

UNIFIED SCHOOL DISTRICT NO. 233

**Financial Statements
and Schedule of Expenditures of
Federal Awards**

For the Fiscal Year Ended June 30, 2019

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UNIFIED SCHOOL DISTRICT NO. 233

Financial Statements and Schedule
of Expenditures of Federal Awards
Year ended June 30, 2019

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Unified School District No. 233

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, budgetary comparison information, and the aggregate remaining fund information of the Unified School District No. 233 (the District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, 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 statements 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 statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, budgetary comparison information, and the aggregate remaining fund information of the Unified School District No. 233 (the District), as of June 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General, Supplemental General, Special Education and KPERS Special Retirement Contribution Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 4 to the financial statements, certain errors in amounts previously reported as of June 30, 2018, were discovered by management of the District during the current year. Accordingly, these amounts have been restated in the June 30, 2019, financial statements now presented, and adjustments have been made to net position to correct the error. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 8, the schedule of changes in the District's OPEB liability and related ratios on page 49, the schedule of the District's proportionate share of the net pension liability on page 50, the schedule of District contributions on page 50, and the schedule of changes in the district's total KPERS OPEB liability and related ratios on page 51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The combining and individual nonmajor fund financial statements and schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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), *Uniform Administrative Requirements, Cost Principles, and Audit Requirements, for Federal Awards*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying account and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2019, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants 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 the 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 the District's internal control over financial reporting and compliance.

Mize Houser & Company PA

Certified Public Accountants
Lawrence, Kansas
November 22, 2019

UNIFIED SCHOOL DISTRICT NO. 233

MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended June 30, 2019 Unaudited

Our discussion and analysis of Unified School District No. 233, Olathe District Schools financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2019. The District's overall financial position improved for the year ended June 30, 2019. This narrative should be read in conjunction with the District's financial statements, which begin on page nine.

Financial Highlights

- Total liabilities plus deferred inflows of resources exceeded the total assets plus deferred outflows of resources by \$154.8 million. The District-wide net position totaled \$[154.8] million at the end of the current fiscal year.
- The District-wide current assets exceed the current liabilities by \$124 million, representing the District's ability to meet its current obligations when due.
- Total capital assets, net of accumulated depreciation at June 30, 2019 totaled \$574 million.
- During the year ended June 30, 2019, the District's total revenues (which include charges for services, local taxes and state and federal aid) were less than total expenses by \$16.7 million.
- The District's general obligation indebtedness decreased by \$29 million.
- The District's net capital assets decreased \$.4 million in the current fiscal year.

Using This Financial Report

This annual report consists of two distinct series of financial statements: district-wide and funds. In addition, the annual report includes budgetary-basis financial statement comparisons, in accordance with the State of Kansas cash basis and budget laws.

The district-wide statements are designed to provide information about the Olathe District School's activities as a whole and provide a longer-term view of the District's finances. The fund financial statements tell how the District's services for both governmental and business-type activities were financed in the short term as well as what remains for future spending. Fund financial statements report the District's operations in greater detail than the district-wide statements by providing information about the District's most significant funds. In addition, combining statements included in the supplemental information show detail of all other governmental funds. The District also holds agency funds on behalf of various building level organizations. These funds are reported in a separate statement.

Reporting on the School District as a Whole (District Wide)

Statement of Net Position and the Statement of Activities

The view of the Olathe District Schools as a whole looks at all financial transactions and asks the question, "Are we in a better financial position as a result of the current year's financial activities?" The Statement of Net Position and the Statement of Activities provide the basis for answering this question. The statements include all assets and all liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses, regardless of when cash is received or paid.

These two statements report the District's net position and current year change in net position. The change in net position is important because it tells the reader whether the District, as a whole, has improved or diminished its financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. Causes of these changes may be the result of many factors, some financial, some not. Non-financial factors include the District's property tax base, state and federal educational mandates, state public education funding formulas, and the financial condition of the State of Kansas general fund.

UNIFIED SCHOOL DISTRICT NO. 233

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2019
Unaudited

In the Statement of Net Position and the Statement of Activities, the District is divided into two distinct kinds of activities:

Governmental Activities - Most of the District's programs and services are reported here including instruction, support services, non-instructional services and other.

Business-Type Activities - These services are provided on a charge for goods and services basis to recover all of the expenses of the goods or services provided. The District's Food Services, Summer School and Driver Training are reported as business-type activities. In addition, the District's self-insured workers' compensation fund, the health insurance fund, and the risk management fund are treated as internal service funds.

Reporting the District's Most Significant Funds (Fund Financial Statements)

Fund financial statements provide detailed information about the District's major funds. The District uses many funds to account for a multitude of financial transactions. The main fund financial statements focus on the District's most significant funds. Combining fund balance sheets and statements of revenues, expenditures and changes in fund balances provide detailed information about all of the District's non-major governmental funds.

Governmental Funds - Most of the District's activities are reported in the governmental funds, which focus on how money flows into and out of the funds and balances left over at fiscal year end available to be spent in future periods. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general operations and the basic services it provides. Governmental fund information helps the reader to decide where there are more or fewer financial resources that can be spent in the near term to finance the District's educational programs. Major differences between the District's governmental activities as reported in the Statement of Net Position and the Statement of Activities and its governmental funds are reconciled in the Governmental Funds financial statements.

Proprietary Funds - Proprietary funds (Food Services, Summer School and Driver Training) are enterprise funds that use the same basis of accounting as business-type activities, therefore, these statements replicate the information provided in the District-wide financial statements.

UNIFIED SCHOOL DISTRICT NO. 233

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2019
Unaudited

The School District as a Whole

Government-Wide Net Position

The Statement of Net Position provides the financial position of the School District as a whole. The following is a summary of the Olathe District School's Statement of Net Position as of June 30, 2019:

Olathe District Schools
Condensed Statement of Net Position
June 30, 2019

	Governmental Activities		Business-Type Activities		Total	
	2018	2019	2018	2019	2018	2019
Current assets	\$ 226,773,157	\$ 186,616,463	\$ 3,305,958	\$ 3,079,045	\$ 230,079,115	\$ 189,695,508
Noncurrent assets	<u>573,414,256</u>	<u>573,707,933</u>	<u>2,462,201</u>	<u>2,216,541</u>	<u>575,876,457</u>	<u>575,924,474</u>
Total assets	<u>\$ 800,187,413</u>	<u>\$ 760,324,396</u>	<u>\$ 5,768,159</u>	<u>\$ 5,295,586</u>	<u>\$ 805,955,572</u>	<u>\$ 765,619,982</u>
Deferred outflows of resources	\$ 50,800,971	\$ 43,709,095	\$ -	\$ -	\$ 50,800,971	\$ 43,709,095
Total deferred outflows of resources	<u>\$ 50,800,971</u>	<u>\$ 43,709,095</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,800,971</u>	<u>\$ 43,709,095</u>
Current liabilities	\$ 66,374,002	\$ 65,249,174	\$ 4,301	\$ 2,243	\$ 66,378,303	\$ 65,251,417
Noncurrent liabilities	<u>908,873,617</u>	<u>880,365,803</u>	<u>-</u>	<u>-</u>	<u>908,873,617</u>	<u>880,365,803</u>
Total liabilities	<u>\$ 975,247,619</u>	<u>\$ 945,614,977</u>	<u>\$ 4,301</u>	<u>\$ 2,243</u>	<u>\$ 975,251,920</u>	<u>\$ 945,617,220</u>
Deferred inflows of resources	\$ 18,527,828	\$ 18,469,010	\$ -	\$ -	\$ 18,527,828	\$ 18,469,010
Total deferred inflows of resources	<u>\$ 18,527,828</u>	<u>\$ 18,469,010</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,527,828</u>	<u>\$ 18,469,010</u>
Net Position:						
Net investment in capital assets	\$ 38,306,906	\$ 11,333,459	\$ 2,462,201	\$ 2,216,541	\$ 40,769,107	\$ 13,550,000
Restricted for :						
Construction, maintenance and equipment	68,297,764	20,638,596	-	-	68,297,764	20,638,596
Instruction and instructional support	16,375,132	15,872,853	-	-	16,375,132	15,872,853
Debt Service	67,543,144	67,077,048	-	-	67,543,144	67,077,048
Unrestricted	<u>[333,310,009]</u>	<u>[274,972,452]</u>	<u>3,301,657</u>	<u>3,076,802</u>	<u>[330,008,352]</u>	<u>[271,895,650]</u>
Total net position	<u>\$ [142,787,063]</u>	<u>\$ [160,050,496]</u>	<u>\$ 5,763,858</u>	<u>\$ 5,293,343</u>	<u>\$ [137,023,205]</u>	<u>\$ [154,757,153]</u>

The assets of the District are classified as current assets and noncurrent assets. Cash and investments and property taxes in process of collection are the largest current assets. These are assets that are available to provide resources for the near-term operations of the District. Noncurrent assets include capital assets used in the operations of the District. These assets include land, land improvements, buildings, building improvements, vehicles, furniture, equipment and technology.

Current and non-current liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, payroll-related liabilities, compensated absences and early retirement, and current portion of long-term obligations. Current assets exceed current liabilities by \$124 million, representing the District's ability to meet current obligations when due.

The District has \$587 million in long-term debt, consisting of general obligation bonds and capital leases, of which \$32 million is due within the next fiscal year. GASB 68, Accounting and Financial Reporting for Pensions, was implemented as of July 1, 2014. The standard's implementation is driving the changes in deferred outflows of resources, deferred inflows of resources and the noncurrent liability.

UNIFIED SCHOOL DISTRICT NO. 233

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2019
Unaudited

The District has total assets plus deferred outflows of resources at June 30, 2019 totaling \$809 million. The total liabilities plus deferred inflows of resources of the District exceeded the total assets plus deferred outflows of resources by \$154.8 million. Net investment in capital assets (including cash balances in capital project funds), totaled \$13.6 million, restricted net position totaled \$103.6 million and unrestricted net position totaled \$[272] million.

Government-Wide Activities

The following is a condensed statement of the District's change in net position for the year ended June 30, 2019. Major items of program revenues, grants and general revenues are detailed. District-wide activities decreased the net position of the District by \$16.7 million for the year ended June 30, 2019. A reconciliation of the total change in fund balances for the governmental funds to the Statement of Activities is located at page 16 of the basic financial statements. Major differences in the Statement of Activities and changes in the fund balances of governmental funds as expenditures in the funds statements include the repayment of long-term debt of \$28 million which is treated as expenditures in the funds statements, but is treated as a reduction of long term debt in the District wide statement of activities. Also, the \$25.1 million of capital outlays to purchase or rebuild assets are reported in the governmental funds as expenditures, however, for governmental activities these costs are shown as assets.

Olathe District Schools
Condensed Statement of Changes in Net Position
June 30, 2018 and 2019

	Governmental Activities		Business-Type Activities		Total	
	2018	2019	2018	2019	2018	2019
Revenues:						
Program revenues:						
Charges for services	\$ 3,941,091	\$ 3,903,108	\$ 6,732,565	\$ 7,312,270	\$ 10,673,656	\$ 11,215,378
Operating grants	99,732,042	93,312,376	6,145,688	5,690,426	105,877,730	99,002,802
General revenues:						
Property taxes	130,062,201	140,602,295	-	-	130,062,201	140,602,295
State aid	167,448,028	182,716,291	-	-	167,448,028	182,716,291
Other	12,815,834	22,371,102	462,356	434,109	13,278,190	22,805,211
Total revenues	<u>413,999,196</u>	<u>442,905,172</u>	<u>13,340,609</u>	<u>13,436,805</u>	<u>427,339,805</u>	<u>456,341,977</u>
Program expenses:						
Instruction	256,471,388	276,357,705	-	-	256,471,388	276,357,705
Support services	102,946,536	110,697,061	-	-	102,946,536	110,697,061
Other	38,347,923	48,120,823	14,014,079	14,168,923	52,362,002	62,289,746
Interest on long term debt	22,749,390	23,727,909	-	-	22,749,390	23,727,909
Total expenses	<u>420,515,237</u>	<u>458,903,498</u>	<u>14,014,079</u>	<u>14,168,923</u>	<u>434,529,316</u>	<u>473,072,421</u>
Excess [deficiency] before transfers	[6,516,041]	[15,998,326]	[673,470]	[732,118]	[7,189,511]	[16,730,444]
Transfers in [out]	<u>[269,310]</u>	<u>[261,603]</u>	<u>269,310</u>	<u>261,603</u>	<u>-</u>	<u>-</u>
Increase [decrease] in net position	[6,785,351]	[16,259,929]	[404,160]	[470,515]	[7,189,511]	[16,730,444]
Beginning net position	[130,246,346]	[142,787,063]	6,168,018	5,763,858	[124,078,328]	[137,023,205]
Prior period adjustment	<u>[5,755,366]</u>	<u>[1,003,504]</u>	<u>-</u>	<u>-</u>	<u>[5,755,366]</u>	<u>[1,003,504]</u>
Ending net position	<u>\$ [142,787,063]</u>	<u>\$ [160,050,496]</u>	<u>\$ 5,763,858</u>	<u>\$ 5,293,343</u>	<u>\$ [137,023,205]</u>	<u>\$ [154,757,153]</u>

UNIFIED SCHOOL DISTRICT NO. 233

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2019
Unaudited

Financial Analysis of the District's Funds

The District uses fund accounting to ensure and demonstrate compliance with state and federal finance related legal requirements. These funds are accounted for on the modified accrual basis of accounting.

The governmental funds of the District provide information on near-term inflows, outflows and balances of spend - able resources. Unassigned fund balances, in particular, measure the District's net resources available for spending at the end of the District's fiscal year.

Total fund balances at June 30, 2019 for the governmental funds totaled \$138 million. Total restricted fund balances at June 30, 2019 were \$103 million, of which approximately \$67 million was attributable to the Debt Service Fund.

The General Fund is the chief operating fund of the District. The ending fund balance of the General Fund was approximately \$.7 million at June 30, 2019. This balance represents a timing issue with the balance being encumbered in full at June 30, 2019.

The Supplemental General Fund is used to account for the general operations of the District and all unassigned revenues and expenditures not provided for in other funds. The ending fund balance of the Supplemental General Fund was approximately \$2.4 million at June 30, 2019. By State statute, this balance must be utilized to reduce the maximum amount of taxes that may be levied in the following year.

The Special Education Fund is used to account for federal and state aid revenues received and used for the education of students with special needs. The ending fund balance of the Special Education Fund was approximately \$5.9 million at June 30, 2019, up approximately \$.4 million from the previous year.

The KPERS Special Retirement Contribution Fund is used to account for the State's on-behalf payments to the District's retirement fund as revenue and expense. The ending fund balance was \$0 at June 30, 2019, in accordance with Kansas State Department of Education requirements.

The Debt Service Fund is used to accumulate tax revenues and other revenues for the payment of principal and interest on general long-term debt. The fund has adequate funds accumulated to make the September 2019 principal and interest requirements, while decreasing \$4 million from the previous year.

The Capital Outlay Fund is used to account for tax revenues that are primarily utilized for the acquisition, construction, and remodeling of school district buildings. The ending fund balance of the Capital Outlay Fund was approximately \$26 million at June 30, 2019, up approximately \$10 million over the prior year.

The 2013 Construction Fund is used to account for the acquisition, construction, and renovation of major capital facilities financed by the District's general obligation bond issues. The fund began the year with a \$15 million fund balance and was decreased by \$12 million due to capital project expenditures.

The 2016 Construction Fund is used to account for the acquisition, construction, and renovation of major capital facilities financed by the District's general obligation bond issues. The ending fund balance for this fund was approximately \$17 million at June 30, 2019.

Total net position at June 30, 2019 for the business-type funds totaled \$5.3 million. Total unrestricted fund balances at June 30, 2019 were \$3.1 million, of which approximately \$2.6 million was attributable to the Food Service Fund.

The Food Service Fund is used to account for all monies received and expended attributable to the District's breakfast and lunch programs. The ending fund balance of the Food Service Fund was approximately \$4.8 million at June 30, 2019, down approximately \$.5 million from the previous year.

UNIFIED SCHOOL DISTRICT NO. 233
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2019
Unaudited

The Summer School Fund is used to account for user fees derived from summer school education programs and the expenditures necessary to carry out these programs. The ending fund balance of the Summer School Fund was approximately \$.3 million at June 30, 2019, up \$2,765 from the previous year.

The Driver Training Fund is used to account for state aid and user fees to provide driver's education to students. The ending fund balance of the Driver Training Fund was \$145,700 at June 30, 2019, down \$11,441 from the previous year.

General Fund Budgeting Highlights

The Olathe District School's budgets are prepared in accordance with Kansas law and are based primarily on the basis of cash receipts, disbursements, and encumbrances.

The District's original budgeted expenditures and transfers out in the General fund were \$209,737,322 and the final General Fund budgeted expenditures and transfers out were \$208,399,524. The decrease was due to the decrease in the estimated enrollment.

The District's original budgeted revenue in the General Fund was \$209,737,322 and the final General Fund budgeted revenue was \$208,399,524. The decrease was due to a decrease in the estimated enrollment which affected the state aid revenue.

Kansas statutes allow for the Board of Education to increase the original budget for previously unbudgeted increases in revenues other than ad valorem taxes.

Capital Assets and Debt Administration

The Olathe District School's investment in capital assets for its governmental and business-type activities decreased \$.4 million to a total of \$574 million as of June 30, 2019. The District is actively involved in new construction and major renovation projects, funded by bond election authority, in order to accommodate the rapid growth of the District.

Additional information on the District's capital assets can be found in Note 3 of the financial statements.

At June 30, 2019, the District had total bonded debt outstanding of \$585.2 million, backed by the full faith and credit of the Olathe District Schools. Total long-term debt decreased for the fiscal year ended June 30, 2019, in the amount of \$29 million. The decrease is due to regularly scheduled payment of the general obligation bonds.

Additional information on the District's general long-term debt can be found in Note 3 to the financial statements.

Contacting the District

This financial report is designed to provide a general overview of the District's finances. If you have questions about this report or need additional financial information, contact the District's Controller at PO Box 2000, Olathe, Kansas 66063-2000.

UNIFIED SCHOOL DISTRICT NO. 233

STATEMENT OF NET POSITION
June 30, 2019

	Governmental Activities	Business-type Activities	Total Primary Government
ASSETS			
Current assets:			
Cash and investments	\$ 148,766,466	\$ 2,751,543	\$ 151,518,009
Cash and investments restricted for capital projects	26,551,822	-	26,551,822
Receivables (net of allowance for uncollectibles)			
Taxes	2,799,412	-	2,799,412
Interest and other	8,498,763	-	8,498,763
Material and supplies inventory	-	327,502	327,502
Total current assets	<u>186,616,463</u>	<u>3,079,045</u>	<u>189,695,508</u>
Noncurrent assets:			
Sinking fund deposits	<u>2,089,725</u>	<u>-</u>	<u>2,089,725</u>
Capital assets:			
Nondepreciable capital assets			
Land	32,176,446	2,971	32,179,417
Construction in progress	50,048,777	-	50,048,777
Depreciable capital assets			
Less: Accumulated depreciation	819,167,320	6,192,395	825,359,715
	<u>[329,774,335]</u>	<u>[3,978,825]</u>	<u>[333,753,160]</u>
Total capital assets:	<u>571,618,208</u>	<u>2,216,541</u>	<u>573,834,749</u>
Total noncurrent assets	<u>573,707,933</u>	<u>2,216,541</u>	<u>575,924,474</u>
Total assets	<u>760,324,396</u>	<u>5,295,586</u>	<u>765,619,982</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred pension amounts	42,679,836	-	42,679,836
Deferred OPEB amounts - KPERS	1,029,259	-	1,029,259
Total deferred outflows of resources	<u>43,709,095</u>	<u>-</u>	<u>43,709,095</u>
Total assets and deferred outflows of resources	<u>\$ 804,033,491</u>	<u>\$ 5,295,586</u>	<u>\$ 809,329,077</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 23,561,103	\$ -	\$ 23,561,103
Retainage payable	2,595,986	-	2,595,986
Accrued liabilities	1,819,678	2,243	1,821,921
Compensated absences	3,381,211	-	3,381,211
Early retirement payable	2,017,626	-	2,017,626
Current portion of capital leases	290,477	-	290,477
Current portion of net general obligation bonds	31,583,093	-	31,583,093
Total current liabilities	<u>65,249,174</u>	<u>2,243</u>	<u>65,251,417</u>
Noncurrent liabilities:			
Early retirement payable	2,518,211	-	2,518,211
Compensated absences	23,668,476	-	23,668,476
Net OPEB liability	14,992,516	-	14,992,516
Net OPEB liability (KPERS)	5,320,720	-	5,320,720
Net pension liability	278,902,879	-	278,902,879
Long-term liabilities			
Due in more than one year	<u>554,963,001</u>	<u>-</u>	<u>554,963,001</u>
Total noncurrent liabilities	<u>880,365,803</u>	<u>-</u>	<u>880,365,803</u>
Total liabilities	<u>945,614,977</u>	<u>2,243</u>	<u>945,617,220</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred amount on refunding	1,003,504	-	1,003,504
Deferred pension amounts	15,634,825	-	15,634,825
Deferred OPEB amounts	1,542,982	-	1,542,982
Deferred OPEB amounts - KPERS	287,699	-	287,699
Total deferred inflows of resources	<u>18,469,010</u>	<u>-</u>	<u>18,469,010</u>
Total liabilities and deferred inflows of resources	<u>\$ 964,083,987</u>	<u>\$ 2,243</u>	<u>\$ 964,086,230</u>
NET POSITION			
Net investment in capital assets	\$ 11,333,459	\$ 2,216,541	\$ 13,550,000
Restricted for:			
Construction, maintenance and equipment	20,638,596	-	20,638,596
Instruction and instructional support	15,872,853	-	15,872,853
Debt service	67,077,048	-	67,077,048
Unrestricted	<u>[274,972,452]</u>	<u>3,076,802</u>	<u>[271,895,650]</u>
Total net position	<u>\$ [160,050,496]</u>	<u>\$ 5,293,343</u>	<u>\$ [154,757,153]</u>

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

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UNIFIED SCHOOL DISTRICT NO. 233

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2019

	Program Revenues			Net [Expenses] Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:						
Instructional	\$ 276,357,705	\$ 3,903,108	\$ 89,065,882	\$ [183,388,715]	\$ -	\$ [183,388,715]
Support services	28,504,013	-	1,275,513	[27,228,500]	-	[27,228,500]
Instructional support staff	15,107,379	-	528,055	[14,579,324]	-	[14,579,324]
General administration	2,283,544	-	82,491	[2,201,053]	-	[2,201,053]
School administration	22,572,822	-	962,857	[21,609,965]	-	[21,609,965]
Central services	18,145,184	-	-	[18,145,184]	-	[18,145,184]
Operations and maintenance	47,368,879	-	286,715	[47,082,164]	-	[47,082,164]
Student transportation	14,696,432	-	625,063	[14,071,369]	-	[14,071,369]
Other support services	9,387,687	-	5,120	[9,382,567]	-	[9,382,567]
Food service operations	751,944	-	478,407	[273,537]	-	[273,537]
Interest on long-term debt	23,727,909	-	-	[23,727,909]	-	[23,727,909]
Total governmental activities	<u>458,903,498</u>	<u>3,903,108</u>	<u>93,310,103</u>	<u>[361,690,287]</u>	<u>-</u>	<u>[361,690,287]</u>
Business-type activities:						
Food Service	13,912,193	7,121,859	5,632,783	-	[1,157,551]	[1,157,551]
Summer School	81,886	84,651	-	-	2,765	2,765
Driver Training	174,844	105,760	57,643	-	[11,441]	[11,441]
Total business-type activities	<u>14,168,923</u>	<u>7,312,270</u>	<u>5,690,426</u>	<u>-</u>	<u>[1,166,227]</u>	<u>[1,166,227]</u>
Total school district	<u>\$ 473,072,421</u>	<u>\$ 11,215,378</u>	<u>\$ 99,000,529</u>	<u>[361,690,287]</u>	<u>[1,166,227]</u>	<u>[362,856,514]</u>
General Revenues:						
Local property taxes						
				77,944,058	-	77,944,058
				41,326,753	-	41,326,753
				21,331,484	-	21,331,484
				182,718,564	-	182,718,564
				4,023,883	-	4,023,883
				18,347,219	434,109	18,781,328
				[261,603]	261,603	-
Total general revenues and transfers				<u>345,430,358</u>	<u>695,712</u>	<u>346,126,070</u>
Change in net position				<u>[16,259,929]</u>	<u>[470,515]</u>	<u>[16,730,444]</u>
Net position - beginning				[142,787,063]	5,763,858	[137,023,205]
Restatement				[1,003,504]	-	[1,003,504]
Net position - beginning, restated				<u>[143,790,567]</u>	<u>5,763,858</u>	<u>[138,026,709]</u>
Net position - ending				<u>\$ [160,050,496]</u>	<u>\$ 5,293,343</u>	<u>\$ [154,757,153]</u>

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

UNIFIED SCHOOL DISTRICT NO. 233

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2019

	<u>General</u>	<u>Supplemental General</u>	<u>Special Education</u>	<u>KPERS Special Retirement Contribution</u>	<u>Debt Service</u>
ASSETS					
Cash and investments	\$ 7,900,767	\$ 2,367,721	\$ 5,916,817	\$ -	\$ 67,077,048
Receivables (net)					
Taxes	-	953,089	-	-	905,788
Other	1,500	-	-	8,429,916	-
Due from other funds	<u>451,493</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 8,353,760</u>	<u>\$ 3,320,810</u>	<u>\$ 5,916,817</u>	<u>\$ 8,429,916</u>	<u>\$ 67,982,836</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 5,857,668	\$ -	\$ 21,076	\$ 8,429,916	\$ -
Retainage payable	-	-	-	-	-
Accrued liabilities	1,819,678	-	-	-	-
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>7,677,346</u>	<u>-</u>	<u>21,076</u>	<u>8,429,916</u>	<u>-</u>
Deferred inflows of resources					
Unavailable revenue - property taxes	<u>-</u>	<u>953,089</u>	<u>-</u>	<u>-</u>	<u>905,788</u>
Total deferred inflow of resources	<u>-</u>	<u>953,089</u>	<u>-</u>	<u>-</u>	<u>905,788</u>
Total liabilities and deferred inflows of resources	<u>7,677,346</u>	<u>953,089</u>	<u>21,076</u>	<u>8,429,916</u>	<u>905,788</u>
Fund balance:					
Restricted	-	-	-	-	67,077,048
Committed	-	2,367,721	5,895,741	-	-
Assigned	676,414	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>676,414</u>	<u>2,367,721</u>	<u>5,895,741</u>	<u>-</u>	<u>67,077,048</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 8,353,760</u>	<u>\$ 3,320,810</u>	<u>\$ 5,916,817</u>	<u>\$ 8,429,916</u>	<u>\$ 67,982,836</u>

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

Capital Outlay	2013 Construction	2016 Construction	Non-major Governmental Funds	Total Governmental Funds
\$ 27,022,935	\$ 4,774,660	\$ 21,777,162	\$ 17,380,859	\$ 154,217,969
231,844	-	-	708,691	2,799,412
170	-	-	67,177	8,498,763
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>451,493</u>
<u>\$ 27,254,949</u>	<u>\$ 4,774,660</u>	<u>\$ 21,777,162</u>	<u>\$ 18,156,727</u>	<u>\$ 165,967,637</u>
\$ 1,340,900	\$ 1,195	\$ 3,316,045	\$ 907,346	\$ 19,874,146
-	1,329,136	1,266,850	-	2,595,986
-	-	-	-	1,819,678
-	-	-	451,493	451,493
<u>1,340,900</u>	<u>1,330,331</u>	<u>4,582,895</u>	<u>1,358,839</u>	<u>24,741,303</u>
231,844	-	-	708,691	2,799,412
<u>231,844</u>	<u>-</u>	<u>-</u>	<u>708,691</u>	<u>2,799,412</u>
1,572,744	1,330,331	4,582,895	2,067,530	27,540,715
-	3,444,329	17,194,267	15,872,853	103,588,497
-	-	-	-	8,263,462
25,682,205	-	-	690,508	27,049,127
-	-	-	[474,164]	[474,164]
<u>25,682,205</u>	<u>3,444,329</u>	<u>17,194,267</u>	<u>16,089,197</u>	<u>138,426,922</u>
<u>\$ 27,254,949</u>	<u>\$ 4,774,660</u>	<u>\$ 21,777,162</u>	<u>\$ 18,156,727</u>	<u>\$ 165,967,637</u>

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

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UNIFIED SCHOOL DISTRICT NO. 233

RECONCILIATION OF THE TOTAL GOVERNMENTAL FUND BALANCE SHEET TO
NET POSITION OF GOVERNMENTAL ACTIVITIES
June 30, 2019

Total Governmental Fund Balances		\$ 138,426,922
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:		
The cost of capital assets is	901,392,543	
Accumulated depreciation is	<u>[329,774,335]</u>	571,618,208
Property taxes receivable to be collected, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as unavailable in the funds.		2,799,412
Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net position.		17,413,362
Sinking fund deposits are reported as an expense in the funds and as a deferred outflow of resources in the governmental activities in the statement of net position.		2,089,723
Pension contributions are reported as an expense in the funds and as a deferred outflow of resources in the governmental activities in the statement of net position.		43,709,095
Pension and OPEB fundings are reported as a revenue in the funds and as a deferred inflow of resources in the governmental activities in the statement of net position.		[17,465,504]
Deferred amounts on refundings are reported as deferred inflows of resources in the government-wide financial statements but are not reported in the governmental fund statements.		[1,003,504]
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year end consist of:		
Compensated absences	[27,049,687]	
Net OPEB obligation	[14,992,516]	
Net OPEB obligation (KPERs)	[5,320,720]	
Leases payable	[1,667,957]	
Bonds payable	[585,168,614]	
Early retirement payable	[4,535,837]	
Net pension liability	<u>[278,902,879]</u>	<u>[917,638,210]</u>
Net position of Governmental Activities		<u>\$ [160,050,496]</u>

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

UNIFIED SCHOOL DISTRICT NO. 233

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2019

	<u>General</u>	<u>Supplemental General</u>	<u>Special Education</u>	<u>KPERS Special Retirement Contribution</u>	<u>Debt Service</u>
REVENUES:					
Taxes	\$ -	\$ 42,461,226	\$ -	\$ -	\$ 40,346,431
Intergovernmental	153,164,770	29,553,794	39,055,735	14,080,237	9,922,973
Charges for services	-	-	-	-	-
Investment revenue	-	-	-	-	-
Other local sources	<u>4,927,460</u>	<u>-</u>	<u>290,051</u>	<u>-</u>	<u>2,618,696</u>
Total revenues	<u>158,092,230</u>	<u>72,015,020</u>	<u>39,345,786</u>	<u>14,080,237</u>	<u>52,888,100</u>
EXPENDITURES:					
Current					
Instruction	102,598,303	21,906,938	38,437,830	9,829,262	-
Support services	8,200,011	2,694,654	13,444,573	1,275,513	-
Instructional support staff	8,869,891	2,936,500	286,275	528,055	-
General administration	1,603,122	534,252	-	82,491	-
School administration	13,971,212	4,610,500	1,885,193	962,857	-
Central services	8,430,989	2,819,199	9,129	286,715	-
Operations and maintenance	10,218,135	3,380,046	128,121	625,063	-
Student transportation services	3,291,924	1,084,690	10,154,548	5,120	-
Other support services	176,853	58,340	-	6,754	-
Food service operations	-	-	-	478,407	-
Capital outlay	-	-	-	-	-
Debt service	-	-	-	-	-
Principal retirement	-	-	-	-	28,407,944
Interest and other charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,946,252</u>
Total expenditures	<u>157,360,440</u>	<u>40,025,119</u>	<u>64,345,669</u>	<u>14,080,237</u>	<u>53,354,196</u>
Excess [deficiency] of revenues over [under] expenditures	<u>731,790</u>	<u>31,989,901</u>	<u>[24,999,883]</u>	<u>-</u>	<u>[466,096]</u>
OTHER FINANCING SOURCES [USES]					
Lease proceeds	-	-	-	-	-
Transfers in	-	-	25,357,965	-	-
Transfers [out]	<u>[610,775]</u>	<u>[33,291,165]</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources [uses]	<u>[610,775]</u>	<u>[33,291,165]</u>	<u>25,357,965</u>	<u>-</u>	<u>-</u>
Net change in fund balance	121,015	[1,301,264]	358,082	-	[466,096]
Fund balance - Beginning of year	<u>555,399</u>	<u>3,668,985</u>	<u>5,537,659</u>	<u>-</u>	<u>67,543,144</u>
Fund balance - End of year	<u>\$ 676,414</u>	<u>\$ 2,367,721</u>	<u>\$ 5,895,741</u>	<u>\$ -</u>	<u>\$ 67,077,048</u>

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

Capital Outlay	2013 Construction	2016 Construction	Non-major Governmental Funds	Total Governmental Funds
\$ 21,331,484	\$ -	\$ -	\$ 35,947,989	\$ 140,087,130
4,893,083	-	-	25,358,076	276,028,668
-	-	-	3,903,108	3,903,108
2,674,314	319,645	1,029,924	-	4,023,883
<u>9,228,616</u>	<u>-</u>	<u>-</u>	<u>1,276,636</u>	<u>18,341,459</u>
<u>38,127,497</u>	<u>319,645</u>	<u>1,029,924</u>	<u>66,485,809</u>	<u>442,384,248</u>
2,820,863	132,667	13,677,034	60,579,699	249,982,596
19,344	-	-	2,124,881	27,758,976
-	-	-	1,188,692	13,809,413
-	-	-	16,507	2,236,372
-	-	-	594,257	22,024,019
1,144,803	-	4,113,400	-	16,804,235
17,511,314	-	-	576,508	32,439,187
-	-	-	62,828	14,599,110
-	-	-	9,145,740	9,387,687
-	-	-	-	478,407
7,335,616	12,462,947	18,622,689	944,245	39,365,497
-	-	-	-	28,407,944
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,946,252</u>
<u>28,831,940</u>	<u>12,595,614</u>	<u>36,413,123</u>	<u>75,233,357</u>	<u>482,239,695</u>
<u>9,295,557</u>	<u>[12,275,969]</u>	<u>[35,383,199]</u>	<u>[8,747,548]</u>	<u>[39,855,447]</u>
693,634	-	-	-	693,634
-	-	-	8,282,372	33,640,337
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>[33,901,940]</u>
<u>693,634</u>	<u>-</u>	<u>-</u>	<u>8,282,372</u>	<u>432,031</u>
9,989,191	[12,275,969]	[35,383,199]	[465,176]	[39,423,416]
<u>15,693,014</u>	<u>15,720,298</u>	<u>52,577,466</u>	<u>16,554,373</u>	<u>177,850,338</u>
<u>\$ 25,682,205</u>	<u>\$ 3,444,329</u>	<u>\$ 17,194,267</u>	<u>\$ 16,089,197</u>	<u>\$ 138,426,922</u>

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

UNIFIED SCHOOL DISTRICT NO. 233

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES WITH THE DISTRICT - WIDE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2019

Total Net Change In Fund Balances - Governmental Funds		\$ [39,423,416]
Amounts reported for governmental activities in the statement of activities are different because		
Capital outlays to purchase or build assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which capitalizable capital outlays exceeds depreciation in the period.		
Capital outlays	25,121,832	
Depreciation expense	<u>[25,246,102]</u>	[124,270]
Property taxes receivable are treated as unavailable revenues in the governmental funds, but are treated as revenues in the statement of activities.		515,165
In the statement of activities, compensated absences are measured by the amounts earned during the year. In the governmental funds, however expenditures for these items are measured by the amount of financial resources used. This year, compensated absence paid were less than amount earned.		[1,641,850]
In the statement of activities, early retirement benefits are measured by the amounts earned during the year. In the governmental funds, however expenditures for these items are measured by the amount of financial resources used. This year, early retirement benefits paid were less than amount earned.		996,985
In the statement of activities, current year net other post employment benefit obligations are measured by the amounts earned during the year. In the governmental funds, however expenditures for these items are measured by the amount of financial resources used.		267,686
Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. The revenues and expenses of certain internal service funds are included in governmental activities in the statement of activities.		2,200,329
Bond and lease proceeds are an other financing source in the governmental funds, but it increases long-term liabilities in the statement of net position and does not affect the statement of activities.		
Lease proceeds		[693,634]
Amortization of bond discount and premium		1,218,343
Payment of principal to a bond sinking fund is an expenditure in the governmental funds but is a deferred outflow of resources on the statement of net position and does not affect the statement of net position		417,945
Pension payments are reported as expenditures in the governmental funds and do not affect the statement of net activities		[8,047,871]
Repayment of bond and lease principal is an expenditure in the governmental funds but it reduces long-term liabilities in the statement of net position and does not affect the statement of activities.		
Bond principal retirement		27,990,000
Lease principal retirement		<u>64,659</u>
Changes In Net Position of Governmental Activities		<u>\$ [16,259,929]</u>

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

UNIFIED SCHOOL DISTRICT NO. 233

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
GENERAL FUND
For the Year Ended June 30, 2019

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Intergovernmental:						
General state aid	\$ 153,164,770	\$ 23,429,869	\$ 176,594,639	\$ 177,773,603	\$ 176,594,639	\$ -
Special education state aid	-	31,804,885	31,804,885	31,963,719	31,804,885	-
Total intergovernmental	153,164,770	55,234,754	208,399,524	209,737,322	208,399,524	-
Other local sources	4,927,460	[4,927,460]	-	-	-	-
Total revenues	158,092,230	50,307,294	208,399,524	209,737,322	208,399,524	-
EXPENDITURES:						
Instructional	102,598,303	[4,961,997]	97,636,306	104,645,667	104,645,667	7,009,361
Student support	8,200,011	929	8,200,940	8,669,362	8,669,362	468,422
Instructional staff support	8,869,891	2,702	8,872,593	8,854,371	8,854,371	[18,222]
General administration	1,603,122	17,138	1,620,260	1,463,200	1,463,200	[157,060]
School administration	13,971,212	-	13,971,212	14,250,125	14,250,125	278,913
Central services	8,430,989	110,729	8,541,718	6,827,866	6,827,866	[1,713,852]
Operations and maintenance	10,218,135	24,409	10,242,544	9,070,984	9,070,984	[1,171,560]
Student transportation services	3,291,924	[355]	3,291,569	3,661,543	3,661,543	369,974
Other support services	176,853	-	176,853	95,521	95,521	[81,332]
Adjustment for legal maximum budget	-	-	-	-	[1,337,798]	[1,337,798]
Total expenditures	157,360,440	[4,806,445]	152,553,995	157,538,639	156,200,841	3,646,846
Excess [deficiency] of revenues over [under] expenditures	731,790	55,113,739	55,845,529	52,198,683	52,198,683	3,646,846
OTHER FINANCING SOURCES [USES]:						
Transfers [out]	[610,775]	[55,234,754]	[55,845,529]	[52,198,683]	[52,198,683]	[3,646,846]
Total other financing sources [uses]	[610,775]	[55,234,754]	[55,845,529]	[52,198,683]	[52,198,683]	[3,646,846]
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	121,015	[121,015]	-	\$ -	\$ -	\$ -
FUND BALANCE - Beginning of year	555,399	[555,399]	-			
FUND BALANCE - End of year	\$ 676,414	\$ [676,414]	\$ -			

UNIFIED SCHOOL DISTRICT NO. 233

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
 SUPPLEMENTAL GENERAL FUND
 For the Year Ended June 30, 2019

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Taxes:						
Ad valorem	\$ 38,224,185	\$ -	\$ 38,224,185	\$ 39,571,698	\$ 39,134,480	\$ [910,295]
Motor/Recreational vehicles	4,237,041	-	4,237,041	4,132,589	4,132,589	104,452
Intergovernmental:						
State and local	<u>29,553,794</u>	<u>-</u>	<u>29,553,794</u>	<u>29,744,548</u>	<u>29,744,548</u>	<u>[190,754]</u>
Total revenues	<u>72,015,020</u>	<u>-</u>	<u>72,015,020</u>	<u>73,448,835</u>	<u>73,011,617</u>	<u>[996,597]</u>
EXPENDITURES:						
Instructional	21,906,938	-	21,906,938	26,570,989	26,570,989	4,664,051
Student support	2,694,654	-	2,694,654	2,635,028	2,635,028	[59,626]
Instructional staff support	2,936,500	-	2,936,500	2,709,715	2,709,715	[226,785]
General administration	534,252	-	534,252	448,606	448,606	[85,646]
School administration	4,610,500	-	4,610,500	4,317,968	4,317,968	[292,532]
Central services	2,819,199	-	2,819,199	2,227,473	2,227,473	[591,726]
Operations and maintenance	3,380,046	-	3,380,046	2,885,813	2,885,813	[494,233]
Student transportation services	1,084,690	-	1,084,690	1,206,015	1,206,015	121,325
Other support services	58,340	-	58,340	26,966	26,966	[31,374]
Adjustment for legal maximum budget	-	-	-	-	[473,218]	[473,218]
Total expenditures	<u>40,025,119</u>	<u>-</u>	<u>40,025,119</u>	<u>43,028,573</u>	<u>42,555,355</u>	<u>2,530,236</u>
Excess [deficiency] of revenues over [under] expenditures	<u>31,989,901</u>	<u>-</u>	<u>31,989,901</u>	<u>30,420,262</u>	<u>30,456,262</u>	<u>1,533,639</u>
OTHER FINANCING SOURCES [USES]:						
Transfers [out]	<u>[33,291,165]</u>	<u>-</u>	<u>[33,291,165]</u>	<u>[30,760,929]</u>	<u>[30,760,929]</u>	<u>[2,530,236]</u>
Total other financing sources [uses]	<u>[33,291,165]</u>	<u>-</u>	<u>[33,291,165]</u>	<u>[30,760,929]</u>	<u>[30,760,929]</u>	<u>[2,530,236]</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>[1,301,264]</u>	<u>-</u>	<u>[1,301,264]</u>	<u>\$ [340,667]</u>	<u>\$ [304,667]</u>	<u>\$ [996,597]</u>
FUND BALANCE - Beginning of year	<u>3,668,985</u>	<u>-</u>	<u>3,668,985</u>			
FUND BALANCE - End of year	<u>\$ 2,367,721</u>	<u>\$ -</u>	<u>\$ 2,367,721</u>			

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

UNIFIED SCHOOL DISTRICT NO. 233

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
 SPECIAL EDUCATION FUND
 For the Year Ended June 30, 2019

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Intergovernmental:						
State and local	\$ 39,055,735	\$ [31,802,613]	\$ 7,253,122	\$ 19,296	\$ 19,296	\$ 7,233,826
Federal	-	-	-	7,030,357	7,030,357	[7,030,357]
Total intergovernmental	<u>39,055,735</u>	<u>[31,802,613]</u>	<u>7,253,122</u>	<u>7,049,653</u>	<u>7,049,653</u>	<u>203,469</u>
Other local sources	<u>290,051</u>	<u>-</u>	<u>290,051</u>	<u>4,365,450</u>	<u>4,365,450</u>	<u>[4,075,399]</u>
Total revenues	<u>39,345,786</u>	<u>[31,802,613]</u>	<u>7,543,173</u>	<u>11,415,103</u>	<u>11,415,103</u>	<u>[3,871,930]</u>
EXPENDITURES:						
Instructional	38,437,830	[2,640]	38,435,190	40,415,303	40,415,303	1,980,113
Student support	13,444,573	-	13,444,573	12,425,898	12,425,898	[1,018,675]
Instructional support staff	286,275	-	286,275	219,894	219,894	[66,381]
School administration	1,885,193	-	1,885,193	1,415,603	1,415,603	[469,590]
Central services	9,129	-	9,129	15,000	15,000	5,871
Operations and maintenance	128,121	190	128,311	136,600	136,600	8,289
Student transportation services	<u>10,154,548</u>	<u>17,034</u>	<u>10,171,582</u>	<u>11,216,732</u>	<u>11,216,732</u>	<u>1,045,150</u>
Total expenditures	<u>64,345,669</u>	<u>14,584</u>	<u>64,360,253</u>	<u>65,845,030</u>	<u>65,845,030</u>	<u>1,484,777</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[24,999,883]</u>	<u>[31,817,197]</u>	<u>[56,817,080]</u>	<u>[54,429,927]</u>	<u>[54,429,927]</u>	<u>[2,387,153]</u>
OTHER FINANCING SOURCES [USES]:						
Transfers in	<u>25,357,965</u>	<u>31,802,613</u>	<u>57,160,578</u>	<u>54,945,417</u>	<u>54,945,417</u>	<u>2,215,161</u>
Total other financing sources [uses]	<u>25,357,965</u>	<u>31,802,613</u>	<u>57,160,578</u>	<u>54,945,417</u>	<u>54,945,417</u>	<u>2,215,161</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>358,082</u>	<u>[14,584]</u>	<u>343,498</u>	<u>\$ 515,490</u>	<u>\$ 515,490</u>	<u>\$ [171,992]</u>
FUND BALANCE - Beginning of year	<u>5,537,659</u>	<u>[27,687]</u>	<u>5,509,972</u>			
FUND BALANCE - End of year	<u>\$ 5,895,741</u>	<u>\$ [42,271]</u>	<u>\$ 5,853,470</u>			

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

UNIFIED SCHOOL DISTRICT NO. 233

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
KPERs SPECIAL RETIREMENT CONTRIBUTION FUND
For the Year Ended June 30, 2019

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Intergovernmental:						
State and local	\$ 14,080,237	\$ -	\$ 14,080,237	\$ 33,897,133	\$ 33,897,133	\$ [19,816,896]
Total revenues	<u>14,080,237</u>	<u>-</u>	<u>14,080,237</u>	<u>33,897,133</u>	<u>33,897,133</u>	<u>[19,816,896]</u>
EXPENDITURES:						
Instructional	9,829,262	-	9,829,262	23,663,219	23,663,219	13,833,957
Student support	1,275,513	-	1,275,513	3,070,703	3,070,703	1,795,190
Instructional support	528,055	-	528,055	1,271,254	1,271,254	743,199
General administration	82,491	-	82,491	198,592	198,592	116,101
School administration	962,857	-	962,857	2,318,008	2,318,008	1,355,151
Central services	286,715	-	286,715	690,245	690,245	403,530
Operations and maintenance	625,063	-	625,063	1,504,794	1,504,794	879,731
Student transportation services	5,120	-	5,120	12,327	12,327	7,207
Other support services	6,754	-	6,754	16,260	16,260	9,506
Food service	478,407	-	478,407	1,151,731	1,151,731	673,324
Total expenditures	<u>14,080,237</u>	<u>-</u>	<u>14,080,237</u>	<u>33,897,133</u>	<u>33,897,133</u>	<u>19,816,896</u>
Excess [deficiency] of revenues over [under] expenditures	-	-	-	\$ -	\$ -	\$ -
FUND BALANCE - Beginning of year	-	-	-			
FUND BALANCE - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>			

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

UNIFIED SCHOOL DISTRICT NO. 233

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 June 30, 2019

	Business-Type Activities: Enterprise Funds			Total	Governmental
	Food Service	Summer School	Driver Training		Internal Service Funds
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 2,278,525	\$ 327,318	\$ 145,700	\$ 2,751,543	\$ 21,100,319
Inventory	<u>327,502</u>	-	-	<u>327,502</u>	-
Total current assets	<u>2,606,027</u>	<u>327,318</u>	<u>145,700</u>	<u>3,079,045</u>	<u>21,100,319</u>
Noncurrent assets:					
Capital assets	6,195,366	-	-	6,195,366	-
Less: accumulated depreciation	<u>3,978,825</u>	-	-	<u>3,978,825</u>	-
Total noncurrent assets	<u>2,216,541</u>	-	-	<u>2,216,541</u>	-
Total assets	<u>\$ 4,822,568</u>	<u>\$ 327,318</u>	<u>\$ 145,700</u>	<u>\$ 5,295,586</u>	<u>\$ 21,100,319</u>
LIABILITIES AND NET POSITION					
Current liabilities:					
Accounts payable	\$ 2,243	\$ -	\$ -	\$ 2,243	\$ 3,686,957
Total liabilities	<u>\$ 2,243</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,243</u>	<u>\$ 3,686,957</u>
Net Position					
Net investment in capital assets	\$ 2,216,541	\$ -	\$ -	\$ 2,216,541	\$ -
Unrestricted	<u>2,603,784</u>	<u>327,318</u>	<u>145,700</u>	<u>3,076,802</u>	<u>17,413,362</u>
Total net position	<u>\$ 4,820,325</u>	<u>\$ 327,318</u>	<u>\$ 145,700</u>	<u>\$ 5,293,343</u>	<u>\$ 17,413,362</u>

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

UNIFIED SCHOOL DISTRICT NO. 233

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

For the Year Ended June 30, 2019

	Business-Type Activities: Enterprise Funds			Total	Governmental Activities:
	Food Service	Summer School	Driver Training		Internal Service Funds
Operating revenues					
Charges for services	\$ 7,121,859	\$ 84,651	\$ 105,760	\$ 7,312,270	\$ -
Other local services	-	-	-	-	44,838,800
Miscellaneous	434,109	-	-	434,109	-
Total operating revenues	<u>7,555,968</u>	<u>84,651</u>	<u>105,760</u>	<u>7,746,379</u>	<u>44,838,800</u>
Operating expenses					
Instructional	-	73,418	120,225	193,643	41,186,025
Instructional support staff	-	8,468	-	8,468	61,412
School administration	-	-	33,193	33,193	35,000
Operations and maintenance	-	-	21,426	21,426	993,758
Noninstructional services	-	-	-	-	362,276
Food service operations	13,656,148	-	-	13,656,148	-
Depreciation	256,045	-	-	256,045	-
Total operating expenses	<u>13,912,193</u>	<u>81,886</u>	<u>174,844</u>	<u>14,168,923</u>	<u>42,638,471</u>
Operating income [loss]	<u>[6,356,225]</u>	<u>2,765</u>	<u>[69,084]</u>	<u>[6,422,544]</u>	<u>2,200,329</u>
Nonoperating revenues [expenses]					
Investment revenue	113,982	-	-	113,982	-
State grants	123,027	-	57,643	180,670	-
Federal grants	5,395,774	-	-	5,395,774	-
Total nonoperating revenues [expenses]	<u>5,632,783</u>	<u>-</u>	<u>57,643</u>	<u>5,690,426</u>	<u>-</u>
Income [loss] before transfers	<u>[723,442]</u>	<u>2,765</u>	<u>[11,441]</u>	<u>[732,118]</u>	<u>2,200,329</u>
Transfers from other funds					
Transfers in	261,603	-	-	261,603	-
Total transfers	<u>261,603</u>	<u>-</u>	<u>-</u>	<u>261,603</u>	<u>-</u>
Change in net position	[461,839]	2,765	[11,441]	[470,515]	2,200,329
Net position, Beginning of year	<u>5,282,164</u>	<u>324,553</u>	<u>157,141</u>	<u>5,763,858</u>	<u>15,213,033</u>
Net position, End of year	<u>\$ 4,820,325</u>	<u>\$ 327,318</u>	<u>\$ 145,700</u>	<u>\$ 5,293,343</u>	<u>\$ 17,413,362</u>

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

UNIFIED SCHOOL DISTRICT NO. 233

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 For the Year Ended June 30, 2019

	Business-Type Activities: Enterprise Funds			Total	Governmental Activities:
	Food Service	Summer School	Driver Training		Internal Service Funds
Cash flows from operating activities					
Cash received from customers and users	\$ 7,121,859	\$ 84,651	\$ 105,760	\$ 7,312,270	\$ 44,838,800
Cash payments to suppliers	[7,017,561]	[5,425]	[27,237]	[7,050,223]	[1,930,566]
Cash payments to employees for services	[6,623,978]	[76,461]	[147,607]	[6,848,046]	[40,823,278]
Other operating receipts	434,109	-	-	434,109	-
Net cash provided by [used in] operating activities	<u>[6,085,571]</u>	<u>2,765</u>	<u>[69,084]</u>	<u>[6,151,890]</u>	<u>2,084,956</u>
Cash flows from noncapital financing activities					
State grants	123,027	-	57,643	180,670	-
Federal grants	5,395,774	-	-	5,395,774	-
Transfers from other funds	261,603	-	-	261,603	-
Net cash provided by [used in] noncapital financing activities	<u>5,780,404</u>	<u>-</u>	<u>57,643</u>	<u>5,838,047</u>	<u>-</u>
Cash flows from capital and related financing activities					
Capital expenditures	[10,385]	-	-	[10,385]	-
Net cash flows from capital and related financing activities	<u>[10,385]</u>	<u>-</u>	<u>-</u>	<u>[10,385]</u>	<u>-</u>
Cash flows from investing activities					
Investment revenue	113,982	-	-	113,982	-
Net cash flows from investing activities	<u>113,982</u>	<u>-</u>	<u>-</u>	<u>113,982</u>	<u>-</u>
Net increase [decrease] in cash and cash equivalents	[201,570]	2,765	[11,441]	[210,246]	2,084,956
Cash and cash equivalents - Beginning of year	<u>2,480,095</u>	<u>324,553</u>	<u>157,141</u>	<u>2,961,789</u>	<u>19,015,363</u>
Cash and cash equivalents - End of year	<u>\$ 2,278,525</u>	<u>\$ 327,318</u>	<u>\$ 145,700</u>	<u>\$ 2,751,543</u>	<u>\$ 21,100,319</u>
Reconciliation of operating [loss] income to net cash provided by [used in] operating activities					
Operating income [loss]	\$ [6,356,225]	\$ 2,765	\$ [69,084]	\$ [6,422,544]	\$ 2,200,329
Adjustments to reconcile operating income [loss] to net cash provided by [used in] operating activities					
Depreciation	256,045	-	-	256,045	-
Change in assets and liabilities					
[Increase] decrease in accounts receivable	1,207	-	-	1,207	-
[Increase] decrease in inventory	15,460	-	-	15,460	-
Increase [decrease] in accounts payable	[2,058]	-	-	[2,058]	-
Increase [decrease] in accrued liabilities	-	-	-	-	[115,373]
Net cash provided by [used in] operating activities	<u>\$ [6,085,571]</u>	<u>\$ 2,765</u>	<u>\$ [69,084]</u>	<u>\$ [6,151,890]</u>	<u>\$ 2,084,956</u>

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

UNIFIED SCHOOL DISTRICT NO. 233

STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
June 30, 2019

ASSETS:

Cash and investments \$ 1,301,181

Total assets \$ 1,301,181

LIABILITIES

Liabilities:

Due to student organizations \$ 1,301,181

Total liabilities \$ 1,301,181

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

UNIFIED SCHOOL DISTRICT NO. 233

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Unified School District No. 233 (the District) is a municipal corporation governed by an elected seven-member board.

As required by generally accepted accounting principles (GAAP), the financial statements present data for all funds of the District.

According to GAAP, the financial reporting entity consists of a) the primary government, b) organizations for which the primary government is financially accountable and c) other organizations whose exclusion from the reporting entity's financial statements would cause those statements to be misleading or incomplete. Any organizations that can be described by these last two items are included with the primary government in the financial statements as component units. The District has no component units; in addition, the District is not included in any other governmental "reporting entity" as defined by GAAP.

B. Government-wide and fund financial statements

The statement of net position and the statement of activities report information on all of the nonfiduciary activities of the District as a whole. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges between the District's governmental and business-type activities. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational requirements of a particular program. Taxes and other items which are not classified as program revenues are presented as general revenues of the school district.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column in the fund financial statements.

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available.

UNIFIED SCHOOL DISTRICT NO. 233

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement focus, basis of accounting, and financial statement presentation (Continued)

Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Proprietary fund types are accounted for on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred. The measurement focus in these funds is on the flow of economic resources and emphasizes the determination of net income. All assets and all liabilities associated with their activity are included on their balance sheets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund's ongoing operations. The principal operating revenues of the District's proprietary funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Agency funds are custodial in nature and do not measure results of operations or have a measurement focus. Agency funds do, however, use the accrual basis of accounting.

The District reports the following major governmental funds:

The General Fund is used to account for the general operations of the District and all revenues and expenditures not accounted for in other funds.

The Supplemental General Fund, a special revenue fund, is used to account for the property tax and state aid revenues received and used for the general operations of the District.

The Special Education Fund is used to account for federal and state aid revenues received and used for the education of students with special needs.

The KPERS Special Retirement Contribution Fund is used to account for the state's on-behalf payments to the District's retirement fund as revenue and expense. The state is required to contribute based on a predetermined percentage of payroll each year.

The Debt Service Fund is used to account for the accumulation of resources for and the payments of interest and principal on general long-term debt, which are general obligations of the District.

The Capital Outlay Fund is used to account for revenues that are primarily utilized for the acquisition, construction, repair and remodeling of school district buildings.

UNIFIED SCHOOL DISTRICT NO. 233

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement focus, basis of accounting, and financial statement presentation (Continued)

The 2013 Construction Fund is used to account for the acquisition, construction, and renovation of major capital facilities financed by the District's general obligation bond issues.

The 2016 Construction Fund is used to account for the acquisition, construction, and renovation of major capital facilities financed by the District's general obligation bond issues.

The other governmental funds of the District account for grants and other resources whose use is restricted to a particular purpose.

The District reports the following major proprietary funds:

The Food Service Fund is established pursuant to state law to account for all monies received and expended attributable to the district's breakfast and lunch programs.

The Summer School Fund is used to account for user fees derived from summer school education programs and the expenditures necessary to carry out these programs.

The Driver Training Fund is used to account for state aid and user fees used to provide driver's education to students.

Additionally, the District reports the following fund within the proprietary fund type:

The Internal Service Fund accounts for the financing of goods and services provided to other funds of the District on a cost-reimbursement basis and uses the accrual basis of accounting. The District's internal service funds include the Workers' Compensation Fund, the Health Insurance Fund, and the Risk Management Fund.

For purpose of the statement of cash flows, cash and cash equivalents includes cash, and short-term investments with original maturities of ninety days or less.

D. Material and Supplies Inventory

Material and supplies inventory is valued using the average cost method. Inventories recorded in the Food Services Fund consist of purchased commodities. The cost of all inventories is recorded as an asset when the individual inventory items are purchased, and as an expenditure or expense when consumed. For fund financial statement reporting the reserve for material and supplies inventory is equal to the amount of inventories on hand to indicate that a portion of fund balance is not available for future expenditures.

E. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$10,000, for buildings and \$2,500, for all other capital assets. District capital assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their acquisition value. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The District does not capitalize interest on the construction of capital assets.

UNIFIED SCHOOL DISTRICT NO. 233

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Capital Assets (Continued)

Property, plant and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land Improvements	20
Buildings	50
Building Improvements	20
Furniture	10
Vehicles	10
Equipment	5
Technology	5

Assets which have been acquired with funds received through federal grants must be used in accordance with the terms of the grant. Federal regulations require, in some cases, that the District must reimburse the federal government for any assets which the District retains for its own use after the termination of the grant unless otherwise provided for by the grantor.

F. Compensated Absences Liabilities

District certified and classified employees are allowed paid sick leave between 12 and 15 days per year based on their contract period. Unused sick leave has unlimited accumulation and is intended for use on an extended illness. There are some instances, upon retirement, when sick leave can be converted to additional pay or used to purchase District offered insurance at the time of retirement. The General, Supplemental General, Special Education and Non-Major Governmental Funds have been used in prior years to liquidate the liability for compensated absences.

District certified and classified employees are allowed paid personal leave between 1 and 4 days per year based on length of service. If these days are not used, they can be converted to double the amount of sick leave each fiscal year.

District classified employees are allowed paid vacation between 10 and 15 days per year based on length of service. Vacation days must be used prior to the end of the fiscal year after the year in which it was earned.

G. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

H. Fund Balance Classifications

In the fund financial statements, governmental funds report fund balance in the following classifications: nonspendable, restricted, committed, assigned and unassigned. Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Restricted fund balance indicates that constraints have been placed on the use of resources either by being externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Committed fund balances include amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Education. The Board of Education is the highest level of decision-making authority for the District that can, by adoption of an ordinance prior to the

UNIFIED SCHOOL DISTRICT NO. 233

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Fund Balance Classifications (Continued)

end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken to remove or revise the limitation. Assigned fund balances include amounts that are constrained by the District management's intent to be used for specific purposes, but are neither restricted nor committed. Unassigned fund balance represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available restricted amounts is considered to be spent first. When an expenditure is incurred for purposes for which committed, assigned, or unassigned fund balance is available, the following is the order in which resources will be expended: committed, assigned and unassigned. A negative unassigned fund balance may be reported in other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes. The following is the detail for fund balance classifications in the financial statements:

	Major Governmental Funds									
	General Fund	Supplemental General Fund	Special Education Fund	KPERs Special Retirement Contribution Fund	Debt Service Fund	Capital Outlay Fund	2013 Construction Fund	2016 Construction Fund	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances:										
Restricted for:										
Debt retirement	\$ -	\$ -	\$ -	\$ -	\$ 67,077,048	\$ -	\$ -	\$ -	\$ -	\$ 67,077,048
School construction and equipment	-	-	-	-	-	3,444,329	17,194,267	1,140,713	-	21,779,309
Instruction	-	-	-	-	-	-	-	14,187,051	-	14,187,051
Instructional support	-	-	-	-	-	-	-	545,089	-	545,089
Committed for:										
Special education instruction	-	-	5,895,741	-	-	-	-	-	-	5,895,741
Instruction	-	2,367,721	-	-	-	-	-	-	-	2,367,721
Assigned for:										
School construction and equipment	-	-	-	-	-	25,682,205	-	-	-	25,682,205
Instruction	235,745	-	-	-	-	-	-	-	685,512	921,257
Student support	2,295	-	-	-	-	-	-	-	4,996	7,291
Instructional support services	78,260	-	-	-	-	-	-	-	-	78,260
General administration	20,138	-	-	-	-	-	-	-	-	20,138
Central services	241,769	-	-	-	-	-	-	-	-	241,769
Operations and maintenance	98,195	-	-	-	-	-	-	-	-	98,195
Transportation	12	-	-	-	-	-	-	-	-	12
Unassigned:	-	-	-	-	-	-	-	-	(474,164)	(474,164)
Total Fund Balances	\$ 676,414	\$ 2,367,721	\$ 5,895,741	\$ -	\$ 67,077,048	\$ 25,682,205	\$ 3,444,329	\$ 17,194,267	\$ 16,089,197	\$ 138,426,922

I. Net Position

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net investment in capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

J. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District reports sinking fund deposits, changes in the District's pension liability proportion, net difference between projected and actual earnings on pension plan investments, and contributions made to the pension and OPEB plan after the measurement date of the net pension and OPEB liability are reported as deferred outflows of resources in the governmental activities.

UNIFIED SCHOOL DISTRICT NO. 233

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. Deferred Outflows/Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government funds report unavailable revenues from one source: property taxes and differences between expected and actual experience and changes in pension and OPEB assumptions, and deferred amounts on refunding are reported as deferred inflows for governmental activities.

Note 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Kansas statutes require that an operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute) and debt service funds. The General Fund and Supplemental General Fund are subject to budgetary limitation by state statute. 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 year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

Management may not amend the budget without the approval of the board of education. However, state statutes permit management to transfer budgeted amounts between line items within an individual fund without this approval. In addition, the District has policies that require that department heads obtain business office approval prior to making any such transfers. The legal level of budgetary control is at the fund level.

If the board of education elects to amend the budget, it must publish a notice of public hearing in the local newspaper. At least ten days after publication the hearing may be held and the budget may be amended at that time. The budget for the year ended June 30, 2019, was not amended.

All legal annual operating budgets are prepared using the statutory basis of accounting, in which, revenues are recognized when cash is received and expenditures include disbursements, 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. All unencumbered appropriations lapse at year end, except for capital project funds which are carried forward until such time as the project is completed or terminated. Encumbrances are reported as expenditures in the current year's budgetary presentation and as reservations of fund balances in the governmental fund financial statements prepared in conformity with accounting principles generally accepted in the United States of America. Accordingly, the actual expenditure data presented in the budgetary comparison statements differ from the data presented in the governmental fund financial statements prepared in conformity with accounting principles generally accepted in the United States of America.

UNIFIED SCHOOL DISTRICT NO. 233

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

Note 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

A legal operating budget is not required for capital projects funds, agency funds, and certain special revenue funds. Legal operating budgets are required for the following funds: General, Supplemental General, Bilingual Education, Capital Outlay, Driver Training, Food Service, Professional Development, Parent As Teachers, Summer School, Special Education, Extraordinary Growth, Vocational Education, KPERs Special Retirement Contribution, Federal Awards, Cost of Living, Special Liability, Special Assessment, Donations, At Risk (4 Year Old), At Risk (K-12), Virtual Education and Debt Service.

Spending in funds which are not subject to the legal annual operating budget requirements are controlled by federal regulations, other statutes, or by the use of internal spending limits established by the board of education. The Federal Awards Fund had a deficit fund equity at June 30, 2019 of \$[474,164], which will be recovered by grant reimbursements in the following year.

The actual data presented in the budgetary comparison statements differs from the data presented in accordance with accounting principles generally accepted in the United States of America (GAAP).

The following is a summary of the effects on the ending fund balances caused by the difference in accounting between the budgetary basis and GAAP.

	Major Governmental Funds									
	General Fund	Supplemental General Fund	Special Education Fund	KPERs Special Retirement Contribution Fund	Debt Service Fund	Capital Outlay Fund	2013 Construction Fund	2016 Construction Fund	Nonmajor Governmental Funds	Total Governmental Funds
GAAP FUND BALANCE										
June 30, 2019	\$ 676,414	\$ 2,367,721	\$ 5,895,741	\$ -	\$ 67,077,048	\$ 25,682,205	\$ 3,444,329	\$ 17,194,267	\$ 16,089,197	\$ 138,426,922
Adjustments:										
Fund balances not subject to the Kansas Budget Law:										
2013 Construction	-	-	-	-	-	-	[3,444,329]	-	-	[3,444,329]
2016 Construction	-	-	-	-	-	-	-	[17,194,267]	-	[17,194,267]
Instructional Materials	-	-	-	-	-	-	-	-	[1,855,192]	[1,855,192]
Contingency Reserve Fund	-	-	-	-	-	-	-	-	[9,735,052]	[9,735,052]
District Activities	-	-	-	-	-	-	-	-	[889,444]	[889,444]
Accounts receivable	[1,500]	-	-	-	-	[170]	-	-	[67,177]	[68,847]
Encumbrances	[674,914]	-	[42,271]	-	-	[3,415,891]	-	-	[283,121]	[4,416,197]
Total deductions	[676,414]	-	[42,271]	-	-	[3,416,061]	[3,444,329]	[17,194,267]	[12,829,986]	[37,603,328]
BUDGETARY FUND BALANCE										
June 30, 2019	\$ -	\$ 2,367,721	\$ 5,853,470	\$ -	\$ 67,077,048	\$ 22,266,144	\$ -	\$ -	\$ 3,259,211	\$ 100,823,594

	Major Business-Type Funds			
	Food Service Fund	Summer School Fund	Driver Training Fund	Total Business-Type Funds
GAAP FUND BALANCE				
June 30, 2019	\$ 4,820,325	\$ 327,318	\$ 145,700	\$ 5,293,343
Adjustments:				
Capital assets		[2,216,541]	-	[2,216,541]
Encumbrances		[105,113]	-	[105,113]
Nonspendable for material and supplies inventory		[327,502]	-	[327,502]
Total deductions		[2,649,156]	-	[2,649,156]
BUDGETARY FUND BALANCE				
June 30, 2019	\$ 2,171,169	\$ 327,318	\$ 145,700	\$ 2,644,187

UNIFIED SCHOOL DISTRICT NO. 233

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

Note 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Property Taxes

Taxes are assessed on a calendar year basis, and are levied and become a lien on the property on November 1st in the year of assessment.

The taxes are due upon receipt of the billing, although taxpayers may elect to pay installments on December 20 and May 10. Taxes are distributed to the District as collected by the County Treasurer five times per year. State statutes proscribe the County Treasurer from distributing second half taxes collected prior to July 1 of the ensuing year, unless the County Commission enters into a special agreement with the District to distribute taxes early.

Note 3. DETAILED NOTES ON ALL FUNDS

A. Investments

The District's cash is considered to be active funds by management and is invested according to KSA 9-1401. The statute requires that banks eligible to hold active funds have a main or branch bank in the County in which the District is located or in an adjacent county and that the bank provide an acceptable rate for active funds. The District's investments are considered to be idle funds by management and are invested according to KSA 12-1675. The statute requires that at the District invest its idle funds in only temporary notes of the District, bank certificates of deposit, repurchase agreements, and if eligible banks do not offer an acceptable rate for the funds: U.S. Treasuries or Notes, the Municipal Investment Pool (KMIP) and certain other investments if the municipality has extended investment authority. Maturities of the above investments may not exceed two years by statute.

Some of the District's investments are of bond proceeds invested pursuant to KSA 10-131. This statute allows additional investment authority beyond that of KSA 12-1675. Investments of bond proceeds may follow KSA 12-1675 or include other investments such as the KMIP, direct obligations of the U.S. government or any agency thereof, and various other investments as specified in KSA 10-131. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. At June 30, 2019, the District has the following investments:

UNIFIED SCHOOL DISTRICT NO. 233

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

Note 3. DETAILED NOTES ON ALL FUNDS (Continued)

A. Investments (Continued)

	Fair Value	Fair Value Measurement Using Quoted Prices in Active Markets for Identical Assets (Level 1)	Rating	Maturity
<u>Investments by fair value level</u>				
U.S. Treasuries	\$ 6,469,281	\$ 6,469,281	Moody's Aaa	11/7/2019 to 4/23/2020
Federal Agency Issues:				
Federal National Mortgage Association	2,176,108	2,176,108	Moody's Aaa	10/24/2019
Federal Farm Credit Bank	1,969,499	1,969,499	Moody's Aaa	8/17/2019
Federal Home Loan Bank	7,097,241	7,097,241	Moody's Aaa	10/18/2019 to 4/2/2020
Federal Home Loan Mortgage Corporation	<u>1,982,808</u>	<u>1,982,808</u>	Moody's Aaa	8/15/2019
Total investments by fair value level	<u>19,694,937</u>	<u>\$ 19,694,937</u>		
<u>Investments measured by the net asset value (NAV)</u>				
Federated Government Obligations Fund	959,981		Moody's Aaa	30 Days *
SBKC Money Market Investment Account	150,955		Moody's Aaa	Current
Barclays Bank Money Market Investment Account	1,388,676		Moody's Aaa	Current
Wells Fargo Bank Money Market Investment Account	1,488,585		Moody's Aaa	Current
SRCPB Bank Money Market Investment Account	1,176,769		Moody's Aaa	Current
HSBC Bank Money Market Investment Account	1,569,865		Moody's Aaa	Current
Goldman Sachs Financial Square Government Fund	<u>117,104,665</u>		Moody's Aaa	30 Days *
Total investments measured by the net asset value (NAV)	<u>123,839,496</u>			
Total investments	143,534,433			
Total cash	35,836,579			
Total cash and investments	<u>\$ 179,371,012</u>			

	Statement of Net Position		Statement of Fiduciary	
	Governmental Activities	Business-type Activities	Assets and Liabilities	Total
Cash and investments	\$ 148,766,466	\$ 2,751,543	\$ 1,301,181	\$ 152,819,190
Cash and investments restricted for capital projects	<u>26,551,822</u>	<u>-</u>	<u>-</u>	<u>26,551,822</u>
Total cash and investments	<u>\$ 175,318,288</u>	<u>\$ 2,751,543</u>	<u>\$ 1,301,181</u>	<u>\$ 179,371,012</u>

The above investments are measured at the net asset value, have an ongoing redemption frequency and liquidity fees or redemption gates are not imposed on any of the investments. The money market investments are composed of U.S. Government securities that are fully collateralized.

The District does not have any formal investment policies that would further limit interest rate, credit or custodial credit risks beyond state statutes.

Concentration of Credit Risk. The District places no limit on the amount it may invest in any one issuer.

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's deposit policy for custodial credit risk require that the depository banks will maintain 100% security in the form of FDIC coverage and pledged collateral according to KSA 9-1402.

UNIFIED SCHOOL DISTRICT NO. 233

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

Note 3. DETAILED NOTES ON ALL FUNDS (Continued)

B. Capital Assets

Capital asset activity for the year ended June 30, 2019, was as follows:

	Balance				Balance
	July 1, 2018	Adjustments	Additions	Retirements	June 30, 2019
District governmental activities:					
Nondepreciable capital assets:					
Land	\$ 37,308,536	\$ -	\$ 93,260	\$ [5,225,350]	\$ 32,176,446
Construction in progress	63,651,923	-	29,325,968	[42,929,114]	50,048,777
Total nondepreciable capital assets	<u>100,960,459</u>	<u>-</u>	<u>29,419,228</u>	<u>[48,154,464]</u>	<u>82,225,223</u>
Depreciable capital assets:					
Land improvements	37,074,189	-	354,543	-	37,428,732
Buildings and improvements	712,058,792	-	42,422,802	-	754,481,594
Vehicles	3,565,923	-	828,750	[217,506]	4,177,167
Equipment, furniture and fixtures	22,611,345	-	491,722	[23,240]	23,079,827
Total depreciable capital assets	<u>775,310,249</u>	<u>-</u>	<u>44,097,817</u>	<u>[240,746]</u>	<u>819,167,320</u>
Totals at historical cost	<u>876,270,708</u>	<u>-</u>	<u>73,517,045</u>	<u>[48,395,210]</u>	<u>901,392,543</u>
Less accumulated depreciation for:					
Land improvements	16,159,266	-	1,861,731	-	18,020,997
Buildings and improvements	269,596,145	-	21,913,210	-	291,509,355
Vehicles	1,802,129	-	252,540	[135,911]	1,918,758
Equipment, furniture and fixtures	16,970,692	-	1,377,773	[23,240]	18,325,225
Total accumulated depreciation	<u>304,528,232</u>	<u>-</u>	<u>25,405,254</u>	<u>[159,151]</u>	<u>329,774,335</u>
Governmental activities capital assets, net	<u>\$ 571,742,476</u>	<u>\$ -</u>	<u>\$ 48,111,791</u>	<u>\$ [48,236,059]</u>	<u>\$ 571,618,208</u>
Business-type activities:					
Nondepreciable capital assets:					
Land	\$ 2,971	\$ -	\$ -	\$ -	\$ 2,971
Total nondepreciable capital assets	<u>2,971</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,971</u>
Depreciable capital assets:					
Land improvements	114,028	-	-	-	114,028
Buildings and improvements	4,935,432	-	-	-	4,935,432
Vehicles	220,901	-	-	[62,946]	157,955
Equipment, furniture and fixtures	974,596	-	10,384	-	984,980
Total depreciable capital assets	<u>6,244,957</u>	<u>-</u>	<u>10,384</u>	<u>[62,946]</u>	<u>6,192,395</u>
Totals at historical cost	<u>6,247,928</u>	<u>-</u>	<u>10,384</u>	<u>[62,946]</u>	<u>6,195,366</u>
Less accumulated depreciation for:					
Land improvements	66,185	-	5,701	-	71,886
Buildings and improvements	2,991,940	-	137,449	-	3,129,389
Vehicles	158,274	-	12,709	[62,946]	108,037
Equipment, furniture and fixtures	569,328	-	100,185	-	669,513
Total accumulated depreciation	<u>3,785,727</u>	<u>-</u>	<u>256,044</u>	<u>[62,946]</u>	<u>3,978,825</u>
Business-type activities capital assets, net	<u>\$ 2,462,201</u>	<u>\$ -</u>	<u>\$ [245,660]</u>	<u>\$ -</u>	<u>\$ 2,216,541</u>

UNIFIED SCHOOL DISTRICT NO. 233

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

Note 3. DETAILED NOTES ON ALL FUNDS (Continued)

B. Capital Assets (Continued)

The District's depreciation expense was charged to governmental functions as follows:

Instruction	\$ 22,737,438
Support services	1,014,803
Operations and maintenance	362,932
Transportation services	94,394
Student activities	<u>1,195,687</u>
Total depreciation	<u>\$ 25,405,254</u>
Business-type activities:	
Food service	<u>\$ 256,044</u>
Total depreciation	<u>\$ 256,044</u>

C. Long - Term Liabilities

The changes in the District's long-term obligations during the year consist of the following:

	Restated <u>July 1, 2018</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2019</u>	Amounts Due Within <u>One Year</u>
District Governmental Activities					
General Obligation Bonds	\$ 555,426,339	\$ -	\$ 27,990,000	\$ 527,436,339	\$ 28,700,000
Premium on General Obligation Bonds	59,031,011	-	1,222,808	57,808,203	2,878,627
Discount on General Obligation Bonds	<u>[80,394]</u>	<u>-</u>	<u>4,466</u>	<u>[75,928]</u>	<u>4,466</u>
Net General Obligation Bonds	614,376,956	-	29,217,274	585,168,614	31,583,093
Capital Lease	1,038,983	693,634	64,661	1,667,957	290,477
Net OPEB Liability	15,603,467	1,708,719	2,319,670	14,992,516	-
Net KPERS OPEB Liability	5,603,442	598,700	881,422	5,320,720	-
Net Pension Liability	276,258,572	26,676,828	24,032,521	278,902,879	-
Early retirement payable	5,532,822	1,323,977	2,320,962	4,535,837	2,017,626
Compensated Absences	<u>25,407,837</u>	<u>4,817,830</u>	<u>3,175,980</u>	<u>27,049,687</u>	<u>3,381,211</u>
Total governmental activities					
Long-term liabilities	<u>\$ 943,822,079</u>	<u>\$ 35,819,688</u>	<u>\$ 62,012,489</u>	<u>\$ 917,638,210</u>	<u>\$ 37,272,407</u>

UNIFIED SCHOOL DISTRICT NO. 233

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

Note 3. DETAILED NOTES ON ALL FUNDS (Continued)

C. Long - Term Liabilities (Continued)

Long-term obligations of the District consist of the following:

	<u>Date Issued</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Outstanding June 30, 2019</u>
General obligation bonds					
2009A - Improvements	6/1/2009	9/1/2029	3.625% to 5.90%	\$ 95,000,000	\$ 5,175,000
2010A - Improvements	6/3/2010	9/1/2030	2.15% to 5.70%	26,500,000	3,025,000
2010C - Refunding	6/3/2010	9/1/2019	2.00% to 4.00%	22,222,309	5,010,000
2011A - Improvements	5/5/2011	9/1/2025	4.55%	4,806,339	4,806,339
2013A - Improvements	3/26/2013	9/1/2033	1.50% to 4.00%	11,000,000	9,925,000
2013B - Improvements	3/26/2013	9/1/2035	4.05%	17,500,000	17,500,000
2013C - Improvement and Refunding	8/20/2013	9/1/2033	4.00% to 5.00%	204,385,000	25,795,000
2016A - Improvements	9/15/2016	9/1/2036	1.50% to 5.00%	129,070,000	117,685,000
2016B - Refunding	9/15/2016	9/1/2033	2.00% to 5.00%	197,870,000	197,870,000
2016C - Refunding	9/15/2016	9/1/2029	3.00% to 5.00%	61,150,000	61,150,000
2017A - Improvements	12/21/2017	9/1/2038	2.00% to 5.00%	61,730,000	61,730,000
2017B - Refunding	12/21/2017	9/1/2025	3.00% to 5.00%	17,765,000	17,765,000
Total general obligation bonds payable				<u>\$ 848,998,648</u>	<u>\$ 527,436,339</u>

The annual debt service requirements to maturity for general obligation bonds, including interest, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019 - 2020	\$ 28,700,000	\$ 22,744,508	\$ 51,444,508
2020 - 2021	30,065,000	21,000,614	51,065,614
2021 - 2022	32,830,000	18,650,106	51,480,106
2022 - 2023	34,920,000	16,316,600	51,236,600
2023 - 2024	31,930,000	14,797,325	46,727,325
2024 - 2025 to 2028 - 2029	169,691,339	52,275,259	221,966,598
2029 - 2030 to 2033 - 2034	149,665,000	25,274,816	174,939,816
2034 - 2035 to 2038 - 2039	49,635,000	4,308,313	53,943,313
	<u>\$ 527,436,339</u>	<u>\$ 175,367,541</u>	<u>\$ 702,803,880</u>

The District has entered into various long-term commitments with other municipalities to finance special assessments related to sewer, street, sidewalk and other improvements made involving District property. The funds to satisfy these assessments are generated as a component of the annual property tax levy which is recorded in the Special Assessments Fund. The Debt Service Fund will be used to liquidate the general obligation bonds and the Capital Outlay Fund will be used to liquidate the capital lease payable.

In 2019, the District entered into lease agreements for the acquisition of vehicles in the amount of \$693,634. The annual debt service requirements to service the outstanding capital lease payable at June 30, 2019 are as follows:

UNIFIED SCHOOL DISTRICT NO. 233

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

Note 3. DETAILED NOTES ON ALL FUNDS (Continued)

C. Long - Term Liabilities (Continued)

Year Ending June 30,	Governmental Activities
2019 - 2020	\$ 290,795
2020 - 2021	380,211
2021 - 2022	380,211
2022 - 2023	341,185
2023 - 2024	187,251
2024 - 2025	<u>89,416</u>
Total minimum lease payments	1,669,069
Less: amount representing interest	<u>[1,113]</u>
Net present value of minimum lease payments	<u>\$ 1,667,957</u>

D. Operating Leases

The District leases certain equipment under the terms of operating lease agreements. The amount of the operating lease payments for year ending June 30, 2019 was \$502,010.

E. Sinking Fund Deposit

In 2011, The District issued \$6,000,000 in Qualified School Construction Bonds. As a condition of selling the bonds, the District is required to maintain a sinking fund with the fiscal agent, Security Bank of Kansas City. The District is required to make regular payments into the sinking fund. The \$208,972 payments are to be made each September 1st and March 1st, with the final payment scheduled for September 1, 2025.

Note 4. OTHER INFORMATION

A. Defined Benefit Pension Plan

Description of Pension Plan. The District participates in a cost-sharing multiple-employer pension plan (Pension Plan), as defined in Governmental Accounting Standards Board Statement No. 67, *Financial Reporting for Pension Plans*. The Pension Plan is administered by the Kansas Public Employees Retirement System (KPERs), a body corporate and an instrumentality of the State of Kansas. KPERs provides benefit provisions to the following statewide pension groups under one plan, as provided by K.S.A. 74, article 49:

- Public employees, which includes:
- State/School employees
 - Local employees
 - Police and Firemen
 - Judges

Substantially all public employees in Kansas are covered by the Pension Plan. Participation by local political subdivisions is optional, but irrevocable once elected.

Those employees participating in the Pension Plan for the District are included in the State/School employee group.

KPERs issues a stand-alone comprehensive annual financial report, which is available on the KPERs website at www.kpers.org.

UNIFIED SCHOOL DISTRICT NO. 233

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

Note 4. OTHER INFORMATION (Continued)

A. Defined Benefit Pension Plan (Continued)

Benefits. Benefits are established by statute and may only be changed by the State Legislature. Members with ten or more years of credited service, may retire as early as age 55, with an actuarially reduced monthly benefit. Normal retirement is at age 65, age 62 with ten years of credited service, or whenever a member's combined age and years of service equal 85.

Monthly retirement benefits are based on a statutory formula that includes final average salary and years of service. When ending employment, members may withdraw their contributions from their individual accounts, including interest. Members who withdraw their accumulated contributions lose all rights and privileges of membership.

Members choose one of seven payment options for their monthly retirement benefits. At retirement a member may receive a lump-sum payment of up to 50% of the actuarial present value of the member's lifetime benefit. His or her monthly retirement benefit is then permanently reduced based on the amount of the lump sum. Benefit increases, including ad hoc post-retirement benefit increases, must be passed into law by the Kansas Legislature. Benefit increases are under the authority of the Legislature and the Governor of the State of Kansas.

The 2012 Legislature made changes affecting new hires, current members and employers. A new KPERS 3 cash balance retirement plan for new hires starting January 1, 2015, was created. Normal retirement age for KPERS 3 is 65 with five years of service or age 60 with 30 years of service. Early retirement is available at age 55 with ten years of service, with a reduced benefit. Monthly benefit options are an annuity benefit based on the account balance at retirement.

For all pension coverage groups, the retirement benefits are disbursed from the retirement benefit payment reserve fund as established by K.S.A. 74-4922.

Contributions. Member contributions are established by state law, and are paid by the employee according to the provisions of Section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rates are determined based on the results of an annual actuarial valuation. The contributions and assets of all groups are deposited in the Kansas Public Employees Retirement Fund established by K.S.A. 74-4921. All of the retirement systems are funded on an actuarial reserve basis.

For fiscal years beginning in 1995, Kansas legislation established statutory limits on increases in contribution rates for KPERS employers. Annual increases in the employer contribution rates related to subsequent benefit enhancements are not subject to these limitations. The statutory cap increase over the prior year contribution rate is 1.2% of total payroll for the fiscal year ended June 30, 2018.

The actuarially determined employer contribution rate for school employees are 16.38%. The statutory contribution rate for school employees was 12.01%. Member contribution rates as a percentage of eligible compensation for the fiscal year ended June 30, 2019 are 6.00% for State/School employees.

Employer Allocations. Although KPERS administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each of the following groups of the plan:

- State/School
- Local
- Police and Firemen
- Judges

UNIFIED SCHOOL DISTRICT NO. 233

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

Note 4. OTHER INFORMATION (Continued)

A. Defined Benefit Pension Plan (Continued)

To facilitate the separate (sub) actuarial valuations, KPERS maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and nonemployer allocations are applied to amounts presented in the schedules of pension amounts by employer and nonemployer. The allocation percentages for the District's share of the collective pension amounts as of June 30, 2018, was based on the ratio of its contributions to the total of the employer and nonemployer contributions of the group for the fiscal years ended June 30, 2018. The contributions used exclude contributions made for prior service, excess benefits and irregular payments. At June 30, 2018, the District's proportion was 4.275%, which was an increase of .164% from its proportion measured at June 30, 2017.

Net Pension Liability. At June 30, 2019 and 2018, the District reported a liability of \$278,902,879 and \$276,258,572, respectively, for its proportionate share of the net pension liability.

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018, using the following actuarial assumptions:

<u>Assumption</u>	<u>Rate</u>
Price inflation	2.75%
Wage inflation	3.50%
Salary increases, including wage increases	3.50 to 12.00%, including inflation
Long-term rate of return, net of investment expense, and including price inflation	7.75%

Mortality rates were based on the RP 2014 Mortality Tables, with age setbacks and age set forwards as well as other adjustments based on different membership groups. Future mortality improvements are anticipated using Scale MP-2016.

The actuarial assumptions used in the December 31, 2017, valuation were based on the results of an actuarial experience study conducted for the period of January 1, 2013, through December 31, 2015. The experience study is dated November 18, 2016.

The long-term expected rate of return of pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2018, are summarized in the following table:

<u>Asset</u>	<u>Long-Term Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global equity	47.00%	6.85%
Fixed income	13.00%	1.25%
Yield return	8.00%	6.55%
Real return	11.00%	1.71%
Real estate	11.00%	5.05%
Alternatives	8.00%	9.85%
Short-term investments	2.00%	-0.25%
Total	<u>100.00%</u>	

UNIFIED SCHOOL DISTRICT NO. 233

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

Note 4. OTHER INFORMATION (Continued)

A. Defined Benefit Pension Plan (Continued)

Discount Rate. The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the contractually required rate. The State, School and Local employers do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993, the employer contribution rates certified by the System's Board of Trustees for these groups may not increase by more than the statutory cap. In recent years, the Legislature had made several changes to statutory rates that deviate from the scheduled contribution increases set under the caps established in 2012 for the State/School group. Under 2015 SB 4, the previously certified State/School statutory rate for fiscal year 2015 of 11.27% was reduced to 8.65% for the last half of the fiscal year as part of the Governor's allotment. The same session, SB 228 recertified statutory rates for the State/School group to 10.91% for fiscal year 2016 and 10.81% for fiscal year 2017 in anticipation of the issuance of \$1 billion in pension obligation bonds. Legislation in the 2016 session (SB 1610) provided for the delay of up to \$100 million in State and School contributions to the Pension Plan. Legislation passed by the 2017 Legislature removed the repayment provisions included in SB 161. In addition, 2017 Senate Sub for HB 2052 delayed \$64.1 million in fiscal year 2017 State/School contributions, to be repaid over 20 years in level dollar installments. The first-year payment of \$6.4 million was paid in full at the beginning of fiscal year 2018, and appropriations for fiscal year 2018 were made at the statutory contribution rate of 12.01% for the State/School group. Additional legislation in the 2017 Session (S Sub for HB 2002) provided for a reduction of \$194 million from the previously certified contribution rate of 13.21 percent in the State/School contributions for fiscal year 2019. Like the fiscal year 2017 reduction, it is to be paid back over a 20-year period, beginning in fiscal year 2020. Therefore, both reductions will be accounted for as long-term receivables by the Pension Plan. The 2018 Legislature passed House Sub for Sen Bill 109, which provided additional funds for the school group of \$56 million in fiscal year 2018 and \$138 million in fiscal year 2019. Based on employer contribution history as described above, it is a reasonable estimate that the State/School group's contribution rate may not be certified at the statutory rate. It has been assumed that the contribution rates will be made within the same range as have been seen in the past few years, between 11 to 12%. Using this assumption actuarial modeling indicates that employer contribution rates for the State/School group are sufficient to avoid a depletion date.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate. The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.75%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.75%) or 1-percentage point higher (8.75%) than the current rate:

<u>1% Decrease (6.75%)</u>	<u>Discount rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
\$375,607,610	\$278,902,879	\$197,105,458

Pension Expense. For the year ended June 30, 2019, the District recognized pension expense of \$24,955,396, which includes the changes in the collective net pension liability, projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period.

Deferred Outflows of Resources and Deferred Inflows of Resources. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

UNIFIED SCHOOL DISTRICT NO. 233

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

Note 4. OTHER INFORMATION (Continued)

A. Defined Benefit Pension Plan (Continued)

	Deferred outflows of resources	Deferred inflows of resources
Differences between actual and expected experience	\$ -	\$ 12,107,212
Net differences between projected and actual earnings on investments	4,784,204	-
Changes of assumptions	10,494,842	240,976
Contributions subsequent to the measurement date	14,253,940	-
Changes in proportion	13,146,850	3,286,637
Total	<u>\$ 42,679,836</u>	<u>\$ 15,634,825</u>

\$14,253,940 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	Deferred [Inflows] Outflows Amount
2020	\$ 8,888,148
2021	4,388,062
2022	[2,290,455]
2023	1,462,721
2024	342,595
Total	<u>\$ 12,791,071</u>

B. Interfund Transfers and Due To/From Other Funds

K.S.A. 72-6478 allows the transfer of monies between funds. Interfund transfers occurred during the year and were made between the funds identified in the following table to provide sufficient resources to pay the expenditures in the funds receiving the transfer.

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Statutory Authority</u>
General Fund	Food Service Fund	\$ 196,694	K.S.A. 72-6478
General Fund	Professional Development Fund	217,743	K.S.A. 72-6478
General Fund	Parents As Teachers Fund	195,919	K.S.A. 72-6478
General Fund	Vocational Education Fund	419	K.S.A. 72-6478
Supplemental General Fund	Bilingual Education Fund	1,215,917	K.S.A. 72-6478
Supplemental General Fund	Virtual Education Fund	26,412	K.S.A. 72-6478
Supplemental General Fund	Food Service Fund	64,909	K.S.A. 72-6478
Supplemental General Fund	Professional Development Fund	71,031	K.S.A. 72-6478
Supplemental General Fund	Parents As Teachers Fund	64,654	K.S.A. 72-6478
Supplemental General Fund	Special Education Fund	25,357,965	K.S.A. 72-6478
Supplemental General Fund	Vocational Education Fund	2,058,288	K.S.A. 72-6478
Supplemental General Fund	At Risk (4 Year Old) Fund	113,158	K.S.A. 72-6478
Supplemental General Fund	At Risk (K-12) Fund	4,318,831	K.S.A. 72-6478
Total		<u>\$ 33,901,940</u>	

The District has recorded due from other funds in the General Fund and due to other funds in the nonmajor governmental funds in the amount of \$451,493. The due to and due from between funds was recorded to eliminate negative cash in any individual funds and will be repaid within one year of the date of the financial statements.

UNIFIED SCHOOL DISTRICT NO. 233

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

Note 4. OTHER INFORMATION (Continued)

C. Voluntary Early Retirement Plan

The District offers a voluntary early retirement plan, available to its certified and administrative staff. Employees must have completed at least 15 years of service with the District and must be eligible to receive unreduced retirement benefits from KPERS during the next school year in order to be eligible to receive benefits under the plan. Benefits include bimonthly payments that are based on a percentage of the employee's final annual base contract salary. Benefits apply for a maximum of five years, or until the employee reaches age 65, whichever occurs first. The District's contributions are financed on a pay-as-you-go basis. The contributions for the year ended June 30, 2019 were \$2,320,962. At June 30, 2019, the District's liability under this plan was \$4,535,837.

D. Contingent Liabilities

The District receives significant financial assistance from 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 is 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, 2019.

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. There has been no significant change in insurance coverage from the previous fiscal year. During the past three fiscal years, settlements have not exceeded insurance coverage.

The District has a self-insured workers' compensation program for all District employees. The fund is accounted for as a District Internal Service Fund. The program is administered by a third-party administrator. In order to mitigate the risk associated with this program, the District has purchased individual and aggregate "stop loss" insurance of \$300,000 per occurrence and total aggregate of \$1,000,000. The District has on deposit funds for a claims payment account with its third party administrator, but there remains no transfer of risk. The District's liability for claims incurred but not paid, including IBNR claims, is \$1,432,057 as of June 30, 2019. This liability is based on estimates provided by the third-party administrator.

Changes in the District's claim liability in fiscal years 2019 and 2018 are as follows:

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Unpaid claims, beginning of year	\$ 1,569,130	\$ 1,107,016
Incurred claims (including IBNR)	849,913	1,170,852
Claim payments	<u>[986,986]</u>	<u>[708,738]</u>
Unpaid claims, end of year	<u>\$ 1,432,057</u>	<u>\$ 1,569,130</u>

UNIFIED SCHOOL DISTRICT NO. 233

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

Note 4. OTHER INFORMATION (Continued)

D. Contingent Liabilities (Continued)

The District has a self-insured health insurance program for all District employees. The fund is accounted for as a District Internal Service Fund. The program is administered by a third-party administrator. In order to mitigate the risk associated with this program, the District has purchased individual and aggregate “stop loss” insurance of \$150,000 per occurrence. The District has on deposit funds for a claims payment account with its third party administrator, but there remains no transfer of risk. The District’s liability for claims incurred but not paid, including IBNR claims, is \$2,254,900 as of June 30, 2019. This liability is based on estimates provided by the third-party administrator.

Changes in the District’s claim liability in fiscal year 2019 are as follows:

Claims liability, beginning of year	\$ 2,233,200
Claims incurred, including IBNR	30,199,553
Claim payments	<u>[30,177,853]</u>
Unpaid claims, end of year	<u>\$ 2,254,900</u>

The District is also a party in a number of lawsuits as a result of the ordinary course of school activities. District management and legal counsel anticipate that the potential claims against the District not covered by insurance, if any, resulting from such matters would not materially affect the financial position of the District.

A potential liability exists regarding rebatable arbitrage on several series General Obligation Bonds. An arbitrage rebate calculation will be completed to determine if such a liability exists.

E. Capital Project Funds Expenditures - Budget and Actual (Budgetary Basis)

The District prepares annual operating budgets for the majority of the governmental funds; however, for the capital projects construction funds, project-length budgets are prepared. The projects budgeted, approved budgets, and cumulative expenditures, as of June 30, 2019, are as follows:

<u>Project Name</u>	<u>Project Budget</u>	<u>Cumulative expenditures through June 30, 2019</u>	<u>Remaining Budget</u>
Construction Projects 2016	\$ 156,000,000	\$ 116,032,031	\$ 39,967,969

F. Postemployment Healthcare Plan

Plan Description. The District operates a single employer defined benefit healthcare plan administered by the District. The Employee Benefit Plan (the Plan) provides medical and pharmacy benefits to eligible retirees and their dependents. KSA 12-5040 requires all local governmental entities in the state that provide a group health care plan to make participation available to all retirees and dependents until the retiree reaches the age of 65 years. No separate financial report is issued for the Plan.

Employees covered by benefit terms. At June 30, 2019, the following employees were covered by the benefit terms:

UNIFIED SCHOOL DISTRICT NO. 233

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

Note 4. OTHER INFORMATION (Continued)

F. Postemployment Healthcare Plan (Continued)

Inactive employees or beneficiaries currently receiving benefit payments	162
Active plan members	<u>5,032</u>
Total	<u>5,194</u>

Total OPEB Liability. The District's total OPEB liability of \$14,992,516 was measured as of July 1, 2018, and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the July 1, 2018, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods in the measurement, unless otherwise specified:

Valuation date	July 1, 2018
Actuarial cost method	Entry age normal as a level percentage of payroll
Inflation	3.00%
Salary increases	4.00%
Discount rate	3.45%
Healthcare cost trend rates	8.00% for 2019, decreasing .50% per year to an ultimate rate of 4.50% for 2026 and later years
Retiree's share of benefit related costs	100% of projected health insurance premiums for retirees

The discount rate was based on the municipal bond index rate provided by Bloomberg. Mortality rates were based on the SOA RPH-2014 White Collar Headcount-Weighted Mortality Margin for mortality improvements: Scale MP-2017.

Changes in the total OPEB liability are as follows:

	Total OPEB Liability
Balance 7/1/2018	\$ 15,603,467
Service cost	1,219,403
Interest	489,316
Benefit payments	[579,123]
Differences between expected and actual experience	[193,841]
Changes in assumptions	<u>[1,546,706]</u>
Balance 6/30/2019	<u>\$ 14,992,516</u>

UNIFIED SCHOOL DISTRICT NO. 233

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

Note 4. OTHER INFORMATION (Continued)

F. Postemployment Healthcare Plan (Continued)

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.45%) or one percentage point higher (4.45%) than the current discount rate:

	1% Decrease (2.45%)	Discount Rate (3.45%)	1% Increase (4.45%)
Total OPEB liability	\$ 16,973,690	\$ 14,992,516	\$ 13,925,826

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate. The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (7% decreasing to 3.5%) or one percentage point higher (9% decreasing to 5.5%) than the current healthcare cost trend rate:

	1% Decrease (7% decreasing to 3.50%)	Healthcare Cost Trend Rates (8% decreasing to 4.50%)	1.00% Increase (9% decreasing to 5.50%)
Total OPEB liability	\$ 13,925,826	\$ 14,992,516	\$ 16,973,690

For the year ended June 30, 2019, the District recognized OPEB expense of \$1,511,154. At June 30, 2019, the District reported deferred inflows of resources related to OPEB of \$171,839 in differences between expected and actual experience and \$1,371,143 in changes in assumptions. The District did not have any deferred outflows of resources to OPEB at year-end.

Amounts reported as deferred inflows of resources related to OPEB will be recognized in expense as follows:

Year Ended	Deferred [Inflows] Outflows
<u>June 30.</u>	<u>Amount</u>
2020	\$ [197,565]
2021	[197,565]
2022	[197,565]
2023	[197,565]
2024	[197,565]
2025+	[555,157]
Total	\$ <u>[1,542,982]</u>

G. Postemployment Benefit Plan – KPERS

Plan Description. The District participates in a multiple-employer defined benefit other postemployment benefit (OPEB) plan (the Plan) which is administered by the Kansas Public Employees Retirement System (KPERS). The Plan provides long-term disability benefits and a life insurance benefit for disabled members to KPERS members, as provided by K.S.A. 74-04927. The Plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. However, because the trust's assets are used to pay employee benefits other than OPEB, the trust does not meet the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Accordingly, the Plan is considered to be administered on a pay-as-you-go basis.

UNIFIED SCHOOL DISTRICT NO. 233

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

Note 4. OTHER INFORMATION (Continued)

G. Postemployment Benefit Plan – KPERS (Continued)

Benefits. Benefits are established by statute and may be amended by the KPERS Board of Trustees. The Plan provides long-term disability benefits equal to 60 percent (prior to January 1, 2006, 66 2/3 percent) of annual compensation, offset by other benefits. Members receiving long-term disability benefits also receive credit towards their KPERS retirement benefits and have their group life insurance coverage continued under the waiver of premium provision.

The monthly long-term disability benefit is 60 percent of the member’s monthly compensation, with a minimum of \$100 and a maximum of \$5,000. The monthly benefit is subject to reduction by deductible sources of income, which include Social Security primary disability or retirement benefits, workers compensation benefits, other disability benefits from any other sources by reason of employment, and earnings from any form of employment. If the disability begins before age 60, benefits are payable while the disability continues until the member’s 65th birthday or retirement date, whichever occurs first. If the disability begins after age 60, benefits are payable while the disability continues, for a period of five years or until the member retires, whichever occurs first. Benefit payments for disabilities caused or contributed to by substance abuse or non-biologically based mental illnesses are limited to the shorter of the term of the disability or 24 months per lifetime.

The death benefit paid to beneficiaries of disabled members is 150% of the greater of 1) the member’s annual rate of compensation at the time of disability, or 2) the members previous 12 months of compensation at the time of the last date on payroll. If the member has been disabled for five or more years, the annual compensation or salary rate at the time of death will be indexed using the consumer price index, less one percentage point, to compute the death benefit. If a member is diagnosed as terminally ill with a life expectancy of 12 months or less, the member may be eligible to receive up to 100% of the death benefit rather than having the benefit paid to the beneficiary. If a member retires or disability benefits end, the member may convert the group life insurance coverage to an individual insurance policy.

Covered employees. The District has the following employees covered by the Plan as of June 30, 2019:

Disabled members	32
Active members	<u>4,426</u>
Total	<u>4,458</u>

Total OPEB Liability. The District’s total OPEB liability of \$5,320,720 reported as of June 30, 2019, was measured as of June 30, 2018 (the measurement date), and was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018, using the following actuarial assumptions:

Price inflation	2.75%
Wage inflation	2.75%
Salary increases, including wage increases	3.50%
 Discount rate (based on the 20 year municipal bond rate with an average rating of AA/Aa or better, obtained from the Bond Buyer General Obligation 20-Bond Municipal index)	 3.87%

UNIFIED SCHOOL DISTRICT NO. 233

NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2019

Note 4. OTHER INFORMATION (Continued)

G. Postemployment Benefit Plan – KPERS (Continued)

Mortality rates used for the death benefits were based on the RP-2000 Healthy Annuitant Mortality Table for Males and Females, adjusted for generational mortality improvement using Scale AA. Mortality rates used for the disability benefits were based on the RP-2000 Disabled Life Table with generational mortality improvement using Scale AA.

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study conducted for the period of July 1, 2014 through June 30, 2016. Other demographic assumptions are set to be consistent with the actuarial assumptions reflected in the December 31, 2017 KPERS pension valuation.

Changes in the total OPEB liability are as follows:

	Total OPEB Liability
Balance 7/1/2018	\$ 5,603,442
Service cost	396,906
Interest	201,794
Effect of economic/demographic gains or losses	[69,237]
Effect of assumptions, changes or inputs	[78,482]
Benefit payments	<u>[733,703]</u>
Balance 6/30/2019	<u>\$ 5,320,720</u>

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the District's total KPERS OPEB liability calculated using the discount rate of 3.87%, as well as what the District's total KPERS OPEB liability would be if it were calculated using a discount rate that is 1% point lower (2.87%) or 1% point higher (4.87%) than the current rate.

	1% decrease (2.87%)	Discount Rate (3.87%)	1% increase (4.87%)
Total OPEB Liability	\$ 5,592,356	\$ 5,320,720	\$ 5,056,149

Sensitivity of the total KPERS OPEB liability to changes in the healthcare cost trend rates. The following presented the total KPERS OPEB liability of the District calculated using the current healthcare cost trend rates as well as what the District's total KPERS OPEB liability would be if it were calculated using trend rates that are 1 percentage point lower or 1 percentage point higher than the current trend rates. The reader should note that healthcare trend rates do not affect the liabilities related to the long-term disability benefits sponsored by KPERS, but this exhibit is provided as it is a required disclosure under GASB 75.

	1% decrease	Healthcare Cost Trend Rates	1% increase
Total OPEB Liability	\$ 5,320,720	\$ 5,320,720	\$ 5,320,720

OPEB Expense. For the year ended June 30, 2019, the District recognized OPEB expense of \$563,245.

Deferred Outflows of Resources and Deferred Inflows of Resources. The District also reported deferred inflows of resources related to OPEB of \$62,092 for differences between expected and actual experience and \$225,607 of changes of assumptions.

UNIFIED SCHOOL DISTRICT NO. 233

NOTES TO THE BASIC FINANCIAL STATEMENTS
June 30, 2019

Note 4. OTHER INFORMATION (Continued)

G. Postemployment Benefit Plan – KPERS (Continued)

\$1,029,259 reported as deferred outflows of resources related to KPERS OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended		
<u>June 30,</u>		
2020	\$	35,455
2021		35,455
2022		35,455
2023		35,455
2024		35,455
Thereafter		<u>110,424</u>
	\$	<u><u>287,699</u></u>

H. Related Party Transactions

The District paid \$371,742 during the year ended June 30, 2019, for financial and consulting services to a company owned by a member of the District’s Board of Education.

The District paid \$257,531 during the year ended June 30, 2019, for school paraprofessional services to a company that employs a member of the District’s Board of Education.

I. Restatement

The District identified certain errors during the year ended June 30, 2018. Th correction of these errors caused a restatement of net position as follows:

	Governmental
	<u>Activities</u>
Net position - July 1, 2018	\$ [142,787,063]
Prior period adjustment	<u>[1,003,504]</u>
Net position - July 1, 2018, restated	<u><u>\$ [143,790,567]</u></u>

J. Tax Abatements

During the year ended June 30, 2019, ten tax abatement agreements were in effect that reduced the District’s property tax revenues. The agreements were entered into by the cities of Olathe, Kansas, and Lenexa, Kansas. The purpose of the agreements are to spur business development and employment within those entities’ boundaries by offering a percentage reduction in property taxes for the business owners and property developers. District property taxes were reduced by \$1,752,230 during fiscal year 2019.

UNIFIED SCHOOL DISTRICT NO. 233

OTHER POST-EMPLOYMENT BENEFITS
 REQUIRED SUPPLEMENTARY INFORMATION
 June 30, 2019

Schedule of Changes in the District's Total OPEB Liability and Related Ratios
 Last Ten Fiscal Years*

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability			
Service cost	\$ 1,219,403	\$ 1,083,206	\$ 1,041,544
Interest	489,316	904,361	820,775
Benefit payments	[579,123]	[594,708]	[558,046]
Differences between expected and actual experience	[193,841]	-	-
Changes in assumptions	<u>[1,546,706]</u>	<u>-</u>	<u>-</u>
Net change in total OPEB liability	[610,951]	1,392,859	1,304,273
Total OPEB liability -- beginning	<u>15,603,467</u>	<u>14,210,608</u>	<u>12,906,335</u>
Total OPEB liability -- ending	<u>\$ 14,992,516</u>	<u>\$ 15,603,467</u>	<u>\$ 14,210,608</u>
Covered-employee payroll	<u>\$ 202,919,995</u>	<u>\$ 200,839,893</u>	<u>\$ 200,839,893</u>
Total OPEB liability as a percentage of covered-employee payroll	7.39%	7.77%	7.08%
Actuarially determined contribution	<u>\$ 579,123</u>	<u>\$ 594,708</u>	<u>\$ 558,046</u>
Actual contribution	<u>\$ 579,123</u>	<u>\$ 594,708</u>	<u>\$ 558,046</u>
Contributions as a percentage of covered payroll	0.29%	0.30%	0.28%
Fiduciary Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fiduciary Net Position as a Percentage of Total OPEB Liability	0.00%	0.00%	0.00%

* - Data became available with the inception of GASB 75 during fiscal year 2017, therefore, 10 years of data is unavailable.

UNIFIED SCHOOL DISTRICT NO. 233

REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2019

KPERS PENSION PLAN:

Schedule of the District's Proportionate Share of the Net Pension Liability
Last Ten Fiscal Years*

	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>
District's proportion of the net pension liability	4.275%	4.112%	4.192%	4.123%	4.102%
District's proportionate share of the net pension liability	\$ 278,902,879	\$ 276,258,572	\$ 281,777,656	\$ 285,508,010	\$ 262,125,122
District's covered-employee payroll	\$ 197,035,133	\$ 182,830,577	\$ 179,257,319	\$ 179,362,879	\$ 174,917,551
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	141.55%	151.10%	157.19%	159.18%	149.86%
Plan fiduciary net position as a percentage of the total pension liability	66.75%	64.90%	63.27%	61.32%	63.30%

*The amounts presented for each fiscal year were determined as of 12/31. Data became available with the inception of GASB 68 during fiscal year 2015, therefore, 10 years of data is unavailable.

Schedule of the District's Contributions
Last Ten Fiscal Years*

	<u>6/30/2014</u>	<u>6/30/2013</u>	<u>6/30/2012</u>	<u>6/30/2011</u>	<u>6/30/2010</u>
Contractually required contribution	\$ 18,496,869	\$ 16,007,330	\$ 15,585,484	\$ 14,599,408	\$ 13,891,994
Contributions in relation to the contractually required contribution	<u>18,496,869</u>	<u>16,007,330</u>	<u>15,585,484</u>	<u>14,599,408</u>	<u>13,891,994</u>
Contribution deficiency [excess]	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 171,908,233	\$ 168,653,523	\$ 164,577,444	\$ 169,717,538	\$ 170,036,646
Contributions as a percentage of covered employee payroll	10.76%	9.49%	9.47%	8.60%	8.17%
	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>
Contractually required contribution	\$ 14,253,940	\$ 24,281,500	\$ 16,139,147	\$ 19,362,601	\$ 17,660,672
Contributions in relation to the contractually required contribution	<u>14,253,940</u>	<u>24,281,500</u>	<u>16,139,147</u>	<u>15,310,562</u>	<u>17,660,672</u>
Contribution deficiency [excess]	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,052,039</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 210,284,578	\$ 197,035,133	\$ 182,830,577	\$ 179,677,796	\$ 175,886,177
Contributions as a percentage of covered employee payroll	6.78%	12.32%	8.83%	8.52%	10.04%

UNIFIED SCHOOL DISTRICT NO. 233

OTHER POST-EMPLOYMENT BENEFITS - KPERS
 REQUIRED SUPPLEMENTARY INFORMATION
 June 30, 2019

Schedule of Changes in the District's Total KPERS OPEB Liability and Related Ratios
 Last Ten Fiscal Years*

Total KPERS OPEB liability	<u>2019</u>	<u>2018</u>
Service cost	\$ 396,906	\$ 408,089
Interest	201,794	168,124
Benefit paid	[733,703]	[532,491]
Effect of economic/demographic gains or losses	[69,237]	-
Effect of assumptions changes or inputs	<u>[78,482]</u>	<u>[195,646]</u>
Net change in total OPEB liability	[282,722]	[151,924]
Total KPERS OPEB liability - beginning	<u>5,603,442</u>	<u>5,755,366</u>
Total KPERS OPEB liability - ending	<u>\$ 5,320,720</u>	<u>\$ 5,603,442</u>
 Covered-employee payroll	 <u>\$ 189,145,000</u>	 <u>\$ 178,385,000</u>
 Total KPERS OPEB liability as a percentage of covered-employee payroll	 2.81%	 3.14%
 Actuarially determined contribution	 <u>\$ 733,703</u>	 <u>\$ 532,491</u>
 Actual contribution	 <u>\$ 733,703</u>	 <u>\$ 532,491</u>
 Contributions as a percentage of covered payroll	 0.39%	 0.30%

*Data became available with the inception of GASB 75 during fiscal year 2018, therefore, 10 years of data is unavailable.

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COMBINING STATEMENTS AND INDIVIDUAL FUND SCHEDULES

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UNIFIED SCHOOL DISTRICT NO. 233

COMBINING STATEMENTS - NONMAJOR FUNDS

The special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

BUDGETED FUNDS:

Extraordinary Growth Fund: This fund is used to provide the legal vehicle to levy taxes for costs associated with commencing operation of new school facilities.

Bilingual Education Fund: This fund is used to account for monies received and expended to operate an English as a Second Language (ESL) program.

Professional Development Fund: This fund is used to account for state aid revenues that are provided for teacher inservice training programs.

Vocational Education Fund: This fund is used to account for revenues received and expenditures incurred for state and federal vocational education programs, administered in accordance with established guidelines and statutes.

Parent As Teachers Fund: This fund is used to account for state aid revenues which are used to provide educational training and assistance programs to parents in the District regarding pre-school and selected educational problems of students.

At Risk (4 Year Old) Fund: This fund is used to account for monies received and expended for programs for at risk students meeting the specific age requirement.

At Risk (K-12) Fund: This fund is used to account for monies received and expended for extended year, extended day, alternative schools, dropout prevention and tutorial assistance programs administered for at risk students.

Cost of Living: This fund is available to districts that exceed state averages for Cost of Living factors. The Cost of Living fund's only revenue is from local sources.

Virtual Education Fund: This fund is used to account for monies received and expended for virtual, online courses.

Federal Awards: This fund has been established to account for the revenues and expenditures associated with federal and state grants that have been awarded to the District for specific purposes.

Special Liability: This fund is used to pay for District liability insurance premiums and potential liability claims against the District. The Special Liability fund's only revenue is from local sources.

NON - BUDGETED FUNDS:

Instructional Materials Fund: This fund is used to account for revenue collected and expenditures incurred in conjunction with the purchase of classroom teaching supplies and printing of teaching aides.

Contingency Reserve Fund: This fund is used to account for monies from the General Fund in accordance with Kansas statutes (limited to 10% of General Fund budget) and expended for contingency purposes.

District Activities Fund: This fund is used to account for revenues collected and expenditures incurred in conjunction with co-curricular activities which are administered by the District.

Donations Fund: This fund is used to account for revenues collected and expenditures incurred in conjunction with local donations for youth services, youth court, drug-free emphasis, and various other activities used to enhance student learning.

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UNIFIED SCHOOL DISTRICT NO. 233

COMBINING STATEMENTS - NONMAJOR FUNDS - CONTINUED

DEBT SERVICE FUND:

Special Assessments Fund: This fund is used to accumulate resources to pay long-term commitments with other municipalities to finance special assessments related to sewer, street, sidewalk and other improvements made involving District property.

UNIFIED SCHOOL DISTRICT NO. 233

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2019

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
ASSETS			
Cash and investments	\$ 16,240,146	\$ 1,140,713	\$ 17,380,859
Taxes receivable	686,544	22,147	708,691
Other receivable	<u>67,177</u>	<u>-</u>	<u>67,177</u>
Total assets	<u>\$ 16,993,867</u>	<u>\$ 1,162,860</u>	<u>\$ 18,156,727</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 907,346	\$ -	\$ 907,346
Due to other funds	<u>451,493</u>	<u>-</u>	<u>451,493</u>
Total liabilities	<u>1,358,839</u>	<u>-</u>	<u>1,358,839</u>
Deferred inflows of resources			
Unavailable revenue - property taxes	<u>686,544</u>	<u>22,147</u>	<u>708,691</u>
Total deferred inflow of resources	<u>686,544</u>	<u>22,147</u>	<u>708,691</u>
Total liabilities and deferred inflows of resources	<u>2,045,383</u>	<u>22,147</u>	<u>2,067,530</u>
Fund balances:			
Restricted	14,732,140	1,140,713	15,872,853
Assigned	690,508	-	690,508
Unassigned	<u>[474,164]</u>	<u>-</u>	<u>[474,164]</u>
Total fund balances	<u>14,948,484</u>	<u>1,140,713</u>	<u>16,089,197</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 16,993,867</u>	<u>\$ 1,162,860</u>	<u>\$ 18,156,727</u>

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 233

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2019

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
REVENUES:			
Taxes	\$ 34,967,667	\$ 980,322	\$ 35,947,989
Intergovernmental	25,358,076	-	25,358,076
Charges for services	3,903,108	-	3,903,108
Other local sources	<u>1,276,636</u>	<u>-</u>	<u>1,276,636</u>
Total revenues	<u>65,505,487</u>	<u>980,322</u>	<u>66,485,809</u>
EXPENDITURES:			
Current			
Instructional	60,579,699	-	60,579,699
Student support services	2,124,881	-	2,124,881
Instructional support staff	1,188,692	-	1,188,692
General administration	16,507	-	16,507
School administration	594,257	-	594,257
Operations and maintenance	576,508	-	576,508
Student transportation services	62,828	-	62,828
Other support services	9,145,740	-	9,145,740
Capital outlay			
Facility acquisition and construction	<u>-</u>	<u>944,245</u>	<u>944,245</u>
Total expenditures	<u>74,289,112</u>	<u>944,245</u>	<u>75,233,357</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[8,783,625]</u>	<u>36,077</u>	<u>[8,747,548]</u>
OTHER FINANCING SOURCES [USES]:			
Transfers in	<u>8,282,372</u>	<u>-</u>	<u>8,282,372</u>
Total other financing sources [uses]	<u>8,282,372</u>	<u>-</u>	<u>8,282,372</u>
Net change in fund balance	[501,253]	36,077	[465,176]
Fund balance - Beginning of year	<u>15,449,737</u>	<u>1,104,636</u>	<u>16,554,373</u>
Fund balance - End of year	<u>\$ 14,948,484</u>	<u>\$ 1,140,713</u>	<u>\$ 16,089,197</u>

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 233

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2019

	Extraordinary <u>Growth</u>	Bilingual <u>Education</u>	Professional <u>Development</u>	Vocational <u>Education</u>
ASSETS				
Cash and investments	\$ 343,809	\$ 58,050	\$ 54,996	\$ 68,844
Receivables (net)				
Taxes	469,247	-	-	-
Other	-	-	13,250	24,748
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 813,056</u>	<u>\$ 58,050</u>	<u>\$ 68,246</u>	<u>\$ 93,592</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 8,030
Due to other funds	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,030</u>
Deferred inflows of resources				
Unavailable revenue - property taxes	469,247	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total deferred inflow of resources	<u>469,247</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources				
	<u>469,247</u>	<u>-</u>	<u>-</u>	<u>8,030</u>
Fund balances:				
Restricted	343,809	50,000	63,250	74,748
Assigned	-	8,050	4,996	10,814
Unassigned	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>343,809</u>	<u>58,050</u>	<u>68,246</u>	<u>85,562</u>
Total liabilities, deferred inflows of resources and fund balances				
	<u>\$ 813,056</u>	<u>\$ 58,050</u>	<u>\$ 68,246</u>	<u>\$ 93,592</u>

Parents as Teachers	At Risk (4 Year Old)	At Risk (K-12)
\$ 696,788	\$ 53,182	\$ 68,344
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
\$ 696,788	\$ 53,182	\$ 68,344

\$ 3,675	\$ -	\$ 5,546
-	-	-
<u>3,675</u>	<u>-</u>	<u>5,546</u>

-	-	-
<u>-</u>	<u>-</u>	<u>-</u>

<u>3,675</u>	<u>-</u>	<u>5,546</u>
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693,113	50,000	49,998
-	3,182	12,800
<u>-</u>	<u>-</u>	<u>-</u>
<u>693,113</u>	<u>53,182</u>	<u>62,798</u>

\$ 696,788	\$ 53,182	\$ 68,344
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UNIFIED SCHOOL DISTRICT NO. 233

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2019

	Cost of <u>Living</u>	Virtual <u>Education</u>	Federal <u>Awards</u>	Special <u>Liability</u>	Instructional <u>Materials</u>	Contingency <u>Reserve</u>	District <u>Activities</u>	Donations	Total Nonmajor Special Revenue Funds
ASSETS									
Cash and investments	\$ 208,633	\$ 15,000	\$ -	\$ 545,089	\$ 2,681,596	\$ 9,735,052	\$ 901,030	\$ 809,733	\$ 16,240,146
Receivables (net)									
Taxes	209,171	-	-	8,126	-	-	-	-	686,544
Other	-	-	-	-	-	-	-	29,179	67,177
Total assets	\$ 417,804	\$ 15,000	\$ -	\$ 553,215	\$ 2,681,596	\$ 9,735,052	\$ 901,030	\$ 838,912	\$ 16,993,867
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$ -	\$ -	\$ 22,671	\$ -	\$ 826,404	\$ -	\$ 11,586	\$ 29,434	\$ 907,346
Due to other funds	-	-	451,493	-	-	-	-	-	451,493
Total liabilities	-	-	474,164	-	826,404	-	11,586	29,434	1,358,839
Deferred inflows of resources									
Unavailable revenue - property taxes	209,171	-	-	8,126	-	-	-	-	686,544
Total deferred inflow of resources	209,171	-	-	8,126	-	-	-	-	686,544
Total liabilities and deferred inflows of resources	209,171	-	474,164	8,126	826,404	-	11,586	29,434	2,045,383
Fund balances:									
Restricted	208,633	15,000	-	545,089	1,478,972	9,735,052	774,150	650,326	14,732,140
Assigned	-	-	-	-	376,220	-	115,294	159,152	690,508
Unassigned	-	-	[474,164]	-	-	-	-	-	[474,164]
Total fund balances	208,633	15,000	[474,164]	545,089	1,855,192	9,735,052	889,444	809,478	14,948,484
Total liabilities, deferred inflows of resources and fund balances	\$ 417,804	\$ 15,000	\$ -	\$ 553,215	\$ 2,681,596	\$ 9,735,052	\$ 901,030	\$ 838,912	\$ 16,993,867

UNIFIED SCHOOL DISTRICT NO. 233

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2019

	Extraordinary <u>Growth</u>	Bilingual <u>Education</u>	Professional <u>Development</u>	Vocational <u>Education</u>
REVENUES:				
Taxes	\$ 19,971,168	\$ 1,357,613	\$ -	\$ 3,965,646
Intergovernmental	-	2,326,985	79,716	2,435,524
Charges for services	-	-	-	53,416
Other local sources	-	-	189,540	1,710
Total revenues	<u>19,971,168</u>	<u>3,684,598</u>	<u>269,256</u>	<u>6,456,296</u>
EXPENDITURES:				
Current				
Instructional	20,000,000	4,850,017	-	8,011,844
Student support services	-	-	-	-
Instructional staff support	-	42,448	581,129	165,004
General administration	-	-	-	-
School administration	-	-	-	214,496
Operations and maintenance	-	-	-	88,144
Student transportation services	-	-	-	269
Other support services	-	-	-	-
Total expenditures	<u>20,000,000</u>	<u>4,892,465</u>	<u>581,129</u>	<u>8,479,757</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[28,832]</u>	<u>[1,207,867]</u>	<u>[311,873]</u>	<u>[2,023,461]</u>
OTHER FINANCING SOURCES [USES]:				
Transfers in	-	1,215,917	288,774	2,058,707
Total other financing sources [uses]	<u>-</u>	<u>1,215,917</u>	<u>288,774</u>	<u>2,058,707</u>
expenditures and other [uses]	[28,832]	8,050	[23,099]	35,246
Fund balance - Beginning of year	<u>372,641</u>	<u>50,000</u>	<u>91,345</u>	<u>50,316</u>
Fund balance - End of year	<u>\$ 343,809</u>	<u>\$ 58,050</u>	<u>\$ 68,246</u>	<u>\$ 85,562</u>

Parents as Teachers	At Risk (4 Year Old)	At Risk (K-12)
\$ -	\$ 72,176	\$ -
1,344,525	270,725	13,087,367
-	-	-
<u>164,157</u>	<u>-</u>	<u>6,353</u>
<u>1,508,682</u>	<u>342,901</u>	<u>13,093,720</u>
-	432,582	16,720,925
1,791,975	-	260,849
-	-	29,007
-	-	-
-	20,295	223,646
-	-	131,660
-	-	38,555
-	-	-
<u>1,791,975</u>	<u>452,877</u>	<u>17,404,642</u>
<u>[283,293]</u>	<u>[109,976]</u>	<u>[4,310,922]</u>
<u>260,573</u>	<u>113,158</u>	<u>4,318,831</u>
<u>260,573</u>	<u>113,158</u>	<u>4,318,831</u>
[22,720]	3,182	7,909
<u>715,833</u>	<u>50,000</u>	<u>54,889</u>
\$ 693,113	\$ 53,182	\$ 62,798

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 233

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2019

	Cost of <u>Living</u>	Virtual <u>Education</u>	Federal <u>Awards</u>	Special <u>Liability</u>	Instructional <u>Materials</u>	Contingency <u>Reserve</u>	District <u>Activities</u>	Donations	Total Nonmajor Special Revenue Funds
REVENUES:									
Taxes	\$ 9,156,767	\$ 80,038	\$ -	\$ 364,259	\$ -	\$ -	\$ -	\$ -	\$ 34,967,667
Intergovernmental	-	-	5,657,892	-	-	-	-	155,342	25,358,076
Charges for services	-	49,510	-	-	2,021,736	-	1,778,446	-	3,903,108
Other local sources	-	-	-	-	-	-	-	914,876	1,276,636
Total revenues	9,156,767	129,548	5,657,892	364,259	2,021,736	-	1,778,446	1,070,218	65,505,487
EXPENDITURES:									
Current									
Instructional	-	155,960	5,436,754	-	2,316,627	-	1,804,764	850,226	60,579,699
Student support services	-	-	24,329	-	-	-	-	47,728	2,124,881
Instructional support staff	-	-	290,046	-	7,213	-	-	73,845	1,188,692
General administration	-	-	-	-	-	-	-	16,507	16,507
School administration	-	-	135,820	-	-	-	-	-	594,257
Operations and maintenance	-	-	-	356,704	-	-	-	-	576,508
Student transportation services	-	-	24,004	-	-	-	-	-	62,828
Other support services	9,145,740	-	-	-	-	-	-	-	9,145,740
Total expenditures	9,145,740	155,960	5,910,953	356,704	2,323,840	-	1,804,764	988,306	74,289,112
Excess [deficiency] of revenues over [under] expenditures	11,027	[26,412]	[253,061]	7,555	[302,104]	-	[26,318]	81,912	[8,783,625]
OTHER FINANCING SOURCES [USES]:									
Transfers in	-	26,412	-	-	-	-	-	-	8,282,372
Total other financing sources [uses]	-	26,412	-	-	-	-	-	-	8,282,372
Net change in fund balance	11,027	-	[253,061]	7,555	[302,104]	-	[26,318]	81,912	[501,253]
Fund balance - Beginning of year	197,606	15,000	[221,103]	537,534	2,157,296	9,735,052	915,762	727,566	15,449,737
Fund balance - End of year	\$ 208,633	\$ 15,000	\$ [474,164]	\$ 545,089	\$ 1,855,192	\$ 9,735,052	\$ 889,444	\$ 809,478	\$ 14,948,484

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 233

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
 EXTRAORDINARY GROWTH FUND
 For the Year Ended June 30, 2019

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Taxes:						
Ad valorem	\$ 18,739,588	\$ -	\$ 18,739,588	\$ 19,345,317	\$ 19,345,317	\$ [605,729]
Motor/Recreational vehicles	<u>1,231,580</u>	<u>-</u>	<u>1,231,580</u>	<u>1,192,807</u>	<u>1,192,807</u>	<u>38,773</u>
Total revenues	<u>19,971,168</u>	<u>-</u>	<u>19,971,168</u>	<u>20,538,124</u>	<u>20,538,124</u>	<u>[566,956]</u>
EXPENDITURES:						
Instructional	<u>20,000,000</u>	<u>-</u>	<u>20,000,000</u>	<u>20,000,000</u>	<u>20,000,000</u>	<u>-</u>
Total expenditures	<u>20,000,000</u>	<u>-</u>	<u>20,000,000</u>	<u>20,000,000</u>	<u>20,000,000</u>	<u>-</u>
Excess [deficiency] of revenues over [under] expenditures	[28,832]	-	[28,832]	<u>\$ 538,124</u>	<u>\$ 538,124</u>	<u>\$ [566,956]</u>
FUND BALANCE - Beginning of year	<u>372,641</u>	<u>-</u>	<u>372,641</u>			
FUND BALANCE - End of year	<u>\$ 343,809</u>	<u>\$ -</u>	<u>\$ 343,809</u>			

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 233

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
 BILINGUAL EDUCATION FUND
 For the Year Ended June 30, 2019

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Taxes:						
Ad valorem	\$ 1,357,613	\$ [1,357,613]	\$ -	\$ -	\$ -	\$ -
Intergovernmental:						
State and local	2,326,985	[2,326,985]	-	-	-	-
Other local sources	-	-	-	1,000,000	1,000,000	[1,000,000]
Total revenues	<u>3,684,598</u>	<u>[3,684,598]</u>	<u>-</u>	<u>1,000,000</u>	<u>1,000,000</u>	<u>[1,000,000]</u>
EXPENDITURES:						
Instructional	4,850,017	8,050	4,858,067	5,376,350	5,376,350	518,283
Instructional staff support	<u>42,448</u>	<u>-</u>	<u>42,448</u>	<u>59,050</u>	<u>59,050</u>	<u>16,602</u>
Total expenditures	<u>4,892,465</u>	<u>8,050</u>	<u>4,900,515</u>	<u>5,435,400</u>	<u>5,435,400</u>	<u>534,885</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[1,207,867]</u>	<u>[3,692,648]</u>	<u>[4,900,515]</u>	<u>[4,435,400]</u>	<u>[4,435,400]</u>	<u>[465,115]</u>
OTHER FINANCING SOURCES [USES]:						
Transfers in	<u>1,215,917</u>	<u>3,684,598</u>	<u>4,900,515</u>	<u>4,435,400</u>	<u>4,435,400</u>	<u>465,115</u>
Total other financing sources [uses]	<u>1,215,917</u>	<u>3,684,598</u>	<u>4,900,515</u>	<u>4,435,400</u>	<u>4,435,400</u>	<u>465,115</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	8,050	[8,050]	-	\$ -	\$ -	\$ -
FUND BALANCE - Beginning of year	<u>50,000</u>	<u>-</u>	<u>50,000</u>			
FUND BALANCE - End of year	<u>\$ 58,050</u>	<u>\$ [8,050]</u>	<u>\$ 50,000</u>			

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 233

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
 PROFESSIONAL DEVELOPMENT FUND
 For the Year Ended June 30, 2019

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Intergovernmental:						
State and local	\$ 79,716	\$ -	\$ 79,716	\$ 50,000	\$ 50,000	\$ 29,716
Other local sources	189,540	27,600	217,140	775,300	775,300	[558,160]
Total revenues	<u>269,256</u>	<u>27,600</u>	<u>296,856</u>	<u>825,300</u>	<u>825,300</u>	<u>[528,444]</u>
EXPENDITURES:						
Student support	<u>581,129</u>	<u>4,501</u>	<u>585,630</u>	<u>825,300</u>	<u>825,300</u>	<u>239,670</u>
Total expenditures	<u>581,129</u>	<u>4,501</u>	<u>585,630</u>	<u>825,300</u>	<u>825,300</u>	<u>239,670</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[311,873]</u>	<u>23,099</u>	<u>[288,774]</u>	<u>-</u>	<u>-</u>	<u>[288,774]</u>
OTHER FINANCING SOURCES [USES]:						
Transfers in	<u>288,774</u>	<u>-</u>	<u>288,774</u>	<u>-</u>	<u>-</u>	<u>288,774</u>
Total other financing sources [uses]	<u>288,774</u>	<u>-</u>	<u>288,774</u>	<u>-</u>	<u>-</u>	<u>288,774</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>[23,099]</u>	<u>23,099</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCE - Beginning of year	<u>91,345</u>	<u>[41,345]</u>	<u>50,000</u>			
FUND BALANCE - End of year	<u>\$ 68,246</u>	<u>\$ [18,246]</u>	<u>\$ 50,000</u>			

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 233

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
 VOCATIONAL EDUCATION FUND
 For the Year Ended June 30, 2019

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Taxes:						
Ad valorem	\$ 3,965,646	\$ [3,965,646]	\$ -	\$ -	\$ -	\$ -
Intergovernmental:						
State and local	2,271,821	[2,271,821]	-	2,011,538	2,011,538	[2,011,538]
Federal	163,703	-	163,703	156,703	156,703	7,000
Charges for services	53,416	-	53,416	170,000	170,000	[116,584]
Miscellaneous	1,710	-	1,710	-	-	1,710
Total revenues	<u>6,456,296</u>	<u>[6,237,467]</u>	<u>218,829</u>	<u>2,338,241</u>	<u>2,338,241</u>	<u>[2,119,412]</u>
EXPENDITURES:						
Instructional	8,011,844	35,246	8,047,090	10,088,271	10,088,271	2,041,181
Instructional staff support	165,004	-	165,004	153,200	153,200	[11,804]
School administration	214,496	-	214,496	204,500	204,500	[9,996]
Operations and maintenance	88,144	-	88,144	92,855	92,855	4,711
Student transportation services	269	-	269	800	800	531
Total expenditures	<u>8,479,757</u>	<u>35,246</u>	<u>8,515,003</u>	<u>10,539,626</u>	<u>10,539,626</u>	<u>2,024,623</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[2,023,461]</u>	<u>[6,272,713]</u>	<u>[8,296,174]</u>	<u>[8,201,385]</u>	<u>[8,201,385]</u>	<u>[94,789]</u>
OTHER FINANCING SOURCES [USES]:						
Transfers in	<u>2,058,707</u>	<u>6,237,467</u>	<u>8,296,174</u>	<u>8,201,385</u>	<u>8,201,385</u>	<u>94,789</u>
Total other financing sources [uses]	<u>2,058,707</u>	<u>6,237,467</u>	<u>8,296,174</u>	<u>8,201,385</u>	<u>8,201,385</u>	<u>94,789</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	35,246	[35,246]	-	\$ -	\$ -	\$ -
FUND BALANCE - Beginning of year	<u>50,316</u>	<u>[316]</u>	<u>50,000</u>			
FUND BALANCE - End of year	<u>\$ 85,562</u>	<u>\$ [35,562]</u>	<u>\$ 50,000</u>			

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 233

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
 PARENTS AS TEACHERS FUND
 For the Year Ended June 30, 2019

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Intergovernmental:						
State and local	\$ 1,344,525	\$ -	\$ 1,344,525	\$ 2,607,147	\$ 2,607,147	\$ [1,262,622]
Total intergovernmental	<u>1,344,525</u>	<u>-</u>	<u>1,344,525</u>	<u>2,607,147</u>	<u>2,607,147</u>	<u>[1,262,622]</u>
Other local sources	<u>164,157</u>	<u>-</u>	<u>164,157</u>	<u>-</u>	<u>-</u>	<u>164,157</u>
Total revenues	<u>1,508,682</u>	<u>-</u>	<u>1,508,682</u>	<u>2,607,147</u>	<u>2,607,147</u>	<u>[1,098,465]</u>
EXPENDITURES:						
Student support	<u>1,791,975</u>	<u>[12,726]</u>	<u>1,779,249</u>	<u>3,042,527</u>	<u>3,042,527</u>	<u>1,263,278</u>
Total expenditures	<u>1,791,975</u>	<u>[12,726]</u>	<u>1,779,249</u>	<u>3,042,527</u>	<u>3,042,527</u>	<u>1,263,278</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[283,293]</u>	<u>12,726</u>	<u>[270,567]</u>	<u>[435,380]</u>	<u>[435,380]</u>	<u>164,813</u>
OTHER FINANCING SOURCES [USES]:						
Transfers in	<u>260,573</u>	<u>-</u>	<u>260,573</u>	<u>262,566</u>	<u>262,566</u>	<u>[1,993]</u>
Total other financing sources [uses]	<u>260,573</u>	<u>-</u>	<u>260,573</u>	<u>262,566</u>	<u>262,566</u>	<u>[1,993]</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>[22,720]</u>	<u>12,726</u>	<u>[9,994]</u>	<u>\$ [172,814]</u>	<u>\$ [172,814]</u>	<u>\$ 162,820</u>
FUND BALANCE - Beginning of year	<u>715,833</u>	<u>[12,726]</u>	<u>703,107</u>			
FUND BALANCE - End of year	<u>\$ 693,113</u>	<u>\$ -</u>	<u>\$ 693,113</u>			

UNIFIED SCHOOL DISTRICT NO. 233

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
 AT RISK (4 YEAR OLD) FUND
 For the Year Ended June 30, 2019

	GAAP Basis	Adjustment to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Taxes:						
Ad valorem	\$ 72,176	\$ [72,176]	\$ -	\$ -	\$ -	\$ -
Intergovernmental:						
Federal	<u>270,725</u>	<u>[270,725]</u>	<u>-</u>	<u>750,000</u>	<u>750,000</u>	<u>[750,000]</u>
Total revenues	<u>342,901</u>	<u>[342,901]</u>	<u>-</u>	<u>750,000</u>	<u>750,000</u>	<u>[750,000]</u>
EXPENDITURES:						
Instructional	432,582	3,182	435,764	1,092,800	1,092,800	657,036
School administration	<u>20,295</u>	<u>-</u>	<u>20,295</u>	<u>24,100</u>	<u>24,100</u>	<u>3,805</u>
Total expenditures	<u>452,877</u>	<u>3,182</u>	<u>456,059</u>	<u>1,116,900</u>	<u>1,116,900</u>	<u>660,841</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[109,976]</u>	<u>[346,083]</u>	<u>[456,059]</u>	<u>[366,900]</u>	<u>[366,900]</u>	<u>[89,159]</u>
OTHER FINANCING SOURCES [USES]:						
Transfers in	<u>113,158</u>	<u>342,901</u>	<u>456,059</u>	<u>366,900</u>	<u>366,900</u>	<u>89,159</u>
Total other financing sources [uses]	<u>113,158</u>	<u>342,901</u>	<u>456,059</u>	<u>366,900</u>	<u>366,900</u>	<u>89,159</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	3,182	[3,182]	-	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCE - Beginning of year	<u>50,000</u>	<u>-</u>	<u>50,000</u>			
FUND BALANCE - End of year	<u>\$ 53,182</u>	<u>\$ [3,182]</u>	<u>\$ 50,000</u>			

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 233

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
 AT RISK (K-12) FUND
 For the Year Ended June 30, 2019

	GAAP Basis	Adjustment to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Intergovernmental:						
State and local	\$ 13,087,367	\$ [13,087,367]	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	50,000	50,000	[50,000]
Other local sources	6,353	-	6,353	3,006,000	3,006,000	[2,999,647]
Total revenues	13,093,720	[13,087,367]	6,353	3,056,000	3,056,000	[3,049,647]
EXPENDITURES:						
Instructional	16,720,925	7,724	16,728,649	16,940,894	16,940,894	212,245
Student support services	260,849	-	260,849	152,000	152,000	[108,849]
Instructional support	29,007	-	29,007	29,300	29,300	293
School administration	223,646	-	223,646	200,525	200,525	[23,121]
Operations and maintenance	131,660	-	131,660	105,025	105,025	[26,635]
Student transportation services	38,555	185	38,740	84,950	84,950	46,210
Total expenditures	17,404,642	7,909	17,412,551	17,512,694	17,512,694	100,143
Excess [deficiency] of revenues over [under] expenditures	[4,310,922]	[13,095,276]	[17,406,198]	[14,456,694]	[14,456,694]	[2,949,504]
OTHER FINANCING SOURCES [USES]:						
Transfers in	4,318,831	13,087,367	17,406,198	14,456,694	14,456,694	2,949,504
Total other financing sources [uses]	4,318,831	13,087,367	17,406,198	14,456,694	14,456,694	2,949,504
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	7,909	[7,909]	-	\$ -	\$ -	\$ -
FUND BALANCE - Beginning of year	54,889	[4,889]	50,000			
FUND BALANCE - End of year	\$ 62,798	\$ [12,798]	\$ 50,000			

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 233

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
 COST OF LIVING FUND
 For the Year Ended June 30, 2019

	GAAP Basis	Adjustment to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Taxes:						
Ad valorem	\$ 8,351,182	\$ -	\$ 8,351,182	\$ 8,625,068	\$ 8,625,068	\$ [273,886]
Motor/Recreational vehicles	<u>805,585</u>	<u>-</u>	<u>805,585</u>	<u>787,605</u>	<u>787,605</u>	<u>17,980</u>
Total revenues	<u>9,156,767</u>	<u>-</u>	<u>9,156,767</u>	<u>9,412,673</u>	<u>9,412,673</u>	<u>[255,906]</u>
EXPENDITURES:						
Other support services	<u>9,145,740</u>	<u>-</u>	<u>9,145,740</u>	<u>9,204,450</u>	<u>9,204,450</u>	<u>58,710</u>
Total expenditures	<u>9,145,740</u>	<u>-</u>	<u>9,145,740</u>	<u>9,204,450</u>	<u>9,204,450</u>	<u>58,710</u>
Excess [deficiency] of revenues over [under] expenditures	11,027	-	11,027	<u>\$ 208,223</u>	<u>\$ 208,223</u>	<u>\$ [197,196]</u>
FUND BALANCE - Beginning of year	<u>197,606</u>	<u>-</u>	<u>197,606</u>			
FUND BALANCE - End of year	<u>\$ 208,633</u>	<u>\$ -</u>	<u>\$ 208,633</u>			

UNIFIED SCHOOL DISTRICT NO. 233

SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
 VIRTUAL EDUCATION FUND
 For the Year Ended June 30, 2019

	GAAP Basis	Adjustment to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Taxes:						
Ad valorem	\$ 80,038	\$ [80,038]	\$ -	\$ -	\$ -	\$ -
Charges for services	49,510	-	49,510	51,500	51,500	[1,990]
Other local sources	-	-	-	100,000	100,000	[100,000]
Total revenues	<u>129,548</u>	<u>[80,038]</u>	<u>49,510</u>	<u>151,500</u>	<u>151,500</u>	<u>[101,990]</u>
EXPENDITURES:						
Instructional	<u>155,960</u>	<u>-</u>	<u>155,960</u>	<u>192,750</u>	<u>192,750</u>	<u>36,790</u>
Total expenditures	<u>155,960</u>	<u>-</u>	<u>155,960</u>	<u>192,750</u>	<u>192,750</u>	<u>36,790</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[26,412]</u>	<u>[80,038]</u>	<u>[106,450]</u>	<u>[41,250]</u>	<u>[41,250]</u>	<u>[65,200]</u>
OTHER FINANCING SOURCES [USES]:						
Transfers in	<u>26,412</u>	<u>80,038</u>	<u>106,450</u>	<u>41,250</u>	<u>41,250</u>	<u>65,200</u>
Total other financing sources [uses]	<u>26,412</u>	<u>80,038</u>	<u>106,450</u>	<u>41,250</u>	<u>41,250</u>	<u>65,200</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCE - Beginning of year	<u>15,000</u>	<u>-</u>	<u>15,000</u>			
FUND BALANCE - End of year	<u>\$ 15,000</u>	<u>\$ -</u>	<u>\$ 15,000</u>			

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 233

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
 FEDERAL AWARDS FUND
 For the Year Ended June 30, 2019

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Intergovernmental:						
Federal	\$ 5,657,892	\$ -	\$ 5,657,892	\$ 10,369,753	\$ 10,369,753	\$ [4,711,861]
Total revenues	<u>5,657,892</u>	<u>-</u>	<u>5,657,892</u>	<u>10,369,753</u>	<u>10,369,753</u>	<u>[4,711,861]</u>
EXPENDITURES:						
Instructional	5,436,754	75,042	5,511,796	9,489,850	9,489,850	3,978,054
Student support services	24,329	[2,554]	21,775	22,053	22,053	278
Instructional support staff	290,046	3,784	293,830	473,390	473,390	179,560
School administration	135,820	-	135,820	134,700	134,700	[1,120]
Student transportation services	<u>24,004</u>	<u>-</u>	<u>24,004</u>	<u>20,800</u>	<u>20,800</u>	<u>[3,204]</u>
Total expenditures	<u>5,910,953</u>	<u>76,272</u>	<u>5,987,225</u>	<u>10,140,793</u>	<u>10,140,793</u>	<u>4,153,568</u>
Excess [deficiency] of revenues over [under] expenditures	[253,061]	[76,272]	[329,333]	\$ <u>228,960</u>	\$ <u>228,960</u>	\$ <u>[558,293]</u>
FUND BALANCE - Beginning of year	<u>[221,103]</u>	<u>[7,857]</u>	<u>[228,960]</u>			
FUND BALANCE - End of year	\$ <u>[474,164]</u>	\$ <u>[84,129]</u>	\$ <u>[558,293]</u>			

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 233

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
 SPECIAL LIABILITY FUND
 For the Year Ended June 30, 2019

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Taxes:						
Ad valorem	\$ 325,497	\$ -	\$ 325,497	\$ 322,809	\$ 322,809	\$ 2,688
Motor/Recreational vehicles	<u>38,762</u>	<u>-</u>	<u>38,762</u>	<u>37,679</u>	<u>37,679</u>	<u>1,083</u>
Total revenues	<u>364,259</u>	<u>-</u>	<u>364,259</u>	<u>360,488</u>	<u>360,488</u>	<u>3,771</u>
EXPENDITURES:						
General administration	<u>356,704</u>	<u>-</u>	<u>356,704</u>	<u>665,000</u>	<u>665,000</u>	<u>308,296</u>
Total expenditures	<u>356,704</u>	<u>-</u>	<u>356,704</u>	<u>665,000</u>	<u>665,000</u>	<u>308,296</u>
Excess [deficiency] of revenues over [under] expenditures	7,555	-	7,555	\$ [304,512]	\$ [304,512]	\$ 312,067
FUND BALANCE - Beginning of year	<u>537,534</u>	<u>-</u>	<u>537,534</u>			
FUND BALANCE - End of year	<u>\$ 545,089</u>	<u>\$ -</u>	<u>\$ 545,089</u>			

UNIFIED SCHOOL DISTRICT NO. 233

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
 SPECIAL ASSESSMENT FUND
 For the Year Ended June 30, 2019

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Taxes:						
Ad valorem	\$ 878,650	\$ -	\$ 878,650	\$ 870,607	\$ 870,607	\$ 8,043
Motor/Recreational vehicles	<u>101,672</u>	<u>-</u>	<u>101,672</u>	<u>101,121</u>	<u>101,121</u>	<u>551</u>
Total revenues	<u>980,322</u>	<u>-</u>	<u>980,322</u>	<u>971,728</u>	<u>971,728</u>	<u>8,594</u>
EXPENDITURES:						
Site improvements	<u>944,245</u>	<u>-</u>	<u>944,245</u>	<u>1,420,500</u>	<u>1,420,500</u>	<u>476,255</u>
Total expenditures	<u>944,245</u>	<u>-</u>	<u>944,245</u>	<u>1,420,500</u>	<u>1,420,500</u>	<u>476,255</u>
Excess [deficiency] of revenues over [under] expenditures	36,077	-	36,077	<u>\$ [448,772]</u>	<u>\$ [448,772]</u>	<u>\$ 484,849</u>
FUND BALANCE - Beginning of year	<u>1,104,636</u>	<u>-</u>	<u>1,104,636</u>			
FUND BALANCE - End of year	<u>\$ 1,140,713</u>	<u>\$ -</u>	<u>\$ 1,140,713</u>			

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 233

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
 DONATIONS FUND
 For the Year Ended June 30, 2019

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Intergovernmental:						
State and local	\$ 155,342	\$ -	\$ 155,342	\$ 155,342	\$ 155,342	\$ -
Other local sources	914,876	14,554	929,430	1,659,478	1,659,478	[730,048]
Total revenues	<u>1,070,218</u>	<u>14,554</u>	<u>1,084,772</u>	<u>1,814,820</u>	<u>1,814,820</u>	<u>[730,048]</u>
EXPENDITURES:						
Instructional	850,226	12,662	862,888	1,771,106	1,771,106	908,218
Student support services	47,728	-	47,728	93,394	93,394	45,666
Instructional support staff	73,845	18,747	92,592	1,050	1,050	[91,542]
General administration	16,507	109,867	126,374	35,472	35,472	[90,902]
Total expenditures	<u>988,306</u>	<u>141,276</u>	<u>1,129,582</u>	<u>1,901,022</u>	<u>1,901,022</u>	<u>771,440</u>
Excess [deficiency] of revenues over [under] expenditures	81,912	[126,722]	[44,810]	\$ [86,202]	\$ [86,202]	\$ 41,392
FUND BALANCE - Beginning of year	<u>727,566</u>	<u>[61,609]</u>	<u>665,957</u>			
FUND BALANCE - End of year	\$ <u>809,478</u>	\$ <u>[188,331]</u>	\$ <u>621,147</u>			

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 233

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
 DEBT SERVICE FUND
 For the Year Ended June 30, 2019

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Taxes:						
Ad valorem	\$ 36,229,207	\$ -	\$ 36,229,207	\$ 35,972,104	\$ 35,972,104	\$ 257,103
Motor/Recreational vehicles	4,117,224	-	4,117,224	4,023,001	4,023,001	94,223
Total taxes	<u>40,346,431</u>	<u>-</u>	<u>40,346,431</u>	<u>39,995,105</u>	<u>39,995,105</u>	<u>351,326</u>
Intergovernmental:						
State and local	9,922,973	-	9,922,973	9,922,973	9,922,973	-
Federal	2,618,696	-	2,618,696	2,797,860	2,797,860	[179,164]
Total revenues	<u>52,888,100</u>	<u>-</u>	<u>52,888,100</u>	<u>52,715,938</u>	<u>52,715,938</u>	<u>172,162</u>
EXPENDITURES:						
Debt Service						
Principal retirement	28,407,944	-	28,407,944	28,407,944	28,407,944	-
Interest and other charges	24,946,252	-	24,946,252	26,617,719	26,617,719	1,671,467
Total expenditures	<u>53,354,196</u>	<u>-</u>	<u>53,354,196</u>	<u>55,025,663</u>	<u>55,025,663</u>	<u>1,671,467</u>
Excess [deficiency] of revenues over [under] expenditures	<u>[466,096]</u>	<u>-</u>	<u>[466,096]</u>	<u>[2,309,725]</u>	<u>[2,309,725]</u>	<u>1,843,629</u>
OTHER FINANCING SOURCES [USES]:						
Bond proceeds	-	-	-	-	-	-
Bond premium	-	-	-	-	-	-
Bond redemption	-	-	-	-	-	-
Total other financing sources [uses]	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>[466,096]</u>	<u>-</u>	<u>[466,096]</u>	<u>\$ [2,309,725]</u>	<u>\$ [2,309,725]</u>	<u>\$ 1,843,629</u>
FUND BALANCE - Beginning of year	<u>67,543,144</u>	<u>-</u>	<u>67,543,144</u>			
FUND BALANCE - End of year	<u>\$ 67,077,048</u>	<u>\$ -</u>	<u>\$ 67,077,048</u>			

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 233

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (NON - GAAP BASIS)
CAPITAL OUTLAY FUND
For the Year Ended June 30, 2019

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Taxes:						
Ad valorem	\$ 19,268,262	\$ -	\$ 19,268,262	\$ 19,149,266	\$ 19,149,266	\$ 118,996
Motor/Recreational vehicles	<u>2,063,222</u>	<u>-</u>	<u>2,063,222</u>	<u>2,011,604</u>	<u>2,011,604</u>	<u>51,618</u>
Total taxes	<u>21,331,484</u>	<u>-</u>	<u>21,331,484</u>	<u>21,160,870</u>	<u>21,160,870</u>	<u>170,614</u>
Intergovernmental:						
State and local	4,893,083	-	4,893,083	4,911,927	4,911,927	[18,844]
Investment revenue	2,674,314	-	2,674,314	-	-	2,674,314
Other local sources	<u>9,228,616</u>	<u>-</u>	<u>9,228,616</u>	<u>-</u>	<u>-</u>	<u>9,228,616</u>
Total revenues	<u>38,127,497</u>	<u>-</u>	<u>38,127,497</u>	<u>26,072,797</u>	<u>26,072,797</u>	<u>12,054,700</u>
EXPENDITURES:						
Instructional	2,820,863	[44,826]	2,776,037	6,500,000	6,500,000	3,723,963
Support services	19,344	-	19,344	1,000,000	1,000,000	980,656
Central service	1,144,803	520,540	1,665,343	-	-	[1,665,343]
Operations and maintenance	17,511,314	134,302	17,645,616	23,880,000	23,880,000	6,234,384
Capital outlay	<u>7,335,616</u>	<u>877,535</u>	<u>8,213,151</u>	<u>4,500,000</u>	<u>4,500,000</u>	<u>[3,713,151]</u>
Total expenditures	<u>28,831,940</u>	<u>1,487,551</u>	<u>30,319,491</u>	<u>35,880,000</u>	<u>35,880,000</u>	<u>5,560,509</u>
Excess [deficiency] of revenues over [under] expenditures	<u>9,295,557</u>	<u>[1,487,551]</u>	<u>7,808,006</u>	<u>[9,807,203]</u>	<u>[9,807,203]</u>	<u>17,615,209</u>
OTHER FINANCING SOURCES [USES]:						
Lease proceeds	<u>693,634</u>	<u>[693,634]</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources [uses]	<u>693,634</u>	<u>[693,634]</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess [deficiency] of revenues and other sources over [under] expenditures and other [uses]	<u>9,989,191</u>	<u>[2,181,185]</u>	<u>7,808,006</u>	<u>\$ [9,807,203]</u>	<u>\$ [9,807,203]</u>	<u>\$ 17,615,209</u>
FUND BALANCE - Beginning of year	<u>15,693,014</u>	<u>[1,234,876]</u>	<u>14,458,138</u>			
FUND BALANCE - End of year	<u>\$ 25,682,205</u>	<u>\$ [3,416,061]</u>	<u>\$ 22,266,144</u>			

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 233

SCHEDULE OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION - BUDGET AND ACTUAL (NON - GAAP BASIS)
 FOOD SERVICE FUND
 For the Year Ended June 30, 2019

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Intergovernmental:						
Federal	\$ 5,395,774	\$ -	\$ 5,395,774	\$ 5,712,665	\$ 5,712,665	\$ [316,891]
State and local	123,027	-	123,027	105,020	105,020	18,007
Charges for services	7,121,859	-	7,121,859	8,244,443	8,244,443	[1,122,584]
Investment revenue	113,982	-	113,982	65,000	65,000	48,982
Reimbursable expense	434,109	-	434,109	-	-	434,109
Miscellaneous	-	-	-	1,450,000	1,450,000	[1,450,000]
Total revenues	13,188,751	-	13,188,751	15,577,128	15,577,128	[2,388,377]
EXPENSES:						
Noninstructional	13,656,148	38,599	13,694,747	16,944,990	16,944,990	3,250,243
Depreciation	256,045	[256,045]	-	-	-	-
Total expenses	13,912,193	[217,446]	13,694,747	16,944,990	16,944,990	3,250,243
Excess [deficiency] of revenues over [under] expenses	[723,442]	217,446	[505,996]	[1,367,862]	[1,367,862]	861,866
OTHER FINANCING SOURCES [USES]:						
Transfers in	261,603	-	261,603	250,000	250,000	11,603
Total other financing sources [uses]	261,603	-	261,603	250,000	250,000	11,603
Change in net position	[461,839]	217,446	[244,393]	\$ [1,117,862]	\$ [1,117,862]	\$ 873,469
Net Position, Beginning of year	5,282,164	[2,866,602]	2,415,562			
Net Position, End of year	\$ 4,820,325	\$ [2,649,156]	\$ 2,171,169			

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 233

SCHEDULE OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION - BUDGET AND ACTUAL (NON - GAAP BASIS)
 SUMMER SCHOOL FUND
 For the Year Ended June 30, 2019

	GAAP Basis	Adjustments to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Charges for services	\$ 84,651	\$ -	\$ 84,651	\$ 80,000	\$ 80,000	\$ 4,651
Miscellaneous	-	-	-	500,000	500,000	[500,000]
Total revenues	<u>84,651</u>	<u>-</u>	<u>84,651</u>	<u>580,000</u>	<u>580,000</u>	<u>[495,349]</u>
EXPENSES:						
Instructional	73,418	-	73,418	580,400	580,400	506,982
Instructional staff support	<u>8,468</u>	<u>-</u>	<u>8,468</u>	<u>4,600</u>	<u>4,600</u>	<u>[3,868]</u>
Total expenses	<u>81,886</u>	<u>-</u>	<u>81,886</u>	<u>585,000</u>	<u>585,000</u>	<u>503,114</u>
Change in net position	2,765	-	2,765	<u>\$ [5,000]</u>	<u>\$ [5,000]</u>	<u>\$ 7,765</u>
NET POSITION - Beginning of year	<u>324,553</u>	<u>-</u>	<u>324,553</u>			
NET POSITION - End of year	<u>\$ 327,318</u>	<u>\$ -</u>	<u>\$ 327,318</u>			

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 233

SCHEDULE OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION - BUDGET AND ACTUAL (NON - GAAP BASIS)
 DRIVER TRAINING FUND
 For the Year Ended June 30, 2019

	GAAP Basis	Adjustment to Budgetary Basis	Budgetary Basis	Budgeted Amounts		Variance with Final Budget Positive [Negative]
				Original	Final	
REVENUES:						
Intergovernmental:						
State and local	\$ 57,643	\$ -	\$ 57,643	\$ 52,000	\$ 52,000	\$ 5,643
Charges for services	<u>105,760</u>	<u>-</u>	<u>105,760</u>	<u>210,000</u>	<u>210,000</u>	<u>[104,240]</u>
Total revenues	<u>163,403</u>	<u>-</u>	<u>163,403</u>	<u>262,000</u>	<u>262,000</u>	<u>[98,597]</u>
EXPENSES:						
Instructional	120,225	-	120,225	166,200	166,200	45,975
School administration	33,193	-	33,193	70,100	70,100	36,907
Operations and maintenance	<u>21,426</u>	<u>-</u>	<u>21,426</u>	<u>53,500</u>	<u>53,500</u>	<u>32,074</u>
Total expenses	<u>174,844</u>	<u>-</u>	<u>174,844</u>	<u>289,800</u>	<u>289,800</u>	<u>114,956</u>
Change in net position	[11,441]	-	[11,441]	<u>\$ [27,800]</u>	<u>\$ [27,800]</u>	<u>\$ 16,359</u>
NET POSITION - Beginning of year	<u>157,141</u>	<u>-</u>	<u>157,141</u>			
NET POSITION - End of year	<u>\$ 145,700</u>	<u>\$ -</u>	<u>\$ 145,700</u>			

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 233

COMBINING STATEMENTS – INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency or other departments of agencies of the governmental unit, or to other governmental units, on a cost reimbursement basis.

Health Insurance Reserve: The Health Insurance Reserve fund tracks expenditures including the actual premiums, claims and other third party administration fees associated with the District health programs. Any revenue would come from the District itself in an accounting mechanism to track the actual insurance premiums in the Operating funds.

Workers' Compensation Reserve: The Workers Compensation Reserve fund tracks expenditures made to doctors, specialists, 75 and pharmacies related to worker's compensation claims. A re-pricing company is used to obtain the best pricing for medical fees. Additional expenses are operating costs and ergonomic equipment. This fund is self-insured by the District and is covered by an excess insurance policy which covers single events greater than \$300,000.

Risk Management Reserve: The Risk Management Reserve fund provides for the protection of District resources and promotes the safety of students, staff and the public. Effective oversight and management of the fund assists with minimizing the Districts exposure to liability and provides sound loss control practices. Funds transferred from the General fund (primary funding source) to the Risk Management fund are utilized for the purchase of insurance, payment of claims as well as related costs arising from legal action and settlement.

UNIFIED SCHOOL DISTRICT NO. 233
 COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS
 June 30, 2019

	<u>Health Insurance Fund</u>	<u>Workers' Compensation Fund</u>	<u>Risk Management Fund</u>	<u>Total Internal Service Funds</u>
ASSETS				
Cash and investments	<u>\$ 18,454,220</u>	<u>\$ 1,755,076</u>	<u>\$ 891,023</u>	<u>\$ 21,100,319</u>
Total assets	<u>\$ 18,454,220</u>	<u>\$ 1,755,076</u>	<u>\$ 891,023</u>	<u>\$ 21,100,319</u>
LIABILITIES AND NET POSITION				
Liabilities				
Accrued liabilities	<u>\$ 2,254,900</u>	<u>\$ 1,432,057</u>	<u>\$ -</u>	<u>\$ 3,686,957</u>
Total liabilities	<u>\$ 2,254,900</u>	<u>\$ 1,432,057</u>	<u>\$ -</u>	<u>\$ 3,686,957</u>
Net Position				
Unrestricted	<u>\$ 16,199,320</u>	<u>\$ 323,019</u>	<u>\$ 891,023</u>	<u>\$ 17,413,362</u>
Total net position	<u>\$ 16,199,320</u>	<u>\$ 323,019</u>	<u>\$ 891,023</u>	<u>\$ 17,413,362</u>

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 233

COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2019

	Health Insurance Fund	Workers' Compensation Fund	Risk Management Fund	Total Internal Service Funds
Operating revenues				
Other local sources	<u>\$ 42,768,617</u>	<u>\$ 1,204,572</u>	<u>\$ 865,611</u>	<u>\$ 44,838,800</u>
Total operating revenues	<u>42,768,617</u>	<u>1,204,572</u>	<u>865,611</u>	<u>44,838,800</u>
Operating expenses				
Instructional	40,707,905	313,126	164,994	41,186,025
Instructional support staff	-	61,412	-	61,412
School administration	-	35,000	-	35,000
Operations and maintenance	-	295,282	698,476	993,758
Noninstructional services	<u>-</u>	<u>362,276</u>	<u>-</u>	<u>362,276</u>
Total operating expenses	<u>40,707,905</u>	<u>1,067,096</u>	<u>863,470</u>	<u>42,638,471</u>
Change in net position	2,060,712	137,476	2,141	2,200,329
Net position, Beginning of year	<u>14,138,608</u>	<u>185,543</u>	<u>888,882</u>	<u>15,213,033</u>
Net position, End of year	<u>\$ 16,199,320</u>	<u>\$ 323,019</u>	<u>\$ 891,023</u>	<u>\$ 17,413,362</u>

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 233
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 For the Year Ended June 30, 2019

	Health Insurance Fund	Workers' Compensation Fund	Risk Management Fund	Total Internal Service Funds
Cash flows from operating activities				
Cash received from customers and users	\$ 42,768,617	\$ 1,204,572	\$ 865,611	\$ 44,838,800
Cash payments to suppliers	-	[1,067,096]	[863,470]	[1,930,566]
Cash payments to employees for services	<u>[40,686,205]</u>	<u>[137,073]</u>	<u>-</u>	<u>[40,823,278]</u>
Net cash provided by [used in] operating activities	<u>2,082,412</u>	<u>403</u>	<u>2,141</u>	<u>2,084,956</u>
Cash flows from noncapital financing activities				
Transfers from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by [used in] noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase [decrease] in cash and cash equivalents	2,082,412	403	2,141	2,084,956
Cash and cash equivalents - Beginning of year	<u>16,371,808</u>	<u>1,754,673</u>	<u>888,882</u>	<u>19,015,363</u>
Cash and cash equivalents - End of year	<u>\$ 18,454,220</u>	<u>\$ 1,755,076</u>	<u>\$ 891,023</u>	<u>\$ 21,100,319</u>
Reconciliation of operating [loss] income to net cash provided by [used in] operating activities				
Operating income [loss]	\$ 2,060,712	\$ 137,476	\$ 2,141	\$ 2,200,329
Adjustments to reconcile operating income [loss] to net cash provided by [used in] operating activities				
Change in assets and liabilities				
Increase [decrease] in accrued liabilities	<u>21,700</u>	<u>[137,073]</u>	<u>-</u>	<u>[115,373]</u>
Net cash provided by [used in] operating activities	<u>\$ 2,082,412</u>	<u>\$ 403</u>	<u>\$ 2,141</u>	<u>\$ 2,084,956</u>

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 233
COMBINING STATEMENTS – AGENCY FUNDS

Agency Funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or other funds.

Student/Faculty Accounts: These funds are used to account for student and faculty activity monies at the various schools.

UNIFIED SCHOOL DISTRICT NO. 233

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 For the Year Ended June 30, 2019

	Balance June 30, <u>2018</u>	<u>Additions</u>	<u>Deductions</u>	Balance June 30, <u>2019</u>
Student/Faculty Activity Accounts				
Assets - Cash and investments	<u>\$ 1,210,096</u>	<u>\$ 3,650,091</u>	<u>\$ 3,559,006</u>	<u>\$ 1,301,181</u>
Liabilities - Due to student organizations	<u>\$ 1,210,096</u>	<u>\$ 3,650,091</u>	<u>\$ 3,559,006</u>	<u>\$ 1,301,181</u>

See independent auditor's report on the financial statements.

GOVERNMENTAL AUDIT SECTION

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UNIFIED SCHOOL DISTRICT NO. 233

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Restated Beginning Unencumbered Cash	Receipts	Expenditures	Ending Unencumbered Cash
<u>U.S. Department of Education</u>					
Passed Through State Department of Education:					
Special Education (IDEA) Cluster:					
Title VIB	84.027	\$ [873,456]	\$ 5,279,282	\$ 5,505,445	\$ [1,099,619]
Early Childhood - Preschool Grants	84.173	[186,267]	147,671	225,158	[263,754]
Total Special Education (IDEA) Cluster		[1,059,723]	5,426,953	5,730,603	[1,363,373]
Title I	84.010	[26,889]	2,373,549	2,414,232	[67,572]
Title I Migrant	84.011	18,880	112,000	112,000	18,880
Career and Technical Education	84.048	30,166	163,821	157,112	36,875
Homeless Child	84.196	-	35,787	35,787	-
English Language Acquisition	84.365	[1,398]	344,846	376,004	[32,556]
Title II A	84.367	[1,525]	401,436	424,977	[25,066]
Grants for State Assessments and Related Activities	84.369	-	120	120	-
Comprehensive Literacy State Development	84.371C	-	916,809	1,045,699	[128,890]
Student Support and Academic Enrichment Program	84.424A	-	50,220	70,088	[19,868]
Total U.S. Department of Education			<u>9,825,541</u>	<u>10,366,622</u>	
<u>U.S. Department of Health and Human Services</u>					
Head Start	93.600	[250,429]	1,294,093	1,483,334	[439,670]
Passed Through State Department of Education:					
Cooperative Agreements to Promote Adolescent Health	93.079	-	157	157	-
Cooperative Agreements to Support Comprehensive Student Health	93.938	-	2,000	2,000	-
Total U.S. Department of Health and Human Services			<u>1,296,250</u>	<u>1,485,491</u>	
<u>U.S. Department of Agriculture</u>					
Passed Through State Department of Education:					
Child Nutrition Cluster:					
School Breakfast Program	10.553	-	1,106,612	1,106,612	-
National School Lunch Program	10.555	-	4,186,535	4,186,535	-
Special Milk	10.556	-	9,890	9,890	-
Summer Food Service Program for Children	10.559	-	91,744	91,744	-
Total Child Nutrition Cluster		-	5,394,781	5,394,781	-
Cash for Commodities	10.558	1,061	121,931	126,143	[3,151]
Team Nutrition Training Grant	10.574	-	1,195	1,195	-
Total U.S. Department of Agriculture			<u>5,517,907</u>	<u>5,522,119</u>	
Total Expenditures of Federal Awards			<u>\$ 16,639,698</u>	<u>\$ 17,374,232</u>	

UNIFIED SCHOOL DISTRICT NO. 233

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2019

1. Organization

The Unified School District No. 233 (the District), is the recipient of several federal awards. All federal awards received directly from federal agencies as well as those awards that are passed through other government agencies, are included on the Schedule of Expenditures of Federal Awards

2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the District, and is presented on the Kansas regulatory basis of accounting which includes cash disbursements, accounts payable and encumbrances. The information presented in this schedule is 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*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements. The District elected not to use the 10% de minimis indirect cost rate.

3. Local Government Contributions

Local cost sharing is required by certain federal grants. The amount of cost sharing varies with each program. Only the federal share of expenditures is presented in the Schedule of Expenditures of Federal Awards.

4. Additional Audits

Grantor agencies reserve the right to conduct additional audits of the District's grant programs for economy and efficiency and program results that may result in disallowed costs to the District. However, management does not believe such audits would result in any disallowed costs that would be material to the District's financial position at June 30, 2019.

5. Outstanding Loans

The District did not have any outstanding loans under any federal grants at June 30, 2019.

6. Pass Through Numbers

Pass through numbers have not been assigned to pass through grants on the schedule of expenditures of federal awards.

UNIFIED SCHOOL DISTRICT NO. 233

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2019

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes X No

Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes X None reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? Yes X No

Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes X None reported

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

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance? Yes X No

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

84.027, 84.173

Special Education Cluster

84.371C

Comprehensive Literacy State Development

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? X Yes No

UNIFIED SCHOOL DISTRICT NO. 233

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
For the Year Ended June 30, 2019

Section II - Financial Statement Findings

None Noted

Section III - Federal Award Findings and Questioned Costs

None Noted



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

Board of Education
Unified School District No. 233

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, budgetary comparison information, and the aggregate remaining fund information of the Unified School District No. 233 (the District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 22, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or 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 the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

However, we noted certain other matters that we have reported to management in a separate letter dated November 22, 2019.

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.

Mike Houser: Company PA

Certified Public Accountants
Lawrence, Kansas

November 22, 2019



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

Board of Education
Unified School District No. 233

Report on Compliance for Each Major Federal Program

We have audited the compliance of the Unified School District No. 233, (the District) with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2019. The District's major federal financial programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements, for Federal Awards* (Uniform Guidance), and the *Kansas Municipal Audit and Accounting Guide*. 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 the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District 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, 2019.

Report on Internal Control Over Compliance

Management of the District 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 the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our 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 the District's internal control over compliance.

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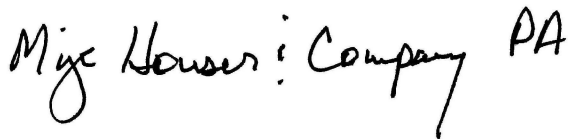
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A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, 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 charge with governance.

Our consideration of the 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.

A handwritten signature in black ink that reads "Mike Houser: Company PA". The signature is written in a cursive style.

Certified Public Accountants
Lawrence, Kansas

November 22, 2019