

**Chase County Unified School District No. 284  
Chase County, Kansas**

**Regulatory Basis Financial Statement and Independent Auditors' Report  
Year Ended June 30, 2018**

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Chase County U.S.D. 284  
Chase County, Kansas

Regulatory Basis Financial Statement  
Year Ended June 30, 2018

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# Cindy Jensen

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### Independent Auditors' Report

Board of Education  
Chase County Unified School District No. 284  
Cottonwood Falls, Ks. 66845

I have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Chase County Unified School District No. 284, Chase County, 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 to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

My responsibility is to express an opinion on the financial statement based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the Kansas Municipal Audit and Accounting Guide. Those standards and the Kansas Municipal Audit and Accounting Guide require that I plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit includes 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.

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

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

As described in Note 1 of the financial statement, the Chase County Unified School District No. 284, Chase County, Kansas, prepared this financial statement 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 the U.S. Generally Accepted Accounting Principles**

In my opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on the 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 Chase County Unified School District No. 284, Chase County, Kansas, as of June 30, 2018, or the changes in its financial position or cash flows for the year then ended.

**Unmodified Opinion on Regulatory Basis of Accounting**

In my opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of Chase County Unified School District No.284, Chase County, 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.

**Regulatory – Required Supplementary Information**

My 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, agency funds summary of receipts and disbursements, and district activity funds schedule of receipts and expenditures (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, they are required to be presented under the provisions of the Kansas Municipal Audit and Accounting Guide. The supplementary 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 itself, and other addition procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, 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.

A handwritten signature in black ink that reads "Cindy Jensen CPA". The signature is written in a cursive, flowing style.

Cindy Jensen, CPA  
December 4, 2018

Unified School District No. 284  
Chase County, Kansas

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

	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
General Funds						
General	\$ 0	\$ 2,840,414	\$ 2,840,414	\$ 0	\$ 7,500	\$ 7,500
Supplemental General	100,349	910,691	973,580	37,460	0	37,460
Special Purpose Funds						
At Risk	0	200,000	200,000	0	0	0
Capital Outlay	1,386,826	523,209	366,095	1,543,940	0	1,543,940
Food Service	63,081	181,004	180,714	63,371	0	63,371
Professional Development	16,156	6,101	10,014	12,243	0	12,243
Special Education	286,329	425,543	447,194	264,678	0	264,678
Vocational Education	0	170,119	170,119	0	0	0
KPERS Retirement	0	310,673	310,673	0	0	0
Contingency Reserve	100,000	0	0	100,000	0	100,000
Textbook Rental	272,119	27,813	48,919	251,013	0	251,013
Federal Grants	2,881	81,813	80,783	3,911	0	3,911
Kaltenbacher & Misc Grants	57,982	34,741	32,281	60,442	0	60,442
District Activity Funds	68,595	74,208	80,025	62,778	0	62,778
Bond & Interest Fund						
Bond & Interest	140,389	1,080,567	457,874	763,082	0	763,082
Capital Project Fund						
Capital Project	12,008,203	105,117	11,222,898	890,422	5,547,673	6,438,095
Total Reporting Entity						
(Excluding Agency Funds)	<u>\$ 14,502,910</u>	<u>\$ 6,972,013</u>	<u>\$ 17,421,583</u>	<u>\$ 4,053,340</u>	<u>\$ 5,555,173</u>	<u>\$ 9,608,513</u>
						District Checking \$ 548,604
						District Petty Cash Account 800
						Chase Co Jr/Sr High School 37,014
						Chase Co Elementary School 40,547
						Kansas Municipal Investment Pool <u>9,029,622</u>
						Total Cash & Investments 9,656,587
						Less: Agency Funds per Schedule 3 (48,074)
						<u>Total Reporting Entity (Excluding Agency Funds) \$ 9,608,513</u>

The accompanying notes are an integral part of this statement.

Chase County Unified School District No. 284  
Chase County, Kansas

Notes to the Financial Statement  
June 30, 2018

Note 1 – Summary of Significant Accounting Policies

Municipal Financial Reporting Entity

Chase County Unified School District No. 284 was organized in accordance with State statutes to provide a system of public education to elementary through high school students. The District is a municipal corporation governed by an elected seven-member board of education. The District's financial statement does not include any related municipal entities.

Regulatory Basis of Funds

The accounts of the District are organized and operated on the basis of funds, which are used to record the District's financial transactions. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Cash and other financial resources are recorded together with all related expenditures. A fund is used to segregate specific activities and for the purpose of attaining certain objectives in accordance with special regulations, restrictions, or limitations. The following types of funds comprise the financial activities of the District.

General Funds – the chief operating fund. Used to account for all financial resources except those required to be accounted for in another fund.

Special Purpose Funds – used to account for the proceeds of specific tax levies and other specific revenue sources (other than capital projects and tax levies for long-term debt) that are intended for specified purposes.

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

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

Agency Funds – used to report assets held by the municipal reporting entity in a purely custodial capacity (student organization accounts, etc.).

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 accordance 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.

Chase County Unified School District No. 284  
Chase County, Kansas

Notes to the Financial Statement  
June 30, 2018

Note 2 – Stewardship, Compliance, and Accountability

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 & 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 1<sup>st</sup>.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5<sup>th</sup>.
3. Public hearing on or before August 15<sup>th</sup>, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25<sup>th</sup>.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held, and the governing body may amend the budget at that time. No such amendments were done for the year ended June 30, 2018.

After the above procedures have been followed, the Kansas State Board of Education computes what the maximum legal general fund budget of operating expenses can be. For the fiscal year ended June 30, 2018, the State calculation of the legal maximum general fund budget was \$2,789,937 and the supplemental general fund was \$973,580. In accordance with Kansas statutes, a district will be penalized state aid equal to the amount expended in excess of the computed statutory limitation plus any qualifying budget credits.

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 municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for Capital Project funds, Trust funds, and the following Special Purpose funds: Textbook Rental, District Activity funds, Federal grants, Kaltenbacher and Miscellaneous Grants, and Contingency Reserve. Spending in funds, which are not subject to the legal annual operating budget requirement, is controlled by federal regulations, other statutes, or by use of internal spending limits established by the governing body.

Property Tax Receipts

The determination of assessed valuation and the collection of property taxes for all political subdivisions in the state of Kansas are the responsibility of the various counties. The County Appraiser annually determines assessed valuation and the County Clerk spreads the annual assessment onto the tax rolls. The County Treasurer is the tax collection agent for all taxing entities within the county. Property taxes are levied by the Kansas counties in which the School District resides on November 1 and are payable in 2 installments on December 20 and May 10 of the subsequent year. The counties collect and distribute in the succeeding year all property taxes collected for the District.

Chase County Unified School District No. 284  
Chase County, Kansas

Notes to the Financial Statement  
June 30, 2018

Note 2 – Stewardship, Compliance, and Accountability (Cont.)

Use of Estimates

The preparation of a financial statement in conformity with the regulatory basis of accounting requires management to make estimates and assumptions that affect the reported amounts of cash receipts, expenditures, and cash and unencumbered cash balances at the date of the financial statement. Accordingly, actual results could differ from those estimates.

Compliance with Finance-Related Legal and Contractual Obligations

References made herein to statutes are not intended as interpretations of law but are offered for consideration of the Director of Accounts and Reports, and interpretation by the legal representative of the District.

K.S.A 9-1402 requires that the district deposits be adequately secured at all times. The District deposits were undersecured at various times throughout the year.

K.S.A. 72-6760 requires that the district get sealed bids for certain purchases. The district did not strictly follow procedures and obtained quotes or estimates rather than sealed bids in certain instances.

Management is not aware of any other regulatory violations for the period covered by the audit.

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

Concentration of Credit Risk

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

Custodial Credit Risk – Deposits

The risk that in the event of a bank failure, the District's deposits may not be entirely 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 of Topeka, except during designated peak periods when required coverage is 50%. The District has no designated peak periods. All deposits were legally secured at June 30, 2018.

At June 30, 2018, the District's carrying amount of deposits, including certificates of deposit was \$626,965 and the bank balance was \$859,582. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$328,769 was covered by FDIC insurance, and \$530,813 was collateralized with securities held by the pledging financial institutions' agents in USD 284's name.



Chase County Unified School District No. 284  
Chase County, Kansas

Notes to the Financial Statement  
June 30, 2018

Note 3 – Deposits and Investments (Cont.)

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of the failure of the issuer or counter party, 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.

At June 30, 2018 the District had \$9,029,622 invested in the State's municipal investment pool with maturities of less than one year. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The Board is comprised of the State Treasurer and four additional members appointed by the State Governor. The Board reports annually to the Kansas Legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. No more than 10% of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

Note 4 – 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 laws establish and amend 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](http://www.kpers.org) or by writing to KPERS (611 S Kansas St. 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 contributions 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 1.0% contribution rate with a 0% moratorium for the period of July 1, 2017 through September 30, 2017 for Death and Disability Program) and the statutory contribution rate 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 funds 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.

Chase County Unified School District No. 284  
Chase County, Kansas

Notes to the Financial Statement  
June 30, 2018

Note 4 – Defined Benefit Pension Plan (Cont.)

Contributions (Cont.)

The State of Kansas contribution to KPERS for all school municipalities for the year ending June 30, 2017, received as of June 30<sup>th</sup> 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 the 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 \$310,673 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 \$3,688,848. 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](http://www.kpers.org) or can be obtained as described above.

Note 5 – Other Long-Term Obligations from Operations

Compensated Absences

The District's policies for certified staff under the master agreement allow for sick leave and personal leave. At the beginning of each school year, each certified staff member is credited with 7 days of sick leave. The unused portion of sick leave shall accumulate from year to year to a maximum of 40 days. The 40 days are in addition to the 10 days sick/discretionary leave credited at the beginning of each year. After accumulating 40 days of sick leave, the 10 current unused sick leave days granted for that year will be remunerated at the rate of \$25 per day. Upon retirement, \$25 reimbursement per day will be granted for unused sick leave if the employee has been in the District fifteen years or more and is eligible for retirement under KPERS. At the beginning of each school year, each certified staff member is also credited with 3 days of discretionary leave. The unused portion of discretionary leave shall accumulate from year to year as sick leave and be included in the maximum 40 days accumulation of sick leave.

The District's policies for classified staff under the handbook allow for sick leave, personal leave, and vacation leave. Each twelve-month classified employee shall be granted annually twelve days of sick leave which may be accumulated to a total of fifty days. Custodial and clerical employees not on a twelve-month contract, bus drivers, and lunchroom employees shall be granted annually ten days of sick leave which may be accumulated to a total of fifty days. Classified personnel are also granted two days of personal leave per year. Unused personal leave may be carried over annually, not to exceed five days. Accumulated personal leave in excess of five days will be compensated at a rate equal to 50% of the employee's compensation rate at the end of the contract year. Classified full-time employees on a twelve-month contract will be granted

Chase County Unified School District No. 284  
Chase County, Kansas

Notes to the Financial Statement  
June 30, 2018

Note 5 – Other Long-Term Obligations from Operations (Cont.)

Compensated Absences (Cont.)

paid vacation time based upon years of service. All days from the previous year must be used by June 30<sup>th</sup> of the following year or the time will be lost.

The District has also established a sick leave bank for certified and administrator/classified staff members. At the beginning each school year, each staff member has the option of donating a maximum of 2 days of their sick leave to the Sick Leave bank. The maximum number of unused days in the Sick Leave bank shall be 165 days. When a donor member leaves the District, his/her days are withdrawn from the Sick Leave bank. Only those who donate days are eligible to draw unused days from the bank upon application and approval by the screening committee.

The District recognizes these benefits as paid; therefore, no provision for accumulated leave has been made in these financial statements. Compensated absence payments are made from the fund that corresponds to the employee's duties.

Other Post-Employment Benefits

As provided by K.S.A.12-5040, the District allows retirees to participate in the group health insurance plan. The District pays \$400 of the premium for each eligible retiree and the retiree is responsible for the balance. During the year ended June 30, 2018, the District paid \$14,000 in premiums for retirees. Any remaining subsidy to retirees due to the plan's level premium structure 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. There is no cost to the District under this program.

Note 6 – I.R.C. Section 125 Flexible Benefit Plan

The Board adopted, by resolution, a salary-reduction flexible benefit plan ("Plan") under Section 125 of the Internal Revenue Code. All employees of the District are eligible to participate in the Plan beginning the first day of the month following their employment. Each participant may elect to reduce his or her salary by an elected amount per month to purchase benefits offered through the Plan. In addition, the District contributes \$400 per month to the fringe benefit package for health insurance for full-time employees.

Note 7 – Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. Insurance claims for the preceding 3 years have not exceeded insurance coverage. There were no significant reductions in insurance coverage from coverage in prior years.

Chase County Unified School District No. 284  
Chase County, Kansas

Notes to the Financial Statement  
June 30, 2018

Note 8 – Transfers

Transfers between budgetary funds are for the purpose of shifting resources from the fund legally required to receive the revenue to the fund authorized to expend the revenues. Operating transfers during the fiscal year ended June 30, 2018 consisted of the following:

<u>Transfer from:</u>	<u>Transfer to:</u>	<u>Authority</u>	<u>Amount</u>
General	Food Service	72-5167	\$7,000
General	Professional Development	72-5167	5,000
General	At Risk	72-5167	40,000
General	Special Ed	72-5167	423,735
General	Vocational Ed	72-5167	40,757
Supplemental Gen	Food Service	72-5143	19,935
Supplemental Gen	Vocational Ed	72-5143	124,494
Supplemental Gen	At Risk	72-5143	160,000

Note 9 – Contingencies

The District receives significant financial assistance for numerous Federal and State governmental agencies in the form of grants and state pass-through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability of the General fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statements of the District at June 30, 2018.

Note 10 – In-Substance Receipt in Transit

The District received \$171,960 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.

Chase County Unified School District No. 284  
Chase County, Kansas

Notes to the Financial Statement  
June 30, 2018

Note 11 – General Long-Term Debt

General Obligation Bonds - The District issued General Obligation bonds Series 2016 in December 2016 in the amount of \$9,480,000, and again in March 2017 the District issued General Obligation bonds Series 2017 in the amount of \$2,520,000. These bond issues are to provide the funding source to make additions and renovations to both attendance centers in the District. The first interest payment was made on March 1, 2018 with semi-annual interest and principal payments due until the final payment scheduled September 1, 2032. Bond payments will be levied for and paid from the Bond & Interest fund.

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

	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning	Additions	Reductions/ Payments	Balance End of Yr	Interest Paid
General Obligation Bonds:									
Series 2016	3-4%	12/29/2016	\$ 9,480,000	9/1/2032	\$9,480,000	\$0	\$0	\$9,480,000	\$357,074
Series 2017	4%	3/1/2017	2,520,000	9/1/2022	2,520,000	0	0	2,520,000	100,800
Total contractual indebtedness					<u>\$12,000,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$12,000,000</u>	<u>\$457,874</u>

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

	Ser 2016 Principal	Ser 2016 Interest	Ser 2016 Total	Ser 2017 Principal	Ser 2017 Interest	Ser 2017 Total
2019	\$ 0	\$ 304,612	\$ 304,612	\$ 360,000	\$ 93,600	\$ 453,600
2020	0	304,612	304,612	640,000	73,600	713,600
2021	0	304,613	304,613	695,000	46,900	741,900
2022	0	304,613	304,613	715,000	18,700	733,700
2023	620,000	295,313	915,313	110,000	2,200	112,200
2024-2028	4,025,000	1,137,187	5,162,187	0	0	0
2029-2033	4,835,000	450,794	5,285,794	0	0	0
Total Principal & Interest	<u>\$ 9,480,000</u>	<u>\$ 3,101,744</u>	<u>\$ 12,581,744</u>	<u>\$ 2,520,000</u>	<u>\$ 235,000</u>	<u>\$ 2,755,000</u>

Chase County Unified School District No. 284  
Chase County, Kansas

Notes to the Financial Statement  
June 30, 2018

Note 12 – Capital Projects

The District is in the process of making improvements and additions to the Chase County Jr/Sr High School and to the Chase County Elementary School. The total project cost is estimated at \$12,000,000. Construction, architectural, and engineering cash disbursements and accounts payable from the inception to June 30, 2018 on the project are \$6,291,206, with an additional \$5,547,673 of Construction costs encumbered at June 30, 2018.

## **Regulatory – Required Supplementary Information**

Unified School District No. 284  
Chase County, Kansas

Schedule 1

Schedule of Expenditures-Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2018

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustment to Comply with Legal Max</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Over (Under)</u>
General Funds						
General	\$ 2,932,392	\$ (142,455)	\$ 50,477	\$ 2,840,414	\$ 2,840,414	\$ 0
Supplemental General	988,262	(14,682)	0	973,580	973,580	0
Special Purpose Funds						
At Risk	200,000			200,000	200,000	0
Capital Outlay	1,150,000			1,150,000	366,095	(783,905)
Food Service	214,863			214,863	180,714	(34,149)
Professional Development	20,000			20,000	10,014	(9,986)
Special Education	572,500			572,500	447,194	(125,306)
Vocational Education	192,037			192,037	170,119	(21,918)
KPERS Retirement	318,962			318,962	310,673	(8,289)
Bond & Interest Fund						
Bond & Interest	457,874			457,874	457,874	0

See accompanying Auditors' report.



Unified School District No. 284  
Chase County, Kansas

Schedule 2-A

Schedule of Receipts and Expenditures-Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2018

GENERAL FUND

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts:			
State Aid	\$ 2,501,383	\$ 2,543,752	\$ (42,369)
KPERS Pass Through	0	0	0
Special Ed Pass Through	288,554	388,640	(100,086)
Interest	0	0	0
Reimbursed & misc income	50,477	0	50,477
Total Receipts	2,840,414	2,932,392	(91,978)
Expenditures			
Instruction	1,506,131	1,492,087	14,044
Student Support	52,704	42,488	10,216
Instructional Support	25,409	25,850	(441)
General Administration	148,960	127,200	21,760
School Administration	133,407	127,500	5,907
Operations & Maintenance	176,309	270,940	(94,631)
Transportation	281,002	260,650	20,352
Other Supplemental Service	0	0	0
Operating Transfers	516,492	585,677	(69,185)
Adjustment to Comply with Legal Max	0	(142,455)	142,455
Total legal general fund budget	2,840,414	2,789,937	50,477
Adjustment for qualifying budget credits	0	50,477	(50,477)
Total Expenditures	2,840,414	\$ 2,840,414	\$ 0
Receipts Over (Under) Expenditures	0		
Unencumbered Cash, July 1	0		
Unencumbered Cash, June 30	0		

See accompanying Auditors' report.

Unified School District No. 284  
Chase County, Kansas

Schedule 2-B

Schedule of Receipts and Expenditures-Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2018

SUPPLEMENTAL GENERAL FUND

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts:			
County Tax Receipts	\$ 910,691	\$ 880,564	\$ 30,127
State Aid	0	0	0
Other Receipts	0	0	0
Total Receipts	910,691	880,564	30,127
Expenditures			
Instruction	224,436	239,324	(14,888)
Student Support	67,000	81,726	(14,726)
General Administration	101,500	122,232	(20,732)
School Administration	172,254	183,980	(11,726)
Operations & Maintenance	103,961	89,000	14,961
Operating Transfers	304,429	272,000	32,429
Adjustment to Comply with Legal Max	0	(14,682)	14,682
Total legal supplemental general fund budget	973,580	973,580	0
Adjustment for qualifying budget credits	0	0	0
Total Expenditures	973,580	\$ 973,580	\$ 0
Receipts Over (Under) Expenditures	(62,889)		
Unencumbered Cash, July 1	100,349		
Unencumbered Cash, June 30	\$ 37,460		

See accompanying Auditors' report.

Unified School District No. 284  
Chase County, Kansas

Schedule 2-C

Schedule of Receipts and Expenditures-Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2018

AT RISK

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts:			
Other Receipts	\$ 0	\$ 0	\$ 0
Operating Transfers	200,000	200,000	0
Total Receipts	200,000	200,000	0
Expenditures			
Instruction	181,557	178,500	3,057
Student Support	18,443	21,500	(3,057)
Total Expenditures	200,000	\$ 200,000	\$ 0
Receipts Over (Under) Expenditures	0		
Unencumbered Cash, July 1	0		
Unencumbered Cash, June 30	\$ 0		

See accompanying Auditors' report.

Unified School District No. 284  
Chase County, Kansas

Schedule 2-D

Schedule of Receipts and Expenditures-Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2018

CAPITAL OUTLAY

	Current Year		Variance
	Actual	Budget	Over (Under)
Receipts:			
County Tax Receipts	\$ 408,141	\$ 401,829	\$ 6,312
Other Receipts	115,068	0	115,068
Operating Transfers	0	0	0
Total Receipts	523,209	401,829	121,380
Expenditures			
Property & Equipment	102,000	200,000	(98,000)
Operations & Maintenance	67,320	200,000	(132,680)
Transportation	0	200,000	(200,000)
Architectural & Engineering	0	50,000	(50,000)
Site Improvement	45,588	200,000	(154,412)
Other	151,187	300,000	(148,813)
Total Expenditures	366,095	\$ 1,150,000	\$ (783,905)
Receipts Over (Under) Expenditures	157,114		
Unencumbered Cash, July 1	1,386,826		
Unencumbered Cash, June 30	\$ 1,543,940		

See accompanying Auditors' report.

Unified School District No. 284  
Chase County, Kansas

Schedule 2-E

Schedule of Receipts and Expenditures-Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2018

FOOD SERVICE

	Current Year		Variance
	Actual	Budget	Over (Under)
Receipts:			
Student & Adult Sales	\$ 81,756	\$ 74,250	\$ 7,506
Other Receipts	0	0	0
State Aid	1,699	1,428	271
Federal Aid	70,614	76,104	(5,490)
Operating Transfers	26,935	0	26,935
Total Receipts	181,004	151,782	29,222
Expenditures			
Food Service Operation	180,714	214,863	(34,149)
Other	0	0	0
Total Expenditures	180,714	<u>\$ 214,863</u>	<u>\$ (34,149)</u>
Receipts Over (Under) Expenditures	290		
Unencumbered Cash, July 1	<u>63,081</u>		
Unencumbered Cash, June 30	<u>\$ 63,371</u>		

See accompanying Auditors' report.

Unified School District No. 284  
Chase County, Kansas

Schedule 2-F

Schedule of Receipts and Expenditures-Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2018

PROFESSIONAL DEVELOPMENT

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts:			
Operating Transfers	\$ 5,000	\$ 0	\$ 5,000
Other Receipts	1,101	2,000	(899)
Total Receipts	6,101	2,000	4,101
Expenditures			
Instructional Staff Support	10,014	20,000	(9,986)
Other	0	0	0
Total Expenditures	10,014	\$ 20,000	\$ (9,986)
Receipts Over (Under) Expenditures	(3,913)		
Unencumbered Cash, July 1	16,156		
Unencumbered Cash, June 30	\$ 12,243		

See accompanying Auditors' report.

Unified School District No. 284  
Chase County, Kansas

Schedule 2-G

Schedule of Receipts and Expenditures-Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2018

SPECIAL EDUCATION

	Current Year		Variance
	Actual	Budget	Over Over (Under)
Receipts:			
Other Receipts	\$ 1,808	\$ 0	\$ 1,808
Operating Transfers	423,735	468,640	(44,905)
Total Receipts	425,543	468,640	(43,097)
Expenditures			
Instruction	440,750	520,000	(79,250)
Transportation	6,444	52,500	(46,056)
Total Expenditures	447,194	\$ 572,500	\$ (125,306)
Receipts Over (Under) Expenditures	(21,651)		
Unencumbered Cash, July 1	286,329		
Unencumbered Cash, June 30	\$ 264,678		

See accompanying Auditors' report.

Unified School District No. 284  
Chase County, Kansas

Schedule 2-H

Schedule of Receipts and Expenditures-Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2018

VOCATIONAL EDUCATION

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts:			
Other Receipts	\$ 4,868	\$ 5,000	\$ (132)
Operating Transfers	165,251	187,037	(21,786)
Total Receipts	170,119	192,037	(21,918)
Expenditures			
Instruction	170,119	192,037	(21,918)
Other	0	0	0
Total Expenditures	170,119	\$ 192,037	\$ (21,918)
Receipts Over (Under) Expenditures	0		
Unencumbered Cash, July 1	0		
Unencumbered Cash, June 30	\$ 0		

See accompanying Auditors' report.



Unified School District No. 284  
Chase County, Kansas

Schedule 2-I

Schedule of Receipts and Expenditures-Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2018

KPERS RETIREMENT

	Current Year		Variance
	Actual	Budget	Over (Under)
Receipts:			
Other Receipts	\$ 0	\$ 0	\$ 0
State Receipts	310,673	318,962	(8,289)
Total Receipts	310,673	318,962	(8,289)
Expenditures			
Instructional	192,812	223,273	(30,461)
Student Support	15,466	12,758	2,708
Instructional Support	2,533	3,190	(657)
General Administration	23,284	12,758	10,526
School Administration	32,360	25,517	6,843
Operations & Maintenance	21,459	15,948	5,511
Transportation	11,354	9,570	1,784
Food Service	10,029	9,569	460
Other Supplemental	1,376	6,379	(5,003)
Total Expenditures	310,673	\$ 318,962	\$ (8,289)
Receipts Over (Under) Expenditures	0		
Unencumbered Cash, July 1	0		
Unencumbered Cash, June 30	\$ 0		

See accompanying Auditors' report.

Unified School District No. 284  
Chase County, Kansas

Schedule 2-J

Schedule of Receipts and Expenditures-Actual  
Regulatory Basis  
For the Year Ended June 30, 2018

CONTINGENCY RESERVE

	Current Year Actual
Receipts:	
Other Receipts	\$ 0
Operating Transfers	0
Total Receipts	0
Expenditures	
Instruction	0
Transportation	0
Total Expenditures	0
Receipts Over (Under) Expenditures	0
Unencumbered Cash, July 1	100,000
Unencumbered Cash, June 30	\$ 100,000

See accompanying Auditors' report.

Unified School District No. 284  
Chase County, Kansas

Schedule 2-K

Schedule of Receipts and Expenditures-Actual  
Regulatory Basis  
For the Year Ended June 30, 2018

TEXTBOOK RENTAL

	Current Year Actual
Receipts:	
Rental fees & books	\$ 27,813
Operating Transfers	0
Total Receipts	27,813
Expenditures	
Instruction	48,919
Other	0
Total Expenditures	48,919
Receipts Over (Under) Expenditures	(21,106)
Unencumbered Cash, July 1	272,119
Unencumbered Cash, June 30	\$ 251,013

See accompanying Auditors' report.

Unified School District No. 284  
Chase County, Kansas

Schedule 2-L

Schedule of Receipts and Expenditures-Actual  
Regulatory Basis  
For the Year Ended June 30, 2018

FEDERAL GRANTS

	Title I	Title II	Title V	REAP	Total Federal Grants
Receipts:					
Federal Aid	\$ 47,118	\$ 12,793	\$ 1,399	\$ 20,503	\$ 81,813
Transfer from General	0	0	0	0	0
Total Receipts	47,118	12,793	1,399	20,503	81,813
Expenditures					
Instructional	46,088	12,793	1,399	20,503	80,783
Other	0	0	0	0	0
Total Expenditures	46,088	12,793	1,399	20,503	80,783
Receipts Over (Under) Expenditures	1,030	0	0	0	1,030
Unencumbered Cash, July 1	2,881	0	0	0	2,881
Unencumbered Cash, June 30	\$ 3,911	\$ 0	\$ 0	\$ 0	\$ 3,911

See accompanying Auditors' report.

Unified School District No. 284  
Chase County, Kansas

Schedule 2-M

Schedule of Receipts and Expenditures-Actual  
Regulatory Basis  
For the Year Ended June 30, 2018

KALTENBACHER AND MISCELLANEOUS GRANTS

	Current Year Actual
Receipts:	
Contributions	\$ 34,741
Other Receipts	0
Total Receipts	34,741
Expenditures	
Student Support Services	32,281
Other	0
Total Expenditures	32,281
Receipts Over (Under) Expenditures	2,460
Unencumbered Cash, July 1	57,982
Unencumbered Cash, June 30	\$ 60,442

See accompanying Auditors' report.

Unified School District No. 284  
Chase County, Kansas

Schedule 2-N

Schedule of Receipts and Expenditures-Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2018

BOND AND INTEREST

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts:			
County Tax Receipts	\$ 1,080,567	\$ 1,059,342	\$ 21,225
Other Receipts	0	0	0
Total Receipts	1,080,567	1,059,342	21,225
Expenditures			
Principal	0	0	0
Interest	457,874	457,874	0
Other	0	0	0
Total Expenditures	457,874	\$ 457,874	\$ 0
Receipts Over (Under) Expenditures	622,693		
Unencumbered Cash, July 1	140,389		
Unencumbered Cash, June 30	\$ 763,082		

See accompanying Auditors' report.

Unified School District No. 284  
Chase County, Kansas

Schedule 2-O

Schedule of Receipts and Expenditures-Actual  
Regulatory Basis  
For the Year Ended June 30, 2018

CAPITAL PROJECT FUND

	Current Year Actual
Receipts:	
Bond Proceeds and Accrued Interest	\$ 0
Investment Receipts	105,117
Other	0
Total Receipts	105,117
Expenditures	
Project expenditures	11,222,898
Bond Issuance Costs	0
Total Expenditures	11,222,898
Receipts Over (Under) Expenditures	(11,117,781)
Unencumbered Cash, July 1	12,008,203
Unencumbered Cash, June 30	\$ 890,422

See accompanying Auditors' report.

Unified School District No. 284  
Chase County, Kansas

Schedule 3

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

AGENCY FUNDS

	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Chase County High School/Middle				
Class of 2021	\$ 0	\$ 4,856	\$ 3,156	\$ 1,700
Class of 2020	2,079	3,732	805	5,006
Class of 2019	1,846	2,849	2,504	2,191
Class of 2018	809	0	324	485
FBLA	2,328	9,915	9,979	2,264
Cheerleaders	2,440	5,064	5,182	2,322
TSA	433	0	61	372
Kay Club	383	5,233	5,195	421
National Honor Society	1,382	1,860	2,335	907
Newspaper	727	2,957	3,008	676
Pompon	193	3,590	3,511	272
Quill & Scroll	87	322	329	80
Spanish Club	489	1,420	1,308	601
Student Council	1,599	3,409	3,411	1,597
Yearbook	739	17,867	18,545	61
Middle School Kay	568	2,343	2,483	428
Middle School Stuco	1,483	4,412	5,499	396
Total Student Organizations	17,585	69,829	67,635	19,779
Insurance Clearing	0	2,849	2,849	0
Recreation Commission	26,850	147,500	146,055	28,295
Total Agency Funds	\$ 44,435	\$ 220,178	\$ 216,539	\$ 48,074

See accompanying Auditors' report.



Unified School District No. 284  
Chase County, Kansas

Schedule 4

Schedule of Receipts and Expenditures, and Unencumbered Cash  
Regulatory Basis  
For the Year Ended June 30, 2018

DISTRICT ACTIVITY FUNDS

	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Gate Receipts/Athletics						
CCHS/CCMS	\$ 9,126	\$ 37,877	\$ 44,758	\$ 2,245	\$ 0	\$ 2,245
	9,126	37,877	44,758	2,245	0	2,245
School Projects						
Photo Fund	6,209	1,317	2,530	4,996	0	4,996
CCHS/CCMS						
Academics Recognition	365	134	499	0	0	0
Ag	11,158	4,401	3,458	12,101	0	12,101
Honors Banquet	4,016	1,207	3,303	1,920	0	1,920
Musical	3,051	1,379	1,028	3,402	0	3,402
Office	38	0	38	0	0	0
Sales Tax	888	4,400	4,800	488	0	488
Voices	651	3,606	3,645	612	0	612
CCES						
Activity	33,093	19,887	15,966	37,014	0	37,014
	59,469	36,331	35,267	60,533	0	60,533
Total Activity Funds	\$ 68,595	\$ 74,208	\$ 80,025	\$ 62,778	\$ 0	\$ 62,778

See accompanying Auditors' report.