

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

FINANCIAL STATEMENT
WITH
REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

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WITH
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Independent Auditor's Report

To the Board of Education
Unified School District No. 458
Basehor, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 458, Basehor, Kansas, as of and for the year ended June 30, 2018 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 2; 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 the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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

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

As described in Note 2 of the financial statement, the financial statement is prepared by Unified School District No. 458 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 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District No. 458, as of June 30, 2018 or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of Unified School District No. 458, as of June 30, 2018, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 2.

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, summary of receipts and disbursements - agency funds, and schedule of receipts, expenditures, and unencumbered cash - district activity funds (Schedules 1, 2, 3, and 4 as listed in the table of contents) are presented for purposes of additional 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 schedule of expenditures of federal awards (Schedule 5 as listed in the table of contents) as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 2.

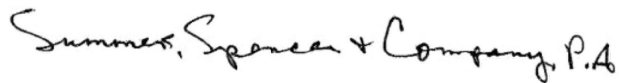
The 2017 actual column presented in the individual fund schedules of regulatory basis receipts and expenditures - actual and budget (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement.

Unified School District No. 458’s basic financial statement for the year ended June 30, 2017 (not presented herein), was audited by Clubine & Rettele, Chartered who merged with Summers, Spencer & Company, P.A. as of November 1, 2017, and whose report dated September 27, 2017, expressed an unmodified opinion on the basic financial statement. The June 30, 2017 basic financial statement and the other auditor’s report 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 report of the other auditors dated September 27, 2017, stated that the individual fund schedules of regulatory basis receipts and expenditures - actual and budget, for the year ended June 30, 2017 was subjected to the auditing procedures applied in the audit of the 2017 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 2017 basic financial statement or to the 2017 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and in their opinion, was fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended June 30, 2017, on the basis of accounting described in Note 2.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2018 on our consideration of Unified School District No. 458'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 controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Unified School District No. 458's 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 Unified School District No. 458's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Summers, Spencer & Company, P.A." in a cursive script.

Summers, Spencer & Company, P.A.
Topeka, Kansas
December 4, 2018

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

Statement 1

Summary Statement of Receipts, Expenditures, and Unencumbered Cash (Regulatory Basis)
For the Year Ended June 30, 2018

Fund	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
General Funds							
General	\$ -	\$ -	\$ 14,783,530	\$ 14,783,530	\$ -	\$ 21,229	\$ 21,229
Supplemental General	115,667	-	4,439,287	4,448,570	106,384	16,844	123,228
Special Purpose Funds							
At Risk	-	-	706,709	706,709	-	-	-
Bilingual Education	-	-	43,400	43,360	40	-	40
Virtual Education	499	-	597,174	595,037	2,636	380	3,016
Capital Outlay	1,485,020	-	1,599,855	1,518,648	1,566,227	114,425	1,680,652
Driver Training	-	-	-	-	-	-	-
Food Service	179,042	-	933,296	908,296	204,042	-	204,042
Professional Development	47,089	-	92,968	54,589	85,468	240	85,708
Parent Education	12,554	-	70,596	67,675	15,475	-	15,475
Special Education	450,221	-	3,388,852	3,291,912	547,161	6,800	553,961
Special Education Cooperative	290,975	-	6,146,335	6,393,437	43,873	15,177	59,050
Vocational Education	25,219	-	613,088	610,378	27,929	1,000	28,929
KPERS Special Retirement	-	-	1,710,436	1,710,436	-	-	-
Contingency Reserve	799,998	-	-	-	799,998	-	799,998
Student Material Revolving	123,606	-	279,273	285,371	117,508	134,713	252,221
Title I	-	-	115,697	115,697	-	-	-
Title II-A	-	-	35,457	35,457	-	-	-
District Activity Funds	111,658	-	788,910	750,256	150,312	-	150,312
Bond and Interest Funds							
Bond and Interest	4,277,068	-	5,874,668	5,563,490	4,588,246	-	4,588,246
Special Assessment	18,245	-	19,660	19,619	18,286	-	18,286
Capital Project Fund							
Bond Construction	988,609	158,429	4,038	1,077,747	73,329	705,333	778,662
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 8,925,470</u>	<u>\$ 158,429</u>	<u>\$ 42,243,229</u>	<u>\$ 42,980,214</u>	<u>\$ 8,346,914</u>	<u>\$ 1,016,141</u>	<u>\$ 9,363,055</u>
Composition of Cash:					Checking and Saving Accounts		\$ 9,539,902
					Agency Funds per Schedule 3		(176,847)
					Total Reporting Entity (Excluding Agency Funds)		<u>\$ 9,363,055</u>

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

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

NOTES TO THE FINANCIAL STATEMENT
For the Year Ended June 30, 2018

Note 1 – Reporting Entity

Unified School District No. 458 (the District) is a municipal corporation governed by a citizen elected seven-member Board of Education.

Note 2 – Summary of Significant Account Policies

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

The District 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 regulatory basis of accounting.

Fund Descriptions. The following types of funds comprise the financial activities of the District for the year ended June 30, 2018:

General Fund - The chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Fund - Used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Projects and tax levies for long-term debt) that are intended for a specified purpose.

Bond and Interest Fund – Used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of 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.

Agency Fund – Used to report assets held by the municipality in a purely custodial capacity.

Note 3 – 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 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 a least ten days after publication of notice of hearing.

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

NOTES TO THE FINANCIAL STATEMENT
For the Year Ended June 30, 2018

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 were no 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 statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which 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 capital project funds and the following special purpose funds:

Contingency Reserve Fund	Title I Fund	Student Material Revolving Fund
District Activity Funds	Title II-A Fund	

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

Note 4 – 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 deposits with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District invested proceeds of the Refunding and Improvement Series 2015 Bonds in the investments above pursuant to K.S.A. 10-131 which allows additional investment authority of bond proceeds. The District has no investment policy that would further limit its investment choices. The rating of the District's investment is noted above.

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

UNIFIED SCHOOL DISTRICT NO. 458
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NOTES TO THE FINANCIAL STATEMENT
For the Year Ended June 30, 2018

custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas District, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District has not designated a "peak period." All deposits were legally secured at June 30, 2018.

Deposits. At June 30, 2018, the District's carrying amount of deposits was \$9,539,902 and the bank balance was \$10,796,582. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$500,000 was covered by federal depository insurance and the remaining \$10,296,582 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

Note 5 – In-Substance Receipt in Transit

The District received \$1,098,622 subsequent to June 30, 2018, and as required by K.S.A. 72-6417 and 72-6434, the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2018. Of this receipt, \$903,286 was for General Fund State Aid and \$195,336 for Supplemental General Fund State Aid.

Note 6 – Inter Fund Transfers

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General Fund	At Risk Fund	K.S.A. 72-6428	\$ 706,709
General Fund	Special Education Fund	K.S.A. 72-6428	2,076,121
General Fund	Food Service Fund	K.S.A. 72-6428	1,574
General Fund	Bilingual Education Fund	K.S.A. 72-6428	38,000
General Fund	Vocational Education Fund	K.S.A. 72-6428	588,000
General Fund	Professional Development Fund	K.S.A. 72-6428	83,143
General Fund	Student Material Revolving Fund	K.S.A. 72-6428	200,000
Supplemental General Fund	Parent Education Fund	K.S.A. 72-6433	30,000
Supplemental General Fund	Special Education Fund	K.S.A. 72-6433	1,300,000
Supplemental General Fund	Vocational Education Fund	K.S.A. 72-6433	25,000
Supplemental General Fund	Virtual Education Fund	K.S.A. 72-6433	597,174
Supplemental General Fund	Professional Development Fund	K.S.A. 72-6433	26
Supplemental General Fund	Bilingual Education Fund	K.S.A. 72-6433	5,400

Note 7 – 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 S. 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

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NOTES TO THE FINANCIAL STATEMENT
For the Year Ended June 30, 2018

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 on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate with a 0% moratorium from the period of January 1, 2017 through September 30, 2017 for Death and Disability Program) and statutory contribution rate was 8.46% for the fiscal year ended June 30, 2018. Per 2016 House Substitute for Senate Bill 161, Section 98 (a)(1), state general fund and expanded lottery act revenue funds for employer contributions to KPERS were deferred. The amount deferred for school contributions was \$92,917,091.

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled \$1,710,436 for the year ended June 30, 2018.

Net Pension Liability. At June 30, 2018, the District's proportionate share of the net pension liability reported by KPERS was \$19,229,015. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016, which was rolled forward to June 30, 2017. 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 Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

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

Note 8 – Compensated Absences

The District provides sick leave for certified and classified personnel. Certified employees earn sick leave at the rate of ten days of leave each school year, or eleven days each year after five years of service with the District. Once a professional employee has accrued 90 sick days, they may opt to sell back any of their unused leave at \$50 per day, for up to 11 days. Classified employee earn sick leave at the rate of one day per month. After five years of continual service, the employee will receive one additional day.

Vacation leave is provided to classified employees with 12 month contracts based on years of continual employment, up to a maximum accumulation of 40 days. Leave is earned at the following rates:

Years of Service	Vacation Days Earned Per Year
0-5 Years	10 days
6 Years	11 days
7 Years	12 days
8 Years	13 days
9 Years	14 days
10 Years and Over	15 days

UNIFIED SCHOOL DISTRICT NO. 458
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NOTES TO THE FINANCIAL STATEMENT
For the Year Ended June 30, 2018

Note 9 – Termination Benefits

The Board of Education implemented and has since terminated an early retirement program. Certain employee who were employed by the District during the period when retirement benefits were provided and are still employed by the District may still receive retirement benefits of the program through the year 2022. Early retirement benefits paid during the year ended June 30, 2018 were \$57,151. Annuity payments were also provided under the District's former retirement program in the amount of \$71,252 for the year ended June 30, 2018. All employees eligible for the benefits are required to have provided 15 years of service to the District and qualify for KPERS retirement benefits.

If certified employees are eligible for KPERS retirement and leave employment of the District, they will be entitled to compensation for accumulated sick leave at the rate of \$100 per day, up to a maximum of 120 days. Classified employees will receive payment, for up to 45 days of the 90 day maximum accumulated sick leave upon retirement from the District, at their regular daily rate of pay. The employee must have a minimum of 15 years of accumulated employment with the District, and qualify for KPERS retirement. The District paid \$20,030 in accumulated sick leave upon retirement for the year ended June 30, 2018.

Note 10 – Capital Projects

Capital project authorizations with approved change orders compared with cash disbursements and accounts payable since inception are as follows:

	Expenditures to Date	Project Authorization
2015 Bond Construction Projects, including:	\$ 17,715,541	\$ 17,773,012
Storm Shelter at Basehor Elementary		
Access Control Doors and Security Cameras		
Career and Technical Education Addition to Basehor-Linwood High School		
Network Hardware, Wireless Access, and Centralized Phone System		
Renovation to Driveway, Parking, and Sidewalks		

Note 11 – Special Education Cooperative

The District entered into a cooperative agreement with Unified School District No. 464 Tonganoxie to provide special education services. The cooperative was formed pursuant to K.S.A. 72-968 *et. seq.* and Unified School District No. 458 is the sponsoring district.

The sponsoring district applies for all federal aid and each participating district applies for state aid for special education services. Each district is financially responsible for the salary and wages of their own employees associated with special education services and both districts share in the administrative and overhead costs agreed upon from the approved budget.

Note 12 – Prior year Defeasance of Debt

In prior years, certain general obligation bonds were defeased by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payment on the old bonds. Accordingly, the liability for the defeased bonds and the trust account assets are not included on the financial statement, related notes, or required supplementary information.

UNIFIED SCHOOL DISTRICT NO. 458
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NOTES TO THE FINANCIAL STATEMENT
For the Year Ended June 30, 2018

Note 13 – Subsequent Events

The District's management has evaluated events and transactions occurring after June 30, 2018 through December 4, 2018. The aforementioned date represents the date the financial statement was available to be issued.

UNIFIED SCHOOL DISTRICT NO. 458
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NOTES TO THE FINANCIAL STATEMENT
For the Year Ended June 30, 2018

Note 14 – Long-Term Debt

Changes in long-term liabilities for the municipality for the fiscal year ended June 30, 2018, 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
General Obligation Bonds									
Series 2007	4.25 to 5.00%	3/1/2008	\$ 15,000,000.00	9/1/2028	\$ 920,000	\$ -	\$ 410,000	\$ 510,000	\$ 227,610
Series 2008A	3.75 to 5.10%	11/1/2008	10,000,000.00	9/1/2019	625,000	-	275,000	350,000	40,509
Series 2009A	2.50 to 5.25%	2/25/2009	10,000,000.00	9/1/2024	1,590,000	-	350,000	1,240,000	127,431
Series 2009C	3.00 to 5.00%	12/23/2009	4,900,000.00	9/1/2026	755,000	-	245,000	510,000	112,775
Series 2012	2.00 to 3.50%	12/20/2012	9,250,000.00	9/1/2029	8,750,000	-	115,000	8,635,000	259,650
Series 2013	2.00 to 3.50%	3/21/2013	9,995,000.00	9/1/2030	9,550,000	-	130,000	9,420,000	288,350
Series 2014	2.00 to 3.50%	6/19/2014	9,745,000.00	9/1/2027	9,435,000	-	85,000	9,350,000	300,000
Series 2015	2.00 to 5.00%	6/4/2015	19,615,000.00	9/1/1930	17,870,000	-	1,870,000	16,000,000	756,400
Series 2016A	2.00 to 4.00%	1/6/2016	4,355,000.00	9/1/2028	4,305,000	-	-	4,305,000	166,200
Series 2016B	2.00 to 3.00%	6/29/2016	4,445,000.00	9/1/2026	4,445,000	-	-	4,445,000	111,450
Total General Obligation Bonds					<u>58,245,000</u>	<u>-</u>	<u>3,480,000</u>	<u>54,765,000</u>	<u>2,390,375</u>
City of Basehor Assessment									
Special Assessment	2.00%	7/21/2012	241,023	7/1/2032	<u>253,981</u>	<u>-</u>	<u>14,793</u>	<u>239,188</u>	<u>4,826</u>
Capital Leases Payable									
Cert. of Participation 2012	2.00%	4/3/2012	695,000	7/1/2019	175,000	-	90,000	85,000	3,475
Apple Computers	2.15%	6/18/2015	754,458	3/5/2019	<u>191,275</u>	<u>-</u>	<u>94,620</u>	<u>96,655</u>	<u>4,112</u>
Total Capital Leases Payable					<u>366,275</u>	<u>-</u>	<u>184,620</u>	<u>181,655</u>	<u>7,587</u>
Total Contractual Indebtedness					<u>\$ 58,865,256</u>	<u>\$ -</u>	<u>\$ 3,679,413</u>	<u>\$ 55,185,843</u>	<u>\$ 2,402,788</u>

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

NOTES TO THE FINANCIAL STATEMENT
For the Year Ended June 30, 2018

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

	2019	2020	2021	2022	2023	2024-2029	2030-2032	Total
Principal:								
General Obligation Bonds								
Series 2007	\$ 510,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 510,000
Series 2008A	350,000	-	-	-	-	-	-	350,000
Series 2009A	350,000	415,000	475,000	-	-	-	-	1,240,000
Series 2009C	250,000	260,000	-	-	-	-	-	510,000
Series 2012	115,000	120,000	120,000	125,000	125,000	2,885,000	5,145,000	8,635,000
Series 2013	130,000	135,000	610,000	620,000	695,000	6,080,000	1,150,000	9,420,000
Series 2014	90,000	90,000	830,000	945,000	1,075,000	6,320,000	-	9,350,000
Series 2015	1,500,000	1,385,000	1,280,000	1,265,000	1,105,000	2,710,000	6,755,000	16,000,000
Series 2016A	-	600,000	-	-	-	1,515,000	2,190,000	4,305,000
Series 2016B	-	425,000	300,000	810,000	880,000	2,030,000	-	4,445,000
City of Basehor Assessment								
Special Assessment	15,074	15,360	15,652	15,950	16,253	86,016	74,883	239,188
Capital Leases Payable								
Cert. of Participation 2012	85,000	-	-	-	-	-	-	85,000
Apple Computers	96,655	-	-	-	-	-	-	96,655
Total Principal	3,491,729	3,445,360	3,630,652	3,780,950	3,896,253	21,626,016	15,314,883	55,185,843
Interest:								
General Obligation Bonds								
Series 2007	109,193	-	-	-	-	-	-	109,193
Series 2008A	17,333	-	-	-	-	-	-	17,333
Series 2009A	116,931	104,419	48,578	-	-	-	-	269,928
Series 2009C	103,800	49,556	-	-	-	-	-	153,356
Series 2012	257,350	255,000	252,600	250,150	247,650	1,153,813	173,738	2,590,300
Series 2013	285,750	282,425	271,250	252,800	233,075	651,250	61,250	2,037,800
Series 2014	297,800	295,100	281,300	254,675	224,375	605,275	-	1,958,525
Series 2015	700,200	628,075	561,450	497,825	438,575	1,628,100	625,625	5,079,850
Series 2016A	166,200	157,200	148,200	148,200	148,200	589,500	43,800	1,401,300
Series 2016B	111,450	107,200	99,950	88,850	67,550	73,675	-	548,675
City of Basehor Assessment								
Special Assessment	4,545	4,258	3,966	3,669	3,366	12,078	3,590	35,473
Capital Leases Payable								
Cert. of Participation 2012	1,700	-	-	-	-	-	-	1,700
Apple Computers	2,078	-	-	-	-	-	-	2,078
Total Interest	2,174,329	1,883,233	1,667,294	1,496,169	1,362,791	4,713,690	908,003	14,205,510
Total Principal and Interest	\$ 5,666,058	\$ 5,328,593	\$ 5,297,946	\$ 5,277,119	\$ 5,259,044	\$ 26,339,706	\$ 16,222,886	\$ 69,391,353

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

REGULATORY – REQUIRED
SUPPLEMENTARY INFORMATION
June 30, 2018

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

Schedule 1

Summary of Expenditures – Actual and Budget (Regulatory Basis)
For the Year Ended June 30, 2018

Fund	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	\$ 14,408,303	\$ (59,766)	\$ 452,720	\$ 14,801,257	\$ 14,783,530	\$ (17,727)
Supplemental General	4,448,570	-	-	4,448,570	4,448,570	-
Special Purpose Funds						
At Risk	750,000	-	-	750,000	706,709	(43,291)
Bilingual Education	48,000	-	-	48,000	43,360	(4,640)
Virtual Education	952,500	-	-	952,500	595,037	(357,463)
Capital Outlay	2,910,968	-	-	2,910,968	1,518,648	(1,392,320)
Driver Training	-	-	-	-	-	-
Food Service	1,183,512	-	-	1,183,512	908,296	(275,216)
Professional Development	54,589	-	-	54,589	54,589	-
Parent Education	93,150	-	-	93,150	67,675	(25,475)
Special Education	3,639,758	-	-	3,639,758	3,291,912	(347,846)
Special Education Cooperative	6,952,258	-	-	6,952,258	6,393,437	(558,821)
Vocational Education	633,219	-	-	633,219	610,378	(22,841)
KPERS Special Retirement	1,755,909	-	-	1,755,909	1,710,436	(45,473)
Bond and Interest Funds						
Bond and Interest	5,563,493	-	-	5,563,493	5,563,490	(3)
Special Assessment	19,619	-	-	19,619	19,619	-

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

Schedule 2

General Fund
Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)
For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	Current Year			Variance
	Prior Year	Actual	Budget	Over
	Actual			(Under)
Receipts				
Taxes and Shared Revenue:				
Mineral Tax	\$ 1	\$ 1	\$ -	\$ 1
State Aid:				
General State Aid	10,485,911	12,267,419	12,318,766	(51,347)
Special Education Services Aid	1,874,017	2,063,390	2,089,537	(26,147)
KPERS State Aid	1,064,187	-	-	-
Interest	6	-	-	-
Operating Transfers	9,722	-	-	-
Federal Aid Reimbursements	17,024	-	-	-
Reimbursements and Other	675,784	452,720	-	452,720
Total Receipts	<u>14,126,652</u>	<u>14,783,530</u>	<u>\$ 14,408,303</u>	<u>\$ 375,227</u>
Expenditures				
Instruction	5,985,019	6,868,713	\$ 6,731,887	\$ 136,826
Student Support Services	422,926	502,156	475,999	26,157
Instructional Support Staff	335,730	370,167	339,737	30,430
General Administration	325,968	323,851	358,523	(34,672)
School Administration	1,066,128	1,196,075	1,157,553	38,522
Central Services	333,187	337,278	374,640	(37,362)
Operations and Maintenance	1,264,244	1,317,489	1,321,427	(3,938)
Transportation	151,846	174,254	183,000	(8,746)
Operating Transfers	4,241,604	3,693,547	3,465,537	228,010
Adjustment to Comply with Legal Max	-	-	(59,766)	59,766
Legal General Fund Budget	14,126,652	14,783,530	14,348,537	434,993
Adjustment for Qualifying Budget Credits	-	-	452,720	(452,720)
Total Expenditures	<u>14,126,652</u>	<u>14,783,530</u>	<u>\$ 14,801,257</u>	<u>\$ (17,727)</u>
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

Schedule 2

Supplemental General Fund
Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)
For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

		Current Year		Variance
	Prior Year	Actual	Budget	Over
	Actual			(Under)
Receipts				
Taxes and shared Revenue:				
Ad Valorem Property Tax	\$ 1,457,443	\$ 2,126,074	\$ 2,075,147	\$ 50,927
Delinquent Tax	24,301	34,286	4,191	30,095
Motor Vehicle Tax	249,135	301,257	256,565	44,692
RV Tax	4,418	5,115	4,530	585
Commercial Vehicle Tax	10,524	5,953	7,312	(1,359)
State Aid:				
Supplemental General State Aid	2,058,538	1,966,602	1,985,158	(18,556)
Total Receipts	<u>3,804,359</u>	<u>4,439,287</u>	<u>\$ 4,332,903</u>	<u>\$ 106,384</u>
Expenditures				
Instruction	738,021	768,861	\$ 825,388	\$ (56,527)
Student Support Services	30,059	31,401	31,864	(463)
Instructional Support Services	26,143	26,888	27,712	(824)
General Administration	12,612	11,045	14,544	(3,499)
School Administration	55,839	60,289	59,189	1,100
Central Services	11,344	7,690	12,025	(4,335)
Operations and Maintenance	807,955	941,144	720,348	220,796
Vehicle Operating Services	659,462	643,652	675,000	(31,348)
Operating Transfers	1,509,800	1,957,600	2,082,500	(124,900)
Legal Supplemental General Fund Budget	<u>3,851,235</u>	<u>4,448,570</u>	<u>\$ 4,448,570</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	(46,876)	(9,283)		
Unencumbered Cash, Beginning	<u>162,543</u>	<u>115,667</u>		
Unencumbered Cash, Ending	<u>\$ 115,667</u>	<u>\$ 106,384</u>		

UNIFIED SCHOOL DISTRICT NO. 458

Basehor, Kansas

Schedule 2

At Risk Fund

Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)

For the Year Ended June 30, 2018

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Operating Transfers	<u>\$ 693,359</u>	<u>\$ 706,709</u>	<u>\$ 750,000</u>	<u>\$ (43,291)</u>
Expenditures				
Instruction	<u>693,359</u>	<u>706,709</u>	<u>\$ 750,000</u>	<u>\$ (43,291)</u>
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

Schedule 2

Bilingual Education Fund
Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)
For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

		Current Year		Variance
	Prior Year	Actual	Budget	Over
	Actual			(Under)
Receipts				
Other Revenue from Local Sources	\$ -	\$ -	\$ 10,000	\$ (10,000)
Operating Transfers	<u>31,628</u>	<u>43,400</u>	<u>38,000</u>	<u>5,400</u>
Total Receipts	<u>31,628</u>	<u>43,400</u>	<u>\$ 48,000</u>	<u>\$ (4,600)</u>
Expenditures				
Instruction	<u>33,027</u>	<u>43,360</u>	<u>\$ 48,000</u>	<u>\$ (4,640)</u>
Receipts Over (Under) Expenditures	(1,399)	40		
Unencumbered Cash, Beginning	<u>1,399</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 40</u>		

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

Schedule 2

Virtual Education Fund
Schedule of Receipts and Expenditures (Regulatory Basis)
For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Operating Transfers	\$ 484,833	\$ 597,174	\$ 952,500	\$ (355,326)
Expenditures				
Instruction	413,826	395,735	\$ 582,200	\$ (186,465)
School Administration	190,297	199,302	370,300	(170,998)
Total Expenditures	604,123	595,037	\$ 952,500	\$ (357,463)
Receipts Over (Under) Expenditures	(119,290)	2,137		
Unencumbered Cash, Beginning	119,790	500		
Unencumbered Cash, Ending	\$ 500	\$ 2,637		

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

Schedule 2

Capital Outlay Fund
Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)
For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	Current Year			Variance Over (Under)
	Prior Year Actual	Actual	Budget	
Receipts				
Taxes and shared Revenue:				
Ad Valorem Property Tax	\$ 1,119,104	\$ 888,379	\$ 884,352	\$ 4,027
Delinquent	11,569	18,131	3,268	14,863
Motor Vehicle Tax	165,784	171,428	150,720	20,708
RV Tax	2,924	2,912	2,661	251
Commercial Vehicle Tax	4,709	4,151	4,296	(145)
State Aid	475,146	389,545	380,816	8,729
Interest on Idle Funds	59,478	125,309	-	125,309
Total Receipts	<u>1,838,714</u>	<u>1,599,855</u>	<u>\$ 1,426,113</u>	<u>\$ 173,742</u>
Expenditures				
Instruction	420,606	741,576	\$ 966,968	\$ (225,392)
Instructional Support Staff	180,040	7,581	750,000	(742,419)
Operations & Maintenance	8,600	15,264	100,000	(84,736)
Site Improvement	914,600	660,203	1,000,000	(339,797)
Debt Service:				
Commission & Postage	549	549	500	49
Interest	5,200	3,475	3,500	(25)
Principal	85,000	90,000	90,000	-
Total Expenditures	<u>1,614,595</u>	<u>1,518,648</u>	<u>\$ 2,910,968</u>	<u>\$ (1,392,320)</u>
Receipts Over (Under) Expenditures	224,119	81,207		
Unencumbered Cash, Beginning	<u>1,260,901</u>	<u>1,485,020</u>		
Unencumbered Cash, Ending	<u>\$ 1,485,020</u>	<u>\$ 1,566,227</u>		

UNIFIED SCHOOL DISTRICT NO. 458

Basehor, Kansas

Schedule 2

Driver Training Fund

Schedule of Receipts and Expenditures (Regulatory Basis)

For the Year Ended June 30, 2018

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

	Current Year			Variance Over (Under)
	Prior Year Actual	Actual	Budget	
Receipts				
State Aid:				
State Safety Aid	\$ -	\$ -	\$ -	\$ -
Expenditures				
Operating Transfers	9,722	-	\$ -	\$ -
Receipts Over (Under) Expenditures	(9,722)	-		
Unencumbered Cash, Beginning	9,722	-		
Unencumbered Cash, Ending	\$ -	\$ -		

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

Schedule 2

Food Service Fund
Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)
For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	Current Year			Variance
	Prior Year			Over
	Actual	Actual	Budget	(Under)
Receipts				
State Aid:				
Food Service Aid	\$ 8,771	\$ 8,615	\$ 8,200	\$ 415
Federal Aid:				
Food Service Aid	282,257	260,647	344,020	(83,373)
Team Nutrition Training Grant	548	325	-	325
Local Receipts	635,508	662,135	652,250	9,885
Operating Transfers	15,795	1,574	-	1,574
Total Receipts	<u>942,879</u>	<u>933,296</u>	<u>\$ 1,004,470</u>	<u>\$ (71,174)</u>
Expenditures				
Operations and Maintenance	17,891	1,571	\$ 23,500	\$ (21,929.00)
Food Service Operation	<u>929,914</u>	<u>906,725</u>	<u>1,160,012</u>	<u>(253,287)</u>
Total Expenditures	<u>947,805</u>	<u>908,296</u>	<u>\$ 1,183,512</u>	<u>\$ (275,216)</u>
Receipts Over (Under) Expenditures	(4,926)	25,000		
Unencumbered Cash, Beginning	<u>183,968</u>	<u>179,042</u>		
Unencumbered Cash, Ending	<u>\$ 179,042</u>	<u>\$ 204,042</u>		

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

Schedule 2

Professional Development Fund
Schedule of Receipts and Expenditures (Regulatory Basis)
For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

		Current Year		Variance
	Prior Year	Actual	Budget	Over
	Actual			(Under)
Receipts				
State Aid:				
Professional Development Aid	\$ -	\$ 9,799	\$ 7,500	\$ 2,299
Operating Transfers	<u>21,500</u>	<u>83,169</u>	<u>-</u>	<u>83,169</u>
	<u>\$ 21,500</u>	<u>\$ 92,968</u>	<u>\$ 7,500</u>	<u>\$ 85,468</u>
Expenditures				
Instructional Support Staff	<u>20,360</u>	<u>54,589</u>	<u>\$ 54,589</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	1,140	38,379		
Unencumbered Cash, Beginning	<u>45,949</u>	<u>47,089</u>		
Unencumbered Cash, Ending	<u>\$ 47,089</u>	<u>\$ 85,468</u>		

UNIFIED SCHOOL DISTRICT NO. 458

Basehor, Kansas

Schedule 2

Parent Education Fund

Schedule of Receipts and Expenditures (Regulatory Basis)

For the Year Ended June 30, 2018

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

	Current Year			Variance Over (Under)
	Prior Year Actual	Actual	Budget	
Receipts				
State Aid:				
Parent Education Program	\$ 40,596	\$ 40,596	\$ 50,596	\$ (10,000)
Operating Transfers	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Total Receipts	<u>70,596</u>	<u>70,596</u>	<u>\$ 80,596</u>	<u>\$ (10,000)</u>
Expenditures				
Instructional Support Staff	<u>66,983</u>	<u>67,675</u>	<u>\$ 93,150</u>	<u>\$ (25,475)</u>
Receipts Over (Under) Expenditures	3,613	2,921		
Unencumbered Cash, Beginning	<u>8,941</u>	<u>12,554</u>		
Unencumbered Cash, Ending	<u>\$ 12,554</u>	<u>\$ 15,475</u>		

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

Schedule 2

Special Education Fund
Schedule of Receipts and Expenditures (Regulatory Basis)
For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	Current Year			Variance Over (Under)
	Prior Year Actual	Actual	Budget	
Receipts				
Other	\$ 12,595	\$ -	\$ -	\$ -
State Aid:				
Special Education Aid	-	12,731	-	12,731
Operating Transfers	<u>2,989,102</u>	<u>3,376,121</u>	<u>3,189,537</u>	<u>186,584</u>
Total Receipts	<u>3,001,697</u>	<u>3,388,852</u>	<u>\$ 3,189,537</u>	<u>\$ 199,315</u>
Expenditures				
Instruction	2,496,924	2,773,708	2,728,476	\$ 45,232
Vehicle Operating Services	<u>460,003</u>	<u>518,204</u>	<u>911,282</u>	<u>(393,078)</u>
Total Expenditures	<u>2,956,927</u>	<u>3,291,912</u>	<u>\$ 3,639,758</u>	<u>\$ (347,846)</u>
Receipts Over (Under) Expenditures	44,770	96,940		
Unencumbered Cash, Beginning	<u>405,451</u>	<u>450,221</u>		
Unencumbered Cash, Ending	<u>\$ 450,221</u>	<u>\$ 547,161</u>		

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

Schedule 2

Special Education Cooperative Fund
Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)
For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

		Current Year		Variance
	Prior Year	Actual	Budget	Over
	Actual			(Under)
Receipts				
Federal Aid:				
Special Education Grants to States	\$ 710,872	\$ 733,083	\$ 1,250,000	\$ (516,917)
Special Education Preschool Grants	17,493	17,283	17,283	-
Medicaid	177,251	174,621	-	174,621
Payments from Cooperative Members	1,850,240	2,112,999	5,094,000	(2,981,001)
State Aid Flow Through from Members	2,899,384	3,080,043	-	3,080,043
Other Revenue from Local Sources	22,399	28,306	300,000	(271,694)
Total Receipts	<u>5,677,639</u>	<u>6,146,335</u>	<u>\$ 6,661,283</u>	<u>\$ (514,948)</u>
Expenditures				
Instruction	3,920,187	4,287,668	\$ 4,978,301	\$ (690,633)
Student Support Services	1,473,133	1,757,574	1,555,380	202,194
General Administration	347,153	298,558	363,997	(65,439)
Central Services	3,471	34,982	38,830	(3,848)
Operations & Maintenance	12,311	14,655	15,750	(1,095)
Total Expenditures	<u>5,756,255</u>	<u>6,393,437</u>	<u>\$ 6,952,258</u>	<u>\$ (558,821)</u>
Receipts Over (Under) Expenditures	(78,616)	(247,102)		
Unencumbered Cash, Beginning	<u>369,592</u>	<u>290,976</u>		
Unencumbered Cash, Ending	<u>\$ 290,976</u>	<u>\$ 43,874</u>		

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

Schedule 2

Vocational Education Fund
Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)
For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Operating Transfers	\$ 421,000	\$ 613,000	\$ 588,000	\$ 25,000
Miscellaneous	-	88	20,000	(19,912)
	<u>421,000</u>	<u>613,088</u>	<u>\$ 608,000</u>	<u>\$ 5,088</u>
Expenditures				
Instruction	<u>408,854</u>	<u>610,378</u>	<u>\$ 633,219</u>	<u>\$ (22,841)</u>
Receipts Over (Under) Expenditures	12,146	2,710	.	
Unencumbered Cash, Beginning	<u>13,073</u>	<u>25,219</u>		
Unencumbered Cash, Ending	<u>\$ 25,219</u>	<u>\$ 27,929</u>		

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

Schedule 2

KPERS Special Retirement Fund
Schedule of Receipts and Expenditures (Regulatory Basis)
For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

		Current Year		Variance
	Prior Year	Actual	Budget	Over
	Actual			(Under)
Receipts				
State Aid:				
KPERS Employer Contributions	\$ 1,064,187	\$ 1,710,436	\$ 1,755,909	\$ (45,473)
Expenditures				
Contributions to KPERS	1,064,187	1,710,436	\$ 1,755,909	\$ (45,473)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ -		

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

Schedule 2

Contingency Reserve Fund
Schedule of Receipts and Expenditures (Regulatory Basis)
For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	Prior Year Actual	Current Year Actual
Receipts		
Operating Transfers	\$ -	\$ -
Expenditures		
Instruction	150,600	-
Receipts Over (Under) Expenditures	(150,600)	-
Unencumbered Cash, Beginning	950,598	799,998
Unencumbered Cash, Ending	<u>\$ 799,998</u>	<u>\$ 799,998</u>

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

Schedule 2

Student Material Revolving Fund
Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)
For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	Prior Year Actual	Current Year Actual
Receipts		
Fees and Other	\$ 121,761	\$ 79,273
Operating Transfers	-	200,000
	<u>121,761</u>	<u>279,273</u>
Expenditures		
Materials and Supplies	<u>65,212</u>	<u>285,371</u>
Receipts Over (Under) Expenditures	56,549	(6,098)
Unencumbered Cash, Beginning	<u>67,057</u>	<u>123,606</u>
Unencumbered Cash, Ending	<u>\$ 123,606</u>	<u>\$ 117,508</u>

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

Schedule 2

Title I Fund

Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)
For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid:		
Title I Grants to Local Education Agencies	\$ 131,775	\$ 115,697
Expenditures		
Instruction	131,775	115,697
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

UNIFIED SCHOOL DISTRICT NO. 458**Basehor, Kansas**

Schedule 2

Title II-A Fund**Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)****For the Year Ended June 30, 2018****(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)**

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid:		
Improving Teacher Quality - State Grants	\$ 26,626	\$ 35,457
Expenditures		
Instruction	26,626	35,457
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

Schedule 2

Bond and Interest Fund
Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)
For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	Current Year			Variance Over (Under)
	Prior Year Actual	Actual	Budget	
Receipts				
Taxes and shared Revenue:				
Ad Valorem Property Tax	\$ 3,138,541	\$ 2,946,735	\$ 2,929,043	\$ 17,692.00
Delinquent	34,541	52,823	9,156	43,667
Motor Vehicle Tax	465,624	490,907	430,561	60,346
RV Tax	8,211	8,339	7,602	737
Commercial Vehicle Tax	13,506	11,711	12,271	(560)
State Aid:				
School District Capital Improvement	2,217,239	2,364,153	2,308,519	55,634
Total Receipts	<u>5,877,662</u>	<u>5,874,668</u>	<u>\$ 5,697,152</u>	<u>\$ 177,516</u>
Expenditures				
Bond Principal	3,110,000	3,480,000	\$ 3,480,000	\$ -
Bond Interest	2,169,140	2,083,490	2,083,493	(3)
Total Expenditures	<u>5,279,140</u>	<u>5,563,490</u>	<u>\$ 5,563,493</u>	<u>\$ (3)</u>
Receipts Over (Under) Expenditures	598,522	311,178		
Unencumbered Cash, Beginning	<u>3,678,546</u>	<u>4,277,068</u>		
Unencumbered Cash, Ending	<u>\$ 4,277,068</u>	<u>\$ 4,588,246</u>		

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

Schedule 2

Special Assessment Fund
Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)
For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

		Current Year		Variance
	Prior Year	Actual	Budget	Over
	Actual			(Under)
Receipts				
Taxes and shared Revenue:				
Ad Valorem Property Tax	\$ 16,867	\$ 16,318	\$ 16,183	\$ 135
Delinquent	248	414	49	365
Motor Vehicle Tax	2,467	2,817	2,437	380
RV Tax	44	48	43	5
Commercial Vehicle Tax	78	63	70	(7)
Total Receipts	<u>19,704</u>	<u>19,660</u>	<u>\$ 18,782</u>	<u>\$ 878</u>
Expenditures				
Principal	14,517	14,793	\$ 19,619	\$ (4,826)
Interest	<u>5,102</u>	<u>4,826</u>	<u>-</u>	<u>4,826</u>
Total Expenditures	<u>19,619</u>	<u>19,619</u>	<u>\$ 19,619</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	85	41		
Unencumbered Cash, Beginning	<u>18,160</u>	<u>18,245</u>		
Unencumbered Cash, Ending	<u>\$ 18,245</u>	<u>\$ 18,286</u>		

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

Schedule 2

Bond Construction Fund
Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)
For the Year Ended June 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)

	Prior Year Actual	Current Year Actual
Receipts		
Other	\$ 14,433	\$ 4,038
Interest	24,738	-
Realized Gain/(Loss) on Investment	-	-
Total Receipts	<u>39,171</u>	<u>4,038</u>
Expenditures		
Construction and Improvements	9,815,672	1,077,747
Bank Charges	3,000	-
Total Expenditures	<u>9,818,672</u>	<u>1,077,747</u>
Receipts Over (Under) Expenditures	(9,779,501)	(1,073,709)
Unencumbered Cash, Beginning	<u>10,768,111</u>	<u>988,610</u>
Prior Year Cancelled Encumbrances	<u>-</u>	<u>158,429</u>
Unencumbered Cash, Ending	<u><u>\$ 988,610</u></u>	<u><u>\$ 73,330</u></u>

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

Schedule 3

Agency Funds
Schedule of Receipts and Disbursements – Regulatory Basis
For the Year Ended June 30, 2018

Student Organization Funds	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Basehor-Linwood High School				
Band	\$ 4,462	\$ 23,260	\$ 20,258	\$ 7,464
Cheerleaders	521	13,828	13,674	675
Choir Grant	-	1,915	768	1,147
Chorus	1,581	57,181	58,704	58
Freshman Class	1,830	1,960	3,790	-
Sophomore Class	2,607	2,364	3,121	1,850
Junior Class	5,932	11,445	14,685	2,692
Senior Class	1,092	14,608	8,991	6,709
Graduated Class	-	739	739	-
Colorguard	63	-	-	63
Counseling	538	4,060	4,324	274
Dance Squad	1,236	16,497	16,994	739
Diversity	30	10	40	-
FBLA	238	347	446	139
FCCLA	2,936	1,310	2,115	2,131
Forensics	4,471	2,062	1,591	4,942
French Club	389	-	-	389
Green House	4,665	97	557	4,205
International Club	11	272	272	11
JAG	1,677	4,770	4,946	1,501
Language Arts Club	368	225	258	335
Leadership	193	2,240	1,724	709
Multimedia	-	-	-	-
National Honor Society	751	1,198	1,286	663
Peer Model Program	-	-	-	-
Photo Club	30	-	-	30
Principals Advisory	19,308	27,598	27,977	18,929
Recycling	-	-	-	-
SADD	751	-	-	751
School Store	-	13,779	9,405	4,374
Scholars Bowl	231	141	216	156
Science Club	847	1,941	2,753	35
Science Olympiad	1,334	517	347	1,504
Social Studies Club	-	18,900	18,370	530
Spirit Club	145	-	-	145
Strings	-	1,025	1,025	-
Student Council	5,143	5,079	3,095	7,127
VICA	66	1,183	919	330
Theater	8,592	13,806	14,591	7,807
Subtotal Basehor-Linwood High School	<u>72,041</u>	<u>244,357</u>	<u>237,981</u>	<u>78,417</u>

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

Schedule 3

Agency Funds
Schedule of Receipts and Disbursements – Regulatory Basis
For the Year Ended June 30, 2018

Student Organization Funds	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Basehor-Linwood Middle School				
BLEF Grant	\$ 1,683	\$ 4,722	\$ 2,657	\$ 3,748
Cheerleading	558	4,153	4,242	469
Dance Squad	1,763	5,806	6,601	968
Hardship	496	-	-	496
Heartland Grant	787	-	-	787
Library	567	2,401	2,307	661
Pop Machine	881	3,676	3,621	936
Student Council	25,005	56,488	61,139	20,354
Yearbook/Journal	-	9,694	9,694	-
Subtotal Basehor-Linwood Middle School	31,739	86,940	90,261	28,418
 Basehor Intermediate School				
BLEF Grant	57	1,044	1,101	-
O.W.L.S.	57	-	-	57
Principal Advisory	28,348	33,299	42,478	19,169
School Shirts	1,126	2,913	2,580	1,459
Social Committee	282	555	396	441
Student Council	2,263	1,557	2,252	1,568
Technology	151	-	-	151
Subtotal Basehor Intermediate School	32,284	39,368	48,807	22,844
 Basehor Grade School				
Principal's Activities	36,020	15,395	26,747	24,668
Social Committee	105	470	429	146
Stuco Store	1,471	656	1,085	1,042
Subtotal Basehor Grade School	37,595	16,521	28,261	25,855

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

Schedule 3

Agency Funds
Schedule of Receipts and Disbursements – Regulatory Basis
For the Year Ended June 30, 2018

Student Organization Funds	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Glenwood Ridge Grade School				
1st Grade	\$ 64	\$ 888	\$ 880	\$ 72
2nd Grade	321	939	956	304
3rd Grade	74	1,907	1,871	110
4th Grade	603	1,097	935	765
5th Grade	53	-	-	53
BLEF Grant	761	1,541	1,530	772
Kindergarten	714	1,271	1,181	804
O.W.L.S.	598	-	250	348
Library	370	5,067	3,222	2,215
Principals Advisory	4,577	9,470	9,268	4,779
Social/Flower Fund	1,831	985	1,775	1,041
Stuco	1,651	1,510	1,532	1,629
Student Hardship Grant	312	93	12	393
Student Planner	2,347	900	60	3,187
Subtotal Glenwood Ridge Grade School	<u>14,276</u>	<u>25,668</u>	<u>23,472</u>	<u>16,472</u>
Linwood Grade School				
Accelerated Reader	47	-	-	47
BLEF Grant	364	2,724	2,617	471
Library	85	-	-	85
Principals Advisory	3,203	11,082	10,485	3,800
Special Speakers	268	100	325	43
Student Recognition	38	630	432	236
Student Council	197	735	773	159
Subtotal Linwood Grade School	<u>4,202</u>	<u>15,271</u>	<u>14,632</u>	<u>4,841</u>
Total Agency Funds	<u>\$ 192,136</u>	<u>\$ 428,125</u>	<u>\$ 443,414</u>	<u>\$ 176,847</u>

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

Schedule 4

District Activity Funds
Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)
For the Year Ended June 30, 2018

District Activity Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Current Year Ending Cash Balance
Gate Receipts						
Basehor-Linwood High School	\$ 58,630	\$ 258,272	\$ 227,176	\$ 89,726	\$ -	\$ 89,726
Basehor-Linwood Middle School	417	13,042	12,161	1,298	-	1,298
Total Athletics and Other	<u>59,047</u>	<u>271,314</u>	<u>239,337</u>	<u>91,024</u>	<u>-</u>	<u>91,024</u>
School Projects						
Basehor-Linwood High School	14,950	29,054	22,034	21,970	-	21,970
Basehor-Linwood Middle School	-	9,051	9,051	-	-	-
Basehor Intermediate School	10,646	17,262	15,511	12,397	-	12,397
Basehor Grade School	9,268	13,386	10,632	12,022	-	12,022
Glenwood Ridge Grade School	6,279	5,407	5,677	6,009	-	6,009
Linwood Elementary School	10,193	28,246	32,278	6,161	-	6,161
Total School Projects	<u>51,336</u>	<u>102,406</u>	<u>95,183</u>	<u>58,559</u>	<u>-</u>	<u>58,559</u>
Revolving Funds	<u>1,275</u>	<u>415,190</u>	<u>415,736</u>	<u>729</u>	<u>-</u>	<u>729</u>
Total District Activity Funds	<u>\$ 111,658</u>	<u>\$ 788,910</u>	<u>\$ 750,256</u>	<u>\$ 150,312</u>	<u>\$ -</u>	<u>\$ 150,312</u>

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas
SINGLE AUDIT SECTION
For the Year Ended June 30, 2018

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

To the Board of Education
Unified School District No. 458
Basehor, Kansas

We have audited, in accordance with the 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, and the *Kansas Municipal Audit and Accounting Guide*, the financial statements of Unified School District No. 458 (District) as of and for the year ended June 30, 2018, and the related notes to the financial statement, which collectively comprise the District's basic financial statement, and have issued our report thereon dated December 4, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Unified School District No. 458's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statement, but not for internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Unified School District No. 458'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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2018-001 that we consider to be a significant deficiency

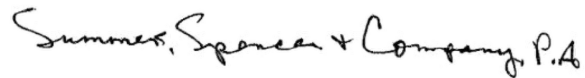
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Unified School District No. 458's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions

of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

A handwritten signature in cursive script that reads "Summers, Spencer & Company, P.A."

Summers, Spencer & Company, P.A.

Topeka, Kansas

December 4, 2018

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

To the Board of Education
Unified School District No. 458
Basehor, Kansas

Report on Compliance for Each Major Federal Program

We have audited Unified School District No. 458's compliance with the types of compliance requirements described in *OMB Compliance Supplement* that could have a direct and material effect on each of Unified School District No. 458's major federal programs for the year ended June 30, 2018. Unified School District No. 458'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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Unified School District No. 458'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 Unified School District No. 458'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 Unified School District No. 458's compliance.

Opinion on Each Major Federal Program

In our opinion, Unified School District No. 458 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, 2018.

Report on Internal Control over Compliance

Management of Unified School District No. 458 is responsible for establishing and maintaining effective internal control over compliance with the types of requirements referred to above. In planning and performing our audit of compliance, we considered Unified School District No. 458'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 Unified School District No. 458 internal control over compliance.

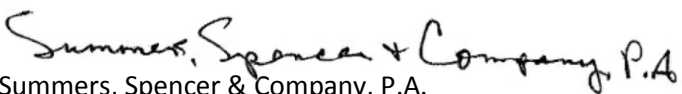
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of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

Our consideration of 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies.

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

Report on Internal Control over Compliance

We have audited the financial statement of Unified School District No. 458 as of and for the year then ended June 30, 2018, and have issued our report thereon dated December 4, 2018, which contained an unmodified opinion on this financial statement. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the statement and certain additional procedures, including comparing and reconciling such information directly to the underlying procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.


Summers, Spencer & Company, P.A.

Topeka, Kansas

December 4, 2018

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2018

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statement of Unified School District No. 458 which are prepared on the regulatory basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.
2. One significant deficiency disclosed during the audit of the financial statement is reported in the Schedule of Findings and Questioned Costs. The deficiency disclosed was not considered to be a material weakness.
3. No instances of noncompliance material to the financial statement of Unified School District No. 458 were disclosed during the audit.
4. The auditor's report on compliance for the major federal award programs for Unified School District No. 458 expresses an unmodified opinion on all major programs.
5. There were no audit findings relative to the major federal award programs that are required to be reported in accordance with the Uniform Guidance.
6. The following programs were tested as major programs during the period under audit:
 - Special Education Cluster
 - 84.027 Special Education Grants to States
 - 84.173 Special Education Preschool Grants
7. The dollar threshold used to distinguish between Type A and Type B programs, as prescribed by the Uniform Guidance, was \$750,000
8. Unified School District No. 458 did not qualify to be a low-risk auditee under the Uniform Guidance

FINANCIAL STATEMENT FINDINGS

2018-001 Significant Deficiency

Condition: Our firm has been asked to prepare the financial statement, related notes, regulatory-required supplementary information, and the schedule of expenditures of federal awards for Unified School District No. 458; however, our firm cannot be considered part of the internal control structure of the District in regard to the preparation of the financial statement, related notes, regulatory-required supplementary information, and the schedule of expenditures of federal awards.

Criteria: United School District No. 458 prepares its financial statement in accordance with accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, in accordance with the Uniform Guidance.

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2018

Effect: We consider this condition related to the preparation of the financial statement, related notes, regulatory-required supplementary information, and the schedule of expenditures of federal awards to be a significant deficiency under the standards established by the American Institute of Certified Public Accountants.

Cause: District Personnel do have the skills, knowledge, and experience to process all financial transactions and the ability to issue the internal financial statements needed to provide appropriate budget and operating information to the District governing body on an as needed basis. However, the District relies on auditory assistance to prepare the necessary documents in the prescribed formats.

Recommendation: To strengthen internal control over financial statement preparation, we recommend obtaining a current copy of the *Kansas Municipal Audit and Accounting Guide*, and for District personnel to stay current on knowledge concerning the regulatory basis of accounting as prescribed by the *Kansas Municipal Audit and Accounting Guide*.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

VIEWS OF RESPONSIBLE OFFICIALS AND CORRECTIVE ACTION PLAN
For the Year Ended June 30, 2018

Corrective Action Plan: The District will continue to stay informed of the reporting requirements in the current *Kansas Municipal Audit and Accounting Guide*. The District will also review the financial statement and continue to have input as to what gets reported in the related notes to the financial statement.

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended June 30, 2018

Finding Number: 2017-001

Summary: The District maintains financial records which accurately report revenues and expenditures throughout the year and prepares year end adjusting entries necessary to prepare the financial statement in accordance with accounting practices prescribed or permitted by the State of Kansas and the schedule of expenditures of federal awards in accordance with the Uniform Guidance. However the District relies on our assistance to prepare the financial statement, related notes, regulatory-required supplementary information, and the schedule of expenditures of federal awards.

Status: The District selected a person with skills, knowledge, and experience to review the financial statement, related notes, regulatory-required supplementary information, and the schedule of expenditures of federal awards. Input was given by the District concerning the content and amounts of these documents.

Completed prior to the report release date of the June 30, 2018 financial statement.

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas
SUPPLEMENTAL INFORMATION
For the Year Ended June 30, 2018

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2018

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Grantor and Number</i>	<i>Federal Expenditures(\$)</i>
Child Nutrition Cluster-Cluster			
United States Department of Agriculture			
School Breakfast Program			
School Breakfast Program	10.553	KSDE	\$ 33,795
Total School Breakfast Program			33,795
National School Lunch Program			
National School Lunch Program	10.555	KSDE	186,060
National School Lunch Program	10.555	KSDE	40,792
Total National School Lunch Program			226,853
Total United States Department of Agriculture			260,647
Total Child Nutrition Cluster-Cluster			260,647
Special Education Cluster (IDEA)-Cluster			
Department of Education			
Special Education_Grants to States			
Special Education_Grants to States	84.027	KSDE	732,851
Total Special Education_Grants to States			732,851
Special Education_Preschool Grants			
Special Education_Preschool Grants	84.173	KSDE	17,515
Total Special Education_Preschool Grants			17,515
Total Department of Education			750,366
Total Special Education Cluster (IDEA)-Cluster			750,366
Other Programs			
Corporation for National and Community Service			
Volunteer Generation Fund			
Volunteer Generation Fund	94.021	KSDE	8,456
Total Volunteer Generation Fund			8,456
Total Corporation for National and Community Service			8,456
Department of Education			
Title I Grants to Local Educational Agencies			
Title I Grants to Local Educational Agencies	84.010	KSDE	112,172
Total Title I Grants to Local Educational Agencies			112,172
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)			
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	KSDE	35,457
Total Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)			35,457
Student Support and Academic Enrichment Program			
Student Support and Academic Enrichment Program	84.424	KSDE	3,525
Total Student Support and Academic Enrichment Program			3,525
Total Department of Education			151,154
Department of Health and Human Services			
Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance			
Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	93.079	KSDE	150
Total Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance			150
Total Department of Health and Human Services			150
United States Department of Agriculture			
State Administrative Expenses for Child Nutrition			
State Administrative Expenses for Child Nutrition	10.560	KSDE	12,731
Total State Administrative Expenses for Child Nutrition			12,731
Team Nutrition Grants			
Team Nutrition Grants	10.574	KSDE	325
Total Team Nutrition Grants			325
Total United States Department of Agriculture			13,056
Total Other Programs			172,816
Total Expenditures of Federal Awards			<u>\$ 1,183,829</u>

The accompanying notes are an integral part of this schedule

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2018

Note 1 – Basis of Accounting

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Unified School District No. 458 and is presented on the regulatory basis of accounting. The information in this schedule is presented in accordance with the requirement of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statement.

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

The District 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 regulatory basis of accounting.

Note 2 – Indirect Costs

Unified School District No. 458 did not elect to use the 10% de minimis cost rate