statements  
For the Year Ended June 30, 2017

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## **INDEPENDENT AUDITOR'S REPORT**

Board of Education  
Unified School District No. 202  
Kansas City, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the Unified School District No. 202, Kansas City, Kansas, (the District), as of and for the 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* (KMAAG) 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 in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

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

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

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

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

As described in Note 1 of the financial statement, the financial statement is prepared by the District 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 No. 202, Kansas City, Kansas, as of June 30, 2017, or the respective changes in financial position and changes in cash flows, where applicable, 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 District, 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 KMAAG described in Note 1.

#### *Report on Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory receipts and expenditures-actual and budget, summary of regulatory receipts and disbursements-agency funds, and the schedule of regulatory 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 statements, however they are required to be presented under the provisions of the KMAAG. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the 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 financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statement as a whole, on the basis of accounting described in Note 1.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2017, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

#### *Other Matter*

The 2016 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget (Schedule 2 as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2016 basic financial statement upon which we rendered an unmodified opinion dated December 12, 2016. 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://da.ks.gov/ar/muniserv/>. 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 statements. The 2016 comparative information was subjected to auditing procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2016 basic financial statements 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 presented in all material respects in relation to the 2016 basic financial statements as a whole, on the basis of accounting described in Note 1.

*Mig Houser & Company PA*

Certified Public Accountants  
Lawrence, Kansas

November 30, 2017

UNIFIED SCHOOL DISTRICT NO. 202  
Summary Statement of Receipts, Expenditures and Unencumbered Cash  
Regulatory Basis  
For the Year Ended June 30, 2017

Fund	Beginning Unencumbered Cash Balance	Prior-Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds:							
General Funds:							
General	\$ -	\$ 2,931	\$ 28,738,000	\$ 28,740,931	\$ -	\$ 1,204,235	\$ 1,204,235
Supplemental General	302,877	7,561	8,919,603	9,053,413	176,628	272,922	449,550
Special Purpose Funds:							
At-Risk (4 Year Old)	252,939	-	360,000	294,881	318,058	29,446	347,504
At-Risk (K-12)	3,005,228	4	5,443,074	5,049,617	3,398,689	453,026	3,851,715
Bilingual Education	270,224	-	610,000	575,947	304,277	74,137	378,414
Virtual Education	67,800	-	200,000	130,500	137,300	-	137,300
Capital Outlay	11,010,749	50,042	4,215,833	2,888,147	12,388,477	923,292	13,311,769
Food Service	1,516,636	10,584	2,282,060	2,175,911	1,633,369	135,308	1,768,677
Professional Development	-	-	202,814	-	202,814	-	202,814
Special Education	4,373,148	12	7,154,740	5,863,203	5,664,697	814,796	6,479,493
Vocational Education	490,919	599	595,873	373,040	714,351	18,841	733,192
Parent Education Program	79,840	-	315,236	313,062	82,014	33,504	115,518
Student Material Revolving	1,540,296	-	325,000	311,289	1,554,007	24,440	1,578,447
KPERS Special Retirement Contribution	-	-	2,092,370	2,092,370	-	-	-
Federal Grants	[34,047]	30,196	1,678,514	1,641,389	33,274	183,711	216,985
District Activity	27,329	-	61,279	68,278	20,330	-	20,330
Contingency Reserve	1,897,851	-	400,000	-	2,297,851	-	2,297,851
Donations and Grants	37,309	-	25,842	11,233	51,918	-	51,918
Aquatic	173,716	-	159,648	156,605	176,759	985	177,744
Bond and Interest Fund:							
Bond and Interest	6,113,061	-	5,128,696	4,689,344	6,552,413	-	6,552,413
Capital Project Fund:							
2013 Bond Fund	304,496	-	550	305,046	-	16,073	16,073
Total Primary Government	31,430,371	101,929	68,909,132	64,734,206	35,707,226	4,184,716	39,891,942
Related Municipal Entity:							
Recreation Commission							
General Fund	1,350,421	25,073	1,444,986	1,766,494	1,053,986	523,299	1,577,285
Employee Benefits Fund	272,683	-	145,851	86,083	332,451	-	332,451
Operating Funds	31,911	-	66,287	76,598	21,600	-	21,600
Total Related Municipal Entity	1,655,015	25,073	1,657,124	1,929,175	1,408,037	523,299	1,931,336
Total Reporting Entity (Excluding Agency Funds)	\$ 33,085,386	\$ 127,002	\$ 70,566,256	\$ 66,663,381	\$ 37,115,263	\$ 4,708,015	\$ 41,823,278

Composition of Cash

Bank of Labor	
Checking Account-District	\$ 34,015,992
Bond Account-District	16,073
Food Service Account-District	1,768,793
Money Market Account-District	4,251,502
Petty Cash Account-District	1,182
Credit Card Service-District	13,588
Checking Accounts-Activity Funds	249,759
Operating Funds-Recreation Commission	21,600
Recreation Commission	1,909,736
Total Cash	42,248,225
Less Agency Funds per Schedule 3	[424,947]
Total Reporting Entity (Excluding Agency Funds)	\$ 41,823,278

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

UNIFIED SCHOOL DISTRICT NO. 202  
Notes to the Financial Statements  
For the Year Ended June 30, 2017

NOTE 1 - Summary of Significant Accounting Policies

Municipal Financial Reporting Entity

Unified School District No. 202 (the District) is a municipal corporation governed by an elected seven-member board. These financial statements present USD No. 202 (the primary government) and its related municipal entity. The related municipal entity is included in the District's reporting entity because of the significance of its operational and financial relationship with the District.

*Related Municipal Entity.* The related municipal entity section of the financial statements includes the financial data of the related municipal entity. This related municipal entity is reported separately to emphasize that it is legally separate from the District. The governing body of this related municipal entity is appointed by the District.

Recreation Commission. Turner Recreation Commission oversees recreational activities. The Recreation Commission operates as a separate governing body, but the District levies the taxes for the Commission and the Commission only has powers granted by K.S.A. 12-1928.

Reimbursed Expenses

Expenditures in the amount of \$77,871 are classified as reimbursed expenses in the General Fund. The purpose of these expenditures is payments for goods and services in which fees are collected and such expenditures are exempt from the budget law under K.S.A. 79-2934.

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statements meet the following criteria:

1. the related disbursement was made in the current year on behalf of the payee,
2. the item paid for was directly identifiable as having been used by or provided to the payee, and
3. the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

Basis of Accounting

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

The municipality 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.

Regulatory Basis Fund Types

In governmental 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.



UNIFIED SCHOOL DISTRICT NO. 202  
Notes to the Financial Statements  
For the Year Ended June 30, 2017

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Regulatory Basis Fund Types (Continued)

The following types of funds comprise the financial activities of the District 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 regulatory receipt 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.

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

Agency Fund - funds used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, student organization fund, etc.).

Fiduciary Fund - used to report assets held in a trust for others and which therefore cannot be used to support the government's own programs (i.e. permanent trust funds, etc.).

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:

The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The 2016-2017 budget was not amended.

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 for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which, regulatory receipts are recognized when cash is received, and expenditures include disbursements, accounts payable and encumbrances, with disbursements being adjusted for prior years accounts payable and encumbrances.

Encumbrances are commitments by the District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

UNIFIED SCHOOL DISTRICT NO. 202  
Notes to the Financial Statements  
For the Year Ended June 30, 2017

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Budgetary Information (Continued)

A legal operating budget is not required for capital projects funds, agency funds, and the following special purpose funds: Student Material Revolving, Contingency Reserve, District Activity, Donations and Grants, Aquatic, and the Recreation Commission Operating Fund.

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

NOTE 2 - Deposits and Investments

*Deposits.* As of June 30, 2017, the District had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)		Rating U.S.
		Less than 1	1-2	
Repurchase Agreements	\$ 16,073	\$ 16,073	\$ -	N/A
	<u>\$ 16,073</u>	<u>\$ 16,073</u>	<u>\$ -</u>	

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

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

*Concentration of credit risk.* State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The District's allocation of investments as of June 30, 2017, is as follows:

<u>Investments</u>	<u>Percentage of Investments</u>
Repurchase Agreements	100%

*Custodial credit risk – deposits.* Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District has no designated "peak periods." All deposits were legally secured at June 30, 2017.

At June 30, 2017, the District's carrying amount of deposits was \$40,300,816 and the bank balance was \$38,566,175. The bank balance was held by one bank, resulting in a concentration of credit risk. Of the bank balance, \$250,000 was covered by federal depository insurance and \$38,316,175 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

UNIFIED SCHOOL DISTRICT NO. 202  
Notes to the Financial Statements  
For the Year Ended June 30, 2017

NOTE 2 - Deposits and Investments (Continued)

At June 30, 2017, the Recreation Commission's carrying amount of deposits was \$1,931,336 and the bank balance was \$1,950,541. The bank balance was held by one bank, resulting in a concentration of credit risk. Of the bank balance, \$250,000 was covered by federal depository insurance and the remaining balance of \$1,700,541 was collateralized with securities held by the pledging financial institutions' agents in the Commission's name.

*Custodial credit risk – investments.* For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

NOTE 3 - In-Substance Receipt in Transit

The District received \$1,793,822 in General State Aid and \$681,735 in Supplemental General State Aid subsequent to June 30, 2017 and, as required by K.S.A. 72-6466, the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2017.

NOTE 4 - Long-Term Debt

The District is subject to statutes of the State of Kansas, which limit the bonded debt outstanding to 14% of the assessed valuation. The District requested and received approval under K.S.A. 75-2315 which allows the issuance of bonded debt in excess of the general bond debt limitation.

Following is a detailed listing of the District's long-term debt:

<u>Debt Issue</u>	<u>Date Issued</u>	<u>Original Amount</u>	<u>Amount Outstanding</u>	<u>Interest Rate</u>
G.O. Bonds				
Refunding Series 2004-A	12/15/2004	\$ 31,180,000	\$ 9,690,000	3.00% - 3.25%
Refunding Series 2010	05/18/2010	2,675,000	1,410,000	2.50% - 3.50%
Improvement 2013	12/19/2013	<u>19,500,000</u>	<u>19,500,000</u>	3.75% - 5.00%
Total		<u>\$ 53,355,000</u>	<u>\$ 30,600,000</u>	

Following is a summary of changes in long-term debt for the year ended June 30, 2017:

<u>Type of Issue</u>	<u>Beginning Principal Outstanding</u>	<u>Additions to Principal</u>	<u>Reductions of Principal</u>	<u>Ending Principal Outstanding</u>	<u>Interest Paid</u>
G.O. Bonds To Be Paid With Tax Levies:					
Refunding Series 2004-A	\$ 12,590,000	\$ -	\$ 2,900,000	\$ 9,690,000	\$ 584,850
Refunding Series 2010	1,670,000	-	260,000	1,410,000	52,019
Improvement 2013	<u>19,500,000</u>	<u>-</u>	<u>-</u>	<u>19,500,000</u>	<u>892,475</u>
Total	<u>\$ 33,760,000</u>	<u>\$ -</u>	<u>\$ 3,160,000</u>	<u>\$ 30,600,000</u>	<u>\$ 1,529,344</u>

UNIFIED SCHOOL DISTRICT NO. 202  
Notes to the Financial Statements  
For the Year Ended June 30, 2017

NOTE 4 - Long-Term Debt (Continued)

Annual debt service requirements to maturity for long-term debt:

Year Ended June 30,	Principal	Interest	Total
2018	\$ 3,320,000	\$ 1,284,119	\$ 4,604,119
2019	3,500,000	1,105,431	4,605,431
2020	3,680,000	917,656	4,597,656
2021	1,840,000	869,503	2,709,503
2022	1,925,000	780,063	2,705,063
2023-2027	11,145,000	2,347,563	13,492,563
2028-2029	5,190,000	209,600	5,399,600
	<u>\$ 30,600,000</u>	<u>\$ 7,513,934</u>	<u>\$ 38,113,934</u>

The District has also entered into several leases and other financing agreements to fund equipment, computers and other building upgrades. A summary of these financing agreements is as follows:

<u>Lease</u>	<u>Origination Date</u>	<u>Original Balance</u>	<u>June 30, 2017 Balance</u>	<u>Interest Paid</u>
Boiler Lease	06/03/2008	\$ 3,552,500	\$ 423,630	\$ 31,536
HVAC Upgrades	08/04/2011	5,158,262	3,513,627	133,812
HVAC Upgrades QZAB	08/04/2011	214,000	138,733	2,382
Energy Retrofitting QZAB	08/04/2011	833,000	517,034	27,558
Revolving Note	09/15/2008	400,000	198,708	11,790
		<u>\$ 10,157,762</u>	<u>\$ 4,791,732</u>	<u>\$ 207,078</u>

Annual lease payment requirements to maturity:

<u>Leases</u>				<u>Revolving Loans</u>			
Year Ended June 30,	Principal	Interest	Total	Year Ended June 30,	Principal	Interest	Total
2018	\$ 833,140	\$ 162,784	\$ 995,924	2018	\$ 28,887	\$ 10,298	\$ 39,184
2019	421,867	133,809	555,676	2019	30,460	8,724	39,184
2020	434,664	118,186	552,850	2020	32,119	7,065	39,184
2021	447,915	102,109	550,024	2021	33,869	5,315	39,184
2022	461,637	85,560	547,197	2022	35,714	3,470	39,184
2023-2026	1,993,801	166,723	2,160,524	2023	37,659	1,525	117,552
	<u>\$ 4,593,024</u>	<u>\$ 769,170</u>	<u>\$ 5,362,195</u>		<u>\$ 198,708</u>	<u>\$ 36,397</u>	<u>\$ 313,473</u>

UNIFIED SCHOOL DISTRICT NO. 202  
Notes to the Financial Statements  
For the Year Ended June 30, 2017

NOTE 5 - Interfund Transactions

Transfers were as follows:

From	To	Amount	Regulatory Authority
General	At Risk (K-12)	\$ 2,420,857	K.S.A. 72-6478
General	Bilingual Education	100,000	K.S.A. 72-6478
General	Virtual Education	200,000	K.S.A. 72-6478
General	Capital Outlay	1,541,460	K.S.A. 72-6478
General	Special Education	5,079,412	K.S.A. 72-6478
General	Vocational Education	29,200	K.S.A. 72-6478
General	Parent Education Program	30,000	K.S.A. 72-6478
General	KPERS Special Retirement Contribution	2,092,370	K.S.A. 72-6478
General	Contingency Reserve	400,000	K.S.A. 72-6478
General	Student Material Revolving	325,000	K.S.A. 72-6478
Supplemental General	At Risk (4 Year Old)	360,000	K.S.A. 72-6478
Supplemental General	At Risk (K-12)	2,996,401	K.S.A. 72-6478
Supplemental General	Bilingual Education	510,000	K.S.A. 72-6478
Supplemental General	Special Education	665,000	K.S.A. 72-6478
Supplemental General	Professional Development	202,814	K.S.A. 72-6478
Supplemental General	Vocational Education	500,000	K.S.A. 72-6478
		<u>\$ 17,452,514</u>	

NOTE 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](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 establishes 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 contribution rates are withheld by their employer and paid to KPERS according to provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate 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, 2016. The actuarially determined employer contribution rate was 16.03% and 10.81%, respectively, for the fiscal year ended June 30, 2017. Per 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 totaled \$92,917,091.

UNIFIED SCHOOL DISTRICT NO. 202  
Notes to the Financial Statements  
For the Year Ended June 30, 2017

NOTE 6 - Defined Benefit Pension Plan (Continued)

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled \$2,092,370 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 \$39,631,542. 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 KPERS website at [www.kpers.org](http://www.kpers.org) or can be obtained as described above.

NOTE 7 - Termination Benefits

The District has a plan which covers personnel who voluntarily take early retirement. A certified employee is eligible for early retirement if such employee is a full time employee, not less than 60 years of age and not more than 65 years of age, and has ten years or more of service with the District and twenty years or more of service credit with the Kansas Public Employees Retirement System. The benefits from this plan are computed using a formula based upon years of service and is payable semiannually.

The annual scheduled payments under this program are as follows:

Year Ended	Amount
06/30/2018	\$ 274,076
06/30/2019	138,820
06/30/2020	86,611
06/30/2021	36,272
06/30/2022	<u>17,886</u>
Total	<u>\$ 553,665</u>

NOTE 8 - Commitments and Contingencies

The District receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursement of the funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statements of the District as of June 30, 2017.

UNIFIED SCHOOL DISTRICT NO. 202  
Notes to the Financial Statements  
For the Year Ended June 30, 2017

NOTE 9 - Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which it carries commercial insurance. The District has joined other Kansas school districts to participate in Kansas Association of School Boards (KASB) workers compensation insurance risk pool. The pool operates as a common risk management and insurance program for certain Kansas school districts. The District pays an annual premium to the pool for its workers compensation insurance coverage. The District's contractual agreement with KASB provides that KASB will be self-sustaining through member premiums and the liability limits for each accident, employee, and policy is \$1,000,000. The District continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 10 – Compensated Absences

The District gives each teacher ten (10) days paid annual leave for illness or personal use. This paid leave may be accumulated to a maximum of one hundred and twenty (120) days and shall include the amount allotted for the current year. The District gives classified employees, with the exception of bus drivers, leave time at a rate of one (1) work day paid leave per month of employment calculated from the original date of employment. Example, a ten (10) month employee receives ten (10) days leave time; a twelve (12) month employee receives twelve (12) days leave time. This paid leave may be accumulated to a maximum of one hundred and twenty (120) days and shall include the amount allotted for the current year. A teacher retiring from the District shall be paid at the rate of the current daily substitute pay for each day of accumulated leave upon retirement; classified employees are paid at their current rate of pay. As of June 30, 2017, the liability for accumulated leave time was \$96,813. If employees are terminated or resign, leave pay is only paid for current years' time earned but not used.

NOTE 11 - Other Post-Employment Benefits

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

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

NOTE 12 - Statutory Violation

Actual exceeded budgeted expenditures in the Recreation Commission General Fund, which is a violation of K.S.A. 79-2935.

## SCHEDULE 1

UNIFIED SCHOOL DISTRICT NO. 202  
Summary of Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2017

Fund	Total Budget	Adjustment to Comply with Legal Maximum Budget	Adjustment For Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over [Under]
Governmental Type Funds:						
General Funds:						
General Fund	\$ 30,021,387	\$ [1,358,327]	\$ 77,871	\$ 28,740,931	\$ 28,740,931	\$ -
Supplemental General	9,053,413	-	-	9,053,413	9,053,413	-
Special Purpose Funds:						
At-Risk (4 Year Old)	305,032	-	-	305,032	294,881	10,151
At-Risk (K-12)	6,441,710	-	-	6,441,710	5,049,617	1,392,093
Bilingual Education	576,860	-	-	576,860	575,947	913
Virtual Education	360,000	-	-	360,000	130,500	229,500
Capital Outlay	5,015,000	-	-	5,015,000	2,888,147	2,126,853
Food Service	2,705,300	-	-	2,705,300	2,175,911	529,389
Special Education	6,358,086	-	-	6,358,086	5,863,203	494,883
Vocational Education	636,450	-	-	636,450	373,040	263,410
Parent Education Program	358,690	-	-	358,690	313,062	45,628
KPERs Special Retirement Contribution	2,968,317	-	-	2,968,317	2,092,370	875,947
Federal Grants	1,713,737	-	-	1,713,737	1,641,389	72,348
Bond and Interest Funds:						
Bond and Interest	4,689,344	-	-	4,689,344	4,689,344	-
Related Municipal Entity:						
Recreation Commission Funds:						
General Fund	1,566,282	-	-	1,566,282	1,766,494	[200,212]
Employee Benefits Fund	123,342	-	-	123,342	86,083	37,259

See independent auditor's report on the financial statements.



UNIFIED SCHOOL DISTRICT NO. 202  
General Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the 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	
<b>Receipts</b>				
State aid				
General state aid	\$ 23,606,830	\$ 23,576,497	\$ 23,782,670	\$ [206,173]
Supplemental general state aid	6,492,393	-	-	-
Capital outlay state aid	431,917	-	-	-
Special education state aid	2,921,099	2,830,707	3,160,400	[329,693]
KPERS state aid	2,110,624	2,092,370	2,968,317	[875,947]
Investment income	74,344	133,458	100,000	33,458
Miscellaneous	7,972	27,097	10,000	17,097
Reimbursed expense	80,600	77,871	-	77,871
<b>Total Receipts</b>	<u>35,725,779</u>	<u>28,738,000</u>	<u>\$ 30,021,387</u>	<u>\$ [1,283,387]</u>
<b>Expenditures</b>				
Instruction	8,046,473	8,415,347	\$ 8,249,550	\$ [165,797]
Student support services	577,592	593,717	619,050	25,333
Instructional support staff	339,440	355,854	347,100	[8,754]
General administration	943,250	995,997	970,690	[25,307]
School administration	1,888,610	1,961,444	1,948,550	[12,894]
Central services	248,272	275,931	255,500	[20,431]
Operations and maintenance	2,949,832	2,909,144	3,047,170	138,026
Community services operations	6,214	6,591	10,000	3,409
Transportation	987,257	1,008,607	1,023,690	15,083
Transfers out	19,747,138	12,218,299	13,550,087	1,331,788
Adjustment to comply with legal max	-	-	[1,358,327]	[1,358,327]
Adjustment for qualifying budget credit	-	-	77,871	77,871
<b>Total Expenditures</b>	<u>35,734,078</u>	<u>28,740,931</u>	<u>\$ 28,740,931</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	[8,299]	[2,931]		
Unencumbered Cash, Beginning	-	-		
Prior Year Canceled Encumbrance	<u>8,299</u>	<u>2,931</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 202  
Supplemental General Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the 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				
Taxes and Shared Revenue:				
Ad valorem property tax	\$ 2,169,926	\$ 1,765,004	\$ 1,839,912	\$ [74,908]
Delinquent tax	96,093	87,587	59,628	27,959
Motor and recreational vehicle tax	371,673	240,651	223,081	17,570
In lieu of taxes - I. R. B.'s	97,564	105,107	137,767	[32,660]
State aid	-	6,721,254	6,721,254	-
Miscellaneous	500	-	-	-
Transfer in	<u>6,492,393</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Receipts	<u>9,228,149</u>	<u>8,919,603</u>	<u>\$ 8,981,642</u>	<u>\$ [62,039]</u>
Expenditures				
Instruction	1,104,984	997,206	\$ 1,233,508	\$ 236,302
General administration	495,884	512,951	510,000	[2,951]
Central services	655,129	728,131	712,455	[15,676]
Operations and maintenance	1,549,943	1,572,791	1,634,500	61,709
Transportation	7,629	8,119	7,950	[169]
Transfers out	<u>5,239,844</u>	<u>5,234,215</u>	<u>4,955,000</u>	<u>[279,215]</u>
Total Expenditures	<u>9,053,413</u>	<u>9,053,413</u>	<u>\$ 9,053,413</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	174,736	[133,810]		
Unencumbered Cash, Beginning	125,988	302,877		
Prior Year Canceled Encumbrance	<u>2,153</u>	<u>7,561</u>		
Unencumbered Cash, Ending	<u>\$ 302,877</u>	<u>\$ 176,628</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 202  
At Risk (4 Year Old) Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2017  
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

		Current Year		Variance
	Prior Year	Actual	Budget	Over
	Actual			[Under]
Receipts				
Transfers in	\$ 400,000	\$ 360,000	\$ 300,000	\$ 60,000
Total Receipts	<u>400,000</u>	<u>360,000</u>	<u>\$ 300,000</u>	<u>\$ 60,000</u>
Expenditures				
Instruction	257,648	285,325	\$ 291,742	\$ 6,417
School administration	10,892	8,771	13,290	4,519
Student support services	<u>798</u>	<u>785</u>	<u>-</u>	<u>[785]</u>
Total Expenditures	<u>269,338</u>	<u>294,881</u>	<u>\$ 305,032</u>	<u>\$ 10,151</u>
Receipts Over [Under] Expenditures	130,662	65,119		
Unencumbered Cash, Beginning	<u>122,277</u>	<u>252,939</u>		
Unencumbered Cash, Ending	<u>\$ 252,939</u>	<u>\$ 318,058</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 202  
At Risk (K-12) Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the 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				
Tuition	\$ -	\$ -	\$ 11,000	\$ [11,000]
Transfers in	6,163,854	5,417,258	5,955,000	[537,742]
Other federal aid	10,000	3,200	-	3,200
Miscellaneous	41,447	22,616	23,000	[384]
Total Receipts	6,215,301	5,443,074	\$ 5,989,000	\$ [545,926]
Expenditures				
Instruction	3,893,897	4,137,973	\$ 5,535,950	\$ 1,397,977
Student support services	272,694	278,220	307,750	29,530
School administration	158,371	155,844	166,710	10,866
Central services	279,019	275,090	286,350	11,260
Transportation	77,452	157,177	99,900	[57,277]
Operations and maintenance	35,282	45,313	45,050	[263]
Total Expenditures	4,716,715	5,049,617	\$ 6,441,710	\$ 1,392,093
Receipts Over [Under] Expenditures	1,498,586	393,457		
Unencumbered Cash, Beginning	1,506,642	3,005,228		
Prior Year Canceled Encumbrance	-	4		
Unencumbered Cash, Ending	\$ 3,005,228	\$ 3,398,689		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 202  
Bilingual Education Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2017  
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

		Current Year		Variance Over [Under]
	Prior Year Actual	Actual	Budget	
Receipts				
Transfers in	\$ 600,000	\$ 610,000	\$ 600,000	\$ 10,000
Total Receipts	<u>600,000</u>	<u>610,000</u>	<u>\$ 600,000</u>	<u>\$ 10,000</u>
Expenditures				
Instruction	490,809	572,184	\$ 576,860	\$ 4,676
School administration	<u>-</u>	<u>3,763</u>	<u>-</u>	<u>[3,763]</u>
Total Expenditures	<u>490,809</u>	<u>575,947</u>	<u>\$ 576,860</u>	<u>\$ 913</u>
Receipts Over [Under] Expenditures	109,191	34,053		
Unencumbered Cash, Beginning	<u>161,033</u>	<u>270,224</u>		
Unencumbered Cash, Ending	<u>\$ 270,224</u>	<u>\$ 304,277</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 202  
Virtual Education Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2017  
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

		Current Year		Variance Over [Under]
	Prior Year Actual	Actual	Budget	
Receipts				
Transfers in	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 300,000</u>	<u>\$ [100,000]</u>
Total Receipts	<u>200,000</u>	<u>200,000</u>	<u>\$ 300,000</u>	<u>\$ [100,000]</u>
Expenditures				
Instruction	<u>132,200</u>	<u>130,500</u>	<u>\$ 360,000</u>	<u>\$ 229,500</u>
Total Expenditures	<u>132,200</u>	<u>130,500</u>	<u>\$ 360,000</u>	<u>\$ 229,500</u>
Receipts Over [Under] Expenditures	67,800	69,500		
Unencumbered Cash, Beginning	<u>-</u>	<u>67,800</u>		
Unencumbered Cash, Ending	<u>\$ 67,800</u>	<u>\$ 137,300</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 202  
Capital Outlay Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2017  
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

		Current Year		Variance
	Prior Year	Actual	Budget	Over
	Actual			[Under]
Receipts				
Taxes and Shared Revenue:				
Ad valorem property tax	\$ 1,050,075	\$ 946,289	\$ 914,691	\$ 31,598
Delinquent tax	33,269	33,824	23,922	9,902
Motor vehicle tax	119,909	124,094	112,072	12,022
Commercial vehicle tax	-	-	4,606	[4,606]
Recreational vehicle tax	428	576	462	114
In lieu of taxes - I.R.B.'s	39,141	55,934	72,341	[16,407]
Investment income	36,242	-	-	-
Miscellaneous	896,727	865,713	-	865,713
State aid	-	647,943	654,467	[6,524]
Transfers in	<u>2,313,909</u>	<u>1,541,460</u>	<u>2,013,995</u>	<u>[472,535]</u>
Total Receipts	<u>4,489,700</u>	<u>4,215,833</u>	<u>\$ 3,796,556</u>	<u>\$ 419,277</u>
Expenditures				
Instruction	187,914	307,302	\$ 300,000	\$ [7,302]
Central services	112,814	61,859	150,000	88,141
Operations and maintenance	981,004	912,129	2,260,000	1,347,871
Transportation	402,966	180,816	350,000	169,184
Debt service	1,031,045	1,028,219	1,080,000	51,781
Facility acquisition and construction services	<u>631,729</u>	<u>397,822</u>	<u>875,000</u>	<u>477,178</u>
Total Expenditures	<u>3,347,472</u>	<u>2,888,147</u>	<u>\$ 5,015,000</u>	<u>\$ 2,126,853</u>
Receipts Over [Under] Expenditures	1,142,228	1,327,686		
Unencumbered Cash, Beginning	9,851,434	11,010,749		
Prior Year Canceled Encumbrance	<u>17,087</u>	<u>50,042</u>		
Unencumbered Cash, Ending	<u>\$ 11,010,749</u>	<u>\$ 12,388,477</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 202  
Food Service Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2017  
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

		Current Year		Variance
	Prior Year	Actual	Budget	Over
	Actual			[Under]
Receipts				
Federal aid	\$ 1,852,390	\$ 1,857,843	\$ 1,893,685	\$ [35,842]
State aid	23,202	23,084	21,149	1,935
Charges for services	368,505	395,385	333,722	61,663
Investment income	5,866	5,748	-	5,748
Miscellaneous	167	-	1,000	[1,000]
Total Receipts	<u>2,250,130</u>	<u>2,282,060</u>	<u>\$ 2,249,556</u>	<u>\$ 32,504</u>
Expenditures				
Food service operation	<u>2,189,553</u>	<u>2,175,911</u>	<u>\$ 2,705,300</u>	<u>\$ 529,389</u>
Total Expenditures	<u>2,189,553</u>	<u>2,175,911</u>	<u>\$ 2,705,300</u>	<u>\$ 529,389</u>
Receipts Over [Under] Expenditures	60,577	106,149		
Unencumbered Cash, Beginning	1,453,479	1,516,636		
Prior Year Canceled Encumbrance	<u>2,580</u>	<u>10,584</u>		
Unencumbered Cash, Ending	<u>\$ 1,516,636</u>	<u>\$ 1,633,369</u>		

See independent auditor's report on the financial statements.



UNIFIED SCHOOL DISTRICT NO. 202  
Professional Development Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the 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				
Transfers in	\$ -	\$ 202,814	\$ -	\$ 202,814
Total Receipts	-	202,814	-	202,814
Expenditures				
Instructional support staff	-	-	-	-
Total Expenditures	-	-	-	-
Receipts Over [Under] Expenditures	-	202,814		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ 202,814		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 202  
Special Education Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the 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				
State aid	\$ 428,358	\$ 564,506	\$ -	\$ 564,506
Federal aid	868,611	845,593	1,304,000	[458,407]
Miscellaneous	3,558	229	3,500	[3,271]
Transfers in	<u>5,681,358</u>	<u>5,744,412</u>	<u>5,342,775</u>	<u>401,637</u>
Total Receipts	<u>6,981,885</u>	<u>7,154,740</u>	<u>\$ 6,650,275</u>	<u>\$ 504,465</u>
Expenditures				
Instruction	4,878,676	4,962,578	\$ 5,222,090	\$ 259,512
Student support services	89,221	67,555	96,100	28,545
General administration	200,822	213,559	207,470	[6,089]
Transportation	<u>441,284</u>	<u>619,511</u>	<u>832,426</u>	<u>212,915</u>
Total Expenditures	<u>5,610,003</u>	<u>5,863,203</u>	<u>\$ 6,358,086</u>	<u>\$ 494,883</u>
Receipts Over [Under] Expenditures	1,371,882	1,291,537		
Unencumbered Cash, Beginning	3,001,266	4,373,148		
Prior Year Canceled Encumbrance	<u>-</u>	<u>12</u>		
Unencumbered Cash, Ending	<u>\$ 4,373,148</u>	<u>\$ 5,664,697</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 202  
Vocational Education Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the 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				
Transfers in	\$ 649,844	\$ 529,200	\$ 650,000	\$ [120,800]
Federal aid	46,739	62,700	46,282	16,418
State aid	4,958	3,002	2,401	601
Miscellaneous	<u>2,026</u>	<u>971</u>	<u>80,000</u>	<u>[79,029]</u>
Total Receipts	<u>703,567</u>	<u>595,873</u>	<u>\$ 778,683</u>	<u>\$ [182,810]</u>
Expenditures				
Instruction	479,792	309,896	\$ 583,150	\$ 273,254
Instructional support staff	<u>47,578</u>	<u>63,144</u>	<u>53,300</u>	<u>[9,844]</u>
Total Expenditures	<u>527,370</u>	<u>373,040</u>	<u>\$ 636,450</u>	<u>\$ 263,410</u>
Receipts Over [Under] Expenditures	176,197	222,833		
Unencumbered Cash, Beginning	314,717	490,919		
Prior Year Canceled Encumbrance	<u>5</u>	<u>599</u>		
Unencumbered Cash, Ending	<u>\$ 490,919</u>	<u>\$ 714,351</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 202  
Parent Education Program Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2017  
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

		Current Year		Variance
	Prior Year	Actual	Budget	Over
	Actual			[Under]
Receipts				
State aid	\$ 116,269	\$ 98,509	\$ 118,000	\$ [19,491]
Federal aid	154,683	186,727	150,000	36,727
Transfers in	<u>25,000</u>	<u>30,000</u>	<u>25,000</u>	<u>5,000</u>
Total Receipts	<u>295,952</u>	<u>315,236</u>	<u>\$ 293,000</u>	<u>\$ 22,236</u>
Expenditures				
Student support services	<u>288,605</u>	<u>313,062</u>	<u>\$ 358,690</u>	<u>\$ 45,628</u>
Total Expenditures	<u>288,605</u>	<u>313,062</u>	<u>\$ 358,690</u>	<u>\$ 45,628</u>
Receipts Over [Under] Expenditures	7,347	2,174		
Unencumbered Cash, Beginning	<u>72,493</u>	<u>79,840</u>		
Unencumbered Cash, Ending	<u>\$ 79,840</u>	<u>\$ 82,014</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 202  
Student Material Revolving Fund \*  
Schedule of Receipts and Expenditures - Actual  
Regulatory Basis  
For the Year Ended June 30, 2017 and 2016

	Prior Year Actual	Current Year Actual
Receipts		
Transfer in	\$ 350,000	\$ 325,000
Total Receipts	<u>350,000</u>	<u>325,000</u>
Expenditures		
Instruction	<u>297,389</u>	<u>311,289</u>
Total Expenditures	<u>297,389</u>	<u>311,289</u>
Receipts Over [Under] Expenditures	52,611	13,711
Unencumbered Cash, Beginning	<u>1,487,685</u>	<u>1,540,296</u>
Unencumbered Cash, Ending	<u>\$ 1,540,296</u>	<u>\$ 1,554,007</u>

\* This fund is not required to be budgeted.

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UNIFIED SCHOOL DISTRICT NO. 202  
KPERs Special Retirement Contribution Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the 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				
Transfer in	\$ 2,110,624	\$ 2,092,370	\$ 2,968,317	\$ [875,947]
Total Receipts	<u>2,110,624</u>	<u>2,092,370</u>	<u>\$ 2,968,317</u>	<u>\$ [875,947]</u>
Expenditures				
Instruction	1,393,013	1,380,963	\$ 1,959,089	\$ 578,126
Student support services	84,425	83,695	118,734	35,039
Instructional support staff	21,106	20,924	29,683	8,759
General administration	21,106	20,924	29,683	8,759
School administration	105,531	104,619	148,416	43,797
Central services	42,212	41,847	59,366	17,519
Operations and maintenance	168,850	167,390	237,465	70,075
Transportation	147,744	146,466	207,782	61,316
Food service	<u>126,637</u>	<u>125,542</u>	<u>178,099</u>	<u>52,557</u>
Total Expenditures	<u>2,110,624</u>	<u>2,092,370</u>	<u>\$ 2,968,317</u>	<u>\$ 875,947</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 202  
Federal Grants Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2017

	Low Income Title I	Title I Migrant	Title IIA
Receipts			
Federal aid	\$ 1,481,576	\$ 18,660	\$ 131,966
Total Receipts	<u>1,481,576</u>	<u>18,660</u>	<u>131,966</u>
Expenditures			
Instruction	1,432,907	20,367	126,900
Transportation	<u>15,662</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>1,448,569</u>	<u>20,367</u>	<u>126,900</u>
Receipts Over [Under] Expenditures	33,007	[1,707]	5,066
Unencumbered Cash, Beginning	[28,164]	3,510	[8,180]
Prior Year Canceled Encumbrance	<u>17,212</u>	<u>-</u>	<u>12,984</u>
Unencumbered Cash, Ending	<u>\$ 22,055</u>	<u>\$ 1,803</u>	<u>\$ 9,870</u>



Title III	Actual	Budget	Variance Over [Under]
\$ 46,312	\$ 1,678,514	\$ 1,609,081	\$ 69,433
<u>46,312</u>	<u>1,678,514</u>	<u>\$ 1,609,081</u>	<u>\$ 69,433</u>
45,553	1,625,727	\$ 1,713,737	\$ 88,010
<u>-</u>	<u>15,662</u>	<u>-</u>	<u>[15,662]</u>
<u>45,553</u>	<u>1,641,389</u>	<u>\$ 1,713,737</u>	<u>\$ 72,348</u>
759	37,125		
[1,213]	[34,047]		
<u>-</u>	<u>30,196</u>		
<u>\$ [454]</u>	<u>\$ 33,274</u>		

UNIFIED SCHOOL DISTRICT NO. 202  
Contingency Reserve Fund \*  
Schedule of Receipts and Expenditures - Actual  
Regulatory Basis  
For the Year Ended June 30, 2017 and 2016

	Prior Year Actual	Current Year Actual
Receipts		
Transfers in	\$ -	\$ 400,000
Total Receipts	-	400,000
Expenditures		
Instruction	-	-
Total Expenditures	-	-
Receipts Over [Under] Expenditures	-	400,000
Unencumbered Cash, Beginning	1,897,851	1,897,851
Unencumbered Cash, Ending	<u>\$ 1,897,851</u>	<u>\$ 2,297,851</u>

\* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 202  
Donations and Grants Fund \*  
Schedule of Receipts and Expenditures - Actual  
Regulatory Basis  
For the Year Ended June 30, 2017  
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

	Misc	Kauffman Fdn Grant	USA Funds	Verizon Wireless Grant	KNEA Grant	Pledgecents Grant	Fuel Up to Play 60 Grant	Current Year Totals	Prior Year Totals
Receipts									
Other grants	\$ -	\$ 23,309	\$ -	\$ -	\$ 101	\$ 231	\$ 2,201	\$ 25,842	\$ 47,492
Total Receipts	-	23,309	-	-	101	231	2,201	25,842	47,492
Expenditures									
Instruction	-	-	-	9,079	101	214	1,839	11,233	37,604
Total Expenditures	-	-	-	9,079	101	214	1,839	11,233	37,604
Receipts Over [Under] Expenditures	-	23,309	-	[9,079]	-	17	362	14,609	9,888
Unencumbered Cash, Beginning	11,658	2,155	12,000	11,496	-	-	-	37,309	27,421
Unencumbered Cash, Ending	\$ 11,658	\$ 25,464	\$ 12,000	\$ 2,417	\$ -	\$ 17	\$ 362	\$ 51,918	\$ 37,309

\* These funds are not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 202  
Aquatic Fund \*  
Schedule of Receipts and Expenditures - Actual  
Regulatory Basis  
For the Year Ended June 30, 2017 and 2016

	Prior Year Actual	Current Year Actual
Receipts		
Charges for services	\$ 34,042	\$ 31,066
Reimbursements	123,028	122,102
Miscellaneous	<u>17,373</u>	<u>6,480</u>
Total Receipts	<u>174,443</u>	<u>159,648</u>
Expenditures		
Student activities	<u>187,962</u>	<u>156,605</u>
Total Expenditures	<u>187,962</u>	<u>156,605</u>
Receipts Over [Under] Expenditures	[13,519]	3,043
Unencumbered Cash, Beginning	186,130	173,716
Prior Year Canceled Encumbrance	<u>1,105</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ 173,716</u>	<u>\$ 176,759</u>

\* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 202  
Bond and Interest Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2017  
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

		Current Year		Variance
	Prior Year	Actual	Budget	Over
	Actual			[Under]
Receipts				
Taxes and Shared Revenue:				
Ad valorem property tax	\$ 1,525,560	\$ 1,589,953	\$ 1,537,242	\$ 52,711
Delinquent tax	54,003	57,809	41,454	16,355
Motor and recreational vehicle tax	206,065	211,685	198,717	12,968
In lieu of taxes - I. R. B.'s	237,517	127,389	122,720	4,669
State aid	<u>2,999,070</u>	<u>3,141,860</u>	<u>3,141,860</u>	<u>-</u>
Total Receipts	<u>5,022,215</u>	<u>5,128,696</u>	<u>\$ 5,041,993</u>	<u>\$ 86,703</u>
Expenditures				
Principal	3,005,000	3,160,000	\$ 3,160,000	\$ -
Interest	<u>1,685,656</u>	<u>1,529,344</u>	<u>1,529,344</u>	<u>-</u>
Total Expenditures	<u>4,690,656</u>	<u>4,689,344</u>	<u>\$ 4,689,344</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	331,559	439,352		
Unencumbered Cash, Beginning	<u>5,781,502</u>	<u>6,113,061</u>		
Unencumbered Cash, Ending	<u>\$ 6,113,061</u>	<u>\$ 6,552,413</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 202  
2013 Bond Fund\*  
Schedule of Receipts and Expenditures - Actual  
Regulatory Basis  
For the Year Ended June 30, 2017 and 2016

	Prior Year Actual	Current Year Actual
Receipts		
Investment income	\$ 2,437	\$ 550
Total Receipts	<u>2,437</u>	<u>550</u>
Expenditures		
Facility acquisition and construction services	<u>2,080,841</u>	<u>305,046</u>
Total Expenditures	<u>2,080,841</u>	<u>305,046</u>
Receipts Over [Under] Expenditures	[2,078,404]	[304,496]
Unencumbered Cash, Beginning	2,379,520	304,496
Prior Year Canceled Encumbrances	<u>3,380</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ 304,496</u>	<u>\$ -</u>

\* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 202  
Recreation Commission General Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2017  
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

		Current Year		Variance
	Prior Year	Actual	Budget	Over
	Actual			[Under]
Receipts				
Taxes and Shared Revenue:				
Ad valorem property tax	\$ 660,933	\$ 709,717	\$ 686,017	\$ 23,700
Delinquent tax	24,738	25,326	17,942	7,384
Motor and recreational vehicle tax	90,301	93,502	87,888	5,614
In lieu of taxes - I. R. B.'s	29,356	41,951	54,276	[12,325]
Investment income	7,245	7,189	-	7,189
Charges for services	<u>563,420</u>	<u>567,301</u>	<u>670,400</u>	<u>[103,099]</u>
Total Receipts	<u>1,375,993</u>	<u>1,444,986</u>	<u>\$ 1,516,523</u>	<u>\$ [71,537]</u>
Expenditures				
Community service operations	<u>1,567,283</u>	<u>1,766,494</u>	<u>\$ 1,566,282</u>	<u>\$ [200,212]</u>
Total Expenditures	<u>1,567,283</u>	<u>1,766,494</u>	<u>\$ 1,566,282</u>	<u>\$ [200,212]</u>
Receipts Over [Under] Expenditures	[191,290]	[321,508]		
Unencumbered Cash, Beginning	1,541,711	1,350,421		
Prior Year Canceled Encumbrances	<u>-</u>	<u>25,073</u>		
Unencumbered Cash, Ending	<u>\$ 1,350,421</u>	<u>\$ 1,053,986</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 202  
Recreation Commission Employee Benefits Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2017  
(With Comparative Actual Amounts for the Year Ended June 30, 2016)

		Current Year		Variance
	Prior Year	Actual	Budget	Over
	Actual			[Under]
Receipts				
Taxes and Shared Revenue:				
Ad valorem property tax	\$ 113,686	\$ 118,496	\$ 114,600	\$ 3,896
Delinquent tax	3,850	4,274	3,089	1,185
Motor and recreational vehicle tax	15,056	15,782	14,807	975
In lieu of taxes - I. R. B.'s	5,054	7,009	9,144	[2,135]
Miscellaneous	-	290	-	290
Total Receipts	<u>137,646</u>	<u>145,851</u>	<u>\$ 141,640</u>	<u>\$ 4,211</u>
Expenditures				
Community service operations	<u>89,781</u>	<u>86,083</u>	<u>\$ 123,342</u>	<u>\$ 37,259</u>
Total Expenditures	<u>89,781</u>	<u>86,083</u>	<u>\$ 123,342</u>	<u>\$ 37,259</u>
Receipts Over [Under] Expenditures	47,865	59,768		
Unencumbered Cash, Beginning	<u>224,818</u>	<u>272,683</u>		
Unencumbered Cash, Ending	<u>\$ 272,683</u>	<u>\$ 332,451</u>		

See independent auditor's report on the financial statements.



UNIFIED SCHOOL DISTRICT NO. 202  
Recreation Commission Operating Fund \*  
Schedule of Receipts and Expenditures - Actual  
Regulatory Basis  
For the Year Ended June 30, 2017 and 2016

	Prior Year Actual	Current Year Actual
Receipts		
Program revenues	\$ 77,636	\$ 66,287
Total Receipts	77,636	66,287
Expenditures		
Program expenses	74,840	76,598
Total Expenditures	74,840	76,598
Receipts Over [Under] Expenditures	2,796	[10,311]
Unencumbered Cash, Beginning	29,115	31,911
Unencumbered Cash, Ending	\$ 31,911	\$ 21,600

\* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 202  
Student Organization and Other Agency Funds  
Summary of Receipts and Disbursements  
Regulatory Basis  
For the Year Ended June 30, 2017

<u>Fund</u>	<u>Beginning Cash Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Cash Balance</u>
Turner Sixth Grade Academy				
Bank Interest	\$ 51	\$ 22	\$ 2	\$ 71
Clubs	743	5,749	3,818	2,674
iPad Revenue	-	5,823	5,188	635
TSGA Library Fee	385	38	-	423
TSGA Yearbook	-	2,163	2,455	[292]
School Fund	1,032	2,210	3,054	188
Staff Fund	407	961	836	532
Petty Cash	14	276	100	190
Subtotal Turner Sixth Grade Academy	<u>2,632</u>	<u>17,242</u>	<u>15,453</u>	<u>4,421</u>
 ELEMENTARY SCHOOLS				
Junction Elementary				
Community Service Club	3,134	8,595	8,118	3,611
DeMoss Seating Grant	-	612	603	9
Library Books	541	118	55	604
JU Sales Tax	-	-	76	[76]
Literacy	1,994	-	1,994	-
Petty Cash	[71]	413	-	342
Playground Equipment	527	-	-	527
Programs	682	-	323	359
Student Council Sales	968	536	492	1,012
Student Council Yearbook	4,319	1,989	2,305	4,003
Subtotal Junction Elementary	<u>12,094</u>	<u>12,263</u>	<u>13,966</u>	<u>10,391</u>
 Oak Grove Elementary				
Pepsi Commission	646	503	998	151
Interest Earned	175	34	-	209
Music Department	4	234	253	[15]
Library	83	260	278	65
Petty Cash	354	-	-	354
Sales Tax	874	662	515	1,021
Student Council	1,403	3,966	3,055	2,314
Student Celebration	5,590	11,111	12,990	3,711
Yearbook	2,013	3,388	2,735	2,666
Subtotal Oak Grove Elementary	<u>11,142</u>	<u>20,158</u>	<u>20,824</u>	<u>10,476</u>
 Turner Elementary				
Art Club	84	-	-	84
Care Club	172	-	-	172
Library Books	1,055	467	471	1,051
Petty Cash	[400]	2,022	1,565	57
Sales Tax	766	900	332	1,334
Staff	755	3,316	3,912	159
Student Fund (General)	1,306	12,590	11,622	2,274
Student Fund (Stuco)	753	172	385	540
Yearbooks	1,227	3,698	4,113	812
Subtotal Turner Elementary School	<u>5,718</u>	<u>23,165</u>	<u>22,400</u>	<u>6,483</u>

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 202  
Student Organization and Other Agency Funds  
Summary of Receipts and Disbursements  
Regulatory Basis  
For the Year Ended June 30, 2017

<u>Fund</u>	<u>Beginning Cash Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Cash Balance</u>
ELEMENTARY SCHOOLS (Continued)				
Midland Trail Elementary				
Building fund	\$ 2,220	\$ 10,092	\$ 9,993	\$ 2,319
Library	143	17	-	160
Petty Cash	33	-	-	33
School Store	50	-	-	50
Student Council Yearbooks	108	1,657	1,709	56
Subtotal Midland Trail Elementary School	<u>2,554</u>	<u>11,766</u>	<u>11,702</u>	<u>2,618</u>
Subtotal All Elementary Schools	<u>31,508</u>	<u>67,352</u>	<u>68,892</u>	<u>29,968</u>
MIDDLE SCHOOL				
Turner Middle School				
AP Fund	364	-	-	364
Art	5,028	1,479	2,670	3,837
Art Club	-	-	-	-
Athletics	1,621	650	1,228	1,043
Band	76	113	132	57
Cheerleading	1,810	3,492	3,377	1,925
Chorale	191	156	144	203
Clothing Donation	-	2,000	1,830	170
Debate	512	25	193	344
Drama Club	549	812	812	549
FACS	2,425	1,709	2,713	1,421
Faculty Fund	2	255	257	-
In and Out	-	816	707	109
Industrial Arts	1,507	1,045	2,009	543
Industrial Technology	1,709	968	765	1,912
JAG	472	5,094	2,089	3,477
Language Arts	9	-	-	9
Lego League	172	-	-	172
NJHS	187	-	187	-
Outdoor Leadership Team	115	-	-	115
Pep Club	43	-	-	43
Petty Cash	1,766	112	473	1,405
Sales Tax	450	503	517	436
Science Classes	1,897	1,572	1,701	1,768
Science Club	2,058	-	163	1,895
Stand for the Silent	135	-	-	135
Student Council	140	-	-	140
Student Recognition	813	2,536	2,702	647
Student Returns	2,534	700	1,999	1,235
TMS iPad	3,777	12,353	15,346	784
Yearbook	<u>2,832</u>	<u>5,882</u>	<u>6,695</u>	<u>2,019</u>
Total Middle School	<u>33,194</u>	<u>42,272</u>	<u>48,709</u>	<u>26,757</u>

UNIFIED SCHOOL DISTRICT NO. 202  
Student Organization and Other Agency Funds  
Summary of Receipts and Disbursements  
Regulatory Basis  
For the Year Ended June 30, 2017

<u>Fund</u>	Beginning Cash <u>Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	Ending Cash <u>Balance</u>
HIGH SCHOOL				
Art/Photo	\$ 2,054	\$ 3,545	\$ 3,189	\$ 2,410
Arthur "Skip" Landers Scholarship	250	-	250	-
Auto Mechanics Fee	695	1,377	1,070	1,002
Band Fees	719	1,827	388	2,158
Band Tour	4,098	29,383	6,640	26,841
Baseball Team	4,445	5,462	7,842	2,065
Battle of the Books	291	-	133	158
Beartones	132	1,532	1,587	77
Book Club	2,969	866	1,370	2,465
Book Rent	1,650	775	184	2,241
Booster	8	-	-	8
Bowling Team	590	127	140	577
Boys Basketball Team	-	13,269	9,952	3,317
BPA	4,334	18,099	16,276	6,157
Building Trades Fee	654	633	367	920
Business & Computer Fees	7,104	4,657	3,260	8,501
Calculator Rental & Loss	1,926	360	-	2,286
Career Association (JAG)	127	252	252	127
Career Preparation	219	-	-	219
Catering Club	910	385	684	611
Cheerleading	2,095	17,684	12,868	6,911
Choir Fee	885	263	39	1,109
Club of Rock	-	1,388	1,387	1
Clothing Fee	1,364	245	18	1,591
Culinary Arts Fee	5,460	2,725	532	7,653
Debate	284	70	285	69
DECA	2,742	9,357	6,001	6,098
Donnelly Payments	-	2,281	2,281	-
Drama	1,786	500	154	2,132
Drill Team	776	3,355	1,969	2,162
Encounter the King (Club 121)	382	-	-	382
EWS Initiative	500	-	500	-
FCCLA	848	-	-	848
Flag Team	102	853	909	46
Football Team	326	6,349	5,068	1,607
Forensics	210	70	4	276
French Club	8	-	-	8
Freshman Academy	757	-	757	-
Girls Basketball Team	198	1,078	1,069	207
Golf Team	141	99	135	105
Health Awareness	101	-	-	101
iPad Usage Revenue	553	23,583	20,770	3,366
Jazz Band Scholarship	103	1,108	1,000	211
Hope Memorial Golf Tournament	504	1,350	1,327	527
Jones Scholarship	-	5,000	5,000	-
Junior Class	4,873	7,640	8,872	3,641
KAYS	2,214	1,836	1,459	2,591
Language Arts	207	-	-	207
Link Crew	365	1,525	1,712	178

UNIFIED SCHOOL DISTRICT NO. 202  
Student Organization and Other Agency Funds  
Summary of Receipts and Disbursements  
Regulatory Basis  
For the Year Ended June 30, 2017

<u>Fund</u>	Beginning Cash <u>Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	Ending Cash <u>Balance</u>
HIGH SCHOOL (Continued)				
MAGE	\$ 88	\$ -	\$ -	\$ 88
Middle School Fees	-	1,402	1,402	-
Multicultural Club	230	-	-	230
Musical & Spring Play	3,344	3,861	4,471	2,734
NHS	1,050	200	309	941
PE Fees	1,682	3,145	1,912	2,915
Senior Class Fund	333	8,617	8,775	175
Project Graduation	4,391	13,898	13,371	4,918
PSAT & Plan Testing	15	272	210	77
Sales Tax	164	13,961	13,885	240
School Store	4,609	20,800	20,228	5,181
Science Club	1,306	25	-	1,331
Science Fees	11,183	4,917	1,809	14,291
Senior Gift	779	-	-	779
Soccer Team	397	3,250	2,249	1,398
Social Studies Grant	769	250	50	969
Softball Team	1,052	3,700	3,637	1,115
Spanish Club	25	-	-	25
SPED - Coffee Shop	1,033	17,481	17,249	1,265
STEM	631	-	-	631
Student Council	5,131	7,321	5,836	6,616
Student Interest	3,142	4,790	7,240	692
Student Safety	208	850	466	592
Swim Fees	791	265	-	1,056
Swim Team Boys	99	641	563	177
Swim Team Girls	42	252	258	36
THS Choir Sound Shells	2,500	-	-	2,500
Track Club	900	2,229	1,988	1,141
VANCO Services	7,266	14,596	18,617	3,245
Vica Auto	4,284	23,772	27,520	536
Vica Carpentry	539	1,024	1,007	556
Vica Printing	420	45	-	465
Volleyball Team	3,517	5,162	7,192	1,487
Wrestling Team	297	3,921	3,183	1,035
Yearbook	754	20,665	10,985	10,434
Subtotal High School	<u>123,930</u>	<u>352,220</u>	<u>302,112</u>	<u>174,038</u>
JOURNEY SCHOOL OF CHOICE				
Interest	-	3	-	3
Pepsi Recycling	-	123	-	123
Staff Funds	852	476	110	1,218
Student Funds	<u>[256]</u>	<u>389</u>	<u>283</u>	<u>[150]</u>
Subtotal Journey School of Choice	<u>596</u>	<u>991</u>	<u>393</u>	<u>1,194</u>
TOTAL ALL STUDENT ORGANIZATION FUNDS	191,860	480,077	435,559	236,378
CLEARING ACCOUNT	19,254	829	4,847	15,236
INSURANCE RESERVE	<u>176,481</u>	<u>38,753</u>	<u>41,901</u>	<u>173,333</u>
TOTAL STUDENT ORGANIZATION AND OTHER AGENCY FUNDS	<u>\$ 387,595</u>	<u>\$ 519,659</u>	<u>\$ 482,307</u>	<u>\$ 424,947</u>

See independent auditor's report on the financial statements.

## SCHEDULE 4

UNIFIED SCHOOL DISTRICT NO. 202  
District Activity  
Schedule of Receipts, Expenditures, and Unencumbered Cash  
Regulatory Basis  
For the Year Ended June 30, 2017

Fund	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
District							
Petty Cash	\$ 6,950	\$ -	\$ -	\$ -	\$ 6,950	\$ -	\$ 6,950
High School							
Petty Cash	1,054	-	24	24	1,054	-	1,054
Turner High School - Athletics	19,325	-	61,255	68,254	12,326	-	12,326
Subtotal High School	20,379	-	61,279	68,278	13,380	-	13,380
Total Receipts	\$ 27,329	\$ -	\$ 61,279	\$ 68,278	\$ 20,330	\$ -	\$ 20,330

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 202  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2017

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Restated Beginning Unencumbered Cash	Receipts	Expenditures	Ending Unencumbered Cash
<u>U.S. Department of Education</u>					
Passed Through State Department of Education:					
Title I Grants to Local Educational Agencies	84.010	\$ [28,185]	\$ 1,481,576	\$ 1,448,569	\$ 4,822
Title I Migrant	84.011	3,509	18,660	20,367	1,802
Special Education (IDEA) Cluster:					
Special Education Grants to States	84.027	-	845,432	845,432	-
Special Education - Preschool Grants	84.173	-	390	390	-
Vocational Education Basic Grants to States	84.048	-	62,800	63,136	[336]
Homeless Child	84.196	-	12,000	8,800	3,200
English Language Acquisition Grants	84.365	[1,213]	46,312	45,558	[459]
Improving Teacher Quality State Grants	84.367	[8,180]	132,146	113,990	9,976
Total U.S. Department of Education			2,599,316	2,546,242	
<u>U.S. Environmental Protection Agency</u>					
National Clean Diesel Emissions Reduction Program	66.unk	[80,000]	80,000	-	-
Total U.S. Environmental Protection Agency			80,000	-	
<u>U.S. Department of Health and Human Services</u>					
Cooperative Agreements to Promote Adolescent Health through					
School-Based HIV/STD Prevention and School-Based Surveillance	93.079	-	150	150	-
Maternal, Infant, and Early Childhood Home Visiting Program - ACA	93.505	[27,843]	173,240	200,958	[55,561]
Total U.S. Department of Health and Human Services			173,390	201,108	
<u>U.S. Department of Agriculture</u>					
Passed Through State Department of Education:					
Child Nutrition Cluster:					
School Breakfast Program	10.553	-	369,123	369,123	-
National School Lunch Program	10.555	-	1,438,376	1,438,376	-
Summer Food Service Program for Children	10.559	-	50,412	50,412	-
Total U.S. Department of Agriculture			1,857,911	1,857,911	
Total Expenditures of Federal Awards			\$ 4,710,617	\$ 4,605,261	

The accompanying notes are an integral part of this schedule.

UNIFIED SCHOOL DISTRICT NO. 202  
Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2017

1. Organization

Unified School District No. 202, Kansas City, Kansas, (the District), is the recipient of several federal awards. All federal awards received directly from federal agencies as well as those awards that are passed through other government agencies, are included on the schedule of Expenditures of Federal Awards.

2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the District, and is presented on the Kansas regulatory basis of accounting which includes cash disbursements, accounts payable and encumbrances. The information presented in this schedule is in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements. The District elected not to use the 10% de minimis indirect cost rate.

3. Local Government Contributions

Local cost sharing is required by certain federal grants. The amount of cost sharing varies with each program. Only the federal share of expenditures is presented in the Schedule of Expenditures of Federal Awards.

4. Additional Audits

Grantor agencies reserve the right to conduct additional audits of the District's grant programs for economy and efficiency and program results that may result in disallowed costs to the District. However, management does not believe such audits would result in any disallowed costs that would be material to the District's financial position at June 30, 2017.

5. Outstanding Loans

The District did not have any outstanding loans under any federal grants at June 30, 2017.



UNIFIED SCHOOL DISTRICT NO. 202  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2017

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified (Regulatory Basis) Adverse (GAAP)
<hr/>	
Internal control over financial reporting:	
Material weakness(es) identified?	_____ Yes <u>  X  </u> No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	<u>  X  </u> Yes    _____ None reported
Noncompliance material to financial statements noted?	_____ Yes <u>  X  </u> No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	_____ Yes <u>  X  </u> No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	_____ Yes <u>  X  </u> None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
<hr/>	
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Uniform Guidance?	_____ Yes <u>  X  </u> No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
10.553, 10.555 and 10.559	Child Nutrition Cluster
Dollar threshold used to distinguish between type A and type B programs:	<u>  \$750,000  </u>
Auditee qualified as low-risk auditee?	_____ Yes <u>  X  </u> No

UNIFIED SCHOOL DISTRICT NO. 202  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2017

Section II - Financial Statement Findings

Prior Year Findings

<u>Program</u>	<u>Finding</u>	<u>Conditions</u>	<u>Criteria</u>	<u>Questioned Costs</u>	<u>Recommendation</u>	<u>Status</u>
Not Applicable	2016-1	We noted separation of duties issues regarding activity fund internal controls at multiple schools. Bookkeepers at several schools issued receipts, posted amounts to the system, prepared the deposit and reconciled the bank account. In addition, we were informed that one school does not always issue receipts.	Recommended Practices	Not determined.	We recommend that the District require a separation of duties in the area of activity fund receipting. An individual independent of the receipting process should prepare a reconciliation between the receipts issued and the amounts deposited into the bank account. In addition, we recommend that receipts be issued for all payments to the schools and each school should prepare purchase orders for all disbursements.	Repeat at 2017-1

Current Year Findings

<u>Program</u>	<u>Finding</u>	<u>Conditions</u>	<u>Criteria</u>	<u>Questioned Costs</u>	<u>Recommendation</u>	<u>Management Response</u>
Not Applicable	2017-1	We noted separation of duties issues regarding activity fund internal controls at multiple schools. Bookkeepers at several schools issued receipts, posted amounts to the system, prepared the deposit and reconciled the bank account. In addition, we were informed that one school does not always issue receipts.	Recommended Practices	Not determined.	We recommend that the District require a separation of duties in the area of activity fund receipting. An individual independent of the receipting process should prepare a reconciliation between the receipts issued and the amounts deposited into the bank account. In addition, we recommend that receipts be issued for all payments to the schools and each school should prepare purchase orders for all disbursements.	Agrees
Not Applicable	2017-2	During the audit, the District's accounting records to properly record state and federal food service aid required an adjustment to correctly code the revenue in the accounting system.	Recommended Practices	Not determined.	We recommend that the assistant superintendent of business services review and approve the District's bank reconciliations, including the Food Service department's reconciliation, in order to detect revenue distribution coding errors.	Agrees

Section III - Federal Award Findings and Questioned Costs

Prior Year Findings

<u>Program</u>	<u>Finding</u>	<u>Conditions</u>	<u>Criteria</u>	<u>Effect</u>	<u>Cause</u>
Title I	2016-2	We noted enrollment, free and reduced enrollment, and full time equivalent amounts reported in the LCP Application and Comparability Report could not be accurately verified with supporting documentation.	2 CFR Part 200	The figures reported in the stated reports could not be verified during the audit process.	Supporting documentation used to complete the reports was not retained.
		<u>Questioned Costs</u> Not determined.	<u>Recommendation</u> We recommend that all enrollment and full time equivalent numbers listed in KSDE or federally required reports agree to supporting documentation that is retained by the District.	<u>Status</u> Resolved	

Current Year Findings

None

**INDEPENDENT AUDITOR'S 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 No. 202  
Kansas City, Kansas

We have audited, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the Kansas Municipal Audit and Accounting Guide, the financial statements of the Unified School District No. 202, (the District) as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 30, 2017.

**Internal Control Over Financial Reporting**

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

A deficiency in internal controls 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the 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 charge with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs, as Findings 2017-1 and 2017-2, that we consider to be a significant deficiency.

#### Compliance and Other Matters

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

However, we noted certain other matters that we reported to management of the District in a separate letter dated November 30, 2017.

#### Purpose of this Report

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

*Mix Houser: Company PA*

Certified Public Accountants  
Lawrence, Kansas

November 30, 2017

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

Board of Education  
Unified School District No. 202  
Kansas City, Kansas

Report on Compliance for Each Major Federal Program

We have audited the compliance of the Unified School District No. 202, (the District) 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 financial 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.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United State 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), and the Kansas Municipal Audit and Accounting Guide. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

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

### Report on Internal Control Over Compliance

The 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 the 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 the internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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.

*Mike Houser: Company PA*

Certified Public Accountants  
Lawrence, Kansas

November 30, 2017