

UNIFIED SCHOOL DISTRICT NO. 389

Financial Statements
and
Supplemental Information

with Independent Auditor's Report

For the Year Ended June 30, 2018

Unified School District No. 389
Eureka, Kansas
Special Financial Statements
For the Fiscal Year Ended June 30, 2018

<u>Item</u>	<u>Page Number</u>
INTRODUCTORY SECTION	
Title Page	
Table of Contents	
FINANCIAL SECTION	
Independent Auditor's Report	1-3
Summary Statement of Cash Receipts, Expenditures, and Unencumbered Cash	4
Notes to Financial Statement	5-13
ADDITIONAL INFORMATION	
Schedule 1	
Summary of Expenditures - Actual and Budget	14
Schedule 2	
Schedule of Receipts and Expenditures - Individually Presented by Fund	
General Fund	15-16
Supplemental General Fund	17-18
Special Purpose Funds	
At Risk 4 Year Old	19
At Risk K-12 Fund	20
Capital Outlay Fund	21
Driver Training Fund	22
Food Service Fund	23
Professional Development Fund	24
Special Education Fund	25
Vocational Education Fund	26
Gifts and Grants Fund	27
KPERs Special Retirement Contribution Fund	28
Contingency Reserve Fund	29
Textbook and Student Material Revolving Fund	30
Recreation Commission Fund	31
Rural and Low Income School Grant Fund	32
Title I Fund	33
Title II Fund	34
Families and Schools Together Grant Fund	35
Bond and Interest Funds	
Bond and Interest Fund	36
Trust Funds	
Bond Refinancing Fund	37

Unified School District No. 389
Eureka, Kansas
Special Financial Statements
For the Fiscal Year Ended June 30, 2018

<u>Item</u>	<u>Page Number</u>
Schedule 3	
Schedule of Cash Receipts and Disbursements - Agency Funds	38
Schedule 4	
Schedule of Receipts, Expenditures and Unencumbered Cash - District Activity Funds	39

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, 2018, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1; 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 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 Unified School District No. 389, Eureka, 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, 2018, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of Unified School District No. 389, Eureka, Kansas, as of June 30, 2018, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Other Matters

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), are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. 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

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of Unified School District No. 389, Eureka, Kansas, as of June 30, 2017 (not presented herein) and have issued our report thereon dated November 30, 2017, which contained an unmodified opinion on the basic financial statement. The 2017 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <http://www.admin.ks.gov/offices/chief-financial-officer/municipal-services>. The 2017 actual column (2017 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget for the year ended June 30, 2018 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2017 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2017 financial statement. The 2017 comparative information was subjected to the auditing procedures applied in the audit of the 2017 financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the

2017 financial statement or to the 2017 financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2017 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole, for the year ended June 30, 2017, on the basis of accounting described in Note 1.

Respectfully Submitted,

Rodney M. Burns, CPA, LLC

November 20, 2018

Unified School District No. 389
Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2018

		Beginning Unencumbered Cash Balance	Beginning Balance Adjustment	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds:								
General		\$ 9,331		5,287,800	5,297,131			
Supplemental General	(2)	86,739	27,286	1,734,265	1,758,387	89,903	271,856	361,759
Special Purpose:								
At Risk 4 Year Old	(2)	204,045	90	1,740	81,027	124,848		124,848
At Risk K-12		307,000		829,811	736,811	400,000		400,000
Capital Outlay	(2)	1,967,646	1,834	591,336	351,790	2,209,026	28,104	2,237,130
Driver Training		23,784		2,561	7,641	18,704		18,704
Food Service		129,533		379,030	367,648	140,915		140,915
Professional Development	(2)	105,261	1,284	1,982	20,000	88,527	13,677	102,204
Special Education	(2)	727,843	541	1,254,474	1,060,165	922,693	1,416	924,109
Career and Postsecondary Education	(2)	332,212	499	128,994	229,470	232,235	26,305	258,540
Gifts and Grants		11,617				11,617		11,617
KPERS Special Retirement Contribution				637,140	637,140			
Contingency Reserve		478,785				478,785		478,785
Textbook and Student Material Revolving		206,221		25,158	133,818	97,561		97,561
Recreation Commission		6,842		119,550	121,100	5,292		5,292
Rural and Low Income School Grant				20,681	20,681			
Title I	(2)		60	158,054	158,054	60	352	412
Title II				26,719	26,719			
Families and Schools Together Grant				2,501	616	1,885		1,885
Gate Receipts		11,316		58,295	52,988	16,623		16,623
Special Projects		117,112		139,282	133,036	123,358		123,358
Bond and Interest:								
Bond and Interest		783,803		713,811	739,025	758,589		758,589
Trusts:								
Bond Refinancing		5,464			2,400	3,064		3,064
Total Primary Government	(1)	<u>5,514,554</u>	<u>31,594</u>	<u>12,113,184</u>	<u>11,935,647</u>	<u>5,723,685</u>	<u>341,710</u>	<u>6,065,395</u>
Composition of Cash:								
Cash and Cash Items on Hand								345
Certificates of Deposit								83,953
Demand Deposits								5,787,707
Due from State of Kansas								441,581
Petty Cash Advance								3,300
Less: Agency Funds								(251,491)
Total Primary Government	(1)							<u>6,065,395</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, 2018

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, 2018:

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

Agency Funds -- funds 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, 2018

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, 2018, the District had no such amendments. However, the State of Kansas cut the budget of the General Fund from its original adopted amount of \$5,723,685 to \$5,293,128 and cut the budget of the Supplemental General Fund from its original adopted amount of \$1,761,904 to \$1,758,387. These cuts were made to reduce the adopted budgets to the legal maximum budget for the District based on audited FTE enrollment.

Unified School District No. 389
Eureka, Kansas
Notes to Financial Statements
For the Year Ended June 30, 2018

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

All legal annual operating budgets are prepared using the 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
Families and Schools Together Grant 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.

Unified School District No. 389
Eureka, Kansas
Notes to Financial Statements
For the Year Ended June 30, 2018

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.

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 \$441,581 subsequent to June 30, 2018 and as required by K.S.A. 72-6417 and 72-6434, the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2018. \$343,485 of these receipts were for the General Fund and \$98,096 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.

Unified School District No. 389
Eureka, Kansas
Notes to Financial Statements
For the Year Ended June 30, 2018

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, 2018 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.

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, 2018, the carrying amount of the District's deposits was \$5,871,660 and the bank balance was \$6,549,240. Of the bank balance, \$518,616 was covered by federal depository insurance and the remaining \$6,030,624 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, 2018 was \$34,712,871. The total general obligation debt outstanding at June 30, 2018 was \$2,135,000. 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. As of June 30, 2018, all advance refunded bonds had been called and retired in full. The resulting legal debt limitation was \$4,859,802.

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 were used to call and retire the remaining outstanding bonds from the 2005 Advance Refunding Issue, with an outstanding principal balance of \$3,530,000 at that time. 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, 2018

Changes in Long-Term Debt

Changes in long-term debt for the year ending June 30, 2018 were as follows:

<u>Issue</u>	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Balance End of Year</u>	<u>Interest Paid</u>
<u>General Obligation Bonds:</u>									
G.O. Advance Refunding Bonds	3.00%	06/19/15	\$ 3,425,000	10/01/20	2,800,000		665,000	2,135,000	74,025
<u>Contracted Liabilities:</u>									
Early Retirement Program					25,000	10,000	15,000	20,000	0
Total Contractual Indebtedness					<u>2,825,000</u>	<u>10,000</u>	<u>680,000</u>	<u>2,155,000</u>	<u>74,025</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>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>Total</u>
General Obligation Bonds	\$ 685,000	720,000	730,000	2,135,000
Contracted Liabilities	10,000	10,000		20,000
Total Principal	<u>695,000</u>	<u>730,000</u>	<u>730,000</u>	<u>2,155,000</u>
<u>Interest</u>				
General Obligation Bonds	53,775	32,700	10,950	97,425
Total Interest	<u>53,775</u>	<u>32,700</u>	<u>10,950</u>	<u>97,425</u>
Total Principal and Interest	<u>748,775</u>	<u>762,700</u>	<u>740,950</u>	<u>2,252,425</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 20, 2018, 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, 2018

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 2017 to 2018, 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>Authority</u>	<u>Amount</u>
General Fund	At Risk K-12 Fund	K.S.A. 72-5167	\$ 951,011
General Fund	Capital Outlay Fund	K.S.A. 72-5167	93,078
General Fund	Special Education Fund	K.S.A. 72-5167	317,532
General Fund	Career and Postsecondary Education Fund	K.S.A. 72-5167	422,664
Supplemental General Fund	Special Education Fund	K.S.A. 72-5143	491,995

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, 2018

Defined Benefit Pension Plan

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

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

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1.00% contribution rate for the Death and Disability Program) was 10.81% for the fiscal year ended June 30, 2017. The actuarially determined employer contribution rate was 12.01% for the fiscal year ended June 30, 2018. Per 2016 House Substitute for Senate Bill 161, Section 98(a) (1), state general fund and expanded lottery act revenue funds for employer contributions to KPERS were deferred. The amount deferred for school contributions was \$92,917,091 for the fiscal year ended June 30, 2016 and the anticipated repayments per SB249 were nullified per HB2052 during fiscal year 2017.

The State of Kansas contribution to KPERS for all school municipalities for the year ending June 30, 2017, received as of June 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.

Unified School District No. 389
Eureka, Kansas
Notes to Financial Statements
For the Year Ended June 30, 2018

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 \$637,140 for the year ended June 30, 2018.

Net Pension Liability. At June 30, 2018, the District's proportionate share of the collective net pension liability reported by KPERS was \$7,528,873. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016, which was rolled forward to June 30, 2017. Data from the June 30, 2018 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, 2017. 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

Expenditures and encumbrances exceeded the adopted budget of the Special Education Fund in the amount of \$16,586

Compliance with Kansas Depository Security Law

No violations.

Note 9 Subsequent Events

The District has evaluated subsequent events through November 20, 2018, the date which the financial statement was available to be issued.

On June 26, 2018, a tornado struck Eureka, causing damage to the Eureka High School, Elementary School, Football/Sports complex and other District structures and vehicles. Early in the 2018-19 fiscal year, the District began receiving insurance reimbursements to cover the losses sustained in the storm. As of November 20, 2018, the District has received approximately \$3.5 million in insurance reimbursements. The District is planning to upgrade damaged structures as they are rebuilt, which will result in the projected cost of the rebuild exceeding the amount of insurance received. In order to fund this project, in October, 2018, the District sought and received permission from the State Department of Education to hold a special bond election for the issuance of \$7.5 million in G.O. Bonds. This election is scheduled to be held in January, 2019.

Unified School District No. 389
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2018

Schedule 1

	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Favorable (Unfavorable)
Governmental Type Funds:						
General	\$ 5,308,751	(15,623)	4,003	5,297,131	5,297,131	
Supplemental General	1,761,904	(3,517)		1,758,387	1,758,387	
Special Purpose:						
At Risk 4 Year Old	98,500		1,740	100,240	81,027	19,213
At Risk K-12	810,000			810,000	736,811	73,189
Capital Outlay	1,500,000			1,500,000	351,790	1,148,210
Driver Training	12,000			12,000	7,641	4,359
Food Service	459,950		25,696	485,646	367,648	117,998
Professional Development	20,000			20,000	20,000	
Special Education	1,040,920		2,659	1,043,579	1,060,165	(16,586)
Career and Postsecondary Education	230,000			230,000	229,470	530
KPERS Special Retirement Contribution	648,160			648,160	637,140	11,020
Recreation Commission	121,100			121,100	121,100	
Bond and Interest:						
Bond and Interest	739,125			739,125	739,025	100
Totals	<u>12,750,410</u>	<u>(19,140)</u>	<u>34,098</u>	<u>12,765,368</u>	<u>11,407,335</u>	<u>1,358,033</u>

Unified School District No. 389
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

Schedule 2
Page 1 of 23

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Revenue from Local Sources				
Interest on Investments	\$ 33,561			
Reimbursements		4,003		4,003
Total Revenue from Local Sources	33,561	4,003		4,003
Revenue from State Sources				
General State Aid	4,421,485	4,686,793	4,641,721	45,072
Mineral Production Tax		37	250	(213)
KPERS State Aid	411,530			
Special Education Aid	557,226	589,133	637,225	(48,092)
Total Revenue from State Sources	5,390,241	5,275,963	5,279,196	(3,233)
Revenue from Federal Sources				
P.L. 382	9,227	7,834	9,227	(1,393)
Total Cash Receipts	5,433,029	5,287,800	5,288,423	(623)
Expenditures and Transfers				
Instruction				
Certified Salaries	1,666,262	1,749,590	1,770,000	20,410
Non-Certified Salaries	37,517	41,780	40,000	(1,780)
Social Security	128,471	133,485	135,000	1,515
Other Employee Benefits	1,013	2,032	2,000	(32)
Supplies and Materials	600			
Total Instruction	1,833,863	1,926,887	1,947,000	20,113
Support Services - Students				
Certified Salaries	246,073	256,254	260,000	3,746
Social Security	17,149	17,688	20,000	2,312
Other Employee Benefits	209	216	500	284
Total Support Services - Students	263,431	274,158	280,500	6,342
Support Services - Instr. Staff				
Certified Salaries	121,405	124,971	123,000	(1,971)
Non-Certified Salaries			100	100
Other Employee Benefits	91	93		(93)
Total Support Services - Instr. Staff	121,496	125,064	123,100	(1,964)
General Administration				
Certified Salaries	80,562	78,381	85,000	6,619
Non-Certified Salaries	10,205	10,762	13,000	2,238
Social Security	8,296	8,602	9,500	898
Other Employee Benefits	58	60	150	90
Total General Administration	99,121	97,805	107,650	9,845
School Administration				
Certified Salaries	246,023	249,501	245,000	(4,501)
Non-Certified Salaries	145,313	160,516	150,000	(10,516)
Social Security	25,971	26,405	26,000	(405)
Other Employee Benefits	359	366	500	134
Total School Administration	417,666	436,788	421,500	(15,288)
Support Services - Business				
Non-Certified Salaries	61,700	65,869	65,000	(869)
Operations and Maintenance				
Non-Certified Salaries	277,595	318,464	285,000	(33,464)
Social Security	16,751	18,652	18,000	(652)
Other Employee Benefits	203	226	250	24
Total Operations and Maintenance	294,549	337,342	303,250	(34,092)
Vehicle Operation Services				
Non-Certified Salaries	134,866	139,441	139,000	(441)
Social Security	8,915	8,948	9,500	552
Other Employee Benefits	138	140	250	110
Total Vehicle Operation Services	143,919	148,529	148,750	221

Unified School District No. 389
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Vehicle Servicing/Maintenance				
Non-Certified Salaries	\$ 44,361	47,742	46,000	(1,742)
Social Security	2,719	2,924	3,000	76
Other Employee Benefits	33	35	100	65
Total Vehicle Servicing/Maintenance	<u>47,113</u>	<u>50,701</u>	<u>49,100</u>	<u>(1,601)</u>
Fund Transfers				
At Risk 4-Year Old			103,000	103,000
At Risk K-12	565,977	829,811	686,851	(142,960)
Capital Outlay	455,198	145,043		(145,043)
Driver Training			3,050	3,050
Professional Development			10,000	10,000
Special Education	708,135	739,134	850,000	110,866
KPERS	411,530			
Career and Postsecondary Education		120,000	210,000	90,000
Total Fund Transfers	<u>2,140,840</u>	<u>1,833,988</u>	<u>1,862,901</u>	<u>28,913</u>
Budget Adjustments				
Legal Max Adjustment			(15,623)	(15,623)
Budget Credit Adjustment			4,003	4,003
Total Expenditures and Transfers	<u>5,423,698</u>	<u>5,297,131</u>	<u>5,297,131</u>	
Receipts Over (Under)				
Expenditures and Transfers	9,331	(9,331)		
Unencumbered Cash, Beginning		9,331		
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, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

Schedule 2
Page 3 of 23

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Favorable (Unfavorable)
Cash Receipts				
Revenue from Local Sources				
Ad Valorem Taxes	\$ 621,823	672,090	624,981	47,109
Delinquent Taxes	20,598	13,433	4,666	8,767
Watercraft Tax	1,501	1,112		1,112
Total Revenue from Local Sources	643,922	686,635	629,647	56,988
Revenue from County Sources				
Motor Vehicle Tax	78,610	89,558	88,947	611
Recreational Vehicle Tax	1,564	1,654	1,681	(27)
Commercial Vehicle Tax	2,170	2,778	2,599	179
Revenue in Lieu of Taxes	1,211	1,348		1,348
Total Revenue from County Sources	83,555	95,338	93,227	2,111
Revenue from State Sources				
Supplemental State Aid	966,259	952,292	948,773	3,519
Total Cash Receipts	1,693,736	1,734,265	1,671,647	62,618
Expenditures and Transfers				
Instruction				
Tuition			4,000	4,000
Staff Travel	1,830	1,767	5,000	3,233
Supplies and Materials	59,952	39,610	85,000	45,390
Textbooks	17,865	9,753	45,000	35,247
Audio Visual and Software			50,000	50,000
Miscellaneous Supplies	161,141	176,230	30,000	(146,230)
Property (Equipment & Furnishings)	102,609	88,944	100,000	11,056
Other			7,500	7,500
Total Instruction	343,397	316,304	326,500	10,196
Support Services - Students				
Supplies and Materials	2,686	1,536	4,000	2,464
Support Services - Instr. Staff				
Books and Periodicals	11,458	7,358	20,000	12,642
General Administration				
Purchased Professional and Technical Services	76,867	94,067	80,000	(14,067)
Board of Education Services	6,608	3,640		(3,640)
Other Official/Administrative Services	1,557	1,241		(1,241)
Insurance	135,436	137,500	180,000	42,500
Communication Services			40,000	40,000
Other Miscellaneous Purchased Services			8,000	8,000
Supplies and Materials	8,110	4,596	10,000	5,404
Total General Administration	228,578	241,044	318,000	76,956
Support Services - Business				
Postage	5,909	4,181		(4,181)
Operations and Maintenance				
Water/Sewer Services (Non-Energy)	6,902	7,720	10,950	3,230
Cleaning Services			14,000	14,000
Disposal Services	11,700	14,028		(14,028)
Repairs and Maintenance	76,827	64,544	75,000	10,456
Rentals/Leases	39,534	35,865	40,000	4,135
Communication Services	39,161	24,658		(24,658)
Other Miscellaneous Purchased Services			200,000	200,000
Supplies and Materials	347,349	398,193		(398,193)
Heating	36,748	41,954	47,500	5,546
Electricity	241,470	238,632	243,000	4,368
Motor Fuel	524	464	1,000	536
Other	3,140	2,764	40,000	37,236
Total Operations and Maintenance	803,355	828,822	671,450	(157,372)

Unified School District No. 389
Supplemental General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Vehicle Operation Services				
Motor Fuel	\$ 20,815	32,350	80,000	47,650
Equipment			50,000	50,000
Other	<u>3,152</u>	<u>4,271</u>		(<u>4,271</u>)
Total Vehicle Operation Services	<u>23,967</u>	<u>36,621</u>	<u>130,000</u>	<u>93,379</u>
Vehicle Servicing/Maintenance				
Supplies and Materials	103,892	104,561	85,000	(19,561)
Other			<u>5,000</u>	<u>5,000</u>
Total Vehicle Servicing/Maintenance	<u>103,892</u>	<u>104,561</u>	<u>90,000</u>	(<u>14,561</u>)
Fund Transfers				
At Risk K-12	69,296		201,954	201,954
Special Education		217,960		(217,960)
Career and Postsecondary Education	<u>132,000</u>			
Total Fund Transfers	<u>201,296</u>	<u>217,960</u>	<u>201,954</u>	(<u>16,006</u>)
Budget Adjustments				
Legal Max Adjustment			(<u>3,517</u>)	(<u>3,517</u>)
Total Expenditures and Transfers	<u>1,724,538</u>	<u>1,758,387</u>	<u>1,758,387</u>	
Receipts Over (Under)				
Expenditures and Transfers	(30,802)	(24,122)		
Unencumbered Cash, Beginning	101,446	86,739		
Prior Year Encumbrances Cancelled	<u>16,095</u>	<u>27,286</u>		
Unencumbered Cash, Ending	<u>86,739</u>	<u>89,903</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, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Revenue from Federal Sources				
Federal Financial Assistance	\$	1,740		1,740
Operating Transfers				
Transfer from General Fund			103,000	(103,000)
Total Cash Receipts		1,740	103,000	(101,260)
Expenditures and Transfers				
Instruction				
Certified Salaries	85,942	74,387	65,000	(9,387)
Non-Certified Salaries			31,500	31,500
Social Security	6,264	4,900		(4,900)
General Supplies and Materials	749		2,000	2,000
Return of Unexpended Grant Funds		1,740		(1,740)
Total Instruction	92,955	81,027	98,500	17,473
Budget Credit Adjustment			1,740	1,740
Total Expenditures and Transfers	92,955	81,027	100,240	19,213
Receipts Over (Under)				
Expenditures and Transfers	(92,955)	(79,287)		
Unencumbered Cash, Beginning	296,900	204,045		
Prior Year Encumbrances Cancelled	100	90		
Unencumbered Cash, Ending	204,045	124,848		

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, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Operating Transfers				
Transfer from General Fund	\$ 565,977	829,811	686,851	142,960
Transfer from Supplemental General Fund	69,296		201,954	(201,954)
Total Cash Receipts	<u>635,273</u>	<u>829,811</u>	<u>888,805</u>	<u>(58,994)</u>
Expenditures and Transfers				
Instruction				
Certified Salaries	708,596	690,807	720,000	29,193
Non-Certified Salaries	960	1,005	2,000	995
Social Security	46,541	44,999	49,000	4,001
Property (Equipment & Furnishings)			39,000	39,000
Total Expenditures and Transfers	<u>756,097</u>	<u>736,811</u>	<u>810,000</u>	<u>73,189</u>
Receipts Over (Under)				
Expenditures and Transfers	(120,824)	93,000		
Unencumbered Cash, Beginning	<u>427,824</u>	<u>307,000</u>		
Unencumbered Cash, Ending	<u>307,000</u>	<u>400,000</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, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Revenue from Local Sources				
Ad Valorem Taxes	\$ 253,088	261,340	252,464	8,876
Delinquent Taxes	3,989	4,331	1,928	2,403
Watercraft Tax	404	451		451
Interest on Investments	4,186		30,000	(30,000)
Other Revenue From Local Sources	20,856	16,007	20,000	(3,993)
Total Revenue from Local Sources	<u>282,523</u>	<u>282,129</u>	<u>304,392</u>	<u>(22,263)</u>
Revenue from County Sources				
Motor Vehicle Tax	30,561	27,481	27,455	26
Recreational Vehicle Tax	577	520	518	2
Commercial Vehicle Tax	733	938	803	135
Revenue in Lieu of Taxes	1,971	557		557
Total Revenue from County Sources	<u>33,842</u>	<u>29,496</u>	<u>28,776</u>	<u>720</u>
Revenue from State Sources				
General State Aid	122,360	128,567	126,272	2,295
Revenue from Federal Sources				
Federal Flood Control Allocation	660	2,744		2,744
P.L. 382	3,954	3,357	3,954	(597)
Total Revenue from Federal Sources	<u>4,614</u>	<u>6,101</u>	<u>3,954</u>	<u>2,147</u>
Operating Transfers				
Transfer from General Fund	455,198	145,043		145,043
Total Cash Receipts	<u>898,537</u>	<u>591,336</u>	<u>463,394</u>	<u>127,942</u>
Expenditures and Transfers				
Instruction				
Property (Equipment & Furnishings)	56,743	24,383	750,000	725,617
Support Services - Students				
Property (Equipment & Furnishings)			250,000	250,000
Operations and Maintenance				
Property (Equipment & Furnishings)	34,794	178,077	100,000	(78,077)
Vehicle Operation Services				
Property (Equipment & Furnishings)	74,000	95,206	250,000	154,794
Facilities Acquisition/Construction				
Site Improvement Services	762,649	54,124	150,000	95,876
Total Expenditures and Transfers	<u>928,186</u>	<u>351,790</u>	<u>1,500,000</u>	<u>1,148,210</u>
Receipts Over (Under)				
Expenditures and Transfers	(29,649)	239,546		
Unencumbered Cash, Beginning	1,997,295	1,967,646		
Prior Year Encumbrances Cancelled		1,834		
Unencumbered Cash, Ending	<u>1,967,646</u>	<u>2,209,026</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, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Favorable (Unfavorable)
Cash Receipts				
Revenue from Local Sources				
Other Revenue From Local Sources	\$ 1,966		2,000	(2,000)
Revenue from State Sources				
General State Aid	4,096	2,561	2,800	(239)
Operating Transfers				
Transfer from General Fund			3,050	(3,050)
Total Cash Receipts	6,062	2,561	7,850	(5,289)
Expenditures and Transfers				
Instruction				
Certified Salaries	5,878	6,915	8,600	1,685
Social Security	440	517	750	233
Other Employee Benefits	6	7	150	143
Supplies and Materials		145		(145)
Total Instruction	6,324	7,584	9,500	1,916
Vehicle Operation/Maintenance				
Motor Fuel	180	57	2,500	2,443
Total Expenditures and Transfers	6,504	7,641	12,000	4,359
Receipts Over (Under)				
Expenditures and Transfers	(442)	(5,080)		
Unencumbered Cash, Beginning	24,226	23,784		
Unencumbered Cash, Ending	23,784	18,704		

Unified School District No. 389
Food Service Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Revenue from Local Sources				
Student Sales	\$ 73,820	69,218	80,075	(10,857)
Adults and Non-Reimbursable Programs	3,583	4,350	9,263	(4,913)
Other Revenue From Local Sources	8,799	21,281	10,000	11,281
Total Revenue from Local Sources	<u>86,202</u>	<u>94,849</u>	<u>99,338</u>	<u>(4,489)</u>
Revenue from State Sources				
General State Aid	3,749	3,790	3,200	590
Revenue from Federal Sources				
Federal Financial Assistance	288,669	280,391	254,695	25,696
Other Federal Financial Assistance			20,000	(20,000)
Total Revenue from Federal Sources	<u>288,669</u>	<u>280,391</u>	<u>274,695</u>	<u>5,696</u>
Total Cash Receipts	<u>378,620</u>	<u>379,030</u>	<u>377,233</u>	<u>1,797</u>
Expenditures and Transfers				
Operations and Maintenance				
Water/Sewer Services (Non-Energy)	2,079	2,392	2,500	108
Food Service Operations				
Non-Certified Salaries	100,447	100,838	105,000	4,162
Social Security	6,148	6,443	7,200	757
Other Employee Benefits	74	77	250	173
Food and Milk	224,059	218,976	290,000	71,024
Miscellaneous Supplies	9,865	10,490	15,000	4,510
Property (Equipment & Furnishings)		26,680	25,000	(1,680)
Other	5,529	1,752	15,000	13,248
Total Food Service Operations	<u>346,122</u>	<u>365,256</u>	<u>457,450</u>	<u>92,194</u>
Budget Credit Adjustment			25,696	25,696
Total Expenditures and Transfers	<u>348,201</u>	<u>367,648</u>	<u>485,646</u>	<u>117,998</u>
Receipts Over (Under)				
Expenditures and Transfers	30,419	11,382		
Unencumbered Cash, Beginning	98,802	129,533		
Prior Year Encumbrances Cancelled	312			
Unencumbered Cash, Ending	<u>129,533</u>	<u>140,915</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, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Favorable (Unfavorable)
Cash Receipts				
Revenue from State Sources				
General State Aid	\$	1,982		1,982
Operating Transfers				
Transfer from General Fund			10,000	(10,000)
Total Cash Receipts		1,982	10,000	(8,018)
Expenditures and Transfers				
Support Services - Instr. Staff				
Instructional Program Improvement Services	12,158	20,000	20,000	
Total Expenditures and Transfers	12,158	20,000	20,000	
Receipts Over (Under)				
Expenditures and Transfers	(12,158)	(18,018)		
Unencumbered Cash, Beginning	117,048	105,261		
Prior Year Encumbrances Cancelled	371	1,284		
Unencumbered Cash, Ending	105,261	88,527		

Unified School District No. 389
Special Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Revenue from Local Sources				
Interest on Investments	\$	81,501		81,501
Revenue from Federal Sources				
Federal Financial Assistance	188,448	190,659	188,000	2,659
Medicaid Title XIX	12,544	21,420	12,500	8,920
Other Federal Financial Assistance		3,800		3,800
Total Revenue from Federal Sources	<u>200,992</u>	<u>215,879</u>	<u>200,500</u>	<u>15,379</u>
Operating Transfers				
Transfer from General Fund	708,135	739,134	850,000	(110,866)
Transfer from Supplemental General Fund		217,960		217,960
Total Operating Transfers	<u>708,135</u>	<u>957,094</u>	<u>850,000</u>	<u>107,094</u>
Total Cash Receipts	<u>909,127</u>	<u>1,254,474</u>	<u>1,050,500</u>	<u>203,974</u>
Expenditures and Transfers				
Instruction				
Certified Salaries	418,940	431,557	452,000	20,443
Non-Certified Salaries	343,563	386,540	320,000	(66,540)
Social Security	49,338	54,025	55,000	975
Other Employee Benefits	595	668	1,000	332
Purchased Professional and Technical Services	21,434	12,950	60,000	47,050
Staff Travel	50			
Other Miscellaneous Purchased Services			2,500	2,500
Supplies and Materials	17,388	20,267	25,000	4,733
Books and Periodicals	361	9		(9)
Textbooks			10,000	10,000
Audio Visual and Software			3,000	3,000
Total Instruction	<u>851,669</u>	<u>906,016</u>	<u>928,500</u>	<u>22,484</u>
Support Services - Students				
Certified Salaries	53,500	54,250	65,000	10,750
Social Security	4,086	4,134	4,200	66
Other Employee Benefits	50	51	100	49
Purchased Professional and Technical Services	12,161	12,315		(12,315)
Other	154			
Total Support Services - Students	<u>69,951</u>	<u>70,750</u>	<u>69,300</u>	<u>(1,450)</u>
Vehicle Operation Services				
Non-Certified Salaries	26,796	28,366	27,120	(1,246)
Social Security	1,955	2,069	3,000	931
Motor Fuel	5,998	7,770	13,000	5,230
Property (Equipment & Furnishings)		45,194		(45,194)
Total Vehicle Operation Services	<u>34,749</u>	<u>83,399</u>	<u>43,120</u>	<u>(40,279)</u>
Budget Credit Adjustment			2,659	2,659
Total Expenditures and Transfers	<u>956,369</u>	<u>1,060,165</u>	<u>1,043,579</u>	<u>(16,586)</u>
Receipts Over (Under)				
Expenditures and Transfers	(47,242)	194,309		
Unencumbered Cash, Beginning	774,786	727,843		
Prior Year Encumbrances Cancelled	299	541		
Unencumbered Cash, Ending	<u>727,843</u>	<u>922,693</u>		

Unified School District No. 389
Career and Postsecondary Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Revenue from State Sources				
CTE Transportation State Aid	\$ 9,014	8,994	7,250	1,744
Operating Transfers				
Transfer from General Fund		120,000	210,000	(90,000)
Transfer from Supplemental General Fund	132,000			
Total Operating Transfers	132,000	120,000	210,000	(90,000)
Total Cash Receipts	141,014	128,994	217,250	(88,256)
Expenditures and Transfers				
Instruction				
Certified Salaries	186,558	195,965	190,000	(5,965)
Miscellaneous Supplies	22,387	33,505	25,000	(8,505)
Property (Equipment & Furnishings)			15,000	15,000
Total Expenditures and Transfers	208,945	229,470	230,000	530
Receipts Over (Under)				
Expenditures and Transfers	(67,931)	(100,476)		
Unencumbered Cash, Beginning	399,359	332,212		
Prior Year Encumbrances Cancelled	784	499		
Unencumbered Cash, Ending	332,212	232,235		

Unified School District No. 389
Gifts and Grants Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2018

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
None	\$	
Expenditures and Transfers		
None		
Receipts Over (Under) Expenditures and Transfers		
Unencumbered Cash, Beginning	11,617	11,617
Unencumbered Cash, Ending	11,617	11,617

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, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Revenue from State Sources				
General State Aid	\$	637,140	648,160	(11,020)
Operating Transfers				
Transfer from General Fund	411,530			
Total Cash Receipts	411,530	637,140	648,160	(11,020)
Expenditures and Transfers				
Instruction				
Other Employee Benefits	291,525	429,332	459,150	29,818
Support Services - Students				
Other Employee Benefits	20,095	32,246	31,650	(596)
Support Services - Instr. Staff				
Other Employee Benefits	10,271	15,354	16,177	823
General Administration				
Other Employee Benefits	10,125	19,898	15,947	(3,951)
School Administration				
Other Employee Benefits	31,423	55,962	49,491	(6,471)
Support Services - Business				
Other Employee Benefits	4,815	9,374	7,584	(1,790)
Operations and Maintenance				
Other Employee Benefits	20,688	41,434	32,584	(8,850)
Vehicle Operation Services				
Other Employee Benefits	13,907	22,069	21,904	(165)
Operation of Non-Instruction Services				
Other Employee Benefits	8,681	11,471	13,673	2,202
Total Expenditures and Transfers	411,530	637,140	648,160	11,020
Receipts Over (Under)				
Expenditures and Transfers				
Unencumbered Cash, Beginning				
Unencumbered Cash, Ending				

Unified School District No. 389
Contingency Reserve Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2018

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
None	\$	
Expenditures and Transfers		
None		
Receipts Over (Under) Expenditures and Transfers		
Unencumbered Cash, Beginning	<u>478,785</u>	<u>478,785</u>
Unencumbered Cash, Ending	<u><u>478,785</u></u>	<u><u>478,785</u></u>

Unified School District No. 389
Textbook and Student Material Revolving Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2018

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Local Sources		
User Charges and Fines	\$ 21,609	20,134
Textbook Sales and Rentals	<u>17,021</u>	<u>5,024</u>
Total Cash Receipts	<u>38,630</u>	<u>25,158</u>
Expenditures and Transfers		
Instruction		
Supplies and Materials	17,288	12,655
Textbooks	<u>17,972</u>	<u>121,163</u>
Total Expenditures and Transfers	<u>35,260</u>	<u>133,818</u>
Receipts Over (Under)		
Expenditures and Transfers	3,370	(108,660)
Unencumbered Cash, Beginning	<u>202,851</u>	<u>206,221</u>
Unencumbered Cash, Ending	<u><u>206,221</u></u>	<u><u>97,561</u></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, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Revenue from Local Sources				
Ad Valorem Taxes	\$ 100,892	103,210	99,720	3,490
Delinquent Taxes	2,814	2,049	762	1,287
Watercraft Tax	214	180		180
Total Revenue from Local Sources	<u>103,920</u>	<u>105,439</u>	<u>100,482</u>	<u>4,957</u>
Revenue from County Sources				
Motor Vehicle Tax	13,181	13,222	13,140	82
Recreational Vehicle Tax	249	246	249	(3)
Commercial Vehicle Tax	340	423	384	39
Revenue in Lieu of Taxes	222	220		220
Total Revenue from County Sources	<u>13,992</u>	<u>14,111</u>	<u>13,773</u>	<u>338</u>
Total Cash Receipts	<u>117,912</u>	<u>119,550</u>	<u>114,255</u>	<u>5,295</u>
Expenditures and Transfers				
Community Services Operations				
Community Service Operations	<u>159,009</u>	<u>121,100</u>	<u>121,100</u>	
Total Expenditures and Transfers	<u>159,009</u>	<u>121,100</u>	<u>121,100</u>	
Receipts Over (Under)				
Expenditures and Transfers	(41,097)	(1,550)		
Unencumbered Cash, Beginning	47,939	6,842		
Prior Year Encumbrances Cancelled	<u>6,842</u>	<u>5,292</u>		
Unencumbered Cash, Ending	<u>6,842</u>	<u>5,292</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, 2018

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Federal Financial Assistance	\$ 21,836	20,681
Total Cash Receipts	<u>21,836</u>	<u>20,681</u>
Expenditures and Transfers		
Instruction		
Property (Equipment & Furnishings)	<u>21,836</u>	<u>20,681</u>
Total Expenditures and Transfers	<u>21,836</u>	<u>20,681</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
Title I Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Federal Financial Assistance	\$ 165,668	158,054
Total Cash Receipts	<u>165,668</u>	<u>158,054</u>
Expenditures and Transfers		
Instruction		
Certified Salaries	154,654	138,333
Social Security	14,107	14,057
Supplies and Materials	<u>12,976</u>	<u>3,514</u>
Total Instruction	<u>181,737</u>	<u>155,904</u>
Support Services - Students		
Other	<u>925</u>	<u>512</u>
Support Services - Instr. Staff		
Other	<u>3,073</u>	<u>1,638</u>
Total Expenditures and Transfers	<u>185,735</u>	<u>158,054</u>
Receipts Over (Under)		
Expenditures and Transfers	(20,067)	
Unencumbered Cash, Beginning	20,052	
Prior Year Encumbrances Cancelled	<u>15</u>	<u>60</u>
Unencumbered Cash, Ending	<u><u>20,052</u></u>	<u><u>60</u></u>

Unified School District No. 389
Title II Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Revenue from Federal Sources		
Federal Financial Assistance	\$ 35,571	26,719
Total Cash Receipts	<u>35,571</u>	<u>26,719</u>
Expenditures and Transfers		
Instruction		
Certified Salaries	<u>35,571</u>	<u>26,719</u>
Total Expenditures and Transfers	<u>35,571</u>	<u>26,719</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
Families and Schools Together Grant Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2018

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from State Sources		
General State Aid	\$	2,501
Total Cash Receipts		2,501
Expenditures and Transfers		
Instruction		
Certified Salaries		533
Supplies and Materials		83
Total Expenditures and Transfers		616
Receipts Over (Under)		
Expenditures and Transfers		1,885
Unencumbered Cash, Beginning		
Unencumbered Cash, Ending		1,885

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, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	Prior Year Actual	Current Year		Variance Favorable (Unfavorable)
		Actual	Budget	
Cash Receipts				
Revenue from Local Sources				
Ad Valorem Taxes	\$ 351,284	298,428	301,577	(3,149)
Delinquent Taxes	11,701	7,723	2,642	5,081
Watercraft Tax	821	628		628
Total Revenue from Local Sources	<u>363,806</u>	<u>306,779</u>	<u>304,219</u>	<u>2,560</u>
Revenue from County Sources				
Motor Vehicle Tax	52,590	49,093	48,703	390
Recreational Vehicle Tax	993	908	920	(12)
Commercial Vehicle Tax	1,338	1,536	1,423	113
Revenue in Lieu of Taxes	900	763		763
Total Revenue from County Sources	<u>55,821</u>	<u>52,300</u>	<u>51,046</u>	<u>1,254</u>
Revenue from State Sources				
General State Aid	<u>330,453</u>	<u>354,732</u>	<u>347,389</u>	<u>7,343</u>
Total Cash Receipts	<u>750,080</u>	<u>713,811</u>	<u>702,654</u>	<u>11,157</u>
Expenditures and Transfers				
Debt Service				
Redemption of Principal	625,000	665,000	665,000	
Interest (Coupons)	93,375	74,025	74,025	
Commission and Postage			100	100
Total Expenditures and Transfers	<u>718,375</u>	<u>739,025</u>	<u>739,125</u>	<u>100</u>
Receipts Over (Under)				
Expenditures and Transfers	31,705	(25,214)		
Unencumbered Cash, Beginning	752,098	783,803		
Prior Year Encumbrances Cancelled				
Unencumbered Cash, Ending	<u>783,803</u>	<u>758,589</u>		

Unified School District No. 389
Bond Refinancing Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2018

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
None	\$	
Expenditures and Transfers		
Instruction		
Other Purchased Services		2,400
Total Expenditures and Transfers		2,400
Receipts Over (Under)		
Expenditures and Transfers		(2,400)
Unencumbered Cash, Beginning	5,464	5,464
Unencumbered Cash, Ending	5,464	3,064

Unified School District No. 389
Eureka, Kansas
Agency Funds
Schedule of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2018

<u>Fund</u>	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance</u>
Student Organization Funds:				
High School:				
Art Club	\$ 1,181	1,373	1,381	1,173
Band	531	3,987	4,220	298
Band Fees and Rental	-	250	250	-
Baseball	676	140		816
Birkholz Memorial	300			300
Boys Basketball	411	1,600	1,197	814
Cheerleaders	5,029	10,320	9,373	5,976
Class of '17	-	672		672
Class of '18	1,330	302	673	959
Class of '19	1,922	1,918	3,547	293
Class of '20	1,654	212		1,866
Class of '21	289	979		1,268
Class of '22	531	792	25	1,298
Class of '23	-	1,006	31	975
Cross Country	18			18
Donations- Flint	3,970			3,970
E-Club	288			288
Educational Trips	639	301		940
English Eight	236	76	120	192
English Reading	1,963			1,963
Family & Consumer Science	-	336	336	-
FCA	1,090	308	455	943
FCCLA	778	7,845	8,234	389
FFA	16,363	38,856	34,448	20,771
Film Class Fee	-	80	80	-
Football	894	357	32	1,219
Foreign Language Club	646	505	871	280
Forensics	2,474	2,780	1,531	3,723
Girls Basketball	(418.00)	6,362	4,340	1,604
Green Team Club	517	3,949	3,737	729
Junior High Cheerleaders	308	2,555	2,292	571
National Honor Society	302	232	149	385
Pep Club	-	2,766	1,570	1,196
Pop Chorale	-	5,577	4,678	899
Prom Partners	477	965	884	558
SADD	8,381	6,470	7,173	7,678
Safe	-	621	260	361
Scholar's Bowl	3,466	1,480	2,265	2,681
Science Club	2,395	4,131	4,241	2,285
Science Dual	-	2,100	2,100	-
Science Fund	-	2,343	2,343	-
Skills	926	358	1,000	284
Speech and Drama Club	2,454	1,342	1,095	2,701
Stuco Vending	772	2,517	2,759	530
Student Council	930	260	646	544
Student Council Pop	3,255	7,731	10,055	931
Testing Fees	487	1,610	1,744	353
Tornado Cave	14,312	5,791	5,334	14,769
Twisted Design	-	13,693	7,740	5,953
Vocal Music	-	191	191	-
Wrestling	-	1,545	1,453	92
Yearbook Club	262	570	675	157
Other Agency Funds				
Payroll Clearing	101,450	2,455,405	2,402,034	154,821
Sales Tax	5	7,757	7,757	5
Total Agency Funds	183,494	2,613,316	2,545,319	251,491

Unified School District No. 389
Eureka, Kansas
District Activity Funds
Schedule of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2018

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	\$ 6,408	43,422	38,853	10,977		10,977
Concessions	4,908	14,873	14,135	5,646	-	5,646
Subtotal Gate Receipts	11,316	58,295	52,988	16,623	-	16,623
<u>Special Projects:</u>						
Marshall Elementary:						
Book Fair	4,076	5,165	3,657	5,584		5,584
General Clearing	1,201	38,690	38,739	1,152		1,152
Pop Machine	6,426	7,475	4,763	9,138		9,138
Student Needs	5,140	3,083	3,209	5,014		5,014
High School:						
Activities Change Account	891	53,840	53,940	791		791
Athletic T-Shirts	436	2,052	1,940	548		548
Copy Center Equipment	1,935	305		2,240		2,240
Dual Credit Scholarship Loans	11,573	11,601	11,598	11,576		11,576
Dual Credit Scholarships	722			722		722
Larry Shue Memorial	3,958	11		3,969		3,969
Lift-a-thon	966	2,014	2,110	870		870
Scholarships	8,634	8,162	6,845	9,951		9,951
Scholarships - Williams/Nuessen	-	2,860		2,860		2,860
Scholarships-ETA	681			681		681
Scholarships-Expired	968		968	-		-
Scholarships-Ghyneth	34,082	85	85	34,082		34,082
Scholarships-Jean Gundy	25,858			25,858		25,858
Scholarships-John May	1,767			1,767		1,767
Scholarships-Larry Shue	843	95	100	838		838
Special Ed Program	4,286	734	90	4,930		4,930
Yearbook	2,669	3,110	4,992	787	-	787
Subtotal Special Projects	117,112	139,282	133,036	123,358	-	123,358
Total District Activity Funds	128,428	197,577	186,024	139,981	-	139,981