

UNIFIED SCHOOL DISTRICT NO. 333

Concordia, Kansas

FINANCIAL STATEMENT AND
INDEPENDENT AUDITOR'S REPORT

For the Year Ended June 30, 2018

MAPES & MILLER
Certified Public Accountants
Phillipsburg, Kansas

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas
June 30, 2018

Quentin Breese – Superintendent
Tracey Holmes – Board Clerk
Ronda Gumm – Business Office Manager/Treasurer

BOARD MEMBERS

Mark Nordell – President
Steve Wetter – Vice President
Mary Beth Smith
Kevin Pounds
John Culley
Tony Miller
Tim Beims

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

For the Year Ended June 30, 2018

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Concordia, Kansas

For the Year Ended June 30, 2018

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MAPES & MILLER LLP

CERTIFIED PUBLIC ACCOUNTANTS

A PARTNERSHIP OF PROFESSIONAL CORPORATIONS

JOHN D. MAPES, CPA, CHTD
DENIS W. MILLER, CPA, PA
THOMAS B. CARPENTER, CPA, PA
DON E. TILTON, CPA, PA

BRIAN S. THOMPSON, CPA, PA
REBECCA A. LIX, CPA, PA
STEPHANIE M. HEIER, CPA, PA

418 E HOLME
NORTON, KS 67654
(785)877-5833

P.O. BOX 266
711 3RD STREET
PHILLIPSBURG, KS 67661
(785)543-6561

P.O. BOX 412
QUINTER, KS 67752
(785)754-2111

P.O. BOX 508
503 MAIN STREET
STOCKTON, KS 67669
(785)425-6764

INDEPENDENT AUDITOR'S REPORT

Board of Education
Unified School District No. 333
Concordia, Kansas 66901

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 333, Concordia, Kansas, a Municipality, as of and for the year ended June 30, 2018, and the related notes to the financial statement.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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

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

As described in Note 1 of the financial statement, the financial statement is prepared by Unified School District No. 333, Concordia, Kansas to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District No. 333, Concordia, Kansas as of June 30, 2018, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of Unified School District No. 333, Concordia, Kansas, as of June 30, 2018, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Other Matter

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 regulatory basis receipts and disbursements – agency funds, schedule of regulatory basis receipts, expenditures, and unencumbered cash – district activity funds, and schedule of regulatory receipts and disbursements – student activity funds (Schedules 1, 2, 3, 4, and 5 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*. 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 supplementary 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Unified School District No. 333's basic financial statement. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statement.

The schedule of expenditures of federal awards 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements 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 schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 13, 2019, on our consideration of Unified School District No. 333's internal control over financial reporting and on our tests of its compliance with certain provisions of laws regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Unified School District No. 333's internal control over financial reporting and compliance.

Respectfully submitted,
Mapes & Miller LLP
Certified Public Accountants

February 13, 2019
Phillipsburg, Kansas

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, 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	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
General Funds							
General Fund	\$ -	\$ -	\$ 7,573,440	\$ 7,573,440	\$ -	\$ 171,750	\$ 171,750
Supplemental General Fund	110,595	-	2,493,696	2,505,212	99,079	299,723	398,802
Special Purpose Funds							
Special Education Cooperative Fund	1,057,609	-	4,207,317	4,639,421	625,505	461,339	1,086,844
At Risk (4 Year Old) Fund	39,989	-	101,416	101,925	39,480	12,533	52,013
At Risk (K-12) Fund	39,390	-	1,048,334	1,047,815	39,909	3,282	43,191
Bilingual Education Fund	-	-	8,000	8,000	-	104	104
Capital Outlay Fund	1,073,176	-	1,071,745	1,106,839	1,038,082	83,227	1,121,309
Driver Training Fund	17,628	-	13,740	13,199	18,169	-	18,169
Food Service Fund	110,445	-	690,271	690,843	109,873	5,300	115,173
Professional Development Fund	27,600	-	56,133	28,997	54,736	2,432	57,168
Special Education Fund	313,346	-	1,492,332	1,487,763	317,915	-	317,915
Career & Postsecondary Education Fund	51,089	-	237,213	199,208	89,094	15,700	104,794
Textbook & Student Material Revolving Fund	64,406	-	63,180	78,837	48,749	-	48,749
KPERS Special Retirement Contribution Fund	-	-	964,022	964,022	-	-	-
Contingency Reserve Fund	684,596	-	123,797	-	808,393	-	808,393
Gifts & Grants Fund	43,172	-	195,748	195,955	42,965	4,116	47,081
Parents as Teachers Fund	817	-	93,946	94,763	-	8,357	8,357
Federal Funds	3,914	-	215,632	215,632	3,914	21,892	25,806
District Activity Funds	29,212	-	115,786	124,541	20,457	273	20,730

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

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Statement 1
(Cont.)

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
REGULATORY BASIS
For The Year Ended June 30, 2018

FUNDS	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Bond & Interest Fund							
Bond & Interest Fund	\$ 578,344	\$ -	\$ 405,439	\$ 401,463	\$ 582,320	\$ -	\$ 582,320
Trust Funds							
Donald Wade Scholarship Fund	4,262	-	9	-	4,271	-	4,271
Cheryl Laas Memorial Fund	5,552	-	21	500	5,073	-	5,073
Nicole Barleen Scholarship Fund	23,952	-	4,700	1,000	27,652	-	27,652
Doug Moore Scholarship Fund	-	-	250	-	250	-	250
Floyd Hull Scholarship Fund	566	-	1	250	317	-	317
Larry Hamel Scholarship Fund	1,650	-	1	1,000	651	-	651
Chad McDaniel Scholarship	-	-	1,752	500	1,252	-	1,252
Trevor Gennette Scholarship Fund	500	-	500	500	500	-	500
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 4,281,810</u>	<u>\$ -</u>	<u>\$ 21,178,421</u>	<u>\$ 21,481,625</u>	<u>\$ 3,978,606</u>	<u>\$ 1,090,028</u>	<u>\$ 5,068,634</u>

Composition of Cash

American State Bank & Trust	
Checking	\$ 4,258,587
Citizens National Bank	
Savings Accounts	13,161
Certificates of Deposit	25,804
United Bank & Trust	
Certificates of Deposit	530,000
In-Substance Receipts in Transit	<u>470,362</u>
Total Cash	5,297,914
Agency Funds per Schedule 3	<u>(229,280)</u>
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 5,068,634</u>

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

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

NOTES TO THE FINANCIAL STATEMENT
June 30, 2018

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. FINANCIAL REPORTING ENTITY

Unified School District No. 333, Concordia, Kansas is a municipal corporation governed by an elected seven-member board. This regulatory financial statement presents Unified School District No. 333, Concordia, Kansas, a Municipality.

B. REGULATORY BASIS FUND TYPES

In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The following types of funds comprise the financial activities for 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 Funds—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.

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

Trust Funds—funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.)

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

C. 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 statutory 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 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 the notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in 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 governing body may amend the budget at that time. There were no budget amendments made for the year ended June 30, 2018.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison 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, 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 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 Projects Funds, Trust Funds, Agency Funds, and the following Special Purpose Funds:

Textbook & Student Material Revolving Fund
Contingency Reserve Fund
Gifts and Grants Fund
Federal Funds
District Activity Funds

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.

2. STEWARDSHIP COMPLIANCE AND ACCOUNTABILITY

Compliance with Kansas Statutes

- A. The District was not in compliance with the budget laws as required by K.S.A. 79-2935, for the year ended June 30, 2018. The expenditures in the Parents as Teachers Fund exceeded the budget.
- B. The District is not aware of any other non-compliance with Kansas statutes.

3. DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located 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 Municipality'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 Municipality 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. All deposits were legally secured at June 30, 2018.

At June 30, 2018, the District's carrying amount of deposits was \$5,297,914 and the bank balance was \$5,276,990. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$538,965 was covered by federal depository insurance, \$4,738,025 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

Custodial Credit Risk – Investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

4. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General Fund	At Risk (4 Year Old) Fund	K.S.A. 72-6428	\$ 92,351
General Fund	At Risk (K-12) Fund	K.S.A. 72-6428	43,000
General Fund	Bilingual Education Fund	K.S.A. 72-6428	8,000
General Fund	Capital Outlay	K.S.A. 72-6428	200,000
General Fund	Food Service Fund	K.S.A. 72-6428	20,000
General Fund	Professional Development Fund	K.S.A. 72-6428	51,729
General Fund	Special Education Fund	K.S.A. 72-6428	1,471,561
General Fund	Career & Postsecondary Education Fund	K.S.A. 72-6428	131,382
General Fund	Contingency Reserve Fund	K.S.A. 72-6428	123,797
Supplemental General Fund	At Risk (K-12) Fund	K.S.A. 72-6433	1,005,334
Supplemental General Fund	Career & Postsecondary Education Fund	K.S.A. 72-6433	105,831

5. 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 January 1, 2015, Kansas law established the KPERs member-employee contribution rate of 6% of covered salary for KPERs 1, KPERs 2, and KPERs 3 members. Member contributions are withheld by their employer and paid to KPERs according to the provisions of Section 414(h) of the Internal Revenue Code.

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

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

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled \$964,022 for the year ended June 30, 2018.

Net Pension Liability – At June 30, 2018, the District's proportionate share of the collective net pension liability reported by KPERS was \$11,805,563. 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 State/School subgroup within KPERS for the fiscal year ended June 30, 2017. 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 publically available on the website at www.kpers.org or can be obtained as described above.

6. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

A. Other Post Employment Benefits

As provided by K.S.A. 12-5040, the District allows for retirees (and their dependents) with a minimum of 10 years of service in the district and who have reached KPERS requirements for full benefits, to continue participation in the district group health insurance plan until such time as the retiree reaches age 65. Retirees pay for dependent coverage at the employee rate.

The District provides for a single health insurance plan for retirees who were full-time twelve month employees upon retirement, with the district paying the premiums directly to the provider. The district provides this benefit to qualified retirees until they reach age 65 or are eligible for Medicare benefits. In the event of the retiree's death before the age of 65, this benefit would continue to the retiree's spouse until the retiree would have reached 65 or as limited by COBRA regulations. The total amount paid for the year ended June 30, 2018 by the district for these retirees was \$142,780.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

B. Compensated Absences

Vacation and Sick Leave

Certified and classified employees are granted three paid, non-accumulative discretionary days per year. Each classified employee who works 50 or more hours per month is granted one day of paid sick leave per month of service up to an accumulation of 90 sick days. Accumulated sick leave is paid upon resignation or retirement from the District at a rate of \$10 per day (up to \$900) for classified employees. Certified employees receive ten paid sick days per year and are allowed to accumulate up to 90 sick days. Upon resignation, retirement, termination or death of the employee, sick leave is paid to certified employees at the rate of \$20 per day (up to \$1,800). Full time, 12-month classified employees, receive 1 day of paid vacation for each month of work. Vacation days accumulate up to 15 days and are payable upon retirement or resignation at the employee's regular rate.

As of June 30, 2018, accumulated sick leave payable to certified employees totaled \$89,220 and accumulated sick leave payable to classified employees totaled \$32,235. Vacation leave payable to classified employees totaled \$30,851 as of June 30, 2018.

7. RISK MANAGEMENT

The Unified School District No. 333 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.

During the year ended June 30, 2018, the District did not reduce insurance coverage from levels in place during the prior year. No settlements have exceeded coverage levels in place during the past three fiscal years.

8. IN-SUBSTANCE RECEIPT IN TRANSIT

The District received \$470,362 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.

9. SUBSEQUENT EVENTS

The District has evaluated subsequent events from year end through the date of this report and does not believe any other events have occurred which effect the financial statement as presented.

11. LONG-TERM DEBT

Changes in long-term liabilities for the District for the year ended June 30, 2018, were as follows:

Issue	Interest Rate	Date Issued	Amount of Issue	Date of Final Maturity	Balance 7/1/2017	Additions	Reductions/ Payments	Balance 6/30/2018	Interest Paid
General Obligation Bonds									
Series 2013	2%-4.5%	12/23/2013	5,500,000	9/1/2033	\$ 5,265,000	\$ -	\$ 210,000	\$ 5,055,000	\$ 191,463
Total General Obligation Bonds					5,265,000	-	210,000	5,055,000	191,463
QZAB Bonds									
QZAB-Lasalle Bank	1.61%	8/14/2007	450,000	8/14/2017	50,000	-	50,000	-	805
QZAB-Local Banks	0.00%	8/14/2007	1,050,000	8/14/2017	105,000	-	105,000	-	-
Total QZAB Bonds					155,000	-	155,000	-	805
Leases									
Track Lease	2.97%	11/13/2017	1,250,000	11/1/2024	-	1,250,000	177,454	1,072,546	20,625
Bus Lease	2.49%	8/2/2017	156,402	8/31/2022	-	156,402	23,482	132,920	325
Bus Lease	2.49%	11/1/2017	91,162	11/1/2022	-	91,162	13,864	77,298	13
Total Leases					-	1,497,564	214,800	1,282,764	20,963
Total Contractual Indebtedness					\$ 5,420,000	\$ 1,497,564	\$ 579,800	\$ 6,337,764	\$ 213,231

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

Year Ended June 30	General Obligation Bonds		Leases		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$ 220,000	\$ 187,163	\$ 198,159	\$ 37,604	\$ 418,159	\$ 224,767
2020	225,000	181,587	203,893	31,869	428,893	213,456
2021	235,000	174,687	209,946	25,817	444,946	200,504
2022	250,000	167,413	216,103	19,660	466,103	187,073
2023	260,000	159,762	262,390	12,958	522,390	172,720
2024-2028	1,490,000	661,841	192,273	5,806	1,682,273	667,647
2029-2033	1,925,000	322,391	-	-	1,925,000	322,391
2034	450,000	10,125	-	-	450,000	10,125
Total	\$ 5,055,000	\$ 1,864,969	\$ 1,282,764	\$ 133,714	\$ 6,337,764	\$ 1,998,683

UNIFIED SCHOOL DISTRICT NO. 333
REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2018

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 1

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended June 30, 2018

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)
Governmental Type Funds:						
General Funds						
General Fund	\$ 7,472,392	\$ (116,575)	\$ 217,623	\$ 7,573,440	\$ 7,573,440	\$ -
Supplemental General Fund	2,505,212	-	-	2,505,212	2,505,212	-
Special Purpose Funds						
Special Education Cooperative Fund	5,474,609	-	-	5,474,609	4,639,421	(835,188)
At Risk (4 Year Old) Fund	115,888	-	-	115,888	101,925	(13,963)
At Risk (K-12) Fund	1,129,390	-	-	1,129,390	1,047,815	(81,575)
Bilingual Education Fund	8,000	-	-	8,000	8,000	-
Capital Outlay Fund	1,899,540	-	-	1,899,540	1,106,839	(792,701)
Driver Training Fund	24,348	-	-	24,348	13,199	(11,149)
Food Service Fund	873,472	-	-	873,472	690,843	(182,629)
Professional Development Fund	55,599	-	-	55,599	28,997	(26,602)
Special Education Fund	1,776,339	-	-	1,776,339	1,487,763	(288,576)
Career & Postsecondary Fund	250,873	-	-	250,873	199,208	(51,665)
KPERs Special Retirement Contribution Fund	995,025	-	-	995,025	964,022	(31,003)
Parents as Teachers Fund	92,146	-	-	92,146	94,763	2,617
Bond & Interest Fund						
Bond & Interest Fund	401,463	-	-	401,463	401,463	-

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-1

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
REGULATORY BASIS
For The Year Ended June 30, 2018

GENERAL FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Reimbursements	\$ 214,151	\$ -	\$ 214,151
State Reimbursements	3,472	-	3,472
Miscellaneous	39	-	39
State Aid	6,459,423	6,402,229	57,194
Special Education Aid	896,355	1,070,163	(173,808)
	<u>7,573,440</u>	<u>\$ 7,472,392</u>	<u>\$ 101,048</u>
EXPENDITURES			
Instruction	2,411,249	\$ 1,773,138	\$ 638,111
Student Support Services	313,423	353,450	(40,027)
Instructional Support Staff	341,200	255,515	85,685
General Administration	266,311	319,500	(53,189)
School Administration	543,409	587,000	(43,591)
Central Services	166,793	159,400	7,393
Operations & Maintenance	1,004,904	1,032,300	(27,396)
Supervision	216,378	229,514	(13,136)
Vehicle Operating Services	76,264	78,000	(1,736)
Vehicle & Maintenance Services	69,151	91,500	(22,349)
Other Student Transportation Services	1,908	4,000	(2,092)
Other Support Services	20,330	-	20,330
Architectural & Engineering Services	300	-	300
Outgoing Transfers	2,141,820	2,589,075	(447,255)
Adjustments to Comply with Legal Max	-	(116,575)	116,575
	<u>7,573,440</u>	<u>7,355,817</u>	<u>217,623</u>
Legal General Fund Budget			
Adjustment for Qualifying Budget Credits			
Reimbursements	-	217,623	(217,623)
	<u>7,573,440</u>	<u>\$ 7,573,440</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	-		
UNENCUMBERED CASH, July 1, 2017	-		
UNENCUMBERED CASH, June 30, 2018	<u>\$ -</u>		

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-2

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
REGULATORY BASIS
For The Year Ended June 30, 2018

SUPPLEMENTAL GENERAL FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
General Property Taxes			
Ad Valorem Taxes			
Tax In Process	\$ 45,728	\$ 38,500	\$ 7,228
Current Tax	1,042,578	959,428	83,150
Delinquent Tax	11,847	16,492	(4,645)
Motor Vehicle Tax	113,104	114,178	(1,074)
Recreational Vehicle Tax	1,516	1,424	92
Commercial Vehicle Tax	7,975	8,371	(396)
Rental Excise Tax	22	-	22
Supplemental General State Aid	1,270,926	1,270,926	-
Total Receipts	<u>2,493,696</u>	<u>\$ 2,409,319</u>	<u>\$ 84,377</u>
EXPENDITURES			
Instruction	1,282,338	\$ 1,913,212	\$ (630,874)
Instructional Support Staff	111,709	140,000	(28,291)
Outgoing Transfers	1,111,165	452,000	659,165
Total Expenditures	<u>2,505,212</u>	<u>\$ 2,505,212</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	(11,516)		
UNENCUMBERED CASH, July 1, 2017	<u>110,595</u>		
UNENCUMBERED CASH, June 30, 2018	<u>\$ 99,079</u>		

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-3

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
REGULATORY BASIS
For The Year Ended June 30, 2018

SPECIAL EDUCATION COOPERATIVE FUND

	Learning Cooperative of NCK	Medicaid	Total Special Education Cooperative Fund	Budget	Variance Over (Under)
RECEIPTS					
Payments from Other Districts	\$ 3,433,721	\$ -	\$ 3,433,721	\$ 3,600,000	\$ (166,279)
Interest on Idle Funds	1,924	-	1,924	4,000	(2,076)
Other Revenue from Local Sources	3,108	-	3,108	8,000	(4,892)
Federal Aid	683,058	-	683,058	670,000	13,058
Medicaid Aid	-	85,506	85,506	135,000	(49,494)
Total Receipts	<u>4,121,811</u>	<u>85,506</u>	<u>4,207,317</u>	<u>\$ 4,417,000</u>	<u>\$ (209,683)</u>
EXPENDITURES					
Instruction	3,681,326	4,552	3,685,878	\$ 4,442,769	\$ (756,891)
Student Support Services	553,345	80,954	634,299	707,500	(73,201)
Instructional Support Staff	21,803	-	21,803	20,640	1,163
School Administration	275,532	-	275,532	301,700	(26,168)
Operations & Maintenance	21,909	-	21,909	2,000	19,909
Total Expenditures	<u>4,553,915</u>	<u>85,506</u>	<u>4,639,421</u>	<u>\$ 5,474,609</u>	<u>\$ (835,188)</u>
Receipts Over (Under) Expenditures	(432,104)	-	(432,104)		
UNENCUMBERED CASH, July 1, 2017	<u>1,057,609</u>	<u>-</u>	<u>1,057,609</u>		
UNENCUMBERED CASH, June 30, 2018	<u>\$ 625,505</u>	<u>\$ -</u>	<u>\$ 625,505</u>		

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-4

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
REGULATORY BASIS

For The Year Ended June 30, 2018

AT RISK (4 YEAR OLD) FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Other Revenue From Local Sources	\$ 7,325	\$ 900	\$ 6,425
Federal Aid	1,740	-	1,740
Incoming Transfers	92,351	75,000	17,351
	<u>101,416</u>	<u>75,900</u>	<u>25,516</u>
Total Receipts	<u>101,416</u>	<u>\$ 75,900</u>	<u>\$ 25,516</u>
EXPENDITURES			
Instruction	85,896	\$ 98,858	\$ (12,962)
Student Transportation Services	14,619	15,400	(781)
Other Support Services	1,410	1,630	(220)
	<u>101,925</u>	<u>\$ 115,888</u>	<u>\$ (13,963)</u>
Total Expenditures	<u>101,925</u>	<u>\$ 115,888</u>	<u>\$ (13,963)</u>
Receipts Over (Under) Expenditures	(509)		
UNENCUMBERED CASH, July 1, 2017	<u>39,989</u>		
UNENCUMBERED CASH, June 30, 2018	<u>\$ 39,480</u>		

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-5

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
REGULATORY BASIS
For The Year Ended June 30, 2018

AT RISK (K-12) FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Incoming Transfers	\$ 1,048,334	\$ 1,090,000	\$ (41,666)
EXPENDITURES			
Instruction	1,021,712	\$ 1,081,815	\$ (60,103)
Student Support Services	26,103	47,575	(21,472)
Total Expenditures	1,047,815	\$ 1,129,390	\$ (81,575)
Receipts Over (Under) Expenditures	519		
UNENCUMBERED CASH, July 1, 2017	39,390		
UNENCUMBERED CASH, June 30, 2018	\$ 39,909		

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-6

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
REGULATORY BASIS
For The Year Ended June 30, 2018

BILINGUAL EDUCATION FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Incoming Transfers	\$ 8,000	\$ 8,000	\$ -
EXPENDITURES			
Instruction	8,000	\$ 8,000	\$ -
Receipts Over (Under) Expenditures	-		
UNENCUMBERED CASH, July 1, 2017	-		
UNENCUMBERED CASH, June 30, 2018	\$ -		

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-7

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
REGULATORY BASIS
For The Year Ended June 30, 2018

CAPITAL OUTLAY FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
General Property Taxes			
Ad Valorem Taxes			
Tax in Process	\$ 20,474	\$ 17,425	\$ 3,049
Current Tax	476,284	451,529	24,755
Delinquent Tax	4,090	7,469	(3,379)
Motor Vehicle Tax	48,813	48,649	164
Recreational Vehicle Tax	656	606	50
Commercial Vehicle Tax	3,590	3,567	23
Rental Excise Tax	10	-	10
Interest on Idle Funds	9,886	-	9,886
Other Revenue from Local Sources	83,522	37,628	45,894
State Aid	224,420	241,891	(17,471)
Incoming Transfers	200,000	-	200,000
	<u>1,071,745</u>	<u>\$ 808,764</u>	<u>\$ 262,981</u>
Total Receipts			
EXPENDITURES			
Instruction	42,987	\$ 260,766	\$ (217,779)
Student Supportive Services	-	-	-
General Administration	-	5,000	(5,000)
Operations & Maintenance	245,520	653,000	(407,480)
Transportation	303,120	250,000	53,120
Land Acquisition	17,799	-	17,799
Land Improvement	287,986	-	287,986
Architectural & Engineering Services	31,020	-	31,020
Building Improvements	22,602	574,774	(552,172)
Debt Service	155,805	156,000	(195)
	<u>1,106,839</u>	<u>\$ 1,899,540</u>	<u>\$ (792,701)</u>
Total Expenditures			
Receipts Over (Under) Expenditures	(35,094)		
UNENCUMBERED CASH, July 1, 2017	<u>1,073,176</u>		
UNENCUMBERED CASH, June 30, 2018	<u>\$ 1,038,082</u>		

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-8

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
REGULATORY BASIS
For The Year Ended June 30, 2018

DRIVER TRAINING FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Other Revenue from Local Sources	\$ 8,108	\$ -	\$ 8,108
State Aid	5,632	6,720	(1,088)
Total Receipts	<u>13,740</u>	<u>\$ 6,720</u>	<u>\$ 7,020</u>
EXPENDITURES			
Instruction	12,768	\$ 23,098	\$ (10,330)
Vehicle Operations & Maintenance Services	431	1,250	(819)
Total Expenditures	<u>13,199</u>	<u>\$ 24,348</u>	<u>\$ (11,149)</u>
Receipts Over (Under) Expenditures	541		
UNENCUMBERED CASH, July 1, 2017	<u>17,628</u>		
UNENCUMBERED CASH, June 30, 2018	<u>\$ 18,169</u>		

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-9

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
REGULATORY BASIS
For The Year Ended June 30, 2018

FOOD SERVICE FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Lunch Receipts	\$ 203,746	\$ 178,700	\$ 25,046
Breakfast Receipts	24,509	21,448	3,061
Adult & Ala Carte Receipts	15,578	25,500	(9,922)
Miscellaneous Receipts	18,627	-	18,627
State Aid	6,986	5,600	1,386
Federal Aid	400,825	366,779	34,046
Incoming Transfers	20,000	165,000	(145,000)
Total Receipts	<u>690,271</u>	<u>\$ 763,027</u>	<u>\$ (72,756)</u>
EXPENDITURES			
Operations & Maintenance	2,773	\$ 2,600	\$ 173
Food Service Operations	<u>688,070</u>	<u>870,872</u>	<u>(182,802)</u>
Total Expenditures	<u>690,843</u>	<u>\$ 873,472</u>	<u>\$ (182,629)</u>
Receipts Over (Under) Expenditures	(572)		
UNENCUMBERED CASH, July 1, 2017	<u>110,445</u>		
UNENCUMBERED CASH, June 30, 2018	<u>\$ 109,873</u>		

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-10

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
REGULATORY BASIS
For The Year Ended June 30, 2018

PROFESSIONAL DEVELOPMENT FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
State Aid	\$ 4,369	\$ 3,000	\$ 1,369
Other Revenue from Local Sources	35	-	35
Incoming Transfers	51,729	25,000	26,729
	<u>56,133</u>	<u>28,000</u>	<u>28,133</u>
Total Receipts	<u>56,133</u>	<u>\$ 28,000</u>	<u>\$ 28,133</u>
EXPENDITURES			
Instructional Support Staff	28,997	\$ 26,730	\$ 2,267
Other Support Services	-	28,869	(28,869)
	<u>28,997</u>	<u>55,599</u>	<u>(26,602)</u>
Total Expenditures	<u>28,997</u>	<u>\$ 55,599</u>	<u>\$ (26,602)</u>
Receipts Over (Under) Expenditures	27,136		
UNENCUMBERED CASH, July 1, 2017	<u>27,600</u>		
UNENCUMBERED CASH, June 30, 2018	<u>\$ 54,736</u>		

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-11

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
REGULATORY BASIS
For The Year Ended June 30, 2018

SPECIAL EDUCATION FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Other Revenue from Local Sources	\$ 14,683	\$ 20,000	\$ (5,317)
Federal Aid	6,088	-	6,088
Incoming Transfers	1,471,561	1,427,575	43,986
	<u>1,492,332</u>	<u>\$ 1,447,575</u>	<u>\$ 44,757</u>
Total Receipts			
EXPENDITURES			
Instruction	1,465,669	\$ 1,752,339	\$ (286,670)
Supervision	22,094	17,500	4,594
Vehicle Operating Services	-	6,500	(6,500)
	<u>1,487,763</u>	<u>\$ 1,776,339</u>	<u>\$ (288,576)</u>
Total Expenditures			
Receipts Over (Under) Expenditures	4,569		
UNENCUMBERED CASH, July 1, 2017	<u>313,346</u>		
UNENCUMBERED CASH, June 30, 2018	<u>\$ 317,915</u>		

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-12

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
REGULATORY BASIS
For The Year Ended June 30, 2018

CAREER & POSTSECONDARY EDUCATION FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Incoming Transfers	\$ 237,213	\$ 200,500	\$ 36,713
EXPENDITURES			
Instruction	199,208	\$ 250,873	\$ (51,665)
Receipts Over (Under) Expenditures	38,005		
UNENCUMBERED CASH, July 1, 2017	51,089		
UNENCUMBERED CASH, June 30, 2018	\$ 89,094		

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-13

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL
REGULATORY BASIS
For The Year Ended June 30, 2018

TEXTBOOK & STUDENT MATERIAL REVOLVING FUND

	Textbook	Student Material	Total
RECEIPTS			
Rental Fees & Books	\$ 36,532	\$ -	\$ 36,532
Miscellaneous Receipts	4,300	22,348	26,648
	<u>40,832</u>	<u>22,348</u>	<u>63,180</u>
Total Receipts			
EXPENDITURES			
Instruction	<u>57,042</u>	<u>21,795</u>	<u>78,837</u>
Receipts Over (Under) Expenditures	(16,210)	553	(15,657)
UNENCUMBERED CASH, July 1, 2017	<u>34,304</u>	<u>30,102</u>	<u>64,406</u>
UNENCUMBERED CASH, June 30, 2018	<u>\$ 18,094</u>	<u>\$ 30,655</u>	<u>\$ 48,749</u>

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-14

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
REGULATORY BASIS
For The Year Ended June 30, 2018

KPERS SPECIAL RETIREMENT CONTRIBUTION FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
State Aid	\$ 964,022	\$ 995,025	\$ (31,003)
EXPENDITURES			
Instruction	688,794	\$ 710,945	\$ (22,151)
Student Support Services	69,313	71,542	(2,229)
Instructional Support Staff	30,463	31,443	(980)
General Administration	21,112	21,791	(679)
School Administration	66,421	68,557	(2,136)
Central Services	8,483	8,756	(273)
Operations & Maintenance	37,211	38,408	(1,197)
Student Transportation Services	19,570	20,200	(630)
Food Service	22,655	23,383	(728)
Total Expenditures	964,022	\$ 995,025	\$ (31,003)
Receipts Over (Under) Expenditures	-		
UNENCUMBERED CASH, July 1, 2017	-		
UNENCUMBERED CASH, June 30, 2018	\$ -		

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-15

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL
REGULATORY BASIS
For The Year Ended June 30, 2018

CONTINGENCY RESERVE FUND

	Actual
RECEIPTS	
Incoming Transfers	\$ 123,797
EXPENDITURES	-
Receipts Over (Under) Expenditures	123,797
UNENCUMBERED CASH, July 1, 2017	684,596
UNENCUMBERED CASH, June 30, 2018	\$ 808,393

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-16

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
REGULATORY BASIS
For The Year Ended June 30, 2018

GIFTS & GRANTS FUND

	Owls Grant Fund	KS Reading Roadmap Grant Fund	Duclos Grant Fund	NCK Honor Flight Fund	Children's Trust Fund	Other Gifts & Donations Fund	Total Gifts and Donations	Budget*	Variance Over (Under)
RECEIPTS									
Contributions & Donations	\$ -	\$ 116,757	\$ 3,050	\$ 2,200	\$ 2,919	\$ 70,822	\$ 195,748	\$ 260,000	\$ (64,252)
EXPENDITURES									
Instruction	-	106,821	5,705	88	2,927	22,231	137,772	\$ 297,438	\$ (159,666)
Instructional Support Staff	-	-	600	-	-	1,557	2,157	1,400	757
Vehicle Operating Services	-	6,026	-	-	-	-	6,026	8,250	(2,224)
Other Support Services	-	-	-	-	-	50,000	50,000	-	50,000
Total Expenditures	-	112,847	6,305	88	2,927	73,788	195,955	\$ 307,088	\$ (111,133)
Receipts Over (Under) Expenditures	-	3,910	(3,255)	2,112	(8)	(2,966)	(207)		
UNENCUMBERED CASH, July 1, 2017	1,000	7,878	4,768	195	135	29,196	43,172		
UNENCUMBERED CASH, June 30, 2018	\$ 1,000	\$ 11,788	\$ 1,513	\$ 2,307	\$ 127	\$ 26,230	\$ 42,965		

* Gifts and Grants Funds are not required by statute to be budgeted, this budget is for informational purposes only.

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-17

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
REGULATORY BASIS
For The Year Ended June 30, 2018

PARENTS AS TEACHERS FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Payments from Other Districts	\$ 36,300	\$ 36,300	\$ -
State Aid	<u>57,646</u>	<u>55,846</u>	<u>1,800</u>
Total Receipts	<u>93,946</u>	<u>\$ 92,146</u>	<u>\$ 1,800</u>
EXPENDITURES			
Instructional Support Staff	<u>94,763</u>	<u>\$ 92,146</u>	<u>\$ 2,617</u>
Receipts Over (Under) Expenditures	(817)		
UNENCUMBERED CASH, July 1, 2017	<u>817</u>		
UNENCUMBERED CASH, June 30, 2018	<u>\$ -</u>		

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-18

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
REGULATORY BASIS
For The Year Ended June 30, 2018

FEDERAL FUNDS

	Carl Perkins Grant Fund	Title I	Title IIA Improving Teacher Quality	Total Federal Funds	Budget*	Variance Over (Under)
RECEIPTS						
Federal Aid	\$ -	\$ 180,487	\$ 35,145	\$ 215,632	\$ 212,932	\$ 2,700
EXPENDITURES						
Instruction	-	180,487	35,145	215,632	\$ 205,932	\$ 9,700
Instructional Support Staff	-	-	-	-	7,000	(7,000)
Total Expenditures	-	180,487	35,145	215,632	\$ 212,932	\$ 2,700
Receipts Over (Under) Expenditures	-	-	-	-		
UNENCUMBERED CASH, July 1, 2017	3,914	-	-	3,914		
UNENCUMBERED CASH, June 30, 2018	\$ 3,914	\$ -	\$ -	\$ 3,914		

* Federal Funds are not required by statute to be budgeted, this budget is for informational purposes only.

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-19

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL
REGULATORY BASIS
For The Year Ended June 30, 2018

DISTRICT ACTIVITY FUNDS

	<u>Actual</u>
RECEIPTS	<u>\$ 115,786</u>
EXPENDITURES	<u>124,541</u>
Receipts Over (Under) Expenditures	(8,755)
UNENCUMBERED CASH, July 1, 2017	<u>29,212</u>
UNENCUMBERED CASH, June 30, 2018	<u><u>\$ 20,457</u></u>

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-20

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
REGULATORY BASIS
For The Year Ended June 30, 2018

BOND & INTEREST FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
General Property Taxes			
Ad Valorem Taxes			
Tax in Process	\$ 8,357	\$ 7,022	\$ 1,335
Current Tax	190,808	180,818	9,990
Delinquent Tax	1,922	3,006	(1,084)
Motor Vehicle Tax	21,931	22,487	(556)
Recreational Vehicle Tax	293	280	13
Commercial Vehicle Tax	1,466	1,649	(183)
Rental Excise Tax	4	-	4
State Aid	180,658	180,658	-
Total Receipts	<u>405,439</u>	<u>\$ 395,920</u>	<u>\$ 9,519</u>
EXPENDITURES			
Principal	210,000	\$ 210,000	\$ -
Interest	<u>191,463</u>	<u>191,463</u>	<u>-</u>
Total Expenditures	<u>401,463</u>	<u>\$ 401,463</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	3,976		
UNENCUMBERED CASH, July 1, 2017	<u>578,344</u>		
UNENCUMBERED CASH, June 30, 2018	<u>\$ 582,320</u>		

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-21

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL
REGULATORY BASIS
For The Year Ended June 30, 2018

DONALD WADE SCHOLARSHIP FUND

	<u>Actual</u>
RECEIPTS	
Interest on Idle Funds	<u>\$ 9</u>
EXPENDITURES	<u>-</u>
Receipts Over (Under) Expenditures	9
UNENCUMBERED CASH, July 1, 2017	<u>4,262</u>
UNENCUMBERED CASH, June 30, 2018	<u><u>\$ 4,271</u></u>

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-22

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL
REGULATORY BASIS
For The Year Ended June 30, 2018

CHERYL LAAS MEMORIAL FUND

	<u>Actual</u>
RECEIPTS	
Interest on Idle Funds	<u>\$ 21</u>
EXPENDITURES	
Scholarship	<u>500</u>
Receipts Over (Under) Expenditures	(479)
UNENCUMBERED CASH, July 1, 2017	<u>5,552</u>
UNENCUMBERED CASH, June 30, 2018	<u><u>\$ 5,073</u></u>

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-23

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL
REGULATORY BASIS
For The Year Ended June 30, 2018

NICOLE BARLEEN SCHOLARSHIP FUND

	Actual
RECEIPTS	
Interest on Idle Funds	\$ 71
Donations	1,000
Greater Salina Community Foundation	3,629
Total Receipts	4,700
EXPENDITURES	
Scholarship	1,000
Receipts Over (Under) Expenditures	3,700
UNENCUMBERED CASH, July 1, 2017	23,952
UNENCUMBERED CASH, June 30, 2018	\$ 27,652

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-24

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL
REGULATORY BASIS
For The Year Ended June 30, 2018

DOUG MOORE SCHOLARSHIP FUND

	<u>Actual</u>
RECEIPTS	
Greater Salina Community Foundation	<u>\$ 250</u>
EXPENDITURES	
Scholarship	<u>-</u>
Receipts Over (Under) Expenditures	250
UNENCUMBERED CASH, July 1, 2017	<u>-</u>
UNENCUMBERED CASH, June 30, 2018	<u><u>\$ 250</u></u>

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-25

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL
REGULATORY BASIS
For The Year Ended June 30, 2018

FLOYD HULL SCHOLARSHIP FUND

	Actual
RECEIPTS	
Interest on Idle Funds	\$ 1
EXPENDITURES	
Scholarship	250
Receipts Over (Under) Expenditures	(249)
UNENCUMBERED CASH, July 1, 2017	566
UNENCUMBERED CASH, June 30, 2018	\$ 317

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-26

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL
REGULATORY BASIS
For The Year Ended June 30, 2018

LARRY HAMEL SCHOLARSHIP FUND

	<u>Actual</u>
RECEIPTS	
Donations	<u>\$ 1</u>
EXPENDITURES	
Scholarship	<u> 1,000</u>
Receipts Over (Under) Expenditures	(999)
UNENCUMBERED CASH, July 1, 2017	<u> 1,650</u>
UNENCUMBERED CASH, June 30, 2018	<u><u>\$ 651</u></u>

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-27

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL
REGULATORY BASIS
For The Year Ended June 30, 2018

CHAD MCDANIEL SCHOLARSHIP

	<u>Actual</u>
RECEIPTS	
Greater Salina Community Foundation	<u>\$ 1,752</u>
EXPENDITURES	
Scholarship	<u>500</u>
Receipts Over (Under) Expenditures	1,252
UNENCUMBERED CASH, July 1, 2017	<u>-</u>
UNENCUMBERED CASH, June 30, 2018	<u><u>\$ 1,252</u></u>

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-28

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL
REGULATORY BASIS
For The Year Ended June 30, 2018

TREVOR GENNETTE SCHOLARSHIP

	<u>Actual</u>
RECEIPTS	
Greater Salina Community Foundation	<u>\$ 500</u>
EXPENDITURES	
Scholarship	<u> 500</u>
Receipts Over (Under) Expenditures	-
UNENCUMBERED CASH, July 1, 2017	<u> 500</u>
UNENCUMBERED CASH, June 30, 2018	<u><u>\$ 500</u></u>

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 3

SUMMARY OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS
For The Year Ended June 30, 2018

AGENCY FUNDS

FUND	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Student Activity Funds	\$ 116,602	\$ 175,148	\$ 144,781	\$ 146,969
Payroll Hold-Backs USD 333	38,139	64,809	60,912	42,036
Payroll Hold-Backs LCNCK	33,881	52,078	46,391	39,568
Student Activity Sales Tax	698	7,533	7,524	707
Total	<u>\$ 189,320</u>	<u>\$ 299,568</u>	<u>\$ 259,608</u>	<u>\$ 229,280</u>

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 4

SCHEDULE OF RECEIPTS, EXPENDITURES & UNENCUMBERED CASH
REGULATORY BASIS
For The Year Ended June 30, 2018

DISTRICT ACTIVITY FUNDS

Fund	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Athletics	\$ 8,435	\$ -	\$ 66,602	\$ 74,015	\$ 1,022	\$ 273	\$ 1,295
Drama	2,809	-	2,846	4,146	1,509	-	1,509
Music Festival	2,024	-	2,867	2,692	2,199	-	2,199
Business Production	100	-	2	-	102	-	102
Cat Scratch Productions	270	-	-	148	122	-	122
Athletics Concession	9,173	-	5,608	7,171	7,610	-	7,610
Renaissance	4,389	-	8,254	7,818	4,825	-	4,825
Student Activity Fee	1,816	-	13,765	12,513	3,068	-	3,068
Yearbook	28	-	13,578	13,606	-	-	-
Metals	168	-	2,264	2,432	-	-	-
Total District Activity Funds	<u>\$ 29,212</u>	<u>\$ -</u>	<u>\$ 115,786</u>	<u>\$ 124,541</u>	<u>\$ 20,457</u>	<u>\$ 273</u>	<u>\$ 20,730</u>

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 5
Page 1 of 2

SCHEDULE OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS
For The Year Ended June 30, 2018

STUDENT ACTIVITY FUNDS

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
High School Student Council	\$ 977	\$ 5,327	\$ 4,602	\$ 1,702
Junior High Student Council	1,588	2,573	1,605	2,556
Con Global Action Team	500	-	-	500
Chess Club	2,479	1,148	2,117	1,510
National Honor Society	235	-	-	235
Scholar Bowl	1,312	1,649	1,953	1,008
Football & Weight Club	1,239	2,780	2,399	1,620
Art Club	401	79	-	480
Cheerleaders	2,470	5,557	2,868	5,159
Dance Squad	1,608	3,831	4,478	961
National Forensic League	628	-	350	278
Friends of Rachel	2,026	2,782	1,714	3,094
F.B.L.A.	77	603	569	111
Junior High Band	677	-	-	677
High School Band	2,435	2,195	2,132	2,498
F.C.C.L.A.	1,430	140	469	1,101
F.F.A.	17,202	31,757	24,913	24,046
F.F.A. Fruit	34,229	27,026	34,249	27,006
F.F.A. Scholarship	1,568	1,500	963	2,105
Skills USA	86	-	-	86
F.C.A.	6,849	312	-	7,161
Junior High Vocal Music	339	537	-	876
High School Vocal Music	11,978	25,332	14,530	22,780
Softball Club	945	-	249	696
Baseball Club	556	6,822	7,319	59
Volleyball Club	1,187	-	374	813
Golf Club	139	-	-	139
Tennis Club	67	599	610	56
Drama Club	2,600	1,943	1,200	3,343
Science Club	2,642	119	129	2,632
Foreign Language Club	609	312	436	485
Track Club	263	2,500	2,373	390
S.A.D.D.	92	6,590	6,583	99
Wrestling Club	1,529	1,270	2,156	643
Girls Basketball	195	1,683	1,713	165
Boys Basketball	13	-	-	13
Football Team	576	2,468	2,836	208
CMS Friends of Rachel	361	-	-	361

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 5
Page 2 of 2

SCHEDULE OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS
For The Year Ended June 30, 2018

STUDENT ACTIVITY FUNDS (Cont.)

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Class of 2017	\$ 781	\$ -	\$ 781	\$ -
Class of 2018	1,462	330	-	1,792
Class of 2019	4,960	1,520	5,548	932
Class of 2020	4,492	2,266	591	6,167
Class of 2021	-	2,984	779	2,205
Class of 2022	-	1,288	760	528
J.A.G.	800	747	732	815
Clay Shooting	-	22,603	5,725	16,878
Culinary Arts	-	563	563	-
ID Cards	-	11	11	-
2-D Art	-	2,155	2,155	-
3-D Art	-	1,013	1,013	-
Woodworking	-	234	234	-
Total Student Organization Funds	<u>\$ 116,602</u>	<u>\$ 175,148</u>	<u>\$ 144,781</u>	<u>\$ 146,969</u>

UNIFIED SCHOOL DISTRICT NO. 333
SINGLE AUDIT SECTION
FOR THE YEAR ENDED JUNE 30, 2018



MAPES & MILLER LLP

CERTIFIED PUBLIC ACCOUNTANTS

A PARTNERSHIP OF PROFESSIONAL CORPORATIONS

JOHN D. MAPES, CPA, CHTD

DENIS W. MILLER, CPA, PA

THOMAS B. CARPENTER, CPA, PA

DON E. TILTON, CPA, PA

BRIAN S. THOMPSON, CPA, PA

REBECCA A. LIX, CPA, PA

STEPHANIE M. HEIER, CPA, PA

418 E HOLME

NORTON, KS 67654

(785)877-5833

P.O. BOX 412, 230 MAIN ST

QUINTER, KS 67752

(785)754-2111

P.O. BOX 266

711 3RD STREET

PHILLIPSBURG, KS 67661

(785)543-6561

P.O. BOX 508

503 MAIN STREET

STOCKTON, KS 67669

(785)425-6764

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*

February 13, 2019

Board of Education

Unified School District No. 333

Concordia, Kansas 66901

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*, the financial statement of Unified School District No. 333, as of and for the year ended June 30, 2018, and the related notes to the financial statement, which collectively comprise Unified School District No. 333's basic financial statement and have issued our report thereon dated February 13, 2019. Our report on the financial statement disclosed that, as described in Note 1 to the financial statements, the Unified School District No. 333 prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Unified School District No. 333's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Unified School District No. 333's internal control. Accordingly, we do not express an opinion on the effectiveness of Unified School District No. 333'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 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 were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies (2018-001, 2018-002).

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Unified School District No. 333's financial statements are free from 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*.

We also noted certain other matters that we reported to management of Unified School District No. 333 in a separate letter dated February 13, 2019.

Unified School District No. 333's Response to Findings

Unified School District No. 333's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Unified School District No. 333's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

Respectfully submitted,

Mapes & Miller LLP
Certified Public Accountants

February 13, 2019
Phillipsburg, Kansas



MAPES & MILLER LLP

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JOHN D. MAPES, CPA, CHTD

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418 E HOLME

NORTON, KS 67654

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711 3RD STREET

PHILLIPSBURG, KS 67661

(785)543-6561

P.O. BOX 508

503 MAIN STREET

STOCKTON, KS 67669

(785)425-6764

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

February 13, 2019

Board of Education

Unified School District No. 333

Concordia, Kansas 66901

Report on Compliance for Each Major Federal Program

We have audited Unified School District No. 333's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of Unified School District No. 333's major federal programs for the year ended June 30, 2018. Unified School District No. 333's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Unified School District No. 333'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. 333'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 of Unified School District No. 333's compliance.

Opinion on Each Major Federal Program

In our opinion, Unified School District No. 333 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. 333 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Unified School District No. 333'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 the 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. 333's internal control over compliance.

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

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

Mapes & Miller LLP

Certified Public Accountants

February 13, 2019
Phillipsburg, Kansas

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 6

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

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Unencumbered Cash July 1, 2017	Cash Receipts	Expenditures	Federal Unencumbered Cash June 30, 2018
<u>U.S. Department of Education</u>						
Passed through Kansas Department of Education (KSDE)						
Special Education Cluster (IDEA)						
Special Education-Grants to States	84.027	DO 333	\$ -	\$ 638,404	\$ 638,404	\$ -
Special Education-Preschool Grants	84.173	DO 333	-	44,654	44,654	-
Total Special Education Cluster (IDEA)			-	683,058	683,058	-
Title I Grants to Local Educational Agencies	84.010	DO 333	-	180,487	180,487	-
Title II-A Improving Teacher Quality State Grants	84.367	DO 333	-	35,145	35,145	-
Total U.S. Department of Education			-	898,690	898,690	-
<u>U.S. Department of Agriculture</u>						
Passed through Kansas Department of Education (KSDE)						
Child Nutrition Cluster						
School Breakfast Program	10.553	DO 333	-	75,497	75,497	-
National School Lunch Program	10.555	DO 333	-	295,472	295,472	-
Summer Food Service Program	10.559	DO 333	-	29,806	29,806	-
Total Child Nutrition Cluster			-	400,775	400,775	-
State Administrative Expenses for Child Nutrition	10.560	DO 333	-	6,138	6,138	-
Total U.S. Department of Agriculture			-	406,913	406,913	-
<u>U.S. Department of Health & Human Services</u>						
Passed through Kansas Department of Education (KSDE)						
TANF - Parents as Teachers	93.558	DO 333	-	1,740	1,740	-
Total Expenditures of Federal Awards			\$ -	\$ 1,307,343	\$ 1,307,343	\$ -

The accompanying notes are an integral part of this schedule.

UNIFIED SCHOOL DISTRICT NO. 333
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2018

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Unified School District No. 333, Concordia, Kansas (the District), under programs of the federal government for the year ended June 30, 2018. The information in the Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District. The Schedule is presented using a regulatory basis of accounting prescribed by the Kansas Municipal Audit and Accounting Guide (as described in Note 1 to the financial statement), which is the same basis of accounting as the financial statement accompanying this schedule.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the regulatory basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect Cost Rate

The District has not elected to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

4. Sub-recipients

No federal awards were passed-through to sub-recipients.

5. Contingencies

The District receives funds under various federal grant programs and such awards are to be expended in accordance with provisions of the various grants. Compliance with the grants is subject to audit by various government agencies which may impose sanctions in the event of non-compliance. Management believes that they have complied with all aspects of the various grant provisions and the results of adjustments, if any, relating to such audits would not have any material financial impact.

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended June 30, 2018

SECTION 1 – SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued:

In accordance with Generally Accepted Accounting Principles

Adverse

In accordance with the regulatory basis of accounting described in Note 1

Unmodified

Internal control over financial reporting:

• Material weaknesses identified?

 Yes x No

Significant deficiencies identified?

 x Yes None reported

• Noncompliance material to financial statements noted?

 Yes x No

FEDERAL AWARDS

Internal control over major programs:

• Material weaknesses identified?

 Yes x No

• Significant deficiencies identified?

 Yes x None reported

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in
accordance with 2 CFR section 200.516 (a) ?

 Yes x No

The programs tested as major programs were:

CFDA NUMBER

NAME OF FEDERAL PROGRAM

84.027

Special Education Cluster:

84.173

Special Education – Grants to States

Special Education – Preschool Grants

Dollar threshold used to distinguish between type A and
type B programs:

\$750,000

Auditee qualified as low-risk auditee?

 Yes x No

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

SECTION 2 – FINDINGS – FINANCIAL STATEMENT AUDIT

INTERNAL CONTROL

2018-001 Segregation of duties

Condition: The limited staff size does not provide for adequate segregating of duties.

Criteria: Segregation of duties should be maintained to strengthen internal control over accounting and compliance functions.

Effect: Lack of segregation of duties increases the risk of errors and noncompliance occurring and not being detected in a timely manner.

Cause: Because the entity is small, management does not feel it is feasible to hire more staff.

Recommendations: Duties of key financial and compliance personnel should be evaluated to determine if duties could be segregated.

Views of Responsible Officials and Planned Corrective Actions: We concur with the recommendation. However, the size of the entity does not make it practical to have sufficient number of employees to achieve the optimum level of internal control.

2018-002 Financial Statement Preparation

Condition: Management does not have the qualifications and training necessary to prepare the financial statements, including the related footnote disclosures, in accordance with the reporting and formatting requirements of the Kansas Municipal Audit and Accounting Guide.

Criteria: Management must have controls over the preparation of the financial statements, including footnote disclosures, which would prevent or detect an omission/misstatement in the financial statements in accordance with the basis of accounting adopted.

Effect: The District lacks internal controls over the preparation of the financial statements, note disclosures, and regulatory required supplemental information. The control deficiency allows for omission/misstatements in the financial statements including footnotes that may not be prevented, detected, or corrected.

Cause: There are no procedures in place that require management to obtain the necessary qualifications and training. The clerk for the District is new to the position and has not been able to attend training.

Recommendations: Management would need to attend training classes to educate on proper and complete preparation of the financial statements and footnote disclosures and to be aware of all of the current accounting standards by purchasing annual accounting subscriptions. We recommend that management continue to increase their knowledge of financial reporting.

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Concordia, Kansas

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

SECTION 2 – FINDINGS – FINANCIAL STATEMENT AUDIT

INTERNAL CONTROL (Cont.)

2018-002 Financial Statement Preparation (Cont.)

Views of Responsible Officials and Planned Corrective Actions: The District has evaluated the benefit of establishing internal controls over the preparation of financial statements, including note disclosures, and determined that it is best for the District to have its external auditors prepare the financial statements. The board does review the draft of the financial statements, including note disclosures, prior to approving.

SECTION 3 – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

U.S. DEPARTMENT OF EDUCATION

Special Education Cluster - CFDA No. 84.027 and 84.173. No reportable findings or questioned costs for the year ended June 30, 2018.

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

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

Financial Statement Audit Findings

INTERNAL CONTROL

2017-001 Segregation of duties

Condition: The limited staff size does not provide for adequate segregating of duties.

Recommendations: Duties of key financial and compliance personnel should be evaluated to determine if duties could be segregated.

Current Status: The District was unable to correct this finding due to the small size of the staff.

2017-002 Financial Statement Preparation

Condition: Management does not have the qualifications and training necessary to prepare the financial statements, including the related footnote disclosures, in accordance with the reporting and formatting requirements of the Kansas Municipal Audit and Accounting Guide.

Recommendations: Management would need to attend training classes to educate on proper and complete preparation of the financial statements and footnote disclosures and to be aware of all of the current accounting standards by purchasing annual accounting subscriptions. We recommend that management continue to increase their knowledge of financial reporting.

Current Status: The District hired a new clerk and the new clerk has not attended any training.

2017-003 Payroll

Condition: In performing testing of payroll transactions, we found it difficult to determine the authorized rate of pay for some of the classified employees tested.

Recommendations: We recommend that all raises and pay rate changes be documented, approved by management, and kept in the employee's personnel files. For employees on the payroll step schedule, we recommend documentation be included in the personnel file showing what step and pay grade the employee is at.

Current Status: Procedures were developed by the District to adequately document the authorized rate of pay for classified employees.

Federal Award Findings

U.S. DEPARTMENT OF EDUCATION

Special Education Cluster – CFDA No. 84.027 and 84.173
No prior year reportable findings.