

UNIFIED SCHOOL DISTRICT NO. 389

Financial Statements
and
Supplemental Information

with Independent Auditor's Report

For the Year Ended June 30, 2017

Unified School District No. 389
Eureka, Kansas
Special Financial Statements
For the Fiscal Year Ended June 30, 2017

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Eureka, Kansas
Special Financial Statements
For the Fiscal Year Ended June 30, 2017

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INDEPENDENT AUDITORS' REPORT

Board of Education
Unified School District No. 389
Eureka, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 389, Eureka, Kansas, 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 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 statements 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 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 Notes to Financial Statement, the financial statement is prepared by Unified School District No. 389, Eureka, Kansas, to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

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

Adverse Opinion on 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 Unified School District No. 389, Eureka, Kansas, as of June 30, 2017, or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of Unified School District No. 389, Eureka, Kansas, as of June 30, 2017, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note 1.

Report on Supplementary Information

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

Prior Year Comparative Analysis

The 2016 Actual columns presented in the individual fund schedules of cash 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 June 30, 2017 financial statement upon which we rendered an unqualified opinion dated November 30, 2017. The 2016 financial statements 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. 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 financial statement. The 2016 comparative information was subjected to the auditing procedures applied in the audit of the 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 2016 financial statement or to the 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 2016 comparative information is fairly stated in all material respects in relation to the 2016 financial statement as a whole, on the basis of accounting described in Note 1.

Restricted Use

This report is intended solely for the information and use of the governing body and management of Unified School District No. 389, and for filing with the Kansas Department of Education, the Kansas Department of Administration, Division of Accounts and Reports, the cognizant federal agency, and other federal audit agencies. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Respectfully Submitted,

Rodney M. Burns, CPA, LLC

November 30, 2017

Unified School District No. 389
Summary of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2017

		Beginning Unencumbered Cash Balance	Beginning Balance Adjustment	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds:								
General		\$		5,433,029	5,423,698	9,331	1,898	11,229
Supplemental General	(2)	101,446	16,095	1,693,736	1,724,538	86,739	297,878	384,617
Special Purpose:								
At Risk 4 Year Old	(2)	296,900	100		92,955	204,045	749	204,794
At Risk K-12		427,824		635,273	756,097	307,000		307,000
Capital Outlay		1,997,295		898,537	928,186	1,967,646	263,368	2,231,014
Driver Training		24,226		6,062	6,504	23,784		23,784
Food Service	(2)	98,802	312	378,620	348,201	129,533		129,533
Professional Development	(2)	117,048	371		12,158	105,261	1,409	106,670
Special Education	(2)	774,786	299	909,127	956,369	727,843	3,488	731,331
Vocational Education	(2)	399,359	784	141,014	208,945	332,212	13,702	345,914
Gifts and Grants		11,617				11,617		11,617
KPERS Special Retirement Contribution				411,530	411,530			
Contingency Reserve		478,785				478,785		478,785
Textbook and Student Material Revolving		202,851		38,630	35,260	206,221		206,221
Recreation Commission		47,939		117,912	159,009	6,842		6,842
Rural and Low Income School Grant				21,836	21,836			
Title I	(2)	20,052	15	165,668	185,735		16,764	16,764
Title II				35,571	35,571			
Gate Receipts		6,507		49,072	44,263	11,316		11,316
Special Projects		114,513		120,595	117,996	117,112		117,112
Bond and Interest:								
Bond and Interest		752,098		750,080	718,375	783,803		783,803
Trusts:								
Bond Refinancing		5,464				5,464		5,464
Total Primary Government	(1)	<u>5,877,512</u>	<u>17,976</u>	<u>11,806,292</u>	<u>12,187,226</u>	<u>5,514,554</u>	<u>599,256</u>	<u>6,113,810</u>
Composition of Cash:								
Cash and Cash Items on Hand								324
Certificates of Deposit								83,922
Demand Deposits								5,767,477
Due from State of Kansas								442,280
Petty Cash Advance								3,300
Less: Agency Funds							(183,495)
Adjustment for Rounding								2
Total Primary Government	(1)							<u>6,113,810</u>

(1) Excluding Agency Funds
(2) Beg Bal Adjust - Prior Year Encumbrances Cancelled

Unified School District No. 389
Eureka, Kansas
Notes to Financial Statements
For the Year Ended June 30, 2017

Note 1 Summary of Significant Accounting Policies

A. Reporting Entity

Principles Used in Determining Scope of Entity

The basic criterion used for including or excluding other governmental organizations as part of the financial statements of the School District is financial accountability. Financial accountability is derived from the District's powers and includes, but is not limited to, appointment of a voting majority of the governing body, imposition of will, financial benefit/burden on primary government and fiscal dependency. The District has waived the application of generally accepted accounting principles and as such, have not included any component units in these financial statements.

B. Basis of Presentation

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 Regulatory Basis Fund Types comprise the financial activities of the school district for the year ending June 30, 2017:

General Fund -- the chief operating fund. Used to account for all unrestricted 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 revenue sources that are intended for specific purposes.

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

Trust Fund -- used to report assets held in trust for the benefit of the municipal financial reporting entity.

Agency Fund -- used to report assets held by the municipal reporting entity in a purely custodial capacity.

Unified School District No. 389
Eureka, Kansas
Notes to Financial Statements
For the Year Ended June 30, 2017

C. 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 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 Kansas Municipal Audit and Accounting Guide 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 School 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 School to use the regulatory basis of accounting.

D. Budgets

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

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

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. During the year ended June 30, 2017, the District had no such amendments. However, the State of Kansas cut the budget of the General Fund from its original adopted amount of \$5,686,633 to \$5,423,698, which represents the legal maximum budget for the District based on audited FTE 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 schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

Unified School District No. 389
Eureka, Kansas
Notes to Financial Statements
For the Year Ended June 30, 2017

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which revenues are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

A legal operating budget is not required for capital project funds, fiduciary funds, and the following special purpose funds of the District:

Gifts and Grants Fund
Contingency Reserve Fund
Textbook and Student Material Revolving Fund
Rural and Low Income School Grant Fund
Title I Fund
Title II Fund
Gate Receipts Fund
Special Projects Fund

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

E. Assets, Liabilities, and Fund Equity

Cash

To facilitate better management of the District's cash resources, excess cash is combined in pooled operating accounts. Each fund's portion of total cash is based on its equity in the pooled cash amount. Cash in excess of current operating needs is invested on a pooled investment basis and earnings thereon are credited to the special purpose funds designated by Kansas statutes.

Property Taxes and Other Receivables

Collection of current year property tax by the County Treasurer is not completed, apportioned nor distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes.

It is not practicable to apportion delinquent taxes held by the County Treasurer at the end of the audit period and further, the amounts thereof are not material in relationship to the financial statements taken as a whole.

F. Revenues and Expenditures

Property Tax Revenue Recognition

Property taxes become a lien against all property November 1st. Taxpayers have the option of paying in full or in two installments. The delinquency dates are December 20th and May 10th. Delinquent taxes are assessed interest at rates established by Kansas Statutes. This interest is retained by the county.

Unified School District No. 389
Eureka, Kansas
Notes to Financial Statements
For the Year Ended June 30, 2017

Taxes levied to finance the budget are made available to the school after January 1st and are distributed by the county treasurer approximately every month and a half. At least 50% of the taxes levied are available in January.

Reimbursed Expenses

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.

Interfund Transactions

Quasi-external transactions are accounted for as revenue, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Note 2 In-Substance Receipt in Transit

The District received \$442,280 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. \$344,272 of these receipts were for the General Fund and \$98,008 for the Supplemental General Fund. The total of these amounts is displayed in the "Composition of Cash" as "Due from State of Kansas".

Note 3 Deposits and Investments

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

K.S.A. 12-1675 allows the District to deposit idle funds in time deposits-open accounts, and certificates of deposit with allowable financial institutions; and to invest idle funds in U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool.

The District held no investments at June 30, 2017 and held no investments throughout the year.

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.

Unified School District No. 389
Eureka, Kansas
Notes to Financial Statements
For the Year Ended June 30, 2017

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 not designated any peak periods.

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.

At June 30, 2017, the carrying amount of the District's deposits was \$5,851,399 and the bank balance was \$6,455,575. Of the bank balance, \$475,464 was covered by federal depository insurance and the remaining \$5,980,111 was collateralized with securities held by the pledging financial institutions' agents in the School's name.

Note 4 Long-term Debt

General Obligation Bonds

Kansas schools are limited to aggregate debt not to exceed 14% of assessed valuation of tangible taxable property within the district. The School District's assessed valuation at June 30, 2017 was \$33,582,875. The total general obligation debt outstanding at June 30, 2017 was \$2,800,000. This balance is made up entirely of advance refunding bonds, which are exempt from the debt limitation by Kansas Statute. However, Kansas Statutes require any defeased bonds which are still outstanding to be included in this debt limitation computation. All of the advance refunded bonds were called and retired in full in a previous fiscal year. The resulting legal debt limitation was \$4,701,602.

Advance Refunding of 2005 Bond Issue

In June, 2015, the District issued \$3,425,000 in General Obligation Advance Refunding bonds, with an interest rate of 3.00%. The proceeds of this bond issue (along with a \$173,966 reoffering premium) were placed into a trust with a third party bank and will be used to call and retire the remaining outstanding bonds from the 2005 Advance Refunding Issue, with an outstanding principal balance of \$3,530,000 as of June 30, 2015. The 2005 bonds were called and retired in full on October 1, 2015. These bonds have been defeased and removed from the financial statements of the School District.

Unified School District No. 389
Eureka, Kansas
Notes to Financial Statements
For the Year Ended June 30, 2017

Changes in Long-Term Debt

Changes in long-term debt for the year ending June 30, 2017 were as follows:

<u>Issue</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Balance End of Year</u>	<u>Interest Paid</u>
General Obligation Bonds:									
G.O. Advance Refunding Bonds	3.00%	6/19/2015	\$ 3,425,000	10/1/2020	3,425,000		625,000	2,800,000	93,375
Capital Lease Obligations:									
QZAB Energy System Improv.	1.75-5.00%	6/3/2011	648,000	12/1/2026	580,000		580,000	-	12,112
Contracted Liabilities:									
Early Retirement Program					<u>40,000</u>	<u>7,000</u>	<u>22,000</u>	<u>25,000</u>	<u>-</u>
Total Contractual Indebtedness					<u>4,045,000</u>	<u>7,000</u>	<u>1,227,000</u>	<u>2,825,000</u>	<u>105,487</u>

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

<u>Principal</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>Total</u>
General Obligation Bonds	\$ 665,000	685,000	720,000	730,000	2,800,000
Contracted Liabilities	<u>15,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>25,000</u>
Total Principal	<u>680,000</u>	<u>690,000</u>	<u>725,000</u>	<u>730,000</u>	<u>2,825,000</u>
Interest					
General Obligation Bonds	<u>74,025</u>	<u>53,775</u>	<u>32,700</u>	<u>10,950</u>	<u>171,450</u>
Total Interest	<u>74,025</u>	<u>53,775</u>	<u>32,700</u>	<u>10,950</u>	<u>171,450</u>
Total Principal and Interest	<u>754,025</u>	<u>743,775</u>	<u>757,700</u>	<u>740,950</u>	<u>2,996,450</u>

Note 5 Claims and Judgments

The School participates in federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the School may be required to reimburse the grantor government. As of November 30, 2017, current year grant expenditures have not been audited, but the School believes disallowed expenditures or overpayments, if any, will not have a material effect on individual governmental funds or the overall financial position of the School.

During the course of its operations, the School is a party to various claims, legal actions and complaints. It is the opinion of the School's management that these matters are not anticipated to have a material impact on the School.

Unified School District No. 389
Eureka, Kansas
Notes to Financial Statements
For the Year Ended June 30, 2017

The School is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The School has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage from 2016 to 2017, and there were no settlements that exceeded insurance coverage in the past three years.

Note 6 **Interfund Transfers**

<u>From</u>	<u>To</u>	<u>Amount</u>
General Fund	At Risk K-12 Fund	\$ 565,977
Supplemental General Fund	At Risk K-12 Fund	69,296
General Fund	Capital Outlay Fund	455,198
General Fund	Special Education Fund	708,135
Supplemental General Fund	Vocational Education Fund	132,000
General Fund	KPERS Special Retirement Contribution Fund	411,530

Note 7 **Other Long-Term Obligations from Operations**

Compensated Absences.

The School District's policies regarding sick leave permit employees a maximum accumulation of 90 days. At the time of termination, if the employee has been with the District for at least five years, the employee is compensated for unused sick days at the rate of \$25 per day for Certified personnel and \$10 per day for all other personnel. Non-certified, full-time employees are granted a maximum of three weeks vacation per year after five years service. Unused vacation time is lost at the end of each year. Policies prohibit payment for vacation time in lieu of time off and require the cancellation of unused vacation at the time of employment termination.

Early Retirement Incentive Plan

The School District has adopted a local early retirement incentive plan for all personnel. Under this plan, certified personnel who have 15 or more years service with the District, 20 years of credited service with Kpers, and are between the age of 55 and 65 may retire and receive an annual benefit of \$5,000. Persons who retire under this program between the ages of 55 and 61 will receive this benefit for 4 years. Persons retiring at 62 years of age will receive this benefit for 3 years. Persons retiring at 63 years of age will receive this benefit for 2 years, and persons retiring at 64 years of age will receive this benefit for 1 year.

Under this same plan, classified employees who have 15 or more years service with the District, 20 years of credited services with Kpers, and have met the age and service requirements of Kpers (85 points), may retire and receive an annual benefit of \$3,000 for 12-month employees and \$2,000 for 9- and 10-month employees. Persons who retire under this program between the ages of 53 and 61 will receive this benefit for 4 years. Persons retiring at 62 years of age will receive this benefit for 3 years. Persons retiring at 63 years of age will receive this benefit for 2 years, and persons retiring at 64 years of age will receive this benefit for 1 year.

Unified School District No. 389
Eureka, Kansas
Notes to Financial Statements
For the Year Ended June 30, 2017

Defined Benefit Pension Plan

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

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

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

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

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled \$411,530 for the year ended June 30, 2017.

Unified School District No. 389
Eureka, Kansas
Notes to Financial Statements
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 \$6,629,184. 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. Data from the June 30, 2017 KPERS report was not available at the date of this report. 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 longterm 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 or can be obtained as described above.

Note 8 Stewardship, Compliance, and Accountability

Compliance with Kansas Cash Basis Law

No violations.

Compliance with Kansas Budget Law

No violations.

Compliance with Kansas Depository Security Law

No violations.

Note 9 Economic Dependency

The School District is economically dependent on State and Federal financial assistance. The revenue from the State and Federal government in relation to the total revenues of the District are presented below:

	Total <u>Revenue (1)</u>	State <u>Aid</u>	%	Federal <u>Aid</u>	%
General Fund	\$ 5,433,029	5,390,241	99.2%	9,227	0.2%
Supplemental General Fund	1,693,736	966,259	57.0%	-	0.0%
Bond and Interest Fund	750,080	330,453	44.1%	-	0.0%
Other Funds	1,587,311	139,219	8.8%	705,157	44.4%
Total All Funds (1)	<u>9,464,156</u>	<u>6,826,172</u>	72.1%	<u>714,384</u>	7.5%

(1) Not including fund transfers

Unified School District No. 389
Eureka, Kansas
Notes to Financial Statements
For the Year Ended June 30, 2017

Note 10 On Behalf Payments for Fringe Benefits

The School recognizes as revenues and expenses cash contributions made by the State of Kansas to the Kansas Public Employees Retirement System (KPERS) on behalf of the School's employees. For the year ended June 30, 2017, the State made cash contributions of \$411,530. These contributions are recorded in the School's KPERS Contribution Fund as receipts and disbursements.

The State of Kansas reports these transactions on the cash basis of accounting and does not recognize encumbrances (i.e. commitments for unpaid contributions) as expenditures. Accordingly, the transactions reported in the School's KPERS Contribution Fund does not recognize any amounts due from the State for committed but unpaid contributions as of June 30, 2017.

Unified School District No. 389
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2017

Schedule 1

	<u>Certified Budget</u>	<u>Legal Max. Adjustment</u>	<u>Qualified Budget Cr. Adjustment</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Favorable (Unfavorable)</u>
Governmental Type Funds:						
General	\$ 5,686,633	(262,935)		5,423,698	5,423,698	
Supplemental General	1,724,538			1,724,538	1,724,538	
Special Purpose:						
At Risk 4 Year Old	102,000			102,000	92,955	9,045
At Risk K-12	760,000			760,000	756,097	3,903
Capital Outlay	1,190,000			1,190,000	928,186	261,814
Driver Training	12,000			12,000	6,504	5,496
Food Service	459,950		11,568	471,518	348,201	123,317
Professional Development	20,000			20,000	12,158	7,842
Special Education	1,080,115		448	1,080,563	956,369	124,194
Vocational Education	230,000			230,000	208,945	21,055
KPERS Special Retirement Contribution	595,005			595,005	411,530	183,475
Recreation Commission	159,009			159,009	159,009	
Bond and Interest:						
Bond and Interest	718,475			718,475	718,375	100
Totals	<u>12,737,725</u>	<u>(262,935)</u>	<u>12,016</u>	<u>12,486,806</u>	<u>11,746,565</u>	<u>740,241</u>

General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended June 30, 2017

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

		Current Year		
	Prior Year Actual	Current Year Actual	Budget	Variance Favorable (Unfavorable)
Cash Receipts				
Revenue from Local Sources				
Interest on Investments	\$	33,561	40,000	(6,439)
Revenue from State Sources				
General State Aid	4,421,485	4,421,485	4,158,551	262,934
Mineral Production Tax	232		250	(250)
Supplemental State Aid	951,011			
Capital Outlay State Aid	69,331			
KPERS State Aid	417,134	411,530	595,005	(183,475)
Special Education Aid	532,823	557,226	621,550	(64,324)
Total Revenue from State Sources	6,392,016	5,390,241	5,375,356	14,885
Revenue from Federal Sources				
P.L. 382	8,342	9,227	8,342	885
Total Cash Receipts	6,400,358	5,433,029	5,423,698	9,331
Expenditures and Transfers				
Instruction				
Certified Salaries	1,592,762	1,666,262	1,744,564	78,302
Non-Certified Salaries	34,920	37,517	35,000	(2,517)
Social Security	124,023	128,471	125,000	(3,471)
Other Employee Benefits	1,853	1,013	2,000	987
Supplies and Materials		600		(600)
Property (Equipment & Furnishings)			40,000	40,000
Total Instruction	1,753,558	1,833,863	1,946,564	112,701
Support Services - Students				
Certified Salaries	237,784	246,073	239,000	(7,073)
Social Security	16,682	17,149	17,200	51
Other Employee Benefits	204	209	500	291
Total Support Services - Students	254,670	263,431	256,700	(6,731)
Support Services - Instr. Staff				
Certified Salaries	117,634	121,405	118,000	(3,405)
Non-Certified Salaries			100	100
Other Employee Benefits	90	91		(91)
Total Support Services - Instr. Staff	117,724	121,496	118,100	(3,396)
General Administration				
Certified Salaries	82,185	80,562	85,000	4,438
Non-Certified Salaries	9,852	10,205	10,000	(205)
Social Security	9,474	8,296	9,500	1,204
Other Employee Benefits	74	58	150	92
Total General Administration	101,585	99,121	104,650	5,529
School Administration				
Certified Salaries	234,788	246,023	238,000	(8,023)
Non-Certified Salaries	139,660	145,313	140,000	(5,313)
Social Security	25,086	25,971	25,500	(471)
Other Employee Benefits	348	359	500	141
Total School Administration	399,882	417,666	404,000	(13,666)
Support Services - Business				
Non-Certified Salaries	60,118	61,700	61,000	(700)
Operations and Maintenance				
Non-Certified Salaries	256,697	277,595	260,000	(17,595)
Social Security	15,579	16,751	16,500	(251)
Other Employee Benefits	189	203	250	47
Total Operations and Maintenance	272,465	294,549	276,750	(17,799)

Unified School District No. 389
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

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

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Current Year Actual	Budget	
Vehicle Operation Services				
Non-Certified Salaries	\$ 129,621	134,866	131,000	(3,866)
Social Security	8,766	8,915	9,500	585
Other Employee Benefits	131	138	250	112
Total Vehicle Operation Services	<u>138,518</u>	<u>143,919</u>	<u>140,750</u>	<u>(3,169)</u>
Vehicle Servicing/Maintenance				
Non-Certified Salaries	43,222	44,361	44,000	(361)
Social Security	2,705	2,719	2,900	181
Other Employee Benefits	33	33	100	67
Total Vehicle Servicing/Maintenance	<u>45,960</u>	<u>47,113</u>	<u>47,000</u>	<u>(113)</u>
Fund Transfers				
Supplemental General	951,011			
At Risk 4-Year Old	93,078		103,000	103,000
At Risk K-12	317,532	565,977	485,064	(80,913)
Capital Outlay	491,995	455,198		(455,198)
Driver Training			3,050	3,050
Food Service			75,000	75,000
Professional Development	499		10,000	10,000
Special Education	777,110	708,135	850,000	141,865
KPERS	417,134	411,530	595,005	183,475
Vocational Education	<u>207,520</u>		<u>210,000</u>	<u>210,000</u>
Total Fund Transfers	<u>3,255,879</u>	<u>2,140,840</u>	<u>2,331,119</u>	<u>190,279</u>
Budget Adjustments				
Legal Max Adjustment			(262,935)	(262,935)
Total Expenditures and Transfers	<u>6,400,359</u>	<u>5,423,698</u>	<u>5,423,698</u>	
Receipts Over (Under)				
Expenditures and Transfers	(1)	9,331		
Unencumbered Cash, Beginning	1			
Prior Year Encumbrances Cancelled				
Unencumbered Cash, Ending		<u>9,331</u>		

Unified School District No. 389
Supplemental General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

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

		Current Year		
	Prior Year Actual	Current Year Actual	Budget	Variance Favorable (Unfavorable)
Cash Receipts				
Revenue from Local Sources				
Ad Valorem Taxes	\$ 654,800	621,823	562,091	59,732
Delinquent Taxes	10,027	20,598	12,601	7,997
Watercraft Tax	1,247	1,501		1,501
Total Revenue from Local Sources	666,074	643,922	574,692	69,230
Revenue from County Sources				
Motor Vehicle Tax	102,466	78,610	78,553	57
Recreational Vehicle Tax	1,591	1,564	1,115	449
Commercial Vehicle Tax	2,873	2,170	2,474	(304)
Revenue in Lieu of Taxes	1,189	1,211		1,211
Total Revenue from County Sources	108,119	83,555	82,142	1,413
Revenue from State Sources				
Supplemental State Aid		966,259	966,259	
Operating Transfers				
Transfer from General Fund	951,011			
Total Cash Receipts	1,725,204	1,693,736	1,623,093	70,643
Expenditures and Transfers				
Instruction				
Tuition			2,000	2,000
Staff Travel	2,414	1,830	5,000	3,170
Supplies and Materials	68,937	59,952	85,000	25,048
Textbooks	38,845	17,865	50,000	32,135
Miscellaneous Supplies	103,986	161,141	105,000	(56,141)
Property (Equipment & Furnishings)	93,445	102,609	100,000	(2,609)
Total Instruction	307,627	343,397	347,000	3,603
Support Services - Students				
Supplies and Materials	1,683	2,686	5,300	2,614
Support Services - Instr. Staff				
Books and Periodicals	12,611	11,458	16,000	4,542
General Administration				
Purchased Professional and Technical Services	104,852	76,867	70,000	(6,867)
Board of Education Services	9,272	6,608		(6,608)
Other Official/Administrative Services	2,100	1,557		(1,557)
Insurance	96,637	135,436	100,000	(35,436)
Communication Services			32,000	32,000
Supplies and Materials	7,108	8,110	16,000	7,890
Total General Administration	219,969	228,578	218,000	(10,578)
School Administration				
Purchased Professional and Technical Services			8,000	8,000
Support Services - Business				
Other Purchased Services	119			
Postage	7,128	5,909		(5,909)
Total Support Services - Business	7,247	5,909		(5,909)
Operations and Maintenance				
Water/Sewer Services (Non-Energy)	8,244	6,902	26,950	20,048
Disposal Services	12,719	11,700		(11,700)
Repairs and Maintenance	14,167	76,827	45,000	(31,827)
Rentals/Leases	39,626	39,534	41,000	1,466
Communication Services	21,102	39,161		(39,161)
Supplies and Materials	283,460	347,349	275,000	(72,349)
Heating	37,219	36,748	49,500	12,752
Electricity	213,524	241,470	230,000	(11,470)
Motor Fuel	498	524	1,000	476
Other	4,212	3,140	40,000	36,860
Total Operations and Maintenance	634,771	803,355	708,450	(94,905)

Unified School District No. 389
Supplemental General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

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

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Current Year Actual	Budget	
Vehicle Operation Services				
Motor Fuel	\$ 40,723	20,815	80,000	59,185
Equipment			50,000	50,000
Other	3,844	3,152	5,000	1,848
Total Vehicle Operation Services	<u>44,567</u>	<u>23,967</u>	<u>135,000</u>	<u>111,033</u>
Vehicle Servicing/Maintenance				
Supplies and Materials	64,011	103,892	70,000	(33,892)
Fund Transfers				
At Risk K-12	422,664	69,296	216,788	147,492
Food Service	228			
Vocational Education	9,160	132,000		(132,000)
Total Fund Transfers	<u>432,052</u>	<u>201,296</u>	<u>216,788</u>	<u>15,492</u>
Total Expenditures and Transfers	<u>1,724,538</u>	<u>1,724,538</u>	<u>1,724,538</u>	
Receipts Over (Under)				
Expenditures and Transfers	666	(30,802)		
Unencumbered Cash, Beginning	72,612	101,446		
Prior Year Encumbrances Cancelled	<u>28,168</u>	<u>16,095</u>		
Unencumbered Cash, Ending	<u>101,446</u>	<u>86,739</u>		

Unified School District No. 389
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 Totals for the Prior Year Ended June 30, 2016)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Current Year Actual	Budget	
Cash Receipts				
Operating Transfers				
Transfer from General Fund	\$ 93,078		103,000	(103,000)
Total Cash Receipts	<u>93,078</u>		<u>103,000</u>	<u>(103,000)</u>
Expenditures and Transfers				
Instruction				
Certified Salaries	86,572	85,942	62,000	(23,942)
Non-Certified Salaries			31,500	31,500
Social Security	5,611	6,264	6,500	236
General Supplies and Materials	<u>513</u>	<u>749</u>	<u>2,000</u>	<u>1,251</u>
Total Expenditures and Transfers	<u>92,696</u>	<u>92,955</u>	<u>102,000</u>	<u>9,045</u>
Receipts Over (Under)				
Expenditures and Transfers	382	(92,955)		
Unencumbered Cash, Beginning	296,397	296,900		
Prior Year Encumbrances Cancelled	<u>121</u>	<u>100</u>		
Unencumbered Cash, Ending	<u>296,900</u>	<u>204,045</u>		

Unified School District No. 389
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 Totals for the Prior Year Ended June 30, 2016)

		Current Year		
	Prior Year Actual	Current Year Actual	Budget	Variance Favorable (Unfavorable)
Cash Receipts				
Operating Transfers				
Transfer from General Fund	\$ 317,532	565,977	485,064	80,913
Transfer from Supplemental General Fund	422,664	69,296	216,788	(147,492)
Total Cash Receipts	<u>740,196</u>	<u>635,273</u>	<u>701,852</u>	<u>(66,579)</u>
Expenditures and Transfers				
Instruction				
Certified Salaries	694,167	708,596	710,000	1,404
Non-Certified Salaries	690	960	2,000	1,040
Social Security	45,272	46,541	48,000	1,459
Supplies and Materials	68			
Total Expenditures and Transfers	<u>740,197</u>	<u>756,097</u>	<u>760,000</u>	<u>3,903</u>
Receipts Over (Under)				
Expenditures and Transfers	(1)	(120,824)		
Unencumbered Cash, Beginning	<u>427,825</u>	<u>427,824</u>		
Unencumbered Cash, Ending	<u>427,824</u>	<u>307,000</u>		

Unified School District No. 389
Capital Outlay Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

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

			Current Year	
	Prior Year Actual	Current Year Actual	Budget	Variance Favorable (Unfavorable)
Cash Receipts				
Revenue from Local Sources				
Ad Valorem Taxes	\$ 175,749	253,088	240,472	12,616
Delinquent Taxes	1,597	3,989	3,302	687
Watercraft Tax	520	404		404
Interest on Investments	45,259	4,186	40,000	(35,814)
Other Revenue From Local Sources	13,467	20,856	13,000	7,856
Total Revenue from Local Sources	<u>236,592</u>	<u>282,523</u>	<u>296,774</u>	<u>(14,251)</u>
Revenue from County Sources				
Motor Vehicle Tax	15,848	30,561	30,356	205
Recreational Vehicle Tax	260	577	431	146
Commercial Vehicle Tax	756	733	956	(223)
Revenue in Lieu of Taxes	1,892	1,971		1,971
Total Revenue from County Sources	<u>18,756</u>	<u>33,842</u>	<u>31,743</u>	<u>2,099</u>
Revenue from State Sources				
General State Aid		122,360	122,677	(317)
Revenue from Federal Sources				
Federal Flood Control Allocation	2,266	660		660
P.L. 382	3,575	3,954	3,575	379
Total Revenue from Federal Sources	<u>5,841</u>	<u>4,614</u>	<u>3,575</u>	<u>1,039</u>
Operating Transfers				
Transfer from General Fund	491,995	455,198		455,198
Total Cash Receipts	<u>753,184</u>	<u>898,537</u>	<u>454,769</u>	<u>443,768</u>
Expenditures and Transfers				
Instruction				
Property (Equipment & Furnishings)	74,250	56,743	750,000	693,257
Support Services - Students				
Property (Equipment & Furnishings)	22,248		180,000	180,000
Operations and Maintenance				
Property (Equipment & Furnishings)	49,220	34,794	20,000	(14,794)
Vehicle Operation Services				
Property (Equipment & Furnishings)	84,000	74,000	150,000	76,000
Facilities Acquisition/Construction				
Site Improvement Services	99,472	762,649	90,000	(672,649)
Total Expenditures and Transfers	<u>329,190</u>	<u>928,186</u>	<u>1,190,000</u>	<u>261,814</u>
Receipts Over (Under)				
Expenditures and Transfers	423,994	(29,649)		
Unencumbered Cash, Beginning	1,573,301	1,997,295		
Prior Year Encumbrances Cancelled				
Unencumbered Cash, Ending	<u>1,997,295</u>	<u>1,967,646</u>		

Unified School District No. 389
Driver Training Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

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

			Current Year	
	Prior Year Actual	Current Year Actual	Budget	Variance Favorable (Unfavorable)
Cash Receipts				
Revenue from Local Sources				
Other Revenue From Local Sources	\$ 3,207	1,966	2,500	(534)
Revenue from State Sources				
General State Aid	1,836	4,096	2,250	1,846
Operating Transfers				
Transfer from General Fund			3,050	(3,050)
Total Cash Receipts	5,043	6,062	7,800	(1,738)
Expenditures and Transfers				
Instruction				
Certified Salaries	8,446	5,878	8,600	2,722
Social Security	646	440	750	310
Other Employee Benefits	8	6	150	144
Total Instruction	9,100	6,324	9,500	3,176
Vehicle Operation/Maintenance				
Motor Fuel		180	2,500	2,320
Other	50			
Total Vehicle Operation/Maintenance	50	180	2,500	2,320
Total Expenditures and Transfers	9,150	6,504	12,000	5,496
Receipts Over (Under)				
Expenditures and Transfers	(4,107)	(442)		
Unencumbered Cash, Beginning	28,333	24,226		
Unencumbered Cash, Ending	24,226	23,784		

Unified School District No. 389
Food Service Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

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

			Current Year	
	Prior Year Actual	Current Year Actual	Budget	Variance Favorable (Unfavorable)
Cash Receipts				
Revenue from Local Sources				
Student Sales	\$ 85,441	73,820	84,423	(10,603)
Adults and Non-Reimbursable Programs	3,549	3,583	3,549	34
Other Revenue From Local Sources	11,479	8,799	10,000	(1,201)
Total Revenue from Local Sources	<u>100,469</u>	<u>86,202</u>	<u>97,972</u>	<u>(11,770)</u>
Revenue from State Sources				
General State Aid	3,897	3,749	3,334	415
Revenue from Federal Sources				
Federal Financial Assistance	300,229	288,669	277,101	11,568
Operating Transfers				
Transfer from General Fund			75,000	(75,000)
Transfer from Supplemental General Fund	228			
Total Operating Transfers	<u>228</u>		<u>75,000</u>	<u>(75,000)</u>
Total Cash Receipts	<u>404,823</u>	<u>378,620</u>	<u>453,407</u>	<u>(74,787)</u>
Expenditures and Transfers				
Operations and Maintenance				
Water/Sewer Services (Non-Energy)	2,129	2,079	2,500	421
Food Service Operations				
Non-Certified Salaries	93,591	100,447	105,000	4,553
Social Security	5,930	6,148	7,200	1,052
Other Employee Benefits	73	74	250	176
Food and Milk	274,270	224,059	290,000	65,941
Miscellaneous Supplies	11,798	9,865	15,000	5,135
Property (Equipment & Furnishings)	2,574		25,000	25,000
Other	12,258	5,529	15,000	9,471
Total Food Service Operations	<u>400,494</u>	<u>346,122</u>	<u>457,450</u>	<u>111,328</u>
Budget Credit Adjustment			11,568	11,568
Total Expenditures and Transfers	<u>402,623</u>	<u>348,201</u>	<u>471,518</u>	<u>123,317</u>
Receipts Over (Under)				
Expenditures and Transfers	2,200	30,419		
Unencumbered Cash, Beginning	96,602	98,802		
Prior Year Encumbrances Cancelled		312		
Unencumbered Cash, Ending	<u>98,802</u>	<u>129,533</u>		

Unified School District No. 389
Professional Development Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

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

		Current Year		
	Prior Year Actual	Current Year Actual	Budget	Variance Favorable (Unfavorable)
Cash Receipts				
Operating Transfers				
Transfer from General Fund	\$ 499		10,000	(10,000)
Total Cash Receipts	<u>499</u>		<u>10,000</u>	<u>(10,000)</u>
Expenditures and Transfers				
Support Services - Instr. Staff				
Instructional Program Improvement Services	13,469	12,158	20,000	7,842
Total Expenditures and Transfers	<u>13,469</u>	<u>12,158</u>	<u>20,000</u>	<u>7,842</u>
Receipts Over (Under)				
Expenditures and Transfers	(12,970)	(12,158)		
Unencumbered Cash, Beginning	129,866	117,048		
Prior Year Encumbrances Cancelled	<u>152</u>	<u>371</u>		
Unencumbered Cash, Ending	<u>117,048</u>	<u>105,261</u>		

Unified School District No. 389
Special Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

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

			Current Year	
	Prior Year Actual	Current Year Actual	Budget	Variance Favorable (Unfavorable)
Cash Receipts				
Revenue from Federal Sources				
Federal Financial Assistance	\$ 187,916	188,448	188,000	448
Medicaid Title XIX	8,430	12,544	8,500	4,044
Total Revenue from Federal Sources	<u>196,346</u>	<u>200,992</u>	<u>196,500</u>	<u>4,492</u>
Operating Transfers				
Transfer from General Fund	777,110	708,135	850,000	(141,865)
Total Cash Receipts	<u>973,456</u>	<u>909,127</u>	<u>1,046,500</u>	<u>(137,373)</u>
Expenditures and Transfers				
Instruction				
Certified Salaries	413,242	418,940	431,000	12,060
Non-Certified Salaries	313,382	343,563	369,000	25,437
Social Security	47,364	49,338	54,000	4,662
Other Employee Benefits	12,650	595	1,000	405
Purchased Professional and Technical Services	18,870	21,434	54,315	32,881
Staff Travel	1,557	50		(50)
Other Miscellaneous Purchased Services			2,500	2,500
Supplies and Materials	56,104	17,388	25,000	7,612
Books and Periodicals	696	361		(361)
Textbooks			10,000	10,000
Audio Visual and Software			3,000	3,000
Total Instruction	<u>863,865</u>	<u>851,669</u>	<u>949,815</u>	<u>98,146</u>
Support Services - Students				
Certified Salaries	59,850	53,500	65,000	11,500
Social Security	3,935	4,086	4,200	114
Other Employee Benefits	46	50	100	50
Purchased Professional and Technical Services	12,315	12,161	10,000	(2,161)
Other		154		(154)
Total Support Services - Students	<u>76,146</u>	<u>69,951</u>	<u>79,300</u>	<u>9,349</u>
Vehicle Operation Services				
Non-Certified Salaries	23,608	26,796	35,000	8,204
Social Security	1,713	1,955	3,000	1,045
Motor Fuel	5,567	5,998	13,000	7,002
Total Vehicle Operation Services	<u>30,888</u>	<u>34,749</u>	<u>51,000</u>	<u>16,251</u>
Budget Credit Adjustment			448	448
Total Expenditures and Transfers	<u>970,899</u>	<u>956,369</u>	<u>1,080,563</u>	<u>124,194</u>
Receipts Over (Under)				
Expenditures and Transfers	2,557	(47,242)		
Unencumbered Cash, Beginning	772,075	774,786		
Prior Year Encumbrances Cancelled	154	299		
Unencumbered Cash, Ending	<u>774,786</u>	<u>727,843</u>		

Unified School District No. 389
Vocational Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

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

		Current Year		
	Prior Year Actual	Current Year Actual	Budget	Variance Favorable (Unfavorable)
Cash Receipts				
Revenue from State Sources				
CTE Transportation State Aid	\$ 9,825	9,014	8,338	676
Revenue from Federal Sources				
Other Federal Financial Assistance	1,500			
Operating Transfers				
Transfer from General Fund	207,520		210,000	(210,000)
Transfer from Supplemental General Fund	9,160	132,000		132,000
Total Operating Transfers	216,680	132,000	210,000	(78,000)
Total Cash Receipts	228,005	141,014	218,338	(77,324)
Expenditures and Transfers				
Instruction				
Certified Salaries	183,475	186,558	190,000	3,442
Miscellaneous Supplies	22,038	22,387	25,000	2,613
Property (Equipment & Furnishings)	10,037		15,000	15,000
Total Expenditures and Transfers	215,550	208,945	230,000	21,055
Receipts Over (Under)				
Expenditures and Transfers	12,455	(67,931)		
Unencumbered Cash, Beginning	386,814	399,359		
Prior Year Encumbrances Cancelled	90	784		
Unencumbered Cash, Ending	399,359	332,212		

Unified School District No. 389
Gifts and Grants Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the 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		
Revenue from Local Sources		
Donations	\$ 7,196	
Total Cash Receipts	<u>7,196</u>	
Expenditures and Transfers		
Instruction		
Property (Equipment & Furnishings)	<u>5,193</u>	
Total Expenditures and Transfers	<u>5,193</u>	
Receipts Over (Under)		
Expenditures and Transfers	2,003	
Unencumbered Cash, Beginning	<u>9,614</u>	<u>11,617</u>
Unencumbered Cash, Ending	<u>11,617</u>	<u>11,617</u>

Unified School District No. 389
 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 Totals for the Prior Year Ended June 30, 2016)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Current Year Actual	Budget	
Cash Receipts				
Operating Transfers				
Transfer from General Fund	\$ 417,134	411,530	595,005	(183,475)
Total Cash Receipts	<u>417,134</u>	<u>411,530</u>	<u>595,005</u>	<u>(183,475)</u>
Expenditures and Transfers				
Instruction				
Other Employee Benefits	<u>276,894</u>	<u>291,525</u>	<u>394,965</u>	<u>103,440</u>
Support Services - Students				
Other Employee Benefits	<u>21,169</u>	<u>20,095</u>	<u>30,196</u>	<u>10,101</u>
Support Services - Instr. Staff				
Other Employee Benefits	<u>9,881</u>	<u>10,271</u>	<u>14,094</u>	<u>3,823</u>
General Administration				
Other Employee Benefits	<u>15,833</u>	<u>10,125</u>	<u>22,584</u>	<u>12,459</u>
School Administration				
Other Employee Benefits	<u>38,179</u>	<u>31,423</u>	<u>54,459</u>	<u>23,036</u>
Support Services - Business				
Other Employee Benefits	<u>6,379</u>	<u>4,815</u>	<u>9,099</u>	<u>4,284</u>
Operations and Maintenance				
Other Employee Benefits	<u>26,280</u>	<u>20,688</u>	<u>37,486</u>	<u>16,798</u>
Vehicle Operation Services				
Other Employee Benefits	<u>14,342</u>	<u>13,907</u>	<u>20,458</u>	<u>6,551</u>
Operation of Non-Instruction Services				
Other Employee Benefits	<u>8,177</u>	<u>8,681</u>	<u>11,664</u>	<u>2,983</u>
Total Expenditures and Transfers	<u>417,134</u>	<u>411,530</u>	<u>595,005</u>	<u>183,475</u>
Receipts Over (Under)				
Expenditures and Transfers				
Unencumbered Cash, Beginning	<u> </u>	<u> </u>		
Unencumbered Cash, Ending	<u> </u>	<u> </u>		

Unified School District No. 389
Contingency Reserve Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the 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		
None	\$	
Expenditures and Transfers		
None		
Receipts Over (Under)		
Expenditures and Transfers		
Unencumbered Cash, Beginning	478,785	478,785
Unencumbered Cash, Ending	478,785	478,785

Unified School District No. 389
Textbook and Student Material Revolving Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the 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		
Revenue from Local Sources		
User Charges and Fines	\$ 12,798	21,609
Textbook Sales and Rentals	<u>17,528</u>	<u>17,021</u>
Total Cash Receipts	<u>30,326</u>	<u>38,630</u>
Expenditures and Transfers		
Instruction		
Supplies and Materials	12,286	17,288
Textbooks	<u>17,972</u>	<u>17,972</u>
Total Expenditures and Transfers	<u>12,286</u>	<u>35,260</u>
Receipts Over (Under)		
Expenditures and Transfers	18,040	3,370
Unencumbered Cash, Beginning	<u>184,811</u>	<u>202,851</u>
Unencumbered Cash, Ending	<u>202,851</u>	<u>206,221</u>

Unified School District No. 389
Recreation Commission Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

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

		Current Year		
	Prior Year Actual	Current Year Actual	Budget	Variance Favorable (Unfavorable)
Cash Receipts				
Revenue from Local Sources				
Ad Valorem Taxes	\$ 93,226	100,892	95,599	5,293
Delinquent Taxes	1,332	2,814	1,774	1,040
Watercraft Tax	219	214		214
Total Revenue from Local Sources	<u>94,777</u>	<u>103,920</u>	<u>97,373</u>	<u>6,547</u>
Revenue from County Sources				
Motor Vehicle Tax	13,629	13,181	13,099	82
Recreational Vehicle Tax	214	249	186	63
Commercial Vehicle Tax	426	340	412	(72)
Revenue in Lieu of Taxes	218	222		222
Total Revenue from County Sources	<u>14,487</u>	<u>13,992</u>	<u>13,697</u>	<u>295</u>
Total Cash Receipts	<u>109,264</u>	<u>117,912</u>	<u>111,070</u>	<u>6,842</u>
Expenditures and Transfers				
Community Services Operations				
Community Service Operations	<u>108,340</u>	<u>159,009</u>	<u>159,009</u>	
Total Expenditures and Transfers	<u>108,340</u>	<u>159,009</u>	<u>159,009</u>	
Receipts Over (Under)				
Expenditures and Transfers	924	(41,097)		
Unencumbered Cash, Beginning	<u>47,015</u>	<u>47,939</u>		
Unencumbered Cash, Ending	<u>47,939</u>	<u>6,842</u>		

Unified School District No. 389
Rural and Low Income School Grant Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the 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		
Revenue from Federal Sources		
Federal Financial Assistance	\$	21,836
Total Cash Receipts		21,836
Expenditures and Transfers		
Instruction		
Property (Equipment & Furnishings)		21,836
Total Expenditures and Transfers		21,836
Receipts Over (Under)		
Expenditures and Transfers		
Unencumbered Cash, Beginning		
Unencumbered Cash, Ending		

Unified School District No. 389
Title I Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2017

Schedule 2
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(With Comparative Actual Totals for the Prior Year Ended June 30, 2016)

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Revenue from Federal Sources		
Federal Financial Assistance	\$ 167,137	165,668
Total Cash Receipts	<u>167,137</u>	<u>165,668</u>
Expenditures and Transfers		
Instruction		
Certified Salaries	149,702	154,654
Social Security	13,505	14,107
Supplies and Materials	<u>1,012</u>	<u>12,976</u>
Total Instruction	<u>164,219</u>	<u>181,737</u>
Support Services - Students		
Other	<u>743</u>	<u>925</u>
Support Services - Instr. Staff		
Other	<u>1,780</u>	<u>3,073</u>
Total Expenditures and Transfers	<u>166,742</u>	<u>185,735</u>
Receipts Over (Under)		
Expenditures and Transfers	395	(20,067)
Unencumbered Cash, Beginning	19,657	20,052
Prior Year Encumbrances Cancelled	<u>15</u>	<u>15</u>
Unencumbered Cash, Ending	<u><u>20,052</u></u>	<u><u>20,052</u></u>

Unified School District No. 389
Title II Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the 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		
Revenue from Federal Sources		
Federal Financial Assistance	\$ 37,339	35,571
Total Cash Receipts	<u>37,339</u>	<u>35,571</u>
Expenditures and Transfers		
Instruction		
Certified Salaries	<u>37,203</u>	<u>35,571</u>
Support Services - Instr. Staff		
Instructional Program Improvement Services	<u>136</u>	
Total Expenditures and Transfers	<u>37,339</u>	<u>35,571</u>
Receipts Over (Under)		
Expenditures and Transfers		
Unencumbered Cash, Beginning		
Unencumbered Cash, Ending		

Unified School District No. 389
Bond and Interest Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

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

		Current Year		
	Prior Year Actual	Current Year Actual	Budget	Variance Favorable (Unfavorable)
Cash Receipts				
Revenue from Local Sources				
Ad Valorem Taxes	\$ 357,840	351,284	315,630	35,654
Delinquent Taxes	5,658	11,701	6,797	4,904
Watercraft Tax	888	821		821
Total Revenue from Local Sources	<u>364,386</u>	<u>363,806</u>	<u>322,427</u>	<u>41,379</u>
Revenue from County Sources				
Motor Vehicle Tax	55,505	52,590	52,214	376
Recreational Vehicle Tax	870	993	742	251
Commercial Vehicle Tax	1,802	1,338	1,645	(307)
Revenue in Lieu of Taxes	814	900		900
Total Revenue from County Sources	<u>58,991</u>	<u>55,821</u>	<u>54,601</u>	<u>1,220</u>
Revenue from State Sources				
General State Aid	<u>344,936</u>	<u>330,453</u>	<u>330,453</u>	
Total Cash Receipts	<u>768,313</u>	<u>750,080</u>	<u>707,481</u>	<u>42,599</u>
Expenditures and Transfers				
Debt Service				
Redemption of Principal	615,000	625,000	625,000	
Interest (Coupons)	158,450	93,375	93,375	
Commission and Postage			100	100
Total Expenditures and Transfers	<u>773,450</u>	<u>718,375</u>	<u>718,475</u>	<u>100</u>
Receipts Over (Under)				
Expenditures and Transfers	(5,137)	31,705		
Unencumbered Cash, Beginning	<u>757,235</u>	<u>752,098</u>		
Unencumbered Cash, Ending	<u>752,098</u>	<u>783,803</u>		

Unified School District No. 389
Bond Refinancing Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the 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		
Revenue from Local Sources		
Other Revenue From Local Sources	\$ 34,716	
Total Cash Receipts	<u>34,716</u>	
Expenditures and Transfers		
Instruction		
Other Purchased Services	<u>29,252</u>	
Total Expenditures and Transfers	<u>29,252</u>	
Receipts Over (Under)		
Expenditures and Transfers	5,464	
Unencumbered Cash, Beginning		<u>5,464</u>
Unencumbered Cash, Ending	<u>5,464</u>	<u>5,464</u>

Unified School District No. 389
Eureka, Kansas
Summary of Cash Receipts and Disbursements - Agency Funds
For the Year Ended June 30, 2017

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Student Organization Funds:				
High School:				
Band	\$ 668	5,499	5,636	531
Art Club	831	1,810	1,460	1,181
Band Fees and Rental	-	315	315	-
Baseball	676			676
Birkholz Memorial	460		160	300
Boys Basketball	662	1,058	1,309	411
Cheerleaders	2,517	8,160	5,648	5,029
Class of '16	535		535	-
Class of '17	1,734	415	2,149	-
Class of '18	2,123	1,686	2,479	1,330
Class of '19	1,377	545		1,922
Class of '20	1,132	656	134	1,654
Class of '21	111	220	42	289
Class of '22	-	531		531
Cross Country	18			18
Donations- Flint	5,385	5,689	7,104	3,970
Drama Club	487	4,001	2,014	2,474
E-Club	289			289
Educational Trips	519	525	405	639
English Eight	179	180	123	236
English Reading	1,622	4,935	4,594	1,963
Family & Consumer Science	-	782	782	-
FCA	1,090			1,090
FCCLA	859	6,949	7,030	778
FFA	19,354	35,228	38,219	16,363
Film Class Fee	-	105	105	-
Football	862	62	30	894
Foreign Language Club	107	1,063	524	646
Girls Basketball	1,106	3,082	4,606	(418)
Green Team Club	187	2,753	2,423	517
Junior High Cheerleaders	1	4,219	3,912	308
National Honor Society	77	604	379	302
Pop Chorale	452	474	926	-
Prom Partners	-	1,521	1,044	477
SADD	5,679	10,330	7,628	8,381
Scholar's Bowl	2,886	1,230	650	3,466
Science Club	1,432	4,531	3,568	2,395
Science Dual	-	1,445	1,445	-
Science Fund	-	2,685	2,685	-
Skills	714	1,550	1,338	926
Speech and Drama Club	2,229	1,300	1,075	2,454
Stuco Vending	1,705	1,679	2,612	772
Student Council	782	2,349	2,201	930
Student Council Pop	3,437	8,896	9,078	3,255
Testing Fees	412	2,175	2,100	487
Tornado Cave	17,078	3,429	6,195	14,312
Vocal Music	-	281	281	-
Yearbook Club	262			262
Other Agency Funds				
Payroll Clearing	98,594	2,394,795	2,391,939	101,450
Sales Tax	2	7,782	7,779	5
Total Agency Funds	<u>180,632</u>	<u>2,537,524</u>	<u>2,534,661</u>	<u>183,495</u>

Unified School District No. 389
Eureka, Kansas
Summary of Cash Receipts, Expenditures and Unencumbered Cash - District Activity Funds
For the Year Ended June 30, 2017

Fund	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
<u>Gate Receipts:</u>						
High School:						
Athletics	\$ 1,507	35,554	30,653	6,408		6,408
Concessions	5,000	13,518	13,610	4,908	-	4,908
Subtotal Gate Receipts	6,507	49,072	44,263	11,316	-	11,316
<u>Special Projects:</u>						
Marshall Elementary:						
General Clearing	1,317	43,165	43,281	1,201		1,201
Pop Machine	5,093	8,060	6,727	6,426		6,426
Book Fair	3,341	5,745	5,010	4,076		4,076
Student Needs	4,601	1,392	853	5,140		5,140
High School:						
Annual (Jr/Sr High)	3,464	3,221	4,016	2,669		2,669
Athletic T-Shirts	435	1,097	1,096	436		436
Activities Change Account	891	41,905	41,905	891		891
Dual Credit Scholarship Loans	11,341	8,793	8,561	11,573		11,573
Dual Credit Scholarships	578	144		722		722
Copy Center Equipment	1,731	204		1,935		1,935
Scholarships	7,909	3,445	2,720	8,634		8,634
Scholarships-Expired	1,128		160	968		968
Scholarships-ETA	681			681		681
Scholarships-John May	2,167		400	1,767		1,767
Scholarships-Larry Shue	943		100	843		843
Special Ed Program	3,661	940	315	4,286		4,286
Lift-a-thon	1,339	2,265	2,638	966		966
Larry Shue Memorial	3,953	5		3,958		3,958
Scholarships-Jean Gundy	25,858	129	129	25,858		25,858
Scholarships-Ghyneth	34,082	85	85	34,082	-	34,082
Subtotal Special Projects	114,513	120,595	117,996	117,112	-	117,112
Total District Activity Funds	121,020	169,667	162,259	128,428	-	128,428