

Unified School District No. 405 Lyons, Kansas

Primary Government Financial Statement
With Independent Auditors' Report

For the Year Ended June 30, 2018

Unified School District No. 405 Lyons, Kansas
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For the Year Ended June 30, 2018

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INDEPENDENT AUDITORS' REPORT

To the Board of Education

Unified School District No. 405 Lyons, Kansas

Lyons, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of **Unified School District No. 405 Lyons, Kansas**, as of and for the year ended June 30, 2018 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

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

Auditors' 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 *Kansas Municipal Audit and Accounting Guide* and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from 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, the financial statement is prepared by **Unified School District No. 405 Lyons, 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 matters 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. 405 Lyons, 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. 405 Lyons, Kansas** as of June 30, 2018, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Other Matters

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

Other 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 schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is 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 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statement as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2018, on our consideration of **Unified School District No. 405 Lyons, Kansas**' 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. 405 Lyons, Kansas**' internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Adams, Brown, Beran & Ball, Chartered". The signature is written in black ink on a white background.

ADAMS, BROWN, BERAN & BALL, CHTD.

Certified Public Accountants

October 25, 2018

UNIFIED SCHOOL DISTRICT NO. 405 LYONS, KANSAS
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 Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds							
General Funds							
General Fund	\$ -	10,156	6,553,114	6,553,114	10,156	54,988	65,144
Supplemental General Fund	35,718	-	1,689,278	1,684,122	40,874	29,142	70,016
Special Purpose Funds							
At Risk (4 Yr Old) Fund	10,000	-	48,733	48,733	10,000	-	10,000
At Risk (K-12) Fund	438,465	-	1,497,423	1,495,916	439,972	43	440,015
Bilingual Education Fund	99,869	-	259,697	259,698	99,868	-	99,868
Capital Outlay Fund	244,132	-	669,220	722,788	190,564	341,451	532,015
Driver Training Fund	11,318	-	9,107	9,426	10,999	569	11,568
Food Service Fund	149,639	-	521,568	505,431	165,776	14,293	180,069
Professional Development Fund	73,269	-	24,754	38,690	59,333	-	59,333
Parent Education Fund	-	-	76,199	76,199	-	8,754	8,754
Special Education Fund	545,422	-	1,118,505	1,250,753	413,174	-	413,174
Special Education Cooperative Fund	176,393	-	3,428,588	3,513,489	91,492	3,311	94,803
Technology Revolving Fund	32,627	-	15,845	-	48,472	-	48,472
Vocational Education Fund	200,859	-	216,603	217,462	200,000	-	200,000
KPERs Retirement Contributions Fund	-	-	960,578	960,578	-	-	-
Carl Perkins Consortium Fund	-	-	4,001	7,333	(3,332)	1,172	(2,160)
Contingency Reserve Fund	626,753	-	-	-	626,753	-	626,753
Title I Fund	-	-	200,807	200,807	-	-	-
Title I-C Migrant Fund	-	-	24,000	24,000	-	88	88
Title II-A Fund	-	-	24,589	24,589	-	-	-
Title VI-B Discretionary Fund	-	-	22,084	22,084	-	-	-
Title IV-A Fund	-	-	5,646	5,646	-	5,646	5,646
Other Federal Funds Fund	-	-	37,332	37,332	-	2,488	2,488
Gifts and Grants Fund	17,498	-	3,563	6,828	14,233	944	15,177
Recreation Commission General Fund	90,056	-	315,622	337,700	67,978	-	67,978
Recreation Commission Employee Benefits Fund	8,623	-	45,329	45,400	8,552	-	8,552
District Activity Funds	67,914	-	189,741	201,457	56,198	-	56,198
Bond and Interest Fund							
Bond and Interest Fund	817,778	-	1,144,609	1,020,925	941,462	-	941,462
Capital Project Fund							
Capital Project Fund	722,339	-	8,693	731,032	-	229,344	229,344
Trust Fund							
Needy Children Fund	6,026	-	1,000	1,417	5,609	-	5,609
Total Primary Government (Excluding Agency Funds)	\$ 4,374,698	10,156	19,116,228	20,002,949	3,498,133	692,233	4,190,366
Composition of Cash				Checking Accounts		\$	3,986,647
				Savings Accounts			254,329
				Total Cash			4,240,976
				Agency Funds per Schedule 3			(50,610)
				Total Primary Government (Excluding Agency Funds)		\$	4,190,366

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

UNIFIED SCHOOL DISTRICT NO. 405 LYONS, KANSAS

Notes to Financial Statement

June 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unified School District No. 405 Lyons, Kansas has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. The accompanying financial statement is presented to conform to the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The following is a summary of such significant policies.

Use of Estimates

The preparation of financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas requires management to make estimates and assumptions that affect the reported amount of unencumbered cash balances and accounts payable during the reporting period. Actual results could differ from those estimates.

Financial Reporting Entity

The District is a municipal corporation governed by an elected seven-member board. This financial statement does not include the related municipal entity shown below. A related municipal entity is an entity established to benefit the District and/or its constituents.

Recreation Commission

Lyons Recreation Commission oversees recreational activities. The recreation commission operates as a separate governing body but the District levies the taxes for the recreation commission and the recreation commission has only the powers granted by statute, K.S.A. 12-1928. Audited financial statements can be obtained by contacting the recreation commission's office.

The District is the primary government as defined in GASB #61. The board of education is elected by the public. The board has the authority to make decisions, levy taxes, influence operations and has the primary accountability in fiscal matters.

Basis of Presentation – Fund Accounting

The accounts of the District are organized and operated on the basis of funds. In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

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

Regulatory Basis Fund Types

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 Project and tax levies for long-term debt) that are intended for specified purposes.

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

UNIFIED SCHOOL DISTRICT NO. 405 LYONS, KANSAS

Notes to Financial Statement

June 30, 2018

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

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

Basis of Accounting

The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments 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.

Departure From Accounting Principles Generally Accepted in the United States of America

The basis of accounting described above results in a financial statement presentation which shows cash receipts, expenditures, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expenses, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. Capital assets that account for the land, buildings, and equipment owned by the District are not presented in the financial statement. Also, long-term debt such as general obligation bonds, revenue bonds, capital leases, and temporary notes are not presented in the financial statement.

Property Tax Calendar

Collection of current year property tax by the County Treasurer is not completed, apportioned nor distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes. Property taxes are collected and remitted to the County Treasurer. Taxes levied annually on November 1st are due one-half by December 20th and one-half by May 10th. Major tax distributions are made in the months of December through July. Lien dates for personal property are in March and August and lien dates for real property are in September. Taxes are recognized as revenue in the year received. Delinquent tax payments are recognized as revenue in the year received.

UNIFIED SCHOOL DISTRICT NO. 405 LYONS, KANSAS

Notes to Financial Statement

June 30, 2018

Restricted Assets

Restricted cash balances are reported in various funds that are legally restricted for specified uses such as the payment of debt service and fiscal fees on long-term debt and for expenditures approved in federal and state grant contracts. Also, cash is restricted in the trust and agency funds of the District for special purposes.

Reimbursements

The District records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as a receipt to the fund that receives the reimbursement. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements under KMAAG regulatory basis of accounting.

NOTE 2 – 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:

- a. Preparation of the budget for the succeeding calendar year on or before August 1st.
- b. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
- c. Public hearing on or before August 15th, but at least 10 days after publication of notice of hearing.
- d. 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 10 days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

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

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which 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, trust funds, and the following special purpose funds: Carl Perkins Consortium Fund, Contingency Reserve Fund, Title I Fund, Title I-C Migrant Fund, Title II-A Fund, Title VI-B Discretionary Fund, Title VI-A Fund, Other Federal Funds Fund, and District Activity Funds.

UNIFIED SCHOOL DISTRICT NO. 405 LYONS, KANSAS

Notes to Financial Statement

June 30, 2018

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 3 – DEPOSITS AND INVESTMENTS

Unified School District No. 405 Lyons, Kansas follows the practice of pooling cash and investments of all funds. Each fund's portion of total cash and investments is summarized by fund category in the summary statement of receipts, expenditures and unencumbered cash.

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

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

Concentration of Credit Risk

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

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District does not use "peak periods". All deposits were legally secured at June 30, 2018.

At June 30, 2018, the District's carrying amount of deposits was \$4,240,976 and the bank balance was \$4,524,099. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$568,251 was covered by federal depository insurance and \$3,955,848 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. The District had no investments at June 30, 2018.

NOTE 4 – IN-SUBSTANCE RECEIPT IN TRANSIT

Unified School District No. 405 Lyons, Kansas received \$478,939 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.

UNIFIED SCHOOL DISTRICT NO. 405 LYONS, KANSAS

Notes to Financial Statement

June 30, 2018

NOTE 5 – INTERFUND TRANSFERS

Interfund transfers within the reporting entity are substantially for the purpose of subsidizing operating functions, funding capital projects and asset acquisitions or maintaining debt service on a routine basis as authorized by Kansas statutes. **Unified School District No. 405 Lyons, Kansas'** interfund transfers and regulatory authority for the year ended June 30, 2018 were as follows:

From	To	Regulatory Authority	Amount
General Fund	At Risk (4 Yr Old) Fund	K.S.A. 72-6478	\$ 48,733
General Fund	At Risk (K-12) Fund	K.S.A. 72-6478	1,139,844
General Fund	Capital Outlay Fund	K.S.A. 72-6478	100,000
General Fund	Parent Education Fund	K.S.A. 72-6478	22,654
General Fund	Special Education Fund	K.S.A. 72-6478	815,555
Supplemental General Fund	At Risk (K-12) Fund	K.S.A. 72-6433	357,239
Supplemental General Fund	Bilingual Education Fund	K.S.A. 72-6433	259,697
Supplemental General Fund	Special Education Fund	K.S.A. 72-6433	302,950
Supplemental General Fund	Vocational Education Fund	K.S.A. 72-6433	216,603

NOTE 6 – CAPITAL PROJECTS

Capital project authorizations with approved change orders compared with expenditures from inception are as follows:

	Project Authorization	Expenditures to Date
Additions and Improvements to School Facilities	\$ 13,325,000	\$ 13,254,829

NOTE 7 – LITIGATION

Unified School District No. 405 Lyons, Kansas is a party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material financial impact on the affected funds of the District.

NOTE 8 – RISK MANAGEMENT

Unified School District No. 405 Lyons, Kansas 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 been unable to obtain workers' compensation insurance at a cost it considered to be economically justifiable. For this reason, the District joined together with other districts in the State to participate in Kansas Association of School Boards Workers' Compensation Insurance Pool, a public entity risk pool currently operating as a common risk management and insurance program for 109 participating members.

The District pays an annual premium to Kansas Association of School Boards Workers' Compensation Fund, Inc. for its workers' compensation insurance coverage. The agreement to participate provides that the Kansas Association of School Boards Workers' Compensation Fund, Inc. will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$1,000,000 for each insured event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by Kansas Association of School Boards Workers' Compensation Insurance Pool management.

UNIFIED SCHOOL DISTRICT NO. 405 LYONS, KANSAS

Notes to Financial Statement

June 30, 2018

The District carries commercial insurance for all other risks of loss, including property, general liability, cyber, crime, automobile, educators legal liability and surety bond coverage. The District has elected to obtain comprehensive and collision coverage on all District owned motor vehicles. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 9 – GRANTS AND SHARED REVENUES

Unified School District No. 405 Lyons, Kansas participates in numerous state and federal grant programs, which are governed by various rules and regulations for the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the District, any liability for reimbursement, which may arise as the result of the audit, is not believed to be material.

NOTE 10 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Construction contracts in place at June 30, 2018 did not comply with the mandatory nondiscrimination provisions, which is a violation of K.S.A.44-1030.

NOTE 11 – DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan Description

Unified School District No. 405 Lyons, Kansas 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 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 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

UNIFIED SCHOOL DISTRICT NO. 405 LYONS, KANSAS

Notes to Financial Statement

June 30, 2018

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 20 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 \$960,578 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 \$11,871,274. 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 these financial statements.

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

NOTE 12 – EARLY RETIREMENT BENEFITS

The District provides an early retirement program for certain eligible employees. Employees are eligible if they are currently certified or classified employees of the District, eligible for full KPERS early retirement benefits and have a minimum of 12 years (for certified employees) or 15 years (for classified employees) of employment within the District. Those eligible under this program may receive benefits for up to five years or until age 65. Payments to retired employees under this plan were \$20,031 for the year ended June 30, 2018.

NOTE 13 – OTHER POST EMPLOYMENT BENEFITS

As provided by K.S.A. 12-5040, **Unified School District No. 405 Lyons, Kansas** allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the District is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

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.

UNIFIED SCHOOL DISTRICT NO. 405 LYONS, KANSAS

Notes to Financial Statement

June 30, 2018

NOTE 14 – COMPENSATED ABSENCES

Teachers are granted leave in the amount of 13 days per year. Leave is cumulative to a maximum of 100 days. Upon completion of a contract year, a request may be submitted to the District for reimbursement for the number of leave days granted for the current school year which have not been used. The total reimbursement for all teachers may not exceed \$40,000. Classified employees are granted leave in the amount of one day for each month of contract. Leave will be bought back at \$35 per day to a maximum of 12 days once leave is accumulated to a maximum of 72 days. Vacation is accrued as follows: 3.34 hours per month for the first year of service; 6.67 hours per month for two to ten years of services; ten years per month for 11 to 20 years of service; and 13.34 hours per month for more than 21 years of service. Upon termination, no employees are paid for unused leave. Vacation is required to be used by October 1 of the next fiscal year or the benefit is lost.

The Superintendent is given 20 vacation days to accumulate to 40 after the first year of service. Unused days will be paid at a rate of 80% of the daily rate for up to ten days annually. Days in excess of 40 will be forfeited.

The potential liability for leave and vacation at June 30, 2018 was \$248,117 and \$39,775, respectively. This is not reflected in the financial statement.

Leave Bank

The leave bank is voluntary and open to all certified employees (including administrative staff). The District provided 100 days of leave to the bank on July 1, 2004. The bank became activated when certified staff donated an additional 100 days of their individual leave. Employees who elect to participate shall contribute a minimum of two days from their accumulated leave account. Members will be assessed an additional ½ day if the bank drops below 100 days. Leave granted to an employee does not have to be repaid.

The potential liability for the leave bank at June 30, 2018 was \$19,695. This is not reflected in the financial statement.

NOTE 15 – LONG-TERM DEBT

Unified School District No. 405 Lyons, Kansas has the following type of long-term debt.

General Obligation Bonds

On August 1, 2013, the District issued Series 2013 general obligation refunding and school building bonds of \$9,965,000 for the purpose of refunding \$325,000 in Series 2005 general obligation bonds and providing funds for additions and improvements to school facilities.

On March 1, 2014, the District issued Series 2014 general obligation school building bonds of \$3,380,000 for the purpose of providing funds for additions and improvements to school facilities.

On July 1, 2015, the District issued Series 2015 general obligation refunding bonds of \$1,950,000 for the purpose of refunding \$1,945,000 in Series 2005 general obligation refunding bonds.

UNIFIED SCHOOL DISTRICT NO. 405 LYONS, KANSAS

Notes to Financial Statement

June 30, 2018

Changes in long-term liabilities for the District for the 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 2013	2.00 - 4.00%	08/01/13	\$ 9,965,000	10/01/33	\$ 9,665,000	-	(100,000)	9,565,000	348,175
Series 2014	2.00 - 4.00%	03/01/14	3,380,000	10/01/35	3,380,000	-	-	3,380,000	116,050
Series 2015	2.00%	07/01/15	1,950,000	10/01/20	1,550,000	-	(430,000)	1,120,000	26,700
Total Contractual Indebtedness					\$ 14,595,000	-	(530,000)	14,065,000	490,925

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

	Year								
	2019	2020	2021	2022	2023	2024-2028	2029-2033	2034-2035	Total
Principal									
General Obligation Bonds									
Series 2013	\$ 100,000	90,000	285,000	490,000	500,000	3,025,000	4,125,000	950,000	9,565,000
Series 2014	-	-	100,000	150,000	175,000	925,000	1,065,000	965,000	3,380,000
Series 2015	445,000	465,000	210,000	-	-	-	-	-	1,120,000
Total Principal	545,000	555,000	595,000	640,000	675,000	3,950,000	5,190,000	1,915,000	14,065,000
Interest									
General Obligation Bonds									
Series 2013	172,588	171,238	166,963	159,613	152,113	1,297,838	622,500	19,000	2,761,853
Series 2014	58,025	58,025	57,025	55,525	53,337	466,362	297,225	47,300	1,092,824
Series 2015	6,750	2,100	2,100	-	-	-	-	-	10,950
Total Interest	237,363	231,363	226,088	215,138	205,450	1,764,200	919,725	66,300	3,865,627
Total Principal and Interest	\$ 782,363	786,363	821,088	855,138	880,450	5,714,200	6,109,725	1,981,300	17,930,627

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Accountants

**INDEPENDENT AUDITORS' 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. 405 Lyons, Kansas

Lyons, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit and Accounting Guide* and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of **Unified School District No. 405 Lyons, Kansas**, as of and for the year ended June 30, 2018, and the related notes to the financial statement, and have issued our report thereon dated October 25, 2018. The report on the audited financial statement was adverse because it was not presented in conformity with accounting principles generally accepted in the United States of America; however, it was unqualified as presented 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 accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered **Unified School District No. 405 Lyons, Kansas'** internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of **Unified School District No. 405 Lyons, Kansas'** internal control. Accordingly, we do not express an opinion on the effectiveness of **Unified School District No. 405 Lyons, Kansas'** 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether **Unified School District No. 405 Lyons, Kansas'** financial statement is 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*.

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.

Adams, Brown, Beran & Ball, Chartered

ADAMS, BROWN, BERAN & BALL, CHTD.

Certified Public Accountants

October 25, 2018



Certified
Public
Accountants

**INDEPENDENT AUDITORS' 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. 405 Lyons, Kansas

Lyons, Kansas

Report on Compliance for Each Major Federal Program

We have audited **Unified School District No. 405 Lyons, Kansas'** 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. 405 Lyons, Kansas'** major federal programs for the year ended June 30, 2018. **Unified School District No. 405 Lyons, Kansas'** major federal programs are identified in the summary of auditors' 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.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of **Unified School District No. 405 Lyons, Kansas'** 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 *Kansas Municipal Audit and Accounting Guide*; 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. 405 Lyons, Kansas'** 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. 405 Lyons, Kansas'** compliance.

Opinion on Each Major Federal Program

In our opinion, **Unified School District No. 405 Lyons, Kansas** 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. 405 Lyons, Kansas** 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. 405 Lyons, Kansas**' 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. 405 Lyons, Kansas**' 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.

Adams, Brown, Beran & Ball, Chartered

ADAMS, BROWN, BERAN & BALL, CHTD.

Certified Public Accountants

October 25, 2018

UNIFIED SCHOOL DISTRICT NO. 405 LYONS, KANSAS

Regulatory-Required Supplementary Information

UNIFIED SCHOOL DISTRICT NO. 405 LYONS, KANSAS

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	\$ 6,855,067	(367,751)	65,798	6,553,114	6,553,114	-
Supplemental General Fund	1,675,000	-	9,122	1,684,122	1,684,122	-
Special Purpose Funds						
At Risk (4 Yr Old) Fund	75,000	-	-	75,000	48,733	(26,267)
At Risk (K-12) Fund	1,651,395	-	-	1,651,395	1,495,916	(155,479)
Bilingual Education Fund	325,000	-	-	325,000	259,698	(65,302)
Capital Outlay Fund	762,000	-	-	762,000	722,788	(39,212)
Driver Training Fund	25,544	-	-	25,544	9,426	(16,118)
Food Service Fund	579,401	-	-	579,401	505,431	(73,970)
Professional Development Fund	37,818	-	872	38,690	38,690	-
Parent Education Fund	76,238	-	-	76,238	76,199	(39)
Special Education Fund	1,477,490	-	-	1,477,490	1,250,753	(226,737)
Vocational Education Fund	369,978	-	-	369,978	217,462	(152,516)
Gifts and Grants Fund	52,497	-	-	52,497	6,828	(45,669)
KPERs Retirement Contributions Fund	1,113,903	-	-	1,113,903	960,578	(153,325)
Special Education Cooperative Fund	3,957,394	-	-	3,957,394	3,513,489	(443,905)
Recreation Commission General Fund	337,700	-	-	337,700	337,700	-
Recreation Commission Employee Benefits Fund	45,400	-	-	45,400	45,400	-
Bond and Interest Fund						
Bond and Interest Fund	1,021,176	-	-	1,021,176	1,020,925	(251)

UNIFIED SCHOOL DISTRICT NO. 405 LYONS, KANSAS
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2018

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts			
Taxes and Shared Revenues			
Mineral Severance Tax	\$ 332	275	57
Intergovernmental Revenues			
Equalization Aid	5,704,611	5,785,030	(80,419)
Special Education Aid	782,373	1,069,562	(287,189)
Other State Aid	202	-	202
Federal Aid	101	-	101
Reimbursed Expenses	65,495	-	65,495
Miscellaneous	-	200	(200)
Total Receipts	6,553,114	6,855,067	(301,953)
Expenditures			
Instruction	2,211,124	2,213,984	(2,860)
Student Support Services	88,722	97,267	(8,545)
Instructional Support Services	309,854	288,034	21,820
General Administration	252,725	256,390	(3,665)
School Administration	546,962	559,333	(12,371)
Central Services	67,843	79,924	(12,081)
Operations and Maintenance	787,998	819,976	(31,978)
Student Transportation Services	161,100	159,009	2,091
Transfers Out	2,126,786	2,381,150	(254,364)
Adjustment to Comply With Legal Max	-	(367,751)	367,751
Legal General Fund Budget	6,553,114	6,487,316	65,798
(a) Adjustment for Qualifying Budget Credits	-	65,798	(65,798)
Total Expenditures	6,553,114	6,553,114	-
Receipts Over (Under) Expenditures	-		
Unencumbered Cash - Beginning	-		
Prior Year Cancelled Encumbrances	10,156		
Unencumbered Cash - Ending	\$ 10,156		
(a) Adjustment for Qualifying Budget Credits			
Other State Aid Over Amount Budgeted		\$ 202	
Federal Aid Over Amount Budgeted		101	
Reimbursed Expenses Over Amount Budgeted		65,495	
Total		\$ 65,798	

UNIFIED SCHOOL DISTRICT NO. 405 LYONS, KANSAS
Supplemental General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2018

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts			
Taxes and Shared Revenues			
Ad Valorem Tax	\$ 518,944	573,356	(54,412)
Delinquent Tax	22,586	10,731	11,855
Motor Vehicle Tax	59,565	60,373	(808)
Intergovernmental Revenues			
State Equalization Aid	1,079,061	1,079,061	-
Miscellaneous	-	1,000	(1,000)
Reimbursed Expenses	9,122	-	9,122
Total Receipts	1,689,278	1,724,521	(35,243)
Expenditures			
Instruction	310,828	310,926	(98)
Student Support Services	104	355	(251)
Instructional Support Services	12,981	9,665	3,316
General Administration	49,062	46,085	2,977
School Administration	11,470	17,215	(5,745)
Central Services	2,295	9,075	(6,780)
Operations and Maintenance	160,337	168,914	(8,577)
Student Transportation Services	556	690	(134)
Transfers Out	1,136,489	1,112,075	24,414
(a) Adjustment for Qualifying Budget Credits	-	9,122	(9,122)
Total Expenditures	1,684,122	1,684,122	-
Receipts Over (Under) Expenditures	5,156		
Unencumbered Cash - Beginning	35,718		
Unencumbered Cash - Ending	\$ 40,874		
(a) Adjustment for Qualifying Budget Credits			
Reimbursed Expenses Over Amount Budgeted		\$ 9,122	

UNIFIED SCHOOL DISTRICT NO. 405 LYONS, KANSAS
At Risk (4 Yr Old) Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2018

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts			
Transfers In	\$ 48,733	65,000	(16,267)
Expenditures			
Instruction	48,733	75,000	(26,267)
Receipts Over (Under) Expenditures	-		
Unencumbered Cash - Beginning	10,000		
Unencumbered Cash - Ending	\$ 10,000		

UNIFIED SCHOOL DISTRICT NO. 405 LYONS, KANSAS
At Risk (K-12) Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2018

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts			
Transfers In	\$ 1,497,083	1,393,000	104,083
Reimbursed Expenses	340	-	340
Total Receipts	1,497,423	1,393,000	104,423
Expenditures			
Instruction	1,485,278	1,639,478	(154,200)
School Administration	10,638	11,917	(1,279)
Total Expenditures	1,495,916	1,651,395	(155,479)
Receipts Over (Under) Expenditures	1,507		
Unencumbered Cash - Beginning	438,465		
Unencumbered Cash - Ending	\$ 439,972		

UNIFIED SCHOOL DISTRICT NO. 405 LYONS, KANSAS
Bilingual Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2018

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts			
Transfers In	\$ 259,697	225,000	34,697
Expenditures			
Instruction	253,793	318,971	(65,178)
School Administration	5,905	6,029	(124)
Total Expenditures	259,698	325,000	(65,302)
Receipts Over (Under) Expenditures	(1)		
Unencumbered Cash - Beginning	99,869		
Unencumbered Cash - Ending	\$ 99,868		

UNIFIED SCHOOL DISTRICT NO. 405 LYONS, KANSAS
Capital Outlay Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2018

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts			
Taxes and Shared Revenues			
Ad Valorem Tax	\$ 319,980	311,706	8,274
Delinquent Tax	6,460	6,563	(103)
Motor Vehicle Tax	26,409	26,265	144
State Aid	168,166	167,416	750
Other Income	26,414	12,000	14,414
Interest on Idle Funds	21,791	-	21,791
Transfers In	100,000	21,588	78,412
Total Receipts	669,220	545,538	123,682
Expenditures			
Instruction	308,147	225,000	83,147
Student Support Services	-	10,000	(10,000)
General Administration	3,691	1,000	2,691
School Administration	-	1,000	(1,000)
Operations and Maintenance	332,517	75,000	257,517
Student Transportation Services	-	125,000	(125,000)
Site Improvement Services	51,592	225,000	(173,408)
Building Improvements	7,619	75,000	(67,381)
Architectural Services	19,222	25,000	(5,778)
Total Expenditures	722,788	762,000	(39,212)
Receipts Over (Under) Expenditures	(53,568)		
Unencumbered Cash - Beginning	244,132		
Unencumbered Cash - Ending	\$ 190,564		

UNIFIED SCHOOL DISTRICT NO. 405 LYONS, KANSAS
Driver Training Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2018

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts			
State Aid	\$ 3,328	6,300	(2,972)
Fees	5,779	3,500	2,279
Transfers In	-	10,000	(10,000)
Total Receipts	9,107	19,800	(10,693)
Expenditures			
Instruction	8,210	24,105	(15,895)
Operations and Maintenance	1,216	1,439	(223)
Total Expenditures	9,426	25,544	(16,118)
Receipts Over (Under) Expenditures	(319)		
Unencumbered Cash - Beginning	11,318		
Unencumbered Cash - Ending	\$ 10,999		

UNIFIED SCHOOL DISTRICT NO. 405 LYONS, KANSAS
Food Service Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2018

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts			
State Aid	\$ 4,909	4,986	(77)
Federal Aid	408,743	411,032	(2,289)
Lunch Receipts			
Students	62,560	100,048	(37,488)
Adults	15,530	31,080	(15,550)
Ala Carte Meals	6,705	-	6,705
Other Income	-	35,000	(35,000)
Interest on Idle Funds	2,708	1,700	1,008
Reimbursed Expenses	20,413	-	20,413
Total Receipts	521,568	583,846	(62,278)
Expenditures			
Food Service Operation	505,431	579,401	(73,970)
Receipts Over (Under) Expenditures	16,137		
Unencumbered Cash - Beginning	149,639		
Unencumbered Cash - Ending	\$ 165,776		

UNIFIED SCHOOL DISTRICT NO. 405 LYONS, KANSAS
Professional Development Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2018

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts			
State Aid	\$ 2,786	3,500	(714)
Other State Aid	399	-	399
Federal Aid	130	-	130
Miscellaneous	21,096	25,000	(3,904)
Reimbursed Expenses	343	-	343
Total Receipts	24,754	28,500	(3,746)
Expenditures			
Instructional Support Services	38,690	37,818	872
(a) Adjustment for Qualifying Budget Credits	-	872	(872)
Total Expenditures	38,690	38,690	-
Receipts Over (Under) Expenditures	(13,936)		
Unencumbered Cash - Beginning	73,269		
Unencumbered Cash - Ending	\$ 59,333		
(a) Adjustment for Qualifying Budget Credits			
Other State Aid Over Amount Budgeted	\$	399	
Federal Aid Over Amount Budgeted		130	
Reimbursed Expenses Over Amount Budgeted		343	
Total	\$	872	

UNIFIED SCHOOL DISTRICT NO. 405 LYONS, KANSAS
Parent Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2018

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts			
Payments From Participating Districts	\$ 7,364	-	7,364
State Aid	46,181	42,163	4,018
Transfers In	22,654	34,075	(11,421)
Total Receipts	76,199	76,238	(39)
Expenditures			
Student Support Services	76,199	76,238	(39)
Receipts Over (Under) Expenditures	-		
Unencumbered Cash - Beginning	-		
Unencumbered Cash - Ending	\$ -		

UNIFIED SCHOOL DISTRICT NO. 405 LYONS, KANSAS
Special Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2018

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts			
Transfers In	\$ 1,118,505	1,494,562	(376,057)
Expenditures			
Payments to Special Education COOP	1,250,753	1,477,490	(226,737)
Receipts Over (Under) Expenditures	(132,248)		
Unencumbered Cash - Beginning	545,422		
Unencumbered Cash - Ending	\$ 413,174		

UNIFIED SCHOOL DISTRICT NO. 405 LYONS, KANSAS
Special Education Cooperative Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2018

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts			
Federal Aid	\$ 431,492	405,359	26,133
Medicaid Payments	115,113	150,000	(34,887)
Payments From Participating Districts	2,821,462	2,182,611	638,851
Other Income	49,226	1,043,031	(993,805)
Miscellaneous	11,295	-	11,295
Total Receipts	3,428,588	3,781,001	(352,413)
Expenditures			
Instruction	2,628,181	2,923,550	(295,369)
Student Support Services	663,387	746,230	(82,843)
General Administration	191,099	250,747	(59,648)
Operations and Maintenance	1,685	3,525	(1,840)
Student Transportation Services	29,137	33,342	(4,205)
Total Expenditures	3,513,489	3,957,394	(443,905)
Receipts Over (Under) Expenditures	(84,901)		
Unencumbered Cash - Beginning	176,393		
Unencumbered Cash - Ending	\$ 91,492		

UNIFIED SCHOOL DISTRICT NO. 405 LYONS, KANSAS
Technology Revolving Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended June 30, 2018

	Current Year Actual
Receipts	
Fees	\$ 15,845
Expenditures	
Instruction	-
Receipts Over (Under) Expenditures	15,845
Unencumbered Cash - Beginning	32,627
Unencumbered Cash - Ending	\$ 48,472

UNIFIED SCHOOL DISTRICT NO. 405 LYONS, KANSAS
Vocational Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2018

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts			
Transfers In	\$ 216,603	250,000	(33,397)
Expenditures			
Instruction	205,092	354,453	(149,361)
Instructional Support Services	12,370	15,525	(3,155)
Total Expenditures	217,462	369,978	(152,516)
Receipts Over (Under) Expenditures	(859)		
Unencumbered Cash - Beginning	200,859		
Unencumbered Cash - Ending	\$ 200,000		

UNIFIED SCHOOL DISTRICT NO. 405 LYONS, KANSAS
KPERS Retirement Contributions Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2018

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts			
State Aid	\$ 960,578	1,113,903	(153,325)
Expenditures			
Instruction	633,981	735,179	(101,198)
Student Support Services	67,240	77,973	(10,733)
Instructional Support Services	38,423	44,556	(6,133)
General Administration	48,029	55,698	(7,669)
School Administration	38,423	44,556	(6,133)
Central Services	19,212	22,278	(3,066)
Operations and Maintenance	76,846	89,107	(12,261)
Student Transportation Services	19,212	22,278	(3,066)
Food Operations Services	19,212	22,278	(3,066)
Total Expenditures	960,578	1,113,903	(153,325)
Receipts Over (Under) Expenditures	-		
Unencumbered Cash - Beginning	-		
Unencumbered Cash - Ending	\$ -		

UNIFIED SCHOOL DISTRICT NO. 405 LYONS, KANSAS
Carl Perkins Consortium Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended June 30, 2018

	Current Year Actual
Receipts	
Miscellaneous Reimbursement	\$ 4,001
Expenditures	
Instruction	<u>7,333</u>
Receipts Over (Under) Expenditures	(3,332)
Unencumbered Cash - Beginning	<u>-</u>
Unencumbered Cash - Ending	\$ <u>(3,332)</u>

UNIFIED SCHOOL DISTRICT NO. 405 LYONS, KANSAS**Contingency Reserve Fund**

Schedule of Receipts and Expenditures

Regulatory Basis

For the Year Ended June 30, 2018

	Current Year Actual
Receipts	\$ -
Expenditures	-
Receipts Over (Under) Expenditures	-
Unencumbered Cash - Beginning	626,753
Unencumbered Cash - Ending	\$ 626,753

UNIFIED SCHOOL DISTRICT NO. 405 LYONS, KANSAS

Title I Fund

Schedule of Receipts and Expenditures

Regulatory Basis

For the Year Ended June 30, 2018

	Current Year Actual
Receipts	
Federal Aid	\$ 200,807
Expenditures	
Instruction	200,807
Receipts Over (Under) Expenditures	-
Unencumbered Cash - Beginning	-
Unencumbered Cash - Ending	\$ -

UNIFIED SCHOOL DISTRICT NO. 405 LYONS, KANSAS

Title I-C Migrant Fund

Schedule of Receipts and Expenditures

Regulatory Basis

For the Year Ended June 30, 2018

	Current Year Actual
Receipts	
Federal Aid	\$ 24,000
Expenditures	
Instruction	24,000
Receipts Over (Under) Expenditures	-
Unencumbered Cash - Beginning	-
Unencumbered Cash - Ending	\$ -

UNIFIED SCHOOL DISTRICT NO. 405 LYONS, KANSAS

Title II-A Fund

Schedule of Receipts and Expenditures

Regulatory Basis

For the Year Ended June 30, 2018

	Current Year Actual
Receipts	
Federal Aid	\$ 24,589
Expenditures	
Instruction	24,589
Receipts Over (Under) Expenditures	-
Unencumbered Cash - Beginning	-
Unencumbered Cash - Ending	\$ -

UNIFIED SCHOOL DISTRICT NO. 405 LYONS, KANSAS**Title VI-B Discretionary Fund**

Schedule of Receipts and Expenditures

Regulatory Basis

For the Year Ended June 30, 2018

	Current Year Actual
Receipts	
Federal Aid	\$ 22,084
Expenditures	
Instruction	<u>22,084</u>
Receipts Over (Under) Expenditures	-
Unencumbered Cash - Beginning	<u>-</u>
Unencumbered Cash - Ending	<u><u>\$ -</u></u>

UNIFIED SCHOOL DISTRICT NO. 405 LYONS, KANSAS

Title IV-A Fund

Schedule of Receipts and Expenditures

Regulatory Basis

For the Year Ended June 30, 2018

	Current Year Actual
Receipts	
Federal Aid	\$ 5,646
Expenditures	
Instruction	5,646
Receipts Over (Under) Expenditures	-
Unencumbered Cash - Beginning	-
Unencumbered Cash - Ending	\$ -

UNIFIED SCHOOL DISTRICT NO. 405 LYONS, KANSAS

Other Federal Funds Fund

Schedule of Receipts and Expenditures

Regulatory Basis

For the Year Ended June 30, 2018

	Current Year Actual
Receipts	
Intergovernmental Revenues	
Federal Aid	\$ 15,481
Rural and Low Income	21,851
Total Receipts	37,332
Expenditures	
Instruction	15,542
Instructional Support Services	21,790
Total Expenditures	37,332
Receipts Over (Under) Expenditures	-
Unencumbered Cash - Beginning	-
Unencumbered Cash - Ending	\$ -

UNIFIED SCHOOL DISTRICT NO. 405 LYONS, KANSAS
Gifts and Grants Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2018

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts			
Donations	\$ 3,563	35,000	(31,437)
Expenditures			
Instruction	6,828	52,497	(45,669)
Receipts Over (Under) Expenditures	(3,265)		
Unencumbered Cash - Beginning	17,498		
Unencumbered Cash - Ending	\$ 14,233		

UNIFIED SCHOOL DISTRICT NO. 405 LYONS, KANSAS
Recreation Commission General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2018

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts			
Taxes and Shared Revenues			
Ad Valorem Tax	\$ 279,983	272,387	7,596
Delinquent Tax	7,654	5,734	1,920
Motor Vehicle Tax	27,985	28,187	(202)
Total Receipts	315,622	306,308	9,314
Expenditures			
Appropriations	337,700	337,700	-
Receipts Over (Under) Expenditures	(22,078)		
Unencumbered Cash - Beginning	90,056		
Unencumbered Cash - Ending	\$ 67,978		

UNIFIED SCHOOL DISTRICT NO. 405 LYONS, KANSAS
Recreation Commission Employee Benefits Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2018

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts			
Taxes and Shared Revenues			
Ad Valorem Tax	\$ 39,998	39,017	981
Delinquent Tax	1,327	822	505
Motor Vehicle Tax	4,004	4,030	(26)
Total Receipts	45,329	43,869	1,460
Expenditures			
Appropriations	45,400	45,400	-
Receipts Over (Under) Expenditures	(71)		
Unencumbered Cash - Beginning	8,623		
Unencumbered Cash - Ending	\$ 8,552		

UNIFIED SCHOOL DISTRICT NO. 405 LYONS, KANSAS
Bond and Interest Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2018

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts			
Taxes and Shared Revenues			
Ad Valorem Tax	\$ 560,043	546,368	13,675
Delinquent Tax	17,999	11,543	6,456
Motor Vehicle Tax	55,253	55,427	(174)
Recreational Vehicle Tax	851	935	(84)
State Aid	510,463	500,254	10,209
Total Receipts	1,144,609	1,114,527	30,082
Expenditures			
Interest Payments	490,925	490,926	(1)
Bond Fees	-	250	(250)
Principal Payments	530,000	530,000	-
Total Expenditures	1,020,925	1,021,176	(251)
Receipts Over (Under) Expenditures	123,684		
Unencumbered Cash - Beginning	817,778		
Unencumbered Cash - Ending	\$ 941,462		

UNIFIED SCHOOL DISTRICT NO. 405 LYONS, KANSAS**Capital Project Fund**

Schedule of Receipts and Expenditures

Regulatory Basis

For the Year Ended June 30, 2018

	<u>Current Year Actual</u>
Receipts	
Interest on Idle Funds	\$ 8,693
Expenditures	
Building Addition	<u>731,032</u>
Receipts Over (Under) Expenditures	(722,339)
Unencumbered Cash - Beginning	<u>722,339</u>
Unencumbered Cash - Ending	\$ <u><u>-</u></u>

UNIFIED SCHOOL DISTRICT NO. 405 LYONS, KANSAS

Needy Children Fund

Schedule of Receipts and Expenditures

Regulatory Basis

For the Year Ended June 30, 2018

	Current Year Actual
Receipts	
Donations	\$ 1,000
Expenditures	
Scholarships	1,417
Receipts Over (Under) Expenditures	(417)
Unencumbered Cash - Beginning	6,026
Unencumbered Cash - Ending	\$ 5,609

UNIFIED SCHOOL DISTRICT NO. 405 LYONS, KANSAS

Agency Funds

Summary of Receipts and Disbursements

Regulatory Basis

For the Year Ended June 30, 2018

	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
High School				
Art Club	\$ 241	-	19	222
Class of 2013	41	-	-	41
Class of 2014	46	-	-	46
Class of 2016	192	-	-	192
Class of 2017	416	-	-	416
Class of 2018	619	110	450	279
Class of 2019	2,631	638	3,075	194
Class of 2020	1,374	1,324	710	1,988
Class of 2021	-	1,108	543	565
Entrepreneurship	152	-	-	152
Family Career & Community	739	1,282	902	1,119
Fire Science	-	591	130	461
Foreign Language Club	212	206	-	418
Letterman Club	2,760	-	2,760	-
National Honor Society	131	994	809	316
Pride	96	624	300	420
Pride Room Dog Biscuit	1,154	684	803	1,035
ROTC Student	-	7,805	7,605	200
Scholar's Bowl	250	697	358	589
Student Council	1,610	3,485	3,446	1,649
Total High School	12,664	19,548	21,910	10,302
Middle School				
Builders Club	1,360	886	1,239	1,007
FACS	121	-	-	121
Girls Run for Fun	150	-	-	150
Scholar's Bowl	297	150	280	167
Student Council	1,077	118	125	1,070
Total Middle School	3,005	1,154	1,644	2,515
Health Insurance	5,374	32,419	-	37,793
Sales Tax	-	7,535	7,535	-
Total	\$ 21,043	60,656	31,089	50,610

UNIFIED SCHOOL DISTRICT NO. 405 LYONS, KANSAS
District Activity Funds
Schedule 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 Encumbrances and Accounts Payable	Ending Cash Balance
Gate Receipts							
High School							
Athletics	\$ -	-	78,970	78,970	-	-	-
Middle School							
Athletics	2,047	-	18,259	18,115	2,191	-	2,191
Total Gate Receipts	2,047	-	97,229	97,085	2,191	-	2,191
School Projects							
High School							
Band Trip	9,038	-	10,216	10,250	9,004	-	9,004
Baseball Student Projects	491	-	2,713	2,719	485	-	485
Boys Basketball Uniforms	1,108	-	3,045	3,355	798	-	798
Boys Golf	566	-	167	676	57	-	57
Cheerleader Uniforms	1,949	-	7,920	8,565	1,304	-	1,304
Cross Country	247	-	642	657	232	-	232
Football	80	-	611	5	686	-	686
Girls Basketball Project	244	-	2,002	1,201	1,045	-	1,045
Musical	3,400	-	5,615	5,873	3,142	-	3,142
John Lawrence Memorial	827	-	-	-	827	-	827
National Forensics	6,563	-	9,984	12,501	4,046	-	4,046
Photography	514	-	-	-	514	-	514
Science/Sci Olympiad	129	-	-	-	129	-	129
Softball Student Project	295	-	880	670	505	-	505
Special Education Student Projects	475	-	-	273	202	-	202
Spring Play	2,213	-	2,489	1,818	2,884	-	2,884
Tennis	1,885	-	-	73	1,812	-	1,812
Track Student Project	230	-	-	-	230	-	230
Video Production	1,042	-	-	-	1,042	-	1,042
Vocal Music	9,470	-	10,015	19,485	-	-	-
Volleyball Student Projects	1,616	-	9,077	7,321	3,372	-	3,372
Wrestling Student Project	2	-	255	-	257	-	257
Yearbook	11,007	-	8,031	10,414	8,624	-	8,624
Total High School	53,391	-	73,662	85,856	41,197	-	41,197
Middle School							
Leadership Class	-	-	650	538	112	-	112
Student Assistance	3,233	-	3,343	2,824	3,752	-	3,752
Vocal Music	212	-	1,003	1,017	198	-	198
Yearbook	4,685	-	1,701	1,401	4,985	-	4,985
Total Middle School	8,130	-	6,697	5,780	9,047	-	9,047
Central Elementary School							
Student Project	2,809	-	5,440	5,301	2,948	-	2,948
Park Elementary School							
Student Project	1,537	-	6,713	7,435	815	-	815
Total School Projects	65,867	-	92,512	104,372	54,007	-	54,007
Total District Activity Funds	\$ 67,914	-	189,741	201,457	56,198	-	56,198

UNIFIED SCHOOL DISTRICT NO. 405 LYONS, KANSAS

Supplementary Information

UNIFIED SCHOOL DISTRICT NO. 405 LYONS, KANSAS

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2018

SECTION I - SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued on whether the financial statement was prepared in accordance with a special purpose framework that is not in compliance with GAAP.

Unmodified

Internal control over financial reporting

- | | | | | |
|---|-------------------|-----|------------------|---------------|
| • Material weakness identified? | <u> </u> | Yes | <u> X </u> | No |
| • Significant deficiency identified? | <u> </u> | Yes | <u> X </u> | None reported |
| • Noncompliance material to financial statements noted? | <u> </u> | Yes | <u> X </u> | No |

FEDERAL AWARDS

Internal control over major programs:

- | | | | | |
|--------------------------------------|-------------------|-----|------------------|---------------|
| • Material weakness identified? | <u> </u> | Yes | <u> X </u> | No |
| • Significant deficiency identified? | <u> </u> | Yes | <u> X </u> | None reported |

Type of auditors' 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

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
10.579	Child Nutrition Discretionary Grants Limited Availability
Special Education Cluster	
84.027	Special Education - Grants to States
84.173	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

UNIFIED SCHOOL DISTRICT NO. 405 LYONS, KANSAS
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2018

SECTION II – FINANCIAL STATEMENT FINDINGS

No material findings or questioned costs are required to be disclosed under Government Auditing Standards.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No material findings or questioned costs are required to be disclosed under the Uniform Guidance.

UNIFIED SCHOOL DISTRICT NO. 405 LYONS, KANSAS
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2018

No material findings or questioned costs for the year ended June 30, 2017 are required to be disclosed under the Uniform Guidance.

UNIFIED SCHOOL DISTRICT NO. 405 LYONS, KANSAS
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2018

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Agency or Pass-through Number	Federal Expenditures
U.S. Department of Education			
Passed Through State Department of Education			
Special Education Cluster			
Special Education - Grants to States	84.027	N/A	\$ 423,366
Special Education - Preschool Grants	84.173	N/A	<u>24,684</u>
Total Special Education Cluster			<u>448,050</u>
Title I Grants to Local Educational Agencies	84.010	N/A	200,807
Migrant Education - State Grant Program	84.011	N/A	24,000
Career and Technical Education Basic Grants to States	84.048	N/A	3,433
Rural Education	84.358	N/A	21,790
English Language Acquisition State Grants	84.365	N/A	15,481
Supporting Effective Instruction State Grants	84.367	N/A	24,719
Student Support and Academic Enrichment Program	84.424	N/A	<u>5,646</u>
Total			<u>295,876</u>
Total U.S. Department of Education			<u>743,926</u>
U.S. Department of Agriculture			
Passed Through State Department of Education			
Child Nutrition Cluster			
School Breakfast Program	10.553	N/A	64,908
National School Lunch Program	10.555	N/A	288,115
Summer Food Service Program for Children	10.559	N/A	<u>11,281</u>
Total Child Nutrition Cluster			<u>364,304</u>
State Administrative Expenses for Child Nutrition	10.560	N/A	5,526
Child Nutrition Discretionary Grants Limited Availability	10.579	N/A	30,864
Fresh Fruit and Vegetable Program	10.582	N/A	<u>13,575</u>
Total			<u>49,965</u>
Total U.S. Department of Agriculture			<u>414,269</u>
Total Expenditures of Federal Awards			<u><u>\$ 1,158,195</u></u>

See accompanying notes to schedule of expenditures of federal awards.

UNIFIED SCHOOL DISTRICT NO. 405 LYONS, KANSAS

Notes to Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2018

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of **Unified School District No. 405 Lyons, Kansas**, and is presented on the 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. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

NOTE 2 – INDIRECT COST RATE

The District has elected not to use the 10% de minimis cost rate allowed under Section 200.414(f) of the Uniform Guidance.

NOTE 3 – OTHER EXPENDITURES

The District did not receive any federal awards in the form of noncash assistance, insurance, loans, or loan guarantees and incurred no expenditures in relation thereof for the year ended June 30, 2018.