

UNIFIED SCHOOL DISTRICT NO. 471

DEXTER, KS

FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

Independent Auditors

Jarrett & Norton CPAs, LLC

1004 Main

Winfield, Kansas

UNIFIED SCHOOL DISTRICT NO. 471

Dexter, KS

FOR THE YEAR ENDED JUNE 30, 2019

BOARD OF DIRECTORS

Rich Helsel – President

Delbert Kemp – Vice President

Roy Henderson

Scott Wedman

Brian Stone

Jessie Bradley

Echo Vaden

ADMINISTRATION

K.B. Criss – Superintendent

Donna Lierz – Board Clerk

Bonnie Drake - Treasurer

UNIFIED SCHOOL DISTRICT NO. 471

Dexter, Kansas

FINANCIAL STATEMENT

FOR THE YEAR ENDED JUNE 30, 2019

TABLE OF CONTENTS

	<u>Page</u>
FINANCIAL SECTION	
Independent Auditor's Report	1
Statement - 1 Summary Statement of Receipts, Expenditures and Unencumbered Cash - Regulatory Basis	4
Notes to the Financial Statement	5
REGULATORY - REQUIRED SUPPLEMENTARY INFORMATION	
Schedule - 1 Summary Schedule of Expenditures - Actual and Budget - Regulatory Basis	12
Schedule - 2 Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis	
General Fund	13
Supplemental General Fund	14
Capital Outlay Fund	15
Driver Training Fund	16
Food Service Fund	17
Professional Development Fund	18
At Risk (K-12) Fund	19
Special Education Fund	20
KPERS Special Contribution Fund	21
Recreation Commission Fund	22
Vocational Education Fund	23
Contingency Reserve Fund	24
Textbook Rental Fund	25
Federal Grants Fund	26
Schedule - 3 Agency Funds Summary of Receipts and Disbursements - Regulatory Basis	27
Schedule - 4 District Activity Funds - Schedule of Receipts, Expenditures, and Unencumbered Cash - Regulatory Basis	28

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Unified School District No. 471
Dexter, Kansas

Report on the Financial Statement

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the Unified School District No. 471, Dexter, KS (the District), as of and for the year ended June 30, 2019 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the *Kansas Municipal Audit and Accounting Guide*. Those standards require that 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 District'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 District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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

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

As described in Note - 1 of the financial statement, the financial statement is prepared by the District to meet the requirements of the State of Kansas on the basis of 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 regulatory basis of accounting described in Note - 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District, as of June 30, 2019, 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 District, as of June 30, 2019, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note - 1.

Other Matters***Supplementary Information***

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

Prior Year Comparative Analysis

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the District as of and for the year ended June 30, 2018 (not presented herein), and have issued our report thereon dated August 16, 2018, which contained an unmodified opinion on the basic financial statement. The 2018 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link

<http://www.admin.ks.gov/offices/chief-financial-officer/municipal-services>. The 2018 actual column (2018 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget for the year ended June 30, 2019 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2018 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2018 basic financial statement. The 2018 comparative information was subjected to the auditing procedures applied in the audit of the 2018 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 2018 basic financial statement or to the 2018 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 2018 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended June 30, 2018, on the basis of accounting described in Note 1.



Jarrett & Norton CPAs, LLC

Winfield, KS

August 13, 2019

UNIFIED SCHOOL DISTRICT NO. 471
Dexter, Kansas
Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2019

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Funds:							
General	\$ 1,947	\$ -	\$ 1,738,248	\$ 1,740,195	\$ -	\$ 8,936	\$ 8,936
Supplemental General	17,800	-	540,088	546,756	11,132	16,131	27,263
Special Purpose Funds:							
Capital Outlay	210,790	-	238,701	107,655	341,836	-	341,836
Driver Training	6,877	-	4,244	3,706	7,415	-	7,415
Food Service	23,953	-	108,034	106,141	25,846	-	25,846
Professional Development	5,000	-	2,296	2,296	5,000	-	5,000
At Risk (K-12)	-	-	247,290	247,290	-	-	-
Special Education	75,000	-	321,932	273,946	122,986	-	122,986
KPERS Special Contribution	-	-	126,945	126,945	-	-	-
Recreation Commission	-	-	26,163	25,000	1,163	-	1,163
Contingency Reserve	40,000	-	-	-	40,000	-	40,000
Textbook Rental	9,052	-	6,001	-	15,053	-	15,053
Vocational Education	-	-	2,240	2,240	-	-	-
Federal Grants	1	-	67,073	67,074	-	375	375
District Fund Activities	4,762	-	46,031	45,342	5,451	-	5,451
Total Reporting Entity (Excluding Agency Funds)	\$ 395,182	\$ -	\$ 3,475,285	\$ 3,294,586	\$ 575,881	\$ 25,442	\$ 601,324

Composition of Cash:

Cash on Hand	\$ 100
Checking Account - Operating Account	122,679
Checking Account - Activity account	59,542
Money Market Account	445,296
Petty Cash Checking Account	1,400
Total Cash	629,017
Less: Agency Funds Per Schedule 3	(27,692)
Total Reporting Entity (Excluding Agency Funds)	\$ 601,324

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

UNIFIED SCHOOL DISTRICT NO. 471
Notes to the Financial Statement
For the Year Ended June 30, 2019

NOTE - 1 Summary of Significant Accounting Policies

A. Municipal Financial Reporting Entity

Unified School District No. 471 (the District), located in Dexter, Kansas, was created in about 1965, has an area within the District of approximately 213 square miles, and a full-time equivalency enrollment (FTE) of 166 students. The District is operated by a seven member Board, elected by the public at large within the District, and referred to as the Board of Education (the Board). This regulatory financial statement presents the District, a municipality.

Related Municipal Entity

This financial statement includes all funds and account groups relevant to the operations of the Unified School District No. 471, with the exception of the Dexter Recreation Commission.

The Dexter Recreation Commission has five members. Two members are appointed by the District Board, two members are appointed by the City of Dexter commission, and the last member is appointed by the four previously appointed members. The recreation commission oversees recreational activities. The recreation commission operates as a separate governing body, and the USD levies taxes for the recreation commission. The recreation commission has powers granted by statute, K.S.A. 12-1928. The recreation commission cannot purchase real property but can acquire real property by gift. The recreation commission does not issue separate financial statements. Questions related to the Dexter Recreation Commission may be answered by contacting the District at (620)-876-5415.

B. Regulatory Basis Fund Types

The following types of funds comprise the financial activities of the District for the year ended June 30, 2019:

- 1) General fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.
- 2) Special Purpose fund – used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.
- 3) Agency fund - funds used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, sales tax accounts, etc.).

C. Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

The *Kansas Municipal Accounting and Auditing Guide* (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis

UNIFIED SCHOOL DISTRICT NO. 471
Notes to the Financial Statement
For the Year Ended June 30, 2019

NOTE - 1 Summary of Significant Accounting Policies (continued)

receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

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

D. Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the General Fund, Special Purpose Funds (unless specifically exempted by statute), Bond and Interest Funds, and Business Funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

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

The statutes allow for the Board to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the Board may amend the budget at that time. There were no such budget amendments for this year.

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

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts 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 municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

UNIFIED SCHOOL DISTRICT NO. 471
Notes to the Financial Statement
For the Year Ended June 30, 2019

NOTE - 1 Summary of Significant Accounting Policies (continued)

A legal operating budget is not required for Trust and Agency Funds, and the following Special Purpose Funds: Contingency Reserve, Textbook Rental, Federal Grants, and District Fund Activities.

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

NOTE - 2 Deposits and Investments

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

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

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

Custodial credit risk – deposits - Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at June 30, 2019.

At June 30, 2019, the District's carrying amount of deposits was \$628,917 and the bank balance was \$696,626. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$250,000 was covered by federal depository insurance, and \$446,626 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

NOTE - 3 In-Substance Receipt in Transit

The District received \$122,219 subsequent to June 30, 2019 and as required by K.S.A 72-6417 and 72-6434, the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2019.

UNIFIED SCHOOL DISTRICT NO. 471
Notes to the Financial Statement
For the Year Ended June 30, 2019

NOTE - 4 Related Party Transaction

The District is the taxing authority for the Dexter Recreation Commission. During the current fiscal year, the District levied a total tax of 3.00 mills for the Dexter Recreation Commission Fund, which in turn is appropriated to the Dexter Recreation Commission for its operations. In the current year, the District distributed \$25,000 to the Dexter Recreation Commission.

NOTE - 5 Other Long-Term Obligations from Operations

A. Compensated Absences

Vacation and sick leave – The personal policies of the District provide for no accumulation of unused vacation days. Upon retirement of certified personnel and full-time employees with a minimum of 10 years with the District, the District will pay all unused accumulated sick leave at a rate equal to that of a substitute's daily pay of \$80 per day up to 70 days. Upon retirement of classified personnel and full-time employees with a minimum of 10 years with the District, the District will pay all unused accumulated sick leave at a rate equal to that of \$30 per day up to 70 days.

The sick leave accumulation for classified personnel is \$630 on June 30, 2019 and \$5,600 for certified personnel, which is a contingent liability to the District. This balance at June 30, 2018 was \$750 for classified personnel and \$5,600 for certified personnel.

B. Death & Disability Other Post-Employment Benefits

As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERs) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERs that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended June 30, 2019.

NOTE - 6 Long-Term Debt

Changes in long-term liabilities for the District for the year ended June 30, 2019 were as follows:

Issue	Interest Rates	Date of Issue	Amount of issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
Certificates of participation									
Qualified Zone Academy Bonds (QZAB) [a]	5.21%	6/30/10	\$233,333	6/30/20	\$43,333	\$ -	\$20,000	\$23,333	\$2,258
Total certificates of participation					43,333	-	20,000	23,333	2,258
Lease purchase									
Skid Steer	3.95%	5/16/19	41,500	5/16/22	-	41,500	-	41,500	-
RICHO Copier	0.00%	3/14/17	17,550	3/13/20	9,544	-	4,346	5,198	1,017
Transit/Playground/Laptop	2.15%	8/9/17	113,510	6/30/22	89,078	-	26,514	62,564	1,942
Total lease purchases					98,622	41,500	30,860	109,262	2,959
Total contractual indebtedness					\$141,955	\$41,500	\$50,860	\$132,595	\$5,217

[a] The QZAB certificates of participation carry an interest rate of 5.21%. The federal government refunds a percent of the interest to the District semiannually. Net interest paid for the current fiscal year amounted to \$0, the total interest paid out of \$2,258, less the refunded amount of \$2,258.

UNIFIED SCHOOL DISTRICT NO. 471
Notes to the Financial Statement
For the Year Ended June 30, 2019

NOTE 6 - Long-Term Debt (continued)

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

For the Period Ending June 30				
Issue	Year			Total
	2020	2021	2022	
Principal				
Certificates of Participation				
QZAB	\$ 23,333	\$ -	\$ -	\$ 23,333
Capital Leases Payable				
Capital lease - RICOH	5,198	-	-	5,198
Skid Steer	13,301	13,826	14,373	41,500
Transit/Playground/Laptop	25,257	25,822	11,486	62,564
Total Principal	67,089	39,648	25,858	132,595
Interest				
Certificates of Participation				
QZAB [b]	1,216	-	-	1,216
Capital Leases Payable				
Capital lease - RICOH	652	-	-	652
Skid Steer	1,639	1,114	568	3,321
Transit/Playground/Laptop	1,407	854	-	2,261
Total Interest	4,914	1,968	568	7,450
Total principal & interest	\$ 72,003	\$ 41,616	\$ 26,426	\$ 140,045

[b] The QZAB interest amounts reflected are total interest due on the bonds, and do not reflect any anticipated federal reimbursements.

NOTE - 7 Inter-fund Transfers

Operating transfers were as follows:

From	To	Regulatory Authority	Amount
General	At-Risk (K-12)	K.S.A 72-6428	197,481
General	Capital outlay	K.S.A 72-6428	100,000
General	Special education	K.S.A 72-6428	321,932
General	Food service	K.S.A 72-6428	2,100
General	Professional development	K.S.A 72-6428	2,296
Supp. General	At-Risk (K-12)	K.S.A 72-6428	49,809
Total transfers			<u>\$ 673,618</u>

UNIFIED SCHOOL DISTRICT NO. 471
Notes to the Financial Statement
For the Year Ended June 30, 2019

NOTE - 8 Defined Benefit Pension Plan

General Information about the Pension Plan

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

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

State law provides that the employer contribution rates for KPERS 1, KPERS 2, and KPERS 3 be determined based upon 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 and the statutory contribution rate (not including the 1% contribution rate for the Death and Disability Program) was 16.38% and 12.01%, respectively, for the fiscal year ended June 30, 2018. The actuarially determined employer contribution rate and the statutory contribution rate was 14.59% and 13.21% for the fiscal year ended June 30, 2019.

Per 2017 Senate Substitute for House Bill 2052, Section 37(a), state general fund employer contributions to KPERS were decreased by \$64,130,234 for the fiscal year ended June 30, 2017. Section 43(17) of the bill also stipulated that repayments of the reduced contributions are to be amortized over twenty years at a level dollar amount commencing in fiscal year 2018. The level dollar amount was computed to be \$6.4 million dollars per year. The first year payment of \$6.4 million was received in July 2017.

Per 2017 Senate Substitute for House Bill 2002, Section 51(a), state general fund employer contributions to KPERS were decreased by \$194,022,683 for the fiscal year ended June 30, 2019. Section 56(19) of the bill also stipulates that repayments of the reduced contributions are to be amortized over twenty years at a level dollar amount commencing in fiscal year 2020. The level dollar amount was computed to be \$19.4 million per year.

The State of Kansas is required to contribute to the statutory required employer's share except for retired district employees. The District is responsible for the employer's portion of the cost for retired district employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled \$73,171 for the year ended June 30, 2019.

UNIFIED SCHOOL DISTRICT NO. 471
Notes to the Financial Statement
For the Year Ended June 30, 2019

NOTE - 8 Defined Benefit Pension Plan (continued)

Net Pension Liability

At June 30, 2019, the District's proportionate share of the collective net pension liability reported by KPERS was \$1,555,917. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018. 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, 2018. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

NOTE - 9 Claims and Judgments

The District participates in federal, state, and local programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grant government. As of the date of this report, District management believes that any disallowed expenditures based on any future audits will not have a material effect on the overall financial position of the District.

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The District has purchased commercial insurance for these potential risks.

NOTE - 10 Subsequent Events

District management has evaluated the effects on the financial statements of subsequent events occurring through the date of this report August 13, 2019, which is the date at which the financial statement was available to be issued, and there were no material events requiring recognition or disclosure.

**REGULATORY – REQUIRED
SUPPLEMENTARY INFORMATION**

UNIFIED SCHOOL DISTRICT NO. 471

Dexter, Kansas

Summary Schedule of Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2019

Funds	Certified Budget	Adjustment to Comply With Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
General funds:						
General	\$ 1,745,185	\$ (40,450)	\$ 35,461	\$ 1,740,196	\$ 1,740,195	\$ (1)
Supplemental general	547,969	(1,213)	-	546,756	546,756	-
Special purpose funds:						
Capital Outlay	257,000	-	-	257,000	107,655	(149,345)
Driver Training	11,118	-	1,615	12,733	3,706	(9,027)
Food Service	107,304	-	-	107,304	106,141	(1,163)
Professional Development	5,000	-	-	5,000	2,296	(2,704)
At Risk (K-12)	247,290	-	-	247,290	247,290	-
Special Education	291,000	-	-	291,000	273,946	(17,054)
KPERS Special Contribution	186,571	-	-	186,571	126,945	(59,626)
Recreation Commission	25,000	-	-	25,000	25,000	-
Vocational Education	2,664	-	-	2,664	2,240	(424)
Totals	\$ 3,426,101	\$ (41,663)	\$ 37,076	\$ 3,421,514	\$ 3,182,170	\$ (239,344)

UNIFIED SCHOOL DISTRICT NO. 471

Dexter, Kansas

General Fund

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

For the Year Ended June 30, 2019

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Mineral taxes	\$ 2,312	\$ 3,939	\$ 1,500	\$ 2,439
State aid				
General state aid	1,290,237	1,502,157	1,490,701	11,456
Special education state aid	152,760	196,691	216,000	(19,309)
Reimbursements	43,370	35,461	-	35,461
Total receipts	1,488,679	1,738,248	1,708,201	30,046
Expenditures				
Instruction	\$ 357,115	\$ 489,477	\$ 535,397	\$ (45,921)
Student support	10,356	9,283	2,100	7,183
Instructional staff support	228	84	500	(416)
General administration	265,155	315,223	301,580	13,643
Operations and maintenance	184,960	206,206	190,732	15,474
Student transportation	87,665	86,938	104,095	(17,157)
Other supplemental services	12,830	9,175	1,000	8,175
Operating transfers				
Transfer to capital outlay	91,696	100,000	100,000	-
Transfer to at-risk	239,402	197,481	203,781	(6,300)
Transfer to food service	5,132	2,100	15,000	(12,900)
Transfer to professional development	710	2,296	-	2,296
Transfer to special education	231,425	321,932	291,000	30,932
Transfer to vocational	57	-	-	-
Adjust to comply with legal max	-	-	(40,450)	40,450
Legal general fund expenditures	1,486,732	1,740,195	1,704,735	35,460
Adjustment for qualifying budget credits	-	-	35,461	(35,461)
Total expenditures	\$ 1,486,732	\$ 1,740,195	\$ 1,740,196	\$ (1)
Receipts over (under) expenditures	1,947	(1,947)		\$ 30,047
Unencumbered cash beginning	-	1,947		
Unencumbered cash ending	\$ 1,947	\$ -		

UNIFIED SCHOOL DISTRICT NO. 471

Dexter, Kansas

Supplemental General Fund

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

For the Year Ended June 30, 2019

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

	Prior Year Actual	Current Year		Variance Over Under
		Actual	Budget	(Under)
Receipts				
Ad valorem taxes	\$ 174,605	\$ 199,519	\$ 4,146	\$ 195,373
Delinquent taxes	3,054	4,560	2,743	1,817
Motor vehicle taxes	19,544	17,263	17,163	100
RV taxes	268	371	241	130
State aid	282,588	317,283	317,986	(703)
Miscellaneous Reimbursements	185	1,092	-	1,092
Total receipts	480,243	540,088	\$ 342,279	\$ 197,809
Expenditures				
Instruction	479,313	496,947	504,460	(7,513)
Operating transfers				
Transfer to at-risk	-	49,809	43,509	6,300
Adjust to comply with legal max	-	-	(1,213)	1,213
Total expenditures	479,313	546,756	\$ 546,756	\$ -
Receipts over (under) expenditures	930	(6,668)		\$ 197,809
Unencumbered cash beginning	16,870	17,800		
Unencumbered cash ending	\$ 17,800	\$ 11,132		

UNIFIED SCHOOL DISTRICT NO. 471

Dexter, Kansas

Capital Outlay Fund

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

For the Year Ended June 30, 2019

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Ad valorem taxes	63,681	65,184	64,580	\$ 604
Delinquent taxes	831	1,378	1,001	377
Motor vehicle taxes	4,159	5,866	5,831	35
RV taxes	57	126	82	44
State Aid	33,341	35,349	35,345	4
Interest	584	1,148	600	548
Miscellaneous	14,557	27,532	12,000	15,532
QZAB interest reimbursement	3,325	2,118	-	2,118
Operating transfer				
Transfer from general	91,696	100,000	100,000	-
Total receipts	212,231	238,701	\$ 219,439	\$ 19,262
Expenditures				
Capital lease payments	26,635	-	32,000	(32,000)
QZAB Cert of Participation payments	29,870	23,239	-	23,239
Equipment	128,680	63,448	165,000	(101,552)
Bond Election Services	-	6,943	-	6,943
Building services	46,468	14,025	60,000	(45,975)
Total expenditures	231,653	107,655	\$ 257,000	\$ (149,345)
Receipts over (under) expenditures	(19,422)	131,046		\$ 168,607
Unencumbered cash beginning	230,212	210,790		
Unencumbered cash ending	\$ 210,790	\$ 341,836		

UNIFIED SCHOOL DISTRICT NO. 471

Dexter, Kansas

Driver Training Fund

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

For the Year Ended June 30, 2019

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
State aid	\$ 1,920	\$ 1,029	\$ 1,040	\$ (11)
Student fees	876	1,600	-	1,600
Miscellaneous	2,394	1,615	3,200	(1,585)
Total receipts	5,190	4,244	\$ 4,240	\$ 4
Expenditures				
Instruction	3,757	3,706	11,118	(7,412)
Legal general fund expenditures	3,757	3,706	11,118	(7,412)
Adjustment for qualifying budget credits	-	-	1,615	(1,615)
Total expenditures	3,757	3,706	\$ 12,733	\$ (9,027)
Receipts over (under) expenditures	1,433	538		\$ 7,416
Unencumbered cash beginning	5,444	6,877		
Unencumbered cash ending	\$ 6,877	\$ 7,415		

UNIFIED SCHOOL DISTRICT NO. 471

Dexter, Kansas

Food Service Fund

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

For the Year Ended June 30, 2019

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

	Prior Year Actual	Current Year		Variance Over Under
		Actual	Budget	(Under)
Receipts				
Federal aid	\$ 60,362	\$ 65,864	\$ 56,660	\$ 9,204
State aid	949	1,075	760	315
Lunch and breakfast sales	33,342	37,901	31,484	6,417
Miscellaneous	138	1,094	-	1,094
Operating transfer				
Transfer from general	5,132	2,100	15,000	(12,900)
Total receipts	99,923	108,034	\$ 103,904	\$ 4,130
Expenditures				
Food service operations	95,811	106,141	107,304	(1,163)
Total expenditures	95,811	106,141	\$ 107,304	\$ (1,163)
Receipts over (under) expenditures	4,112	1,893		\$ 5,293
Unencumbered cash beginning	19,841	23,953		
Unencumbered cash ending	\$ 23,953	\$ 25,846		

UNIFIED SCHOOL DISTRICT NO. 471

Dexter, Kansas

Professional Development Fund

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

For the Year Ended June 30, 2019

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Operating transfer				
Transfer from general	\$ 710	\$ 2,296	\$ 625	\$ 1,671
Total receipts	710	2,296	\$ 625	\$ 1,671
Expenditures				
Instructional support services	710	2,296	5,000	(2,704)
Total expenditures	710	2,296	\$ 5,000	\$ (2,704)
Receipts over (under) expenditures	-	-		\$ 4,375
Unencumbered cash beginning	5,000	5,000		
Unencumbered cash ending	\$ 5,000	\$ 5,000		

UNIFIED SCHOOL DISTRICT NO. 471

Dexter, Kansas

At Risk (K-12) Fund

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

For the Year Ended June 30, 2019

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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Operating transfer				
Transfer from general	\$ 239,402	\$ 197,481	\$ 203,781	\$ (6,300)
Transfer from supp. General	-	49,809	43,509	6,300
Total receipts	239,402	247,290	\$ 247,290	\$ -
Expenditures				
Instruction	239,402	247,290	247,290	-
Total expenditures	239,402	247,290	\$ 247,290	\$ -
Receipts over (under) expenditures	-	-		\$ -
Unencumbered cash beginning	-	-		
Unencumbered cash ending	\$ -	\$ -		

UNIFIED SCHOOL DISTRICT NO. 471

Dexter, Kansas

Special Education Fund

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

For the Year Ended June 30, 2019

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Operating transfers				
Transfer from general	231,425	321,932	291,000	30,932
Total receipts	231,425	321,932	\$ 291,000	\$ 30,932
Expenditures				
Transportation	5,297	15,351	15,030	321
Payments to Cooperative-Assessments	56,709	69,570	69,570	-
Payments to Cooperative-Flowthrough	144,419	189,025	206,400	(17,375)
Total expenditures	206,425	273,946	\$ 291,000	\$ (17,054)
Receipts over (under) expenditures	25,000	47,986		\$ 47,986
Unencumbered cash beginning	50,000	75,000		
Unencumbered cash ending	\$ 75,000	\$ 122,986		

UNIFIED SCHOOL DISTRICT NO. 471

Dexter, Kansas

KPERS Special Contribution Fund

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

For the Year Ended June 30, 2019

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

	Prior Year Actual	Current Year		Variance Over Under
		Actual	Budget	(Under)
Receipts				
KPERS special contribution	\$ 139,911	\$ 126,945	\$ 186,571	\$ (59,626)
Total receipts	139,911	126,945	\$ 186,571	\$ (59,626)
Expenditures				
Instruction	104,933	94,821	136,929	(42,108)
General administration	19,588	17,772	26,784	(9,012)
Food service operations	2,798	2,539	4,354	(1,815)
Operations and maintenance	9,794	8,886	13,217	(4,331)
Transportation	2,798	2,927	5,287	(2,360)
Total expenditures	139,911	126,945	\$ 186,571	\$ (59,626)
Receipts over (under) expenditures	-	-		\$ -
Unencumbered cash beginning	-	-		
Unencumbered cash ending	\$ -	\$ -		

UNIFIED SCHOOL DISTRICT NO. 471

Dexter, Kansas

Recreation Commission Fund

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

For the Year Ended June 30, 2019

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

	Prior Year Actual	Current Year		Variance Over Over (Under)
		Actual	Budget	
Receipts				
Ad valorem taxes	\$ 15,921	\$ 24,257	\$ 24,026	\$ 231
Delinquent taxes	251	407	250	157
Motor vehicle taxes	1,487	1,468	1,473	(5)
RV taxes	20	31	21	10
Total receipts	17,679	26,163	\$ 25,770	\$ 394
Expenditures				
Recreation commission	19,301	25,000	25,000	-
Total expenditures	19,301	25,000	\$ 25,000	\$ -
Receipts over (under) expenditures	(1,622)	1,163		\$ 394
Unencumbered cash beginning	1,622	-		
Unencumbered cash ending	\$ -	\$ 1,163		

UNIFIED SCHOOL DISTRICT NO. 471

Dexter, Kansas

Vocational Education Fund

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

For the Year Ended June 30, 2019

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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Miscellaneous receipts	\$ 2,607	\$ 2,240	\$ 2,664	\$ (424)
Operating Transfer				
Transfer from general	57	-	-	-
Total receipts	<u>2,664</u>	<u>2,240</u>	<u>\$ 2,664</u>	<u>\$ (424)</u>
Expenditures				
Instructional support services	2,664	2,240	2,664	(424)
Total expenditures	<u>2,664</u>	<u>2,240</u>	<u>\$ 2,664</u>	<u>\$ (424)</u>
Receipts over (under) expenditures	-	-		<u>\$ -</u>
Unencumbered cash beginning	-	-		
Unencumbered cash ending	<u>\$ -</u>	<u>\$ -</u>		

UNIFIED SCHOOL DISTRICT NO. 471

Dexter, Kansas

Contingency Reserve Fund

Schedule of Receipts and Expenditures - Actual - Regulatory Basis

For the Year Ended June 30, 2019

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

	Prior Year Actual	Actual
Receipts		
Operating transfer		
Transfer from general	\$ -	\$ -
Total receipts	-	-
Expenditures		
Operating transfer		
Transfer to supplemental general	-	-
Transfer to special education	-	-
Total expenditures	-	-
Receipts over (under) expenditures	-	-
Unencumbered cash beginning	40,000	40,000
Unencumbered cash ending	\$ 40,000	\$ 40,000

UNIFIED SCHOOL DISTRICT NO. 471

Dexter, Kansas

Textbook Rental Fund

Schedule of Receipts and Expenditures - Actual - Regulatory Basis

For the Year Ended June 30, 2019

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

	Prior Year Actual	Actual
Receipts		
Rental fees	\$ 5,675	\$ 6,001
Total receipts	5,675	6,001
Expenditures		
Textbooks	10,042	-
Total expenditures	10,042	-
Receipts over (under) expenditures	(4,367)	6,001
Unencumbered cash beginning	13,419	9,052
Unencumbered cash ending	\$ 9,052	\$ 15,053

UNIFIED SCHOOL DISTRICT NO. 471

Dexter, Kansas

Federal Grants Fund

Schedule of Receipts and Expenditures - Actual - Regulatory Basis

For the Year Ended June 30, 2019

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

	Prior Year Actual	Actual
Receipts		
Federal aid - Title I	\$ 21,816	\$ 25,676
Federal aid - Title II-A	3,925	4,094
REAP - Rural Education Achievement Program	15,876	26,382
Federal aid - Title IV-A	648	10,921
Total receipts	\$ 42,265	\$ 67,073
Expenditures		
Title I - teacher salaries and benefits	21,816	25,676
Title II-A - professional and teacher services	3,925	4,094
REAP - supplies	16,100	26,383
Title IV-A - teacher salaries and benefits	648	10,921
Total expenditures	42,489	67,074
Receipts over (under) expenditures	(224)	(1)
Unencumbered cash beginning	225	1
Unencumbered cash ending	\$ 1	\$ -

UNIFIED SCHOOL DISTRICT NO. 471

Dexter, Kansas

Agency Funds

Summary of Receipts and Disbursements - Regulatory Basis
For the Year Ended June 30, 2019

	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Student Activity Funds				
JH cheerleaders	\$ 616	\$ 266	\$ 515	\$ 367
HS cheerleaders	37	-	-	37
Dance	150	-	150	-
Seniors - graduation announcements	-	4	-	4
Class of 2018	150	-	150	-
Class of 2019 - Seniors	2,976	-	2,098	878
Class of 2020 - Juniors	6,732	3,844	5,102	5,475
Class of 2021 - Sophomores	1,719	4,962	1,715	4,966
Class of 2022 - Freshmen	514	4,982	3,196	2,301
Class of 2023 - 8th Grade	1,091	856	389	1,558
Class of 2024 - 7th Grade	975	667	50	1,592
Student Activities	-	1,587	-	1,587
After Prom	-	7,600	7,414	186
Band	9,883	19,985	25,897	3,971
Drug-free Dexter	913	-	513	400
FCA	34	-	34	-
Forensics	274	-	274	-
Choir	693	130	-	823
National honor society	945	1,137	903	1,179
Student council	106	3,181	2,581	706
Staff	1,169	1,476	1,252	1,394
RevTrak Fees	-	459	465	(6)
FACS	887	-	887	-
FCCLA	496	-	496	-
Community Based Instruction Class	-	4,745	4,470	274
Total Student Activity Funds	\$ 30,362	\$ 55,881	\$ 58,551	\$ 27,692
 Sales Tax	 \$ -	 \$ 2,144	 \$ 2,144	 \$ -
 Total Agency Funds	 \$ 30,362	 \$ 58,025	 \$ 60,695	 \$ 27,692

UNIFIED SCHOOL DISTRICT NO. 471

Dexter, Kansas

District Activity Funds

Schedule of Receipts, Expenditures and Unencumbered Cash - Regulatory Basis
For the Year Ended June 30, 2019

	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Gate Receipts						
Athletics	\$ -	\$ 21,043	\$ 21,043	\$ -	\$ -	\$ -
High school girls basketball	417	-	-	417	-	417
High school boys basketball	-	2,165	1,408	757	-	757
Volleyball	491	6,127	5,865	753	-	753
Track	136	218	257	97	-	97
Concessions	440	12,483	12,507	415	-	415
Reading recovery	7	-	-	7	-	7
Box Tops-Elementary	1,210	115	-	1,325	-	1,325
Incentive Trip	-	1,600	1,600	-	-	-
Total program receipts	2,700	43,751	42,680	3,771	-	3,771
School Projects						
Yearbook	456	2,280	2,662	74	-	74
Drug & violence prevention	1,605	-	-	1,605	-	1,605
Total school projects	2,062	2,280	2,662	1,679	-	1,679
Total District Activity Funds	\$ 4,762	\$ 46,031	\$ 45,342	\$ 5,451	\$ -	\$ 5,451