

Unified School District Number 320, Wamego, Kansas

FINANCIAL STATEMENT
AND
INDEPENDENT AUDITOR'S REPORT

June 30, 2017

Unified School District Number 320, Wamego, Kansas

FINANCIAL STATEMENT
For the Year Ended June 30, 2017

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Unified School District Number 320
Wamego, Kansas

Report on Financial Statements

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District Number 320, 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 C to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. 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.

Opinions

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

As described in Note C of the financial statement, the financial statement is prepared by the Unified School District Number 320 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 C 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 of 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 Number 320 of June 30, 2017, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the Unified School District Number 320 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 C.

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 expenditure-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, and schedule of regulatory basis receipts and expenditures-agency funds, (Schedules 1, 2, 3, and 4 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The accompanying Schedule of Expenditures of Federal Awards is also presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note C.

Other reporting required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2017, on our consideration of the Unified School District Number 320's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Unified School District Number 320's internal control over financial reporting and compliance.

Prior Year Comparative

The 2016 actual column presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget (Schedule 2 as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2017 basic financial statement upon which we have rendered an unmodified opinion dated December 14, 2017. The 2016 basic financial statement and our accompanying report are not presented herein, but available in electronic form from the web site of the Kansas Department of Administration at the following link <http://da.ks.gov/ar/muniserv/>. Such 2016 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used into prepare the 2016 basic financial statement. The 2016 comparative information was subjected to the auditing procedures applied in the audit of the 2016 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2016 basic financial statement or to the basic financial statements 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 basic financial statement as a whole, on the basis of accounting described in Note C.



Agler & Gaeddert, Chartered
December 14, 2017

Unified School District Number 320, Wamego, Kansas

SUMMARY OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH
REGULATORY BASIS
For the Year Ended June 30, 2017

	<u>Unencumbered Cash Balance Beginning</u>	<u>Prior Year Cancelled Encumbrances</u>
Governmental type funds		
General funds		
General	\$ 0	\$ 0
Supplemental general	82,717	0
Special purpose funds		
Adult supplemental education	781	0
At-risk (K-12)	64,714	0
Bilingual Education	0	0
Virtual Education	0	0
Capital outlay	182,733	0
Driver training	32,934	0
Food service	263,536	0
Professional development	4,022	0
Parent education program	0	0
Special education	28,258	0
Vocational education	57,941	0
Gifts	13,352	0
KPERS Special Retirement Contribution	0	0
Contingency reserve	339,767	0
Textbook rental	95,262	0
Special Services Cooperative	570,693	0
Federal grants	0	0
Bond refunding	0	0
District activity funds		
Gate receipts	27,185	0
School projects	1,791	0
User fees	2,901	0
Bond and interest fund		
Bond and interest	2,435,773	0
Capital project fund		
Construction	1	0
Business fund		
Health care services	<u>0</u>	<u>0</u>
 Total reporting entity (excluding agency funds)	 \$ <u>4,204,361</u>	 \$ <u>0</u>

The accompanying notes are an integral part of this statement

Statement 1

<u>Receipts</u>	<u>Expenditures</u>	<u>Unencumbered Cash Balance Ending</u>	<u>Outstanding Encumbrances and Accounts Payable</u>	<u>Cash Balance June 30, 2017</u>
\$ 9,786,729	\$ 9,786,729	\$ 0	\$ 616,784	\$ 616,784
3,123,930	3,081,886	124,761	75,942	200,703
2,475	1,671	1,585	132	1,717
611,254	606,727	69,241	62,723	131,964
66,549	62,607	3,942	8,147	12,089
87,850	53,979	33,871	5,077	38,948
547,596	292,613	437,716	21,354	459,070
19,668	17,466	35,136	(7)	35,129
820,685	754,760	329,461	8,710	338,171
46,178	41,371	8,829	3,278	12,107
43,965	43,965	0	3,750	3,750
2,092,438	2,043,065	77,631	494	78,125
303,252	326,848	34,345	48,943	83,288
14,038	4,756	22,634	0	22,634
952,049	952,049	0	0	0
0	0	339,767	0	339,767
153,739	64,182	184,819	7,589	192,408
4,721,970	4,748,239	544,424	361,731	906,155
211,420	211,420	0	15,907	15,907
0	0	0	0	0
142,261	131,398	38,048	0	38,048
7,808	7,950	1,649	0	1,649
93,215	92,983	3,133	0	3,133
2,573,590	2,206,788	2,802,575	0	2,802,575
21,793,815	4,768,967	17,024,849	1,715,822	18,740,671
0	0	0	0	0
<u>\$ 48,216,474</u>	<u>\$ 30,302,419</u>	<u>\$ 22,118,416</u>	<u>\$ 2,956,376</u>	<u>\$ 25,074,792</u>

Composition of ending cash

Demand deposits (includes held checks)

Bank of the Flint Hills	\$ 7,570,806
Kaw Valley Bank	588
Security Bank	<u>17,724,409</u>

Total cash and investments 25,295,803

Agency funds per Schedule 3 (221,011)

Total reporting entity (excluding agency funds) \$ 25,074,792

Unified School District Number 320, Wamego, Kansas

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE A. MUNICIPAL REPORTING ENTITY

Unified School District Number 320 is a municipal corporation governed by an elected seven member board.

These financial statements include all the accounts for which the District is considered to be financially accountable. The District has no related municipal entities.

NOTE B. REGULATORY BASIS FUND TYPES

The accounts of the District are organized and operated on the basis of funds. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The District potentially could have the following types of funds.

General Fund – the chief operating fund. Used to account for all 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 specific revenue sources (other than Capital Project and tax levies for long-term debt) 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 used to make payments of general long-term debt.

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

Business Fund – funds financed in whole or part by fees charged to users of goods or services (i.e. enterprise and internal service funds etc.). The District does not have any of these types of funds.

Trust fund – funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.). The District did not have any trust funds. The District does not have any of these types of funds.

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

NOTE C. BASIS OF ACCOUNTING

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America - The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments 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 obligations against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt assignment to a fund, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than mentioned above.

Unified School District number 320 has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the District to use the statutory basis of accounting.

Unified School District Number 320, Wamego, Kansas

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE D. BUDGETARY INFORMATION

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

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget.
3. Public hearing 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. There was a budget amendment for the capital outlay fund.

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.

Adjustment to Comply with Legal Max – Unified school districts should use this line item (for use in the budget column only) to adjust the certified budget to comply with the “Legal Max” budget. The Kansas State Department of Education calculates the “Legal Max” budget using enrollment figures. The District’s budgeted expenditures are limited to the lower of the published budget or the “Legal Max” budget.

Adjustment for Qualifying Budget Credits – Districts may use this line item for any budgeted fund. The adjustment would be a positive amount. All budget adjustments must be authorized by Kansas statutes. Examples include: expenditure of federal grant monies, gifts and donations, and receipts authorized by law to be spent as if they were reimbursed expenses.

All legal annual operating budgets are prepared using the regulatory basis of accounting in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year’s accounts payable and encumbrances. Encumbrances are commitments by the District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for the following special purpose funds, capital project funds, business funds and trusts:

Gifts	Contingency Reserve	Textbook Rental
Bond Refunding	Federal Grants	Construction
Health Care Services		

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

NOTE E. DEPOSITS AND INVESTMENTS

Cash balances from all funds are combined and invested to the extent available in certificates of deposit and other authorized investments. Earnings from these investments are allocated to designated funds. All investments are stated at cost.

Unified School District Number 320, Wamego, Kansas

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE E. DEPOSITS AND INVESTMENTS - Continued

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

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

Custodial credit risk – deposits. Custodial credit risk is the risk 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%. There were no designated "peak periods" during the year. All bank deposits were legally secured at June 30, 2017.

At June 30, 2017, the carrying amount of the District's bank deposits was \$25,296,803 (which includes petty cash funds) and the bank balance was \$26,090,430. The bank balance was held one bank resulting in an increase in concentration of credit risk. The difference between carrying amount and bank balance is outstanding checks and deposits. Of the bank balance, \$505,587 was covered by FDIC insurance, \$17,719,409 was invested in US Bonds, and \$6,765,182 was collateralized with securities held by the pledging financial institutions' agent in the District's name. The District was under secured by \$1,350,250 at June 30, 2017.

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.

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.

NOTE F. IN-SUBSTANCE PAYMENTS

The District received \$230,814 for general fund and \$164,442 for supplemental general fund subsequent to June 30, 2017 and as required by K.S.A. 72-6466 the receipt was recorded as in-substance receipt in transit and included as a receipt for the year ended June 30, 2017.

Unified School District Number 320, Wamego, Kansas

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE G. LONG-TERM DEBT

Long-term obligations consisted of the following during the year:

<u>Issue</u>	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>
General Obligation				
Series 2009 A	3.13%	12/29/2009	1,325,000	06/30/2019
Series 2009 B	5.375% to 5.9%	12/29/2009	9,300,000	06/30/2025
Series 2010	2-3%	11/15/2010	7,830,000	09/01/2017
Series 2016	3.72%	3/10/2016	7,815,000	09/01/2024
Series 2017	5.00%	2/16/2017	20,000,000	09/01/2036
Capital lease - equipment	3.44%	04/14/2015	1,900,000	04/14/2030

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

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Balance June 30, 2017</u>	<u>Interest Paid</u>
General obligation bonds:					
Series 2009 A	\$ 1,325,000	\$ 0	\$ 0	\$ 1,325,000	\$ 41,406
Series 2009 B	1,300,000	0	0	1,300,000	533,682
Series 2010	3,170,000	0	(1,560,000)	1,610,000	71,700
Series 2016	7,815,000	0	0	7,815,000	0
Series 2017	0	20,000,000	0	20,000,000	0
Total long-term debt	<u>\$ 13,610,000</u>	<u>\$ 20,000,000</u>	<u>\$ (1,560,000)</u>	<u>\$ 32,050,000</u>	<u>\$ 646,788</u>
Capital lease - equipment	<u>\$ 1,801,591</u>	<u>\$ 0</u>	<u>\$ (102,023)</u>	<u>\$ 1,699,568</u>	<u>\$ 62,835</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>Year</u>	<u>General Obligation</u>		<u>Capital lease</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 1,610,000	\$ 1,723,824	\$ 105,581	59,277
2019	1,325,000	1,527,585	109,264	55,595
2020	1,300,000	1,382,166	112,933	51,926
2021	1,370,000	1,236,900	117,013	47,845
2022	1,465,000	1,194,375	121,094	43,764
2023 to 2027	7,600,000	5,057,500	671,743	152,549
2028 to 2032	7,635,000	3,428,125	461,940	32,637
2032 to 2037	9,745,000	1,265,625	0	0
	<u>\$ 32,050,000</u>	<u>\$ 16,816,100</u>	<u>\$ 1,699,568</u>	<u>\$ 443,593</u>

Unified School District Number 320, Wamego, Kansas

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE G. LONG-TERM DEBT - Continued

The District is subject to the statutes of the State of Kansas which limits the net bonded debt (exclusive of revenue bonds and special assessment bonds) the District may have outstanding to 14% of the assessed value of all tangible property within the District, as certified to the County Clerk on the preceding August 25. Additional authority may be granted by the Kansas State Board of Education. On July 15, 2009, the State Board of Education granted the District authority to issue bonds in excess of statutory limits. At June 30, 2017, the statutory limit for the District was \$11,040,923 and the District had exceeded the debt limit by \$21,009,077. The District has received approval from the State to exceed its debt limit. The outstanding bond principal represents 41% of the District valuation.

Operating Leases

The District leases office equipment under annual operating leases. The total annual rental expense under these leases was \$58,191 for June 30, 2017. Expected future rental payments under this operating lease for the issuing are detailed below:

<u>Year</u>	<u>Amount</u>
6/30/2018	\$ 58,191
6/30/2019	2,911
6/30/2020	2,911

NOTE H. INTERFUND TRANSFERS

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Authority</u>	<u>Amount</u>
General Fund	Capital Outlay	K.S.A. 72-6478	\$ 3,284
General Fund	Special Education	K.S.A. 72-6478	1,486,395
General Fund	Bilingual	K.S.A. 72-6478	66,516
General Fund	Vocational Education	K.S.A. 72-6478	602
General Fund	KPERS Retirement Contribution	K.S.A. 72-6478	952,049
General Fund	Virtual Education	K.S.A. 72-6478	85,660
Supplemental General	Professional development	K.S.A. 72-6429	40,000
Supplemental General	Parent Education	K.S.A. 72-6430	17,313
Supplemental General	Special Education	K.S.A. 72-6430	600,000
Supplemental General	Vocational Education	K.S.A. 72-6430	300,000
Supplemental General	At-Risk K-12	K.S.A. 72-6430	610,000
Construction	Bond & Interest	K.S.A. 72-6430	5,000
Title IIA	Title I	K.S.A. 72-6430	23,038
			<u>\$ 4,189,857</u>

Unified School District Number 320, Wamego, Kansas

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE I. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Compensated Absences

The District's policy is to recognize the costs of compensated absences when actually paid. The District's policy regarding personal leave allows 24 hours of personal leave each year which may be taken in 15 minute increments if the teacher provides a request for leave (submitted 2 weeks in advance) to the building principal which in turn is submitted to the superintendent. The personal leave can accumulate up to 48 hours. If personal leave exceeds 24 hours at year end the amount in excess of 24 hours will be credited to each individual's sick leave. The District's policy regarding sick and bereavement leave allows for 80 hours for teachers and 40 hours for certified employees each year. Part-time employees will receive a sick and bereavement leave in proportion to that of a full time employee. Sick and bereavement leave may accumulate up to 960 hours and can be taken in 15 minute increments. Employees may contribute to a sick leave pool from their individual accumulated sick and bereavement leave. Once an employee contributes to the pool they are a member of the pool and eligible to receive time from the pool upon formal request. The sick leave pool is limited to 90 days total and if contributions to the pool will result in excess of 90 days the time will be credited back to the donor. In the event of termination accumulated sick leave is not payable. Sick and bereavement leave is paid out to resigning and retiring employees at the following rates:

3 - 6 years of service.....	\$ 200
7 - 10 years of service.....	300
11 or more years of service.....	500

For the year ended June 30, 2017, \$2,000 was paid to employees who left the District during the fiscal period.

Eligible employees who continue employment shall receive an annual payment in June each year for excess sick and bereavement leave accrued beyond 120 days at the rate of \$10.00 per day. For the year ended June 30, 2017, \$705 was paid under this plan.

Compensated absences for the year ended June 30, 2017 were as follows:

	Balance Beginning of Year	Net Change	Balance End of Year
Compensated absences	<u>\$ 19,800</u>	<u>\$ (1,800)</u>	<u>\$ 18,000</u>

NOTE I. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Other Post Employment Benefits

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

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

Unified School District Number 320, Wamego, Kansas

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE I. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS - continued

Flexible Benefit Plan (I.R.C. Section 125)

The Board adopted by resolution a salary-reduction flexible benefit plan ("Plan") under Section 125 of the Internal Revenue Code. All employees of the District are eligible to participate in the Plan beginning the first day of the month following their employment. Each participant may elect to reduce his or her salary to purchase benefits offered through the Plan. In addition, the District shall contribute the cost of the health insurance premium for a single policy to a maximum of \$350 per month to the fringe benefit package for full time employees and administrators. Currently, benefits offered through the Plan include health insurance coverage, medical reimbursement, and childcare reimbursement.

NOTE J. 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. 74-49210 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 through March 31, 2016 with a 0% moratorium until June 30, 2017 for the Death and Disability Program) and the statutory contribution rate was 16.00% and 10.91%, respectively, for the fiscal year ended June 30, 2016. The actuarially determined employer contribution rate and the statutory contribution rate was 16.03% and 10.81%, respectively, for the fiscal year ended June 30, 2017. Per 2016 House Substitute for Senate Bill 161, Section 98(a)(1), state general fund and expanded lottery act revenue funds for employer contributions to KPERS were deferred. The amount deferred for school contributions was 92,917,091.

The State of Kansas is required to contribute the statutory required employer's share. 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 \$952,049 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 \$17,296,247. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015, which was rolled forward to June 30, 2016. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2016. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

Unified School District Number 320, Wamego, Kansas

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE J. DEFINED BENEFIT PENSION PLAN - continued

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

NOTE K. RISK MANAGMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. Settlements of claims have not exceeded coverage during the past three years.

NOTE L. OTHER INFORMATION

Reimbursed Expenses: The District records reimbursable expenditures (or expenses) in the fund that makes the disbursement and records reimbursements as revenue to the fund. For purposes of budgetary comparisons, the expenditures (or expenses) are properly offset by the reimbursements.

Compliance with Kansas Statutes: References made herein to statutes are not intended as interpretations of law, but are offered for consideration by the Director of Accounts and Reports and interpretation by the legal representative of the District. Management is not aware of any other statutory violations for the period covered by this audit.

Ad Valorem Tax Revenue: The determination of assessed valuation and the collection of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County Appraiser annually determines assessed valuation and the County Clerk spreads the annual assessment on the tax rolls. One-half of the property taxes are due December 20th and distributed to the District by January 20th to finance a portion of the current year's budget. The second half is due May 10th and distributed to the District by June 5th. The District Treasurer draws available funds from the County Treasurer at designated times throughout the year.

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

NOTE M. SUBSEQUENT EVENTS

The District has evaluated subsequent events through December 14, 2017, the date the financial statements were available to be issued and has determined there are no events which require disclosure.

**REGULATORY BASIS
SUPPLEMENTARY INFORMATION**

Unified School District Number 320, Wamego, Kansas

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended June 30, 2017

	<u>Certified Budget</u>	<u>Adjustment to Comply with Legal Max *</u>
Governmental type funds		
General funds		
General	\$ 10,313,796	\$ (542,642)
Supplemental general	3,002,851	0
Special revenue funds		
Adult supplemental education	1,556	0
At-risk (K-12)	674,714	0
Bilingual Education	66,516	0
Virtual Education	85,660	0
Capital outlay	699,377	0
Driver training	49,974	0
Food service	1,047,990	0
Professional development	45,322	0
Parent education program	43,948	0
Special education	2,276,755	0
Vocational education	362,688	0
KPERS special retirement contribution	1,364,445	0
Special services cooperative	5,452,997	0
Bond and interest funds		
Bond and interest	2,206,788	0

Schedule 1

<u>Adjustment for Qualifying Budget Credits *</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Over (Under)</u>
\$ 52,526	\$ 9,823,680	\$ 9,786,729	\$ (36,951)
79,035	3,081,886	3,081,886	0
225	1,781	1,671	(110)
0	674,714	606,727	(67,987)
0	66,516	62,607	(3,909)
0	85,660	53,979	(31,681)
0	699,377	292,613	(406,764)
0	49,974	17,466	(32,508)
0	1,047,990	754,760	(293,230)
0	45,322	41,371	(3,951)
17	43,965	43,965	0
0	2,276,755	2,043,065	(233,690)
0	362,688	326,848	(35,840)
0	1,364,445	952,049	(412,396)
0	5,452,997	4,748,239	(704,758)
0	2,206,788	2,206,788	0

Unified School District Number 320, Wamego, Kansas

Schedule 2a

GENERAL FUNDS
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)

		2017		Variance Over (Under)
	2016 Actual	Actual	Budget	
Cash Receipts				
Local sources				
Reimbursements	\$ 21,459	\$ 49,366	\$ 4,800	\$ 44,566
Interest on Idle Funds	0	3,160	0	3,160
County sources				
In lieu of taxes	4,175	0	0	0
State sources				
General state aid	7,206,675	7,320,204	7,296,054	24,150
Supplemental general state aid	1,604,363	0	0	0
Special education aid	1,472,051	1,461,950	1,648,497	(186,547)
KPERS aid	968,817	952,049	1,364,445	(412,396)
Capital outlay state aid	77,056	0	0	0
Total cash receipts	<u>11,354,596</u>	<u>9,786,729</u>	<u>\$ 10,313,796</u>	<u>\$ (527,067)</u>
Expenditures				
Instruction				
Salaries				
Certified	3,772,468	3,796,263	\$ 3,813,430	\$ (17,167)
Noncertified	168,223	153,564	228,015	(74,451)
Employee benefits				
Insurance	274,472	304,345	276,459	27,886
Social security	357,405	352,361	307,531	44,830
Other	32,256	35,173	33,861	1,312
Supplies				
General supplemental (teaching)	531	29	0	29
Student support services				
Salaries				
Certified	187,893	195,213	195,750	(537)
Noncertified	40,309	45,027	40,308	4,719
Employee benefits				
Insurance	21,000	19,918	14,280	5,638
Social security	15,813	16,085	17,014	(929)
Other	1,090	1,031	1,189	(158)
Instructional support staff				
Salaries				
Certified	176,378	204,238	176,775	27,463
Noncertified	96,536	68,087	92,000	(23,913)
Employee benefits				
Insurance	13,984	4,200	11,953	(7,753)
Social security	20,501	20,626	20,498	128
Other	1,749	1,614	1,602	12

See Independent Auditor's Report.

Unified School District Number 320, Wamego, Kansas

Schedule 2a

GENERAL FUNDS
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)

	2016 Actual	2017		Variance Over (Under)
		Actual	Budget	
Expenditures - continued				
General administration				
Salaries				
Certified	\$ 104,123	\$ 102,500	\$ 102,500	\$ 0
Noncertified	10,504	8,616	11,000	(2,384)
Employee benefits				
Insurance	6,509	6,337	6,510	(173)
Social security	8,604	8,371	8,683	(312)
Other	656	562	657	(95)
School administration				
Salaries				
Certified	377,168	384,738	376,000	8,738
Noncertified	144,611	150,524	145,999	4,525
Employee benefits				
Insurance	49,582	48,214	49,900	(1,686)
Social security	37,984	38,740	38,819	(79)
Other	2,961	2,773	3,037	(264)
Central services				
Salaries				
Certified	81,696	82,591	82,000	591
Noncertified	104,687	104,867	105,000	(133)
Employee benefits				
Insurance	17,106	14,957	17,110	(2,153)
Social security	13,404	13,159	14,306	(1,147)
Other	1,057	966	1,066	(100)
Operations and maintenance				
Salaries				
Noncertified	574,821	564,597	477,341	87,256
Employee benefits				
Insurance	67,754	66,411	60,721	5,690
Social security	44,200	39,321	36,447	2,874
Other	41,536	33,245	39,876	(6,631)
Student transportation services				
Supervision				
Salaries				
Noncertified	38,127	0	38,127	(38,127)
Employee benefits				
Insurance	3,766	0	3,728	(3,728)
Social security	2,883	0	2,870	(2,870)
Other	218	0	221	(221)
Supplies	480	0	1,000	(1,000)
Vehicle operating services				
Salaries				
Noncertified	136,836	218,518	141,000	77,518

See Independent Auditor's Report.

Unified School District Number 320, Wamego, Kansas

Schedule 2a

GENERAL FUNDS
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)

		2017		Variance Over (Under)
	2016 Actual	Actual	Budget	
Expenditures - continued				
Vehicle operating services - continued				
Employee benefits				
Insurance	\$ 20,513	\$ 28,225	\$ 20,600	\$ 7,625
Social security	10,443	15,803	10,787	5,016
Other	13,841	15,321	14,905	416
Other	0	107	0	107
Vehicle Services & Maintenance Services				
Salaries				
Noncertified	35,552	6,808	37,790	(30,982)
Employee benefits				
Social security	2,720	2,718	0	2,718
Other	33	1,776	0	1,776
Other student transportation services				
Salaries				
Noncertified	56,950	12,709	60,000	(47,291)
Employee benefits				
Social security	4,288	963	4,590	(3,627)
Other	4,100	12	5,423	(5,411)
Architectural and engineering services	35,707	0	0	0
Operating transfers				
Bilingual Education	0	66,516	66,516	0
Supplemental General	1,604,363	0	0	0
Capital outlay	77,056	3,284	0	3,284
Special education	1,472,051	1,486,395	1,648,497	(162,102)
Virtual Education	0	85,660	85,660	0
Vocational education	0	602	0	602
KPERs	968,817	952,049	1,364,445	(412,396)
Adjustment to comply with legal max	0	0	(542,642)	542,642
Legal operating budget	11,358,315	9,786,729	9,771,154	15,575
Adjustment for qualifying budget credits	0	0	52,526	(52,526)
Total expenditures	<u>11,358,315</u>	<u>9,786,729</u>	<u>\$ 9,823,680</u>	<u>\$ (36,951)</u>
Receipts over (under) expenditures	(3,719)	0		
Unencumbered cash, July 1	<u>3,719</u>	<u>0</u>		
Unencumbered cash, June 30	\$ <u>0</u>	\$ <u>0</u>		

See Independent Auditor's Report.

Unified School District Number 320, Wamego, Kansas

Schedule 2b

GENERAL FUNDS
SUPPLEMENTAL GENERAL

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)

		2017		Variance Over (Under)	
	2016 Actual	Actual	Budget		
Cash receipts					
Local sources					
Ad valorem tax	\$ 1,237,870	\$ 1,271,542	\$ 1,271,356	\$	186
Delinquent tax	9,465	11,087	12,575		(1,488)
Reimbursements	61,115	79,035	0		79,035
County sources					
Motor vehicle tax	156,463	125,703	116,211		9,492
Recreational vehicle tax	3,693	2,902	2,649		253
Commercial vehicle tax	9,297	10,067	6,755		3,312
16/20M truck	5,070	2,354	0		2,354
State sources					
Supplemental state aid	0	1,621,239	1,621,239		0
Other					
Transfers from general	1,604,363	0	0		0
Total cash receipts	<u>3,087,336</u>	<u>3,123,929</u>	<u>\$ 3,030,785</u>	\$	<u>93,144</u>
Expenditures					
Instruction					
Salaries					
Certified	131,258	140,519	\$ 0	\$	140,519
Employee benefits					
Insurance					
Social security	5	7,114	0		7,114
Other	0	93	0		93
Purchased property services	7,057	2,802	0		2,802
Other purchased services	9,500	9,299	11,400		(2,101)
Supplies					
General teaching supplies	47,959	50,837	62,050		(11,213)
Property	0	5,986	16,260		(10,274)
Other	22,172	20,962	28,300		(7,338)
Student support services					
Supplies	33,498	25,579	35,800		(10,221)
Property	0	153	0		153
Instructional support staff					
Purchased professional and technical services	0	0	500		(500)
Purchase property services	12,617	0	17,300		(17,300)
Supplies					
Books and periodicals	18,761	16,935	21,300		(4,365)
General administration					
Purchased professional and technical services	17,279	0	21,100		(21,100)

See Independent Auditor's Report.

Unified School District Number 320, Wamego, Kansas

Schedule 2b

GENERAL FUNDS
SUPPLEMENTAL GENERAL

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)

	2017			
	2016 Actual	Actual	Budget	Variance Over (Under)
Expenditures - continued				
General administration - continued				
Other purchased services	\$ 477	\$ 0	\$ 1,500	\$ (1,500)
Insurance	104,122	73,176	102,375	(29,199)
Communications	21,034	0	21,500	(21,500)
Other	30,945	32,928	34,000	(1,072)
Supplies	2,460	0	3,000	(3,000)
Other	9,181	0	9,850	(9,850)
School administration				
Purchased professional and technical services	0	0	1,811	(1,811)
Purchased property services	56,000	0	58,500	(58,500)
Other purchased services				
Communications	14,076	0	15,300	(15,300)
Other	0	1,594	0	1,594
Supplies	16,394	0	25,000	(25,000)
Other	109,127	0	105,000	(105,000)
Central services				
Purchased professional and technical services	13,236	120,721	15,800	104,921
Other purchased services	1,014	71,748	1,000	70,748
Supplies	12,708	51,894	13,500	38,394
Property	0	57,224	40,000	17,224
Other	0	9,575	0	9,575
Operations & maintenance				
Purchased professional and technical services	8,605	5,150	10,000	(4,850)
Purchased property services				
Cleaning	16,940	23,636	24,840	(1,204)
Repairs and maintenance	88,838	30,450	52,200	(21,750)
Other	65	471	0	471
General supplies	213,473	209,888	235,800	(25,912)
Energy				
Heating	28,882	34,114	34,000	114
Electricity	337,438	306,139	338,000	(31,861)
Motor Fuel	3,275	0	0	0
Vehicle Operating Services				
Employee benefits				
Social security	0	34	0	34
Other purchased services				
Insurance	140	0	1,100	(1,100)
Motor fuel	22,787	44,493	42,000	2,493
Other	20,631	160,301	8,952	151,349

See Independent Auditor's Report.

Unified School District Number 320, Wamego, Kansas

Schedule 2b

GENERAL FUNDS
SUPPLEMENTAL GENERAL

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)

		2017		Variance Over (Under)	
	2016 Actual	Actual	Budget		
Expenditures - continued					
Vehicle & Maintenance Services					
Property	\$ 0	\$ 758	\$ 0	\$ 758	
Supplies	21,746	0	26,500	(26,500)	
Architectural and engineering	82,953	0	0	0	
Operating transfers					
Professional development	0	40,000	40,000	0	
Parent education program	17,313	17,313	17,313	0	
Special education	525,000	600,000	600,000	0	
Vocational education	310,000	300,000	300,000	0	
At-risk (K-12)	675,000	610,000	610,000	0	
Adjustment to comply with legal max	0	0	0	0	
Legal operating budget	3,063,966	3,081,886	3,002,851	79,035	
Adjustment for qualifying budget credits	0	0	79,035	(79,035)	
Total expenditures	<u>3,063,966</u>	<u>3,081,886</u>	<u>\$ 3,081,886</u>	<u>\$ 0</u>	
Receipts over (under) expenditures	23,370	42,043			
Unencumbered cash, July 1	<u>59,347</u>	<u>82,717</u>			
Unencumbered cash, June 30	\$ <u>82,717</u>	\$ <u>124,760</u>			

See Independent Auditor's Report.

Unified School District Number 320, Wamego, Kansas

Schedule 2c

SPECIAL PURPOSE FUNDS
ADULT SUPPLEMENTARY EDUCATION

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)

		2017		Variance Over (Under)	
	2016 Actual	Actual	Budget		
Cash receipts					
Local sources					
Student fees	\$ 692	\$ 975	\$ 750	\$ 225	
Miscellaneous	1,002	1,500	25	1,475	
Total cash receipts	<u>1,694</u>	<u>2,475</u>	<u>\$ 775</u>	<u>\$ 1,700</u>	
Expenditures					
Instruction					
Salaries					
Noncertified	6,976	596	\$ 0	\$ 596	
Employee benefits					
Insurance	721	59	0	59	
Social security	447	38	0	38	
Other	39	3	0	3	
Purchased professional & tech services	1,418	960	1,206	(246)	
Supplies					
General supplemental (teaching)	1,040	0	0	0	
Supplies (technology related)	1,256	0	350	(350)	
Property	991	0	0	0	
Student Support Services					
Other purchased services	<u>0</u>	<u>15</u>	<u>0</u>	<u>15</u>	
Legal operating budget	12,888	1,671	1,556	115	
Adjustment for qualifying budget credits	<u>0</u>	<u>0</u>	<u>225</u>	<u>(225)</u>	
Total expenditures	<u>12,888</u>	<u>1,671</u>	<u>\$ 1,781</u>	<u>\$ (110)</u>	
Receipts over (under) expenditures	(11,194)	804			
Unencumbered cash, July 1	<u>11,975</u>	<u>781</u>			
Unencumbered cash, June 30	<u>\$ 781</u>	<u>\$ 1,585</u>			

See Independent Auditor's Report.

Unified School District Number 320, Wamego, Kansas

Schedule 2d

SPECIAL PURPOSE FUNDS
AT-RISK (K-12)

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)

	2016 Actual	2017		Variance Over (Under)
		Actual	Budget	
Cash receipts				
Other				
Miscellaneous	\$ 2,310	\$ 1,254	\$ 0	\$ 1,254
Transfer from Supplemental General	675,000	610,000	610,000	0
	<u>677,310</u>	<u>611,254</u>	<u>\$ 610,000</u>	<u>\$ 1,254</u>
Expenditures				
Instruction				
Salaries				
Certified	445,689	394,617	\$ 378,484	\$ 16,133
Noncertified	86,238	80,976	88,661	(7,685)
Employee benefits				
Insurance	40,617	28,537	49,815	(21,278)
Social security	38,222	34,658	35,699	(1,041)
Other	12,044	8,392	2,706	5,686
Supplies				
General supplemental	181	2,015	3,500	(1,485)
Property and equipment	596	1,329	60,020	(58,691)
Student support services				
Salaries				
Certified	46,988	48,803	49,007	(204)
Employee benefits				
Insurance	4,200	4,104	2,729	1,375
Social security	3,321	3,300	3,337	(37)
Other	266	250	281	(31)
Other purchased services	0	0	400	(400)
Operations and Maintenance				
Other	0	0	75	(75)
Other supplemental service				
Board paid health fee	0	(254)	0	(254)
Total expenditures	<u>678,362</u>	<u>606,727</u>	<u>\$ 674,714</u>	<u>\$ (67,987)</u>
Receipts over (under) expenditures	(1,052)	4,527		
Unencumbered cash, July 1	<u>65,766</u>	<u>64,714</u>		
Unencumbered cash, June 30	<u>\$ 64,714</u>	<u>\$ 69,241</u>		

See Independent Auditor's Report.

Unified School District Number 320, Wamego, Kansas

Schedule 2e

SPECIAL PURPOSE FUNDS
BILINGUAL EDUCATION

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)

	2016 Actual	2017		Variance Over (Under)
		Actual	Budget	
Cash receipts				
Local sources				
Reimbursements	\$ 0	\$ 33	\$ 0	\$ 33
Other				
Transfer from General	0	66,516	66,516	0
	<u>0</u>	<u>66,549</u>	<u>\$ 66,516</u>	<u>\$ 33</u>
Expenditures				
Instruction				
Salaries				
Certified	0	44,919	\$ 43,360	\$ 1,559
Noncertified	0	8,659	10,319	(1,660)
Employee benefits				
Insurance	0	4,480	5,554	(1,074)
Social security	0	3,946	4,107	(161)
Other	0	279	311	(32)
Supplies				
General supplemental	0	0	1,000	(1,000)
Support Services				
Purchased Professional and Tech Services	0	324	1,865	(1,541)
Total expenditures	<u>0</u>	<u>62,607</u>	<u>\$ 66,516</u>	<u>\$ (3,909)</u>
Receipts over (under) expenditures	0	3,942		
Unencumbered cash, July 1	<u>0</u>	<u>0</u>		
Unencumbered cash, June 30	<u>\$ 0</u>	<u>\$ 3,942</u>		

See Independent Auditor's Report.

Unified School District Number 320, Wamego, Kansas

Schedule 2f

SPECIAL PURPOSE FUNDS
VIRTUAL EDUCATION

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)

		2017		
	2016			Variance
	Actual	Actual	Budget	Over
				(Under)
Cash receipts				
Local sources				
Tuition	\$ 0	\$ 2,150	\$ 0	\$ 2,150
Reimbursements	0	40	0	40
Other				
Transfer from General	0	85,660	85,660	0
	<u>0</u>	<u>87,850</u>	<u>\$ 85,660</u>	<u>\$ 2,190</u>
Expenditures				
Instruction				
Salaries				
Certified	0	38,559	\$ 41,037	\$ (2,478)
Employee benefits				
Insurance	0	3,850	4,200	(350)
Social security	0	2,575	3,139	(564)
Other	0	197	238	(41)
Purchased Professional and Tech Services	0	376	0	376
Supplies				
General supplemental	0	8,422	1,386	7,036
Technology Related	0	0	10,000	(10,000)
Property and equipment	0	0	25,660	(25,660)
Total expenditures	<u>0</u>	<u>53,979</u>	<u>\$ 85,660</u>	<u>\$ (31,681)</u>
Receipts over (under) expenditures	0	33,871		
Unencumbered cash, July 1	<u>0</u>	<u>0</u>		
Unencumbered cash, June 30	<u>\$ 0</u>	<u>\$ 33,871</u>		

See Independent Auditor's Report.

Unified School District Number 320, Wamego, Kansas

Schedule 2g

SPECIAL PURPOSE FUNDS
CAPITAL OUTLAY

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)

	2017			
	2016 Actual	Actual	Budget	Variance Over (Under)
Cash receipts				
Local sources				
Ad valorem tax	\$ 321,580	\$ 339,456	\$ 319,836	\$ 19,620
Delinquent tax	455	1,305	3,249	(1,944)
Interest on idle funds	1,008	0	1,000	(1,000)
Reimbursements	47,006	16,795	10,000	6,795
County sources				
Motor vehicle tax	11,795	36,294	32,892	3,402
Recreational vehicle tax	240	830	750	80
Commercial vehicle tax	2,454	2,631	1,912	719
State sources				
Capital outlay state aid	0	147,001	147,005	(4)
Other				
Transfer from General	77,056	3,284	0	3,284
	<u>461,594</u>	<u>547,596</u>	<u>\$ 516,644</u>	<u>\$ 30,952</u>
Expenditures				
Instruction				
Supplies-performance uniforms	4,382	790	\$ 6,000	\$ (5,210)
Property (equipment and furnishings)	0	11,187	45,000	(33,813)
Student support services				
Property (equipment and furnishings)	600	0	27,965	(27,965)
Instructional support staff				
Property (equipment and furnishings)	1,075	2,016	50,000	(47,984)
General administration				
Property (equipment and furnishings)	993	1,711	40,000	(38,289)
School Administration				
Property (equipment and furnishings)	2,828	0	10,000	(10,000)
Central Services				
Supplies - Technology Software	0	0	10,000	(10,000)
Operations and maintenance				
Salaries				
Noncertified	10,910	12,003	113,107	(101,104)
Employee benefits				
Insurance	14	0	12,600	(12,600)
Social security	0	3,488	8,653	(5,165)
Other	0	996	113	883
Other purchased services	373	0	3,000	(3,000)
Property	0	0	25,000	(25,000)
Transportation				
Property (equipment and furnishings)	0	231,123	85,000	146,123
Vehicle services and maintenance				
Salaries				
Noncertified	0	28,974	0	28,974

See Independent Auditor's Report.

Unified School District Number 320, Wamego, Kansas

Schedule 2g

SPECIAL PURPOSE FUNDS
CAPITAL OUTLAY

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)

		2017		
	2016			Variance
	Actual	Actual	Budget	Over (Under)
Expenditures - continued				
Facility acquisition & construction services				
Architectural & engineer services	\$ 43,217	\$ 0	\$ 50,000	\$ (50,000)
Building improvements	577,093	325	0	325
Outside Contractors	0	0	48,000	(48,000)
Other	0	0	164,939	(164,939)
Total expenditures	<u>641,485</u>	<u>292,613</u>	<u>\$ 699,377</u>	<u>\$ (406,764)</u>
Receipts over (under) expenditures	(179,891)	254,983		
Unencumbered cash, July 1	<u>362,624</u>	<u>182,733</u>		
Unencumbered cash, June 30	\$ <u>182,733</u>	\$ <u>437,716</u>		

See Independent Auditor's Report.

Unified School District Number 320, Wamego, Kansas

Schedule 2h

SPECIAL PURPOSE FUNDS
DRIVER TRAINING

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)

		2017		
	2016			Variance
	Actual	Actual	Budget	Over
				(Under)
Cash receipts				
Local sources				
Other	\$ 14,750	\$ 12,500	\$ 12,000	\$ 500
State sources				
State safety aid	2,151	7,168	5,040	2,128
Total cash receipts	<u>16,901</u>	<u>19,668</u>	<u>\$ 17,040</u>	<u>\$ 2,628</u>
Expenditures				
Instruction				
Salaries				
Certified	11,037	7,430	\$ 13,000	\$ (5,570)
Employee benefits				
Social security	850	570	995	(425)
Other	740	321	750	(429)
Purchased Professional and Tech Services	0	6,480	0	6,480
Supplies				
General supplemental teaching	84	2	162	(160)
Central services				
Other	116	110	33,467	(33,357)
Vehicle operations, maintenance services				
Rentals	500	500	500	0
Insurance	250	1,178	250	928
Motor fuel	850	875	850	25
Total expenditures	<u>14,427</u>	<u>17,466</u>	<u>\$ 49,974</u>	<u>\$ (32,508)</u>
Receipts over (under) expenditures	2,474	2,202		
Unencumbered cash, July 1	<u>30,460</u>	<u>32,934</u>		
Unencumbered cash, June 30	\$ <u>32,934</u>	\$ <u>35,136</u>		

See Independent Auditor's Report.

Unified School District Number 320, Wamego, Kansas

Schedule 2i

SPECIAL PURPOSE FUNDS
FOOD SERVICE

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)

		<u>2017</u>		Variance Over (Under)
	2016 Actual	Actual	Budget	
Cash receipts				
Local sources				
Food service				
Student sales - lunch	\$ 338,779	\$ 356,894	\$ 327,681	\$ 29,213
Student school lunches (breakfast)	19,002	17,634	19,540	(1,906)
Adult and student sales	123,660	111,794	109,709	2,085
Interest	0	219	0	219
Miscellaneous	19,858	13,835	18,000	(4,165)
State sources				
School food assistance	8,083	8,152	6,912	1,240
Federal sources				
Child nutrition programs	307,790	312,157	302,612	9,545
Total cash receipts	<u>817,172</u>	<u>820,685</u>	<u>\$ 784,454</u>	<u>\$ 36,231</u>
Expenditures				
Operations and maintenance				
Salaries				
Noncertified	35,266	40,206	\$ 36,000	\$ 4,206
Employee benefits				
Insurance	4,256	350	4,200	(3,850)
Social security	2,006	2,948	2,754	194
Other	193	209	209	0
Miscellaneous supplies	236	1,264	11,000	(9,736)
Food service operation				
Salaries				
Noncertified	231,171	231,992	234,000	(2,008)
Employee benefits				
Insurance	21,000	22,408	22,000	408
Social security	17,436	17,392	17,901	(509)
Other	20,103	13,801	21,603	(7,802)
Other purchased services	0	0	3,300	(3,300)
Supplies				
Food and milk	393,065	392,769	452,000	(59,231)
Miscellaneous supplies	19,503	23,198	27,000	(3,802)
Property	495	538	206,023	(205,485)
Other	4,867	7,685	10,000	(2,315)
Total expenditures	<u>749,597</u>	<u>754,760</u>	<u>\$ 1,047,990</u>	<u>\$ (293,230)</u>
Receipts over (under) expenditures	67,575	65,925		
Unencumbered cash, July 1	<u>195,961</u>	<u>263,536</u>		
Unencumbered cash, June 30	\$ <u>263,536</u>	\$ <u>329,461</u>		

See Independent Auditor's Report.

Unified School District Number 320, Wamego, Kansas

Schedule 2j

SPECIAL PURPOSE FUNDS
PROFESSIONAL DEVELOPMENT

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)

		2017		
	2016			Variance
	Actual	Actual	Budget	Over
				(Under)
Cash receipts				
Local sources				
Other	\$ 4,523	\$ 2,256	\$ 1,300	\$ 956
State sources				
State aid	1,879	3,922	0	3,922
Other				
Transfers from				
Supplemental general	0	40,000	40,000	0
Total cash receipts	<u>6,402</u>	<u>46,178</u>	<u>\$ 41,300</u>	<u>\$ 4,878</u>
Expenditures				
Instructional support staff				
Employee benefits				
Social security	433	621	\$ 0	\$ 621
Other	10	78	0	78
Purchased professional and technical services	35,407	35,079	37,436	(2,357)
Purchased property services	2,972	2,474	2,300	174
Other purchased services	0	1,126	0	1,126
Supplies				
Books and periodicals	395	1,233	4,100	(2,867)
Miscellaneous supplies	1,054	760	1,486	(726)
Total expenditures	<u>40,271</u>	<u>41,371</u>	<u>\$ 45,322</u>	<u>\$ (3,951)</u>
Receipts over (under) expenditures	(33,869)	4,807		
Unencumbered cash, July 1	<u>37,891</u>	<u>4,022</u>		
Unencumbered cash, June 30	\$ <u>4,022</u>	\$ <u>8,829</u>		

See Independent Auditor's Report.

Unified School District Number 320, Wamego, Kansas

Schedule 2k

SPECIAL PURPOSE FUNDS
PARENT EDUCATION PROGRAM

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)

		2017		
	2016	Actual	Budget	Variance
	Actual			Over
				(Under)
Cash receipts				
Local Sources				
Reimbursements	\$ 0	\$ 17	\$ 0	\$ 17
State sources				
Parent education aid	26,635	26,635	26,635	0
Other				
Transfer from supplemental general	17,313	17,313	17,313	0
Total cash receipts	<u>43,948</u>	<u>43,965</u>	<u>\$ 43,948</u>	<u>\$ 17</u>
Expenditures				
Student support services				
Salaries				
Non-Certified	29,521	32,000	\$ 32,000	\$ 0
Employee benefits				
Insurance	4,194	4,200	4,200	0
Social security	2,221	2,415	2,448	(33)
Other	169	167	186	(19)
Other purchased services				
Other	2,137	2,592	1,964	628
Miscellaneous supplies	855	339	500	(161)
Property	2,345	0	0	0
Instructional support staff				
Purchased professional and technical services	0	700	500	200
Central services				
Purchased professional and technical services	0	0	500	(500)
Other purchased services	<u>2,506</u>	<u>1,552</u>	<u>1,650</u>	<u>(98)</u>
Legal operating budget	43,948	43,965	43,948	17
Adjustment for qualifying budget credits	<u>0</u>	<u>0</u>	<u>17</u>	<u>(17)</u>
Total expenditures	<u>43,948</u>	<u>43,965</u>	<u>\$ 43,965</u>	<u>\$ 0</u>
Receipts over (under) expenditures	0	0		
Unencumbered cash, July 1	<u>0</u>	<u>0</u>		
Unencumbered cash, June 30	\$ <u>0</u>	\$ <u>0</u>		

See Independent Auditor's Report.

Unified School District Number 320, Wamego, Kansas

Schedule 21

SPECIAL PURPOSE FUNDS
SPECIAL EDUCATION

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)

		2017		Variance Over (Under)
	2016 Actual	Actual	Budget	
Cash receipts				
Local sources				
Miscellaneous	\$ 0	\$ 6,043	\$ 0	\$ 6,043
Other				
Transfers				
General	1,472,051	1,486,395	1,648,497	(162,102)
Supplemental general	525,000	600,000	600,000	0
Total cash receipts	<u>1,997,051</u>	<u>2,092,438</u>	<u>\$ 2,248,497</u>	<u>\$ (156,059)</u>
Expenditures				
Instruction				
Payment to spec. ed. (Assessments)	575,212	575,212	\$ 575,212	\$ 0
Payment to spec. ed. (Flow through)	1,407,509	1,395,686	1,541,586	(145,900)
Instructional Support Staff				
Employee Benefits				
Social Security	0	6,325	0	6,325
Student transportation services				
Property (equipment & furnishings)	0	0	96,873	(96,873)
Vehicle operating services				
Salaries				
Noncertified	43,486	46,003	44,200	1,803
Employee benefits				
Social security	3,299	3,502	3,382	120
Other	2,224	1,985	2,227	(242)
Other purchased services				
Insurance	750	1,755	750	1,005
Supplies				
Motor fuel	7,621	4,864	8,000	(3,136)
Other	780	7,733	4,525	3,208
Total expenditures	<u>2,040,881</u>	<u>2,043,065</u>	<u>\$ 2,276,755</u>	<u>\$ (233,690)</u>
Receipts over (under) expenditures	(43,830)	49,373		
Unencumbered cash, July 1	<u>72,088</u>	<u>28,258</u>		
Unencumbered cash, June 30	\$ <u>28,258</u>	\$ <u>77,631</u>		

See Independent Auditor's Report.

Unified School District Number 320, Wamego, Kansas

Schedule 2m

SPECIAL PURPOSE FUNDS
VOCATIONAL EDUCATION

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)

		2017		
	2016			Variance
	Actual	Actual	Budget	Over
				(Under)
Cash receipts				
Local sources				
Miscellaneous	\$ 0	\$ 239	\$ 0	\$ 239
Federal sources				
Special project aid	6,676	2,411	4,747	(2,336)
Other				
Transfers				
General	0	602	0	602
Supplemental general	310,000	300,000	300,000	0
Total cash receipts	<u>316,676</u>	<u>303,252</u>	\$ <u>304,747</u>	\$ <u>(1,495)</u>
Expenditures				
Instruction				
Salaries				
Certified	229,835	249,183	\$ 235,000	\$ 14,183
Employee benefits				
Insurance	17,022	17,495	17,022	473
Social security	16,204	17,335	17,978	(643)
Other	1,301	1,408	1,363	45
Purchased Property Services	0	0	500	(500)
Supplies				
General supplemental	18,211	17,828	21,950	(4,122)
Miscellaneous supplies	0	0	17,500	(17,500)
Property	3,628	3,921	43,375	(39,454)
Other	10,254	13,656	0	13,656
Operations and maintenance				
Water/sewer	7,321	6,022	8,000	(1,978)
Total expenditures	<u>303,776</u>	<u>326,848</u>	\$ <u>362,688</u>	\$ <u>(35,840)</u>
Receipts over (under) expenditures	12,900	(23,596)		
Unencumbered cash, July 1	<u>45,041</u>	<u>57,941</u>		
Unencumbered cash, June 30	\$ <u>57,941</u>	\$ <u>34,345</u>		

See Independent Auditor's Report.

Unified School District Number 320, Wamego, Kansas

Schedule 2n

**SPECIAL PURPOSE FUNDS
GIFTS**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS**

For the Year Ended June 30, 2017

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

	<u>2016 Actual</u>	<u>2017 Actual</u>
Cash receipts		
Local sources		
Contributions	\$ 37,365	\$ 14,038
 Expenditures		
Instruction	<u>61,062</u>	<u>4,756</u>
 Receipts over (under) expenditures	(23,697)	9,282
 Unencumbered cash, July 1 as restated	<u>37,049</u>	<u>13,352</u>
 Unencumbered cash, June 30	<u><u>\$ 13,352</u></u>	<u><u>\$ 22,634</u></u>

See Independent Auditor's Report.

Unified School District Number 320, Wamego, Kansas

Schedule 2o

SPECIAL PURPOSE FUNDS
KPERs Special Retirement Contribution

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)

		2017		
	2016			Variance
	Actual	Actual	Budget	Over
				(Under)
Cash receipts				
Other				
Transfer from general	\$ 968,817	\$ 952,049	\$ 1,364,445	\$ (412,396)
Total receipts	<u>968,817</u>	<u>952,049</u>	<u>\$ 1,364,445</u>	<u>\$ (412,396)</u>
Expenditures				
Instruction				
Employee benefits	667,031	652,261	\$ 934,799	\$ (282,538)
Student support				
Employee benefits	94,944	93,757	134,369	(40,612)
Instructional support				
Employee benefits	24,414	22,876	32,785	(9,909)
General administration				
Employee benefits	32,068	25,876	37,085	(11,209)
School administration				
Employee benefits	40,981	43,426	62,237	(18,811)
Central Services				
Employee benefits	15,114	15,557	22,296	(6,739)
Operations and maintenance				
Employee benefits	46,600	52,115	74,690	(22,575)
Student transportation services				
Employee benefits	29,161	26,714	38,286	(11,572)
Food service				
Employee benefits	<u>18,504</u>	<u>19,467</u>	<u>27,898</u>	<u>(8,431)</u>
Total expenditures	<u>968,817</u>	<u>952,049</u>	<u>\$ 1,364,445</u>	<u>\$ (412,396)</u>
Receipts over (under) expenditures	0	0		
Unencumbered cash, July 1	<u>0</u>	<u>0</u>		
Unencumbered cash, June 30	<u>\$ 0</u>	<u>\$ 0</u>		

See Independent Auditor's Report.

Unified School District Number 320, Wamego, Kansas

Schedule 2p

**SPECIAL PURPOSE FUNDS
CONTINGENCY RESERVE**

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS**

For the Year Ended June 30, 2017

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

	<u>2016 Actual</u>	<u>2017 Actual</u>
Cash receipts	\$ 0	\$ 0
Expenditures		
Technology equipment	<u>75,597</u>	<u>0</u>
Receipts over expenditures	(75,597)	0
Unencumbered cash, July 1	<u>415,364</u>	<u>339,767</u>
Unencumbered cash, June 30	<u><u>\$ 339,767</u></u>	<u><u>\$ 339,767</u></u>

See Independent Auditor's Report.

Unified School District Number 320, Wamego, Kansas**Schedule 2q****SPECIAL PURPOSE FUNDS
TEXTBOOK RENTAL****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS**

For the Year Ended June 30, 2017

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

	<u>2016 Actual</u>	<u>2017 Actual</u>
Cash receipts		
Local sources		
Rental fees and books	\$ 59,798	\$ 62,936
Other	<u>62,495</u>	<u>90,803</u>
Total receipts	<u>122,293</u>	<u>153,739</u>
 Expenditures		
Instruction		
Supplies	<u>54,393</u>	<u>64,182</u>
Receipts over (under) expenditures	67,900	89,557
Unencumbered cash, July 1	<u>27,362</u>	<u>95,262</u>
Unencumbered cash, June 30	<u><u>\$ 95,262</u></u>	<u><u>\$ 184,819</u></u>

See Independent Auditor's Report.

Unified School District Number 320, Wamego, Kansas

Schedule 2r

SPECIAL PURPOSE FUNDS
SPECIAL SERVICES COOPERATIVE

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)

		2017		
	2016			Variance
	Actual	Actual	Budget	Over
				(Under)
Cash receipts				
Local sources				
Payments from school districts and government sources	\$ 3,723,351	\$ 3,709,423	\$ 3,935,699	\$ (226,276)
Interest on idle funds	183	405	20	385
Reimbursements	26,374	26,487	0	26,487
Other	51,495	30,235	30,500	(265)
Federal sources				
Regular	699,748	688,670	695,215	(6,545)
Grants in aid	25,870	25,870	25,870	0
Medicaid	157,581	240,880	195,000	45,880
Total cash receipts	<u>4,684,602</u>	<u>4,721,970</u>	<u>\$ 4,882,304</u>	<u>\$ (160,334)</u>
Expenditures				
Instruction				
Salaries				
Certified	1,336,973	1,357,256	\$ 1,763,940	\$ (406,684)
Noncertified	1,036,011	1,059,238	1,103,217	(43,979)
Employee benefits				
Insurance	259,146	266,991	400,882	(133,891)
Social security	157,707	160,777	232,934	(72,157)
Other	15,962	14,622	24,138	(9,516)
Purchased professional and technical services	6,486	6,876	1,000	5,876
Other purchased services				
Tuition	2,857	3,382	10,000	(6,618)
Other	44,874	35,850	54,800	(18,950)
Supplies				
General teaching supplies	6,027	28,521	15,041	13,480
Property	1,950	2,951	3,200	(249)
Other	845	1,155	500	655
Student support services				
Salaries				
Certified	1,022,328	1,043,392	809,929	233,463
Employee benefits				
Insurance	50,400	47,250	4,200	43,050
Social security	103,745	104,849	50,531	54,318
Other	7,775	7,496	7,479	17
Purchased professional and technical services	235,532	230,890	38,690	192,200
Other purchased services	7,114	8,092	4,500	3,592
Supplies	1,510	8,494	4,000	4,494

See Independent Auditor's Report.

Unified School District Number 320, Wamego, Kansas

Schedule 2r

SPECIAL PURPOSE FUNDS
SPECIAL SERVICES COOPERATIVE

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)

	2016 Actual	2017		Variance Over (Under)
		Actual	Budget	
Expenditures - continued				
Student support services - continued				
Property	\$ 82	\$ 0	\$ 7,500	\$ (7,500)
Other	0	0	150	(150)
Instructional support staff				
Salaries				
Certified	6,200	4,894	2,000	2,894
Noncertified	0	0	4,200	(4,200)
Employee benefits				
Social security	546	248	0	248
Other	7	80	0	80
Purchased professional and technical services	13,040	16,073	25,355	(9,282)
Other purchased services	0	6,498	0	6,498
Miscellaneous supplies	0	0	1,030	(1,030)
Property	5,627	27,453	9,450	18,003
Special area administration services				
Salaries				
Certified	110,283	83,000	78,000	5,000
Noncertified	116,722	130,143	119,543	10,600
Employee benefits				
Insurance	5,834	11,642	9,458	2,184
Social security	17,032	15,233	16,995	(1,762)
Other	7,926	1,124	1,184	(60)
Purchased professional and technical services	8,000	8,000	8,000	0
Communications	3,419	2,540	2,200	340
Other purchased services	31	43	850	(807)
Property	0	2,563	3,000	(437)
Supplies	0	0	0	0
Central services				
Employee benefits				
Other	0	0	569,832	(569,832)
Purchase professional and tech srvs	2,500	1,800	5,600	(3,800)
Purchased property services	31,717	31,717	35,400	(3,683)
Other purchased services	2,000	2,458	5,869	(3,411)
Supplies	14,703	8,861	14,000	(5,139)
Vehicle operating services				
Other purchased services				
Contracting bus service	726	0	900	(900)
Insurance	500	4,264	500	3,764
Supplies				
Motor fuel	2,000	1,523	3,000	(1,477)
Total expenditures	\$ 4,646,137	\$ 4,748,239	\$ 5,452,997	\$ (704,758)

See Independent Auditor's Report.

Unified School District Number 320, Wamego, Kansas

Schedule 2r

**SPECIAL PURPOSE FUNDS
SPECIAL SERVICES COOPERATIVE**

**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)

		2017		Variance
	2016	Actual	Budget	Over
	Actual			(Under)
Receipts over (under) expenditures	\$ 38,465	\$ (26,269)		
Unencumbered cash, July 1	<u>532,228</u>	<u>570,693</u>		
Unencumbered cash, June 30	\$ <u><u>570,693</u></u>	\$ <u><u>544,424</u></u>		

See Independent Auditor's Report.

Unified School District Number 320, Wamego, Kansas**Schedule 2s****SPECIAL PURPOSE FUNDS
BOND REFUNDING****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS**

For the Year Ended June 30, 2017

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

	<u>2016 Actual</u>	<u>2017 Actual</u>
Cash receipts		
Bond proceeds		
Par Amount	\$ 7,815,000	\$ 0
Premium on bonds	<u>1,057,990</u>	<u>0</u>
Total receipts	<u>8,872,990</u>	<u>0</u>
Expenditures		
Debt Service		
Escrow Deposits	8,718,649	0
Underwriter discount	78,150	0
Cost of issuance	60,514	0
Bond insurance	<u>15,677</u>	<u>0</u>
Total expenditures	<u>8,872,990</u>	<u>0</u>
Receipts over (under) expenditures	0	0
Unencumbered cash, July 1	<u>0</u>	<u>0</u>
Unencumbered cash, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

See Independent Auditor's Report.

Unified School District Number 320, Wamego, Kansas

**SPECIAL PURPOSE FUNDS
FEDERAL GRANTS**

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS**

For the Year Ended June 30, 2017

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

	<u>Title I</u>	<u>Title IIA</u>
Cash receipts		
Federal sources	\$ 141,528	\$ 46,808
Reimbursements	46	0
Operating transfers	<u>23,038</u>	<u>0</u>
Total cash receipts	<u>164,612</u>	<u>46,808</u>
Expenditures		
Instruction	163,965	0
Instructional support staff	647	23,770
Operating transfers	<u>0</u>	<u>23,038</u>
Total expenditures	<u>164,612</u>	<u>46,808</u>
Receipts over (under) expenditures	0	0
Unencumbered cash (deficit), July 1	<u>0</u>	<u>0</u>
Unencumbered cash, June 30	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

See Independent Auditor's Report

Schedule 2t

Totals		Prior Year	
June 30, 2017		Totals	
June 30, 2016			
\$	188,336	\$	183,047
	46		0
	23,038		23,038
	<u>211,420</u>		<u>206,085</u>
	163,965		157,334
	24,417		25,713
	23,038		23,038
	<u>211,420</u>		<u>206,085</u>
	0		0
	<u>0</u>		<u>0</u>
\$	<u><u>0</u></u>	\$	<u><u>0</u></u>

Unified School District Number 320, Wamego, Kansas

Schedule 2u

BOND & INTEREST FUNDS
BOND AND INTEREST #2

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)

		<u>2017</u>		Variance Over (Under)
	<u>2016 Actual</u>	<u>Actual</u>	<u>Budget</u>	
Cash receipts				
Local sources				
Ad valorem tax	\$ 1,286,733	\$ 1,358,121	\$ 1,281,434	\$ 76,687
Delinquent tax	7,815	10,308	13,022	(2,714)
County sources				
Motor vehicle tax	131,959	142,514	131,961	10,553
Recreational vehicle tax	3,055	3,322	3,008	314
Commercial vehicle tax	10,585	10,524	7,670	2,854
16/20M truck	3,681	2,768	0	2,768
State sources				
State aid - capital improvements	854,560	867,039	874,062	(7,023)
Other				
Operating transfers	0	5,000	0	5,000
Federal tax credit	173,620	173,994	174,086	(92)
Total cash receipts	<u>2,472,008</u>	<u>2,573,590</u>	\$ <u>2,485,243</u>	\$ <u>88,347</u>
Expenditures				
Debt service				
Interest	692,913	646,788	\$ 646,788	\$ 0
Principal	1,515,000	1,560,000	1,560,000	0
Total expenditures	<u>2,207,913</u>	<u>2,206,788</u>	\$ <u>2,206,788</u>	\$ <u>0</u>
Receipts over (under) expenditures	264,095	366,802		
Unencumbered cash, July 1	<u>2,171,678</u>	<u>2,435,773</u>		
Unencumbered cash, June 30	\$ <u>2,435,773</u>	\$ <u>2,802,575</u>		

See Independent Auditor's Report.

Unified School District Number 320, Wamego, Kansas**Schedule 2v****CAPITAL PROJECTS FUND
CONSTRUCTION****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS**

For the Year Ended June 30, 2017

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

	<u>2016 Actual</u>	<u>2017 Actual</u>
Cash receipts		
Local sources		
Interest on idle funds	\$ 0	\$ 13,415
Bond Proceeds	<u>0</u>	<u>21,780,400</u>
Total cash receipts	\$ <u>0</u>	\$ <u>21,793,815</u>
Expenditures		
Architectural & Engineering Services	\$ 0	\$ 518,776
Construction	0	1,644,373
Administrative Costs	0	195
Fees and Services	0	71,410
Furniture and Fixtures	0	4,956
Technology	0	1,417,501
Safety & Security	0	35,097
Building Improvements	0	268,727
Ground Improvements	0	130
Turf Improvements	0	760,507
Contingency	0	42,295
Transfer to Bond and Interest	<u>0</u>	<u>5,000</u>
Total expenditures	<u>0</u>	<u>4,768,967</u>
Receipts over (under) expenditures	0	17,024,848
Unencumbered cash, July 1	<u>1</u>	<u>1</u>
Unencumbered cash, June 30	\$ <u><u>1</u></u>	\$ <u><u>17,024,849</u></u>

See Independent Auditor's Report.

Unified School District Number 320, Wamego, Kansas**Schedule 2w****INTERNAL SERVICE FUND
HEALTH CARE SERVICES****SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS****For the Year Ended June 30, 2017****(With Comparative Actual Totals for the Prior Year Ended June 30, 2016)**

	<u>2016 Actual</u>	<u>2017 Actual</u>
Cash receipts		
Local sources		
Interest on idle funds	\$ <u>5</u>	\$ <u>0</u>
Total cash receipts	<u>5</u>	<u>0</u>
Expenditures		
General administration		
Other purchased services	<u>60,598</u>	<u>0</u>
Total expenditures	<u>60,598</u>	<u>0</u>
Receipts over (under) expenditures	(60,593)	0
Unencumbered cash, July 1	<u>60,593</u>	<u>0</u>
Unencumbered cash, June 30	\$ <u><u>0</u></u>	\$ <u><u>0</u></u>

This fund was used to fund the District's share of the health premiums. The District is no longer self-insured for health insurance.

See Independent Auditor's Report.

Unified School District Number 320, Wamego, Kansas

Schedule 3

AGENCY FUND
STUDENT ORGANIZATION FUNDS

SCHEDULE OF RECEIPTS, EXPENDITURES AND CASH BALANCES
REGULATORY BASIS

For the Year Ended June 30, 2017

Fund	Cash Beginning	Cash Receipts	Cash Disbursements	Cash Ending
Wamego High School				
Class of 2014	\$ 2,148	\$ 0	\$ 0	\$ 2,148
Class of 2015	2,498	0	2,498	0
Class of 2016	1,433	0	1,433	0
Class of 2017	6,861	2,099	6,374	2,586
Class of 2018	4,070	3,374	4,233	3,211
Class of 2019	1,537	1,213	10	2,740
Class of 2020	0	1,286	0	1,286
Art club	896	0	0	896
Band	8,107	10,295	7,957	10,445
Broadcasting	485	0	0	485
Life Skills	1,646	1,621	1,026	2,241
CFL	302	2,170	1,207	1,265
Cheerleaders	739	22,571	22,121	1,189
Culinary Arts	1,583	2,083	2,534	1,132
Debate/Forensic	837	1,943	2,370	410
Dazzlers	90	2,708	2,704	94
F.B.L.A.	4,169	14,521	15,627	3,063
F.C.A.	495	0	0	495
Peer Chamber	4	1,171	831	344
F.F.A.	15,581	43,745	47,098	12,228
F.C.C.L.A.	2,792	13,188	14,622	1,358
Fine Arts	161	255	250	166
Interest	516	302	0	818
Kays	1,496	464	587	1,373
Mentoring	967	0	0	967
National Honor Society	2,713	1,408	2,474	1,647
Newspaper	1,455	0	0	1,455
Peer Counselor	31	0	0	31
Prom	765	4,220	4,985	0
Renaissance	511	24	0	535
SADD	1,737	4,090	4,823	1,004
Scholar bowl	1,141	2,139	1,719	1,561
Science club	454	237	0	691
Science Fair	6,515	1,195	2,907	4,803
World Culture Club	180	2,956	2,168	968
Spanish Club	1	0	0	1
Student council	2,959	3,465	4,295	2,129
Sport Uniforms	14,321	16,656	9,984	20,993
Theatre club	8,937	9,006	12,218	5,725
Vocal music	28,617	46,773	66,092	9,298
Weightlifting	788	5	0	793
Annual	2,825	14,406	16,461	770
Concessions	4,995	21,863	22,133	4,725
Student need gift	0	1,000	85	915
Football gift	2,035	13,306	13,970	1,371
C.C./Track gift	5,376	8,690	9,333	4,733
Girl's tennis gift	404	0	0	404
Boy's tennis gift	66	0	0	66
Girl's b-ball gift	134	0	0	134

See Independent Auditor's Report.

Unified School District Number 320, Wamego, Kansas

Schedule 3

AGENCY FUND
STUDENT ORGANIZATION FUNDS

SCHEDULE OF RECEIPTS, EXPENDITURES AND CASH BALANCES
REGULATORY BASIS

For the Year Ended June 30, 2017

Fund	Cash Beginning	Cash Receipts	Cash Disbursements	Cash Ending
Wamego High School				
Boy's b-ball gift	\$ 14	\$ 6,565	\$ 6,098	\$ 481
Volleyball gift	5,843	3,120	1,050	7,913
Wrestling gift	1,276	4,855	4,283	1,848
Baseball gift	358	2,729	2,008	1,079
Golf gift	559	350	969	(60)
Softball gift	918	5,957	4,368	2,507
Senior Interview Day	0	200	0	200
Student Handbook	0	186	186	0
Honor Flight	0	53,726	24,247	29,479
Subtotal Wamego High School	<u>155,341</u>	<u>354,136</u>	<u>350,338</u>	<u>159,139</u>
Junior High School				
Physical education	9	5,432	2,426	3,015
Band	6,104	11,797	11,985	5,916
Boy's basketball	178	0	0	178
Girl's Basketball	141	622	642	121
Chorus	7,590	910	6,332	2,168
RSVP	2,233	808	870	2,171
Track	738	420	0	1,158
Science fair	205	0	0	205
Student council	259	4,518	4,553	224
Football	349	60	0	409
Teen leaders	718	556	515	759
Volleyball	128	117	0	245
MS gift	2,199	1,370	0	3,569
Wrestling	1,083	0	35	1,048
Yearbook	990	3,562	4,097	455
Book fair	281	0	0	281
Concessions	3,419	6,859	7,490	2,788
Graduation fund	816	2,210	1,644	1,382
Magazine fundraiser	1,123	83	892	314
Nutrition advisor	246	0	0	246
Pop fund	376	630	915	91
Science	68	297	362	3
Subtotal Junior High School	<u>29,253</u>	<u>40,251</u>	<u>42,758</u>	<u>26,746</u>
West Elementary School				
Band	204	216	170	250
Vocal music	818	500	751	567
Turn around	168	0	0	168
Yearbook	1,436	3,007	2,739	1,704
Carnival	3,509	0	3,368	141
Gift fund	15,793	19,574	9,296	26,071
Library	1,415	1,050	847	1,618
Robotics	180	0	0	180
Student council	339	124	49	414
West pencils	331	0	0	331
Books for fun	20	0	0	20
Subtotal West Elementary	<u>24,213</u>	<u>24,471</u>	<u>17,220</u>	<u>31,464</u>

See Independent Auditor's Report.

Unified School District Number 320, Wamego, Kansas

Schedule 3

AGENCY FUND
STUDENT ORGANIZATION FUNDS

SCHEDULE OF RECEIPTS, EXPENDITURES AND CASH BALANCES
REGULATORY BASIS
For the Year Ended June 30, 2017

<u>Fund</u>	<u>Cash Beginning</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Cash Ending</u>
Central Elementary School				
Student benefit	\$ 1,255	\$ 2,978	\$ 2,978	\$ 1,255
Central gift fund	265	0	0	265
Landscaping	125	0	0	125
Library book fair	3,036	0	1,019	2,017
	<u>4,681</u>	<u>2,978</u>	<u>3,997</u>	<u>3,662</u>
Subtotal Central Elementary				
	<u>4,681</u>	<u>2,978</u>	<u>3,997</u>	<u>3,662</u>
Total student organization funds	\$ <u>213,488</u>	\$ <u>421,836</u>	\$ <u>414,313</u>	\$ <u>221,011</u>

See Independent Auditor's Report.

Unified School District Number 320, Wamego, Kansas

Schedule 4

DISTRICT ACTIVITY FUNDS

**SCHEDULE OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH
REGULATORY BASIS**

For the Year Ended June 30, 2017

	<u>Cash Balance July 01, 2016</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Cash Balance June 30, 2017</u>
Gate receipts				
Wamego High School Athletics	\$ 20,038	\$ 119,984	\$ 117,939	\$ 22,083
Wamego Junior High School Athletics	7,147	22,277	13,459	15,965
Subtotal gate receipts	<u>27,185</u>	<u>142,261</u>	<u>131,398</u>	<u>38,048</u>
School Projects				
Wamego High School				
Athletics travel	1,251	0	0	1,251
Junior High School				
Class fees-art/comp graphics	0	112	112	0
Woods	0	7,451	7,451	0
West Elementary School				
Activity	351	7	104	254
Agenda	0	238	238	0
Bullying prevention	189	0	45	144
Subtotal school projects	<u>1,791</u>	<u>7,808</u>	<u>7,950</u>	<u>1,649</u>
User fees				
High School				
Art photography	0	2,413	2,413	0
Book rental	0	2,844	2,844	0
Foods	0	1,210	1,210	0
Technology	0	1,282	1,282	0
Library	0	916	916	0
Welding	0	4,063	4,063	0
Calculator Rental	0	416	416	0
Voag/horticulture	0	235	235	0
Wood/tech	0	1,489	1,489	0
Student handbook	0	186	186	0
Student meals	0	7,378	7,378	0
General	0	12,542	12,542	0
Sales tax	0	13,327	13,327	0
EC Biswell	0	220	220	0
Junior High School				
Book rental	0	1,413	1,413	0
Handbook	334	1,374	1,357	351
Library	1,345	1,680	1,395	1,630
Technology	0	1,283	1,283	0
Student meals	0	2,185	2,185	0
Sales tax	550	4,212	4,299	463
Other	0	125	0	125
West Elementary School				
Book rental	0	960	960	0
Milk	0	5,921	5,921	0
Returns	672	794	902	564
Kiwi Bags	0	80	80	0

See Independent Auditor's Report.

Unified School District Number 320, Wamego, Kansas

Schedule 4

DISTRICT ACTIVITY FUNDS

**SCHEDULE OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH
REGULATORY BASIS**

For the Year Ended June 30, 2017

	<u>Cash Balance</u> <u>July 01, 2016</u>	<u>Cash</u> <u>Receipts</u>	<u>Expenditures</u>	<u>Cash Balance</u> <u>June 30, 2017</u>
User fees - continued				
West Elementary School - continued				
Sales tax	\$ 0	\$ 341	\$ 341	\$ 0
Technology charge	0	1,217	1,217	0
Lunch	0	3,392	3,392	0
Central Elementary School				
Preschool Role Model	0	2,900	2,900	0
Book rental	0	1,407	1,407	0
Milk	0	10,018	10,018	0
Student meals	0	2,662	2,662	0
Library	0	249	249	0
Technology	0	1,995	1,995	0
Kiwi bags	0	210	210	0
Sales tax	0	276	276	0
Subtotal user fees	<u>2,901</u>	<u>93,215</u>	<u>92,983</u>	<u>3,133</u>
Total district activity funds	\$ <u><u>31,877</u></u>	\$ <u><u>243,284</u></u>	\$ <u><u>232,331</u></u>	\$ <u><u>42,830</u></u>

See Independent Auditor's Report.

Unified School District Number 320, Wamego, Kansas

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2017

Federal Grant Pass Through Grantor/Program Title	Federal CFDA Number	Pass Through Grantor's Number	Revenues	Expenditures
<u>U.S. Department of Agriculture</u>				
<u>Pass Through Kansas Department of Education</u>				
Child Nutrition Cluster				
School breakfast program	10.553	N/A	\$ 49,717	\$ 49,717
National school lunch program	10.555	N/A	223,248	223,248
Cash for commodities	10.555	N/A	39,193	39,193
Total for cluster			312,158	312,158
Total U.S. Department of Agriculture			312,158	312,158
<u>U.S. Department of Education</u>				
<u>Pass Through Kansas Department of Education</u>				
Special education cluster (IDEA)				
Special education - grants to states - Title VI	84.027	N/A	604,262	604,262
Special education - grants to states - Title VI	84.027	N/A	1,707	1,707
Special education - preschool grant	84.173	N/A	23,121	23,121
Total for cluster			629,090	629,090
Title I - grants to local educational agencies	84.010	DO320	141,528	141,528
Title IIA - improving teacher quality state	84.367	DO320	46,808	46,808
TANF - Parents as Teachers	84.367	N/A	26,635	26,635
<u>Pass Through Kansas Department of Health and Environment</u>				
Title I Infant toddler early intervention	84.181	N/A	87,157	87,157
Total U.S. Department of Education			931,218	931,218
Total revenue and expenditures of federal awards			\$ 1,243,376	\$ 1,243,376

The District did not provide federal awards to subrecipients for the year ended June 30, 2017.

Unified School District Number 320, Wamego, Kansas

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended June 30, 2017

NOTE A. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of Unified School District Number 320 under programs of the federal government for the year ended June 30, 2017. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a select portion of the operations of Unified School District Number 320, it is not intended to and does not present the summary of receipts, expenditures and unencumbered cash of Unified School District Number 320.

NOTE B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported in the Schedule of Expenditures of Federal Awards are reported based upon the Kansas Municipal Audit and Accounting Guide.

NOTE C. INDIRECT COST RATE

Unified School District Number 320 did not use the standard indirect cost rate of 10%.

Special Reports

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

Board of Education
Unified School District Number 320
Wamego, Kansas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statement of Unified School District Number 320 as of and for the year ended June 30, 2017, and the related notes to the financial statements, which comprise the District's regulatory basis financial statements, and have issued our report thereon dated December 14, 2017. The District prepares its financial statements on a regulatory basis of accounting which demonstrates compliance with *Kansas Municipal Audit and Accounting Guide* which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

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

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

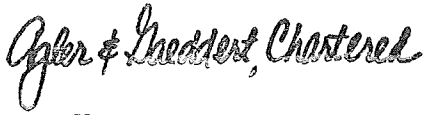
Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did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

Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in cursive script that reads "Aptor & Gaddert, Chartered".

Ottawa, Kansas
December 14, 2017

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

Board of Education
Unified School District Number 320
Wamego, Kansas

Report on Compliance for Each Major Federal Program

We have audited Unified School District Number 320's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of District's major federal programs for the year ended June 30, 2017. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report Internal Control over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based upon requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Ogler & Goodert, Chartered

Ottawa, Kansas
December 14, 2017

Unified School District Number 320, Wamego, Kansas

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2017

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statement audited was prepared in accordance with GAAP	<u>Adverse</u>
Type of report the auditor issued on whether the financial statement audited was prepared in accordance with regulatory basis	<u>Unmodified</u>
Internal control over financial reporting:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified not considered to be material weaknesses:	<u>None noted</u>
Noncompliance material to financial statements noted?	<u>No</u>

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	<u>No</u>
Significant deficiencies identified not considered to be material weaknesses:	<u>None noted</u>
Type of auditor's report issued on compliance for major programs:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal awards	<u>No</u>

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>	<u>Amount</u>
	Special education cluster (IDEA)	
84.027		\$ 604,262
84.027		1,707
84.173		23,121
		<u>\$ 629,090</u>

Dollar threshold used to distinguish between Type A and Type B programs	<u>750,000</u>
Auditee qualified as a low-risk auditee?	<u>No</u>