

UNIFIED SCHOOL DISTRICT NO. 253

Emporia, Kansas

Financial Statements

For the Year Ended June 30, 2019

This page intentionally left blank.

UNIFIED SCHOOL DISTRICT NO. 253
 Emporia, Kansas
 Financial Statements
 For the Year Ended June 30, 2019

Table of Contents

	<u>Page Number</u>
INTRODUCTORY SECTION	
Table of Contents	i - ii
FINANCIAL STATEMENTS SECTION	
Independent Auditor's Report	1 - 2
Summary Statement of Receipts, Expenditures and Unencumbered Cash	3
Notes to the Financial Statements	4 - 11
REGULATORY REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE 1	
Summary of Expenditures - Actual and Budget	12
SCHEDULE 2	
Schedule of Receipts and Expenditures - Actual and Budget or Actual Only	
General Fund	13
Supplemental General Fund	14
Adult Education Fund	15
Bilingual Education Fund	16
At-Risk (K-12) Fund	17
At-Risk (4 Yr Old) Fund	18
Capital Outlay Fund	19
Driver Training Fund	20
Extraordinary School Program Fund	21
Food Service Fund	22
Professional Development Fund	23
Summer School Fund	24
Special Education Fund	25
Career and Postsecondary Education Fund	26
KPERs Special Retirement Contribution Fund	27
Virtual Education Fund	28
Flint Hills Special Education Cooperative Fund	29
Contingency Reserve Fund	30
Textbook Rental Fund	31
Grants Fund	32 - 33
Bond and Interest Fund	34

UNIFIED SCHOOL DISTRICT NO. 253
Emporia, Kansas
Financial Statements
For the Year Ended June 30, 2019

Table of Contents - Continued

	<u>Page Number</u>
SCHEDULE 3	
Summary of Receipts and Disbursements	
Agency Funds	35 - 36
SCHEDULE 4	
Schedule of Receipts, Expenditures and Unencumbered Cash	
District Activity Funds	37
GOVERNMENTAL AUDIT SECTION	
Schedule of Expenditures of Federal Awards	38
Notes to the Schedule of Expenditures of Federal Awards	39
Schedule of Findings and Questioned Costs	40 - 41
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"	42 - 43
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	44 - 45



INDEPENDENT AUDITOR'S REPORT

Board of Education
Unified School District No. 253
Emporia, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 253, Emporia, Kansas, (the District), as of and for the year ended June 30, 2019 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

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

As described in Note 1 of the financial statement, the financial statement is prepared by the District to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2019, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting


In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the District as of June 30, 2019, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Other Matters - Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 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 effectiveness of 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.

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

Certified Public Accountants

October 16, 2019
Lawrence, KS

UNIFIED SCHOOL DISTRICT NO. 253
 Summary Statement of Receipts, Expenditures and Unencumbered Cash
 Regulatory Basis
 For the Year Ended June 30, 2019

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
General Funds:							
General	\$ -	\$ -	\$ 30,991,227	\$ 30,991,227	\$ -	\$ 131,526	\$ 131,526
Supplemental General	183,803	-	10,018,310	9,863,413	338,700	12,250	350,950
Special Purpose Funds:							
Adult Education	-	-	105,685	101,597	4,088	-	4,088
Bilingual Education	-	-	1,817,766	1,817,766	-	-	-
At Risk (K-12)	-	-	6,035,249	6,035,249	-	6,982	6,982
At Risk (4 Yr Old)	-	-	449,770	449,770	-	-	-
Capital Outlay	3,527,380	-	3,276,255	3,219,486	3,584,149	887,455	4,471,604
Driver Training	-	-	35,813	956	34,857	-	34,857
Extraordinary School Program	226,100	-	178,744	225,402	179,442	-	179,442
Food Service	63,770	-	2,766,056	2,689,419	140,407	13,320	153,727
Professional Development	282,224	-	32,587	235,339	79,472	30,516	109,988
Summer School	81,777	-	-	3,741	78,036	-	78,036
Special Education	1,339,888	-	5,320,898	6,299,852	360,934	-	360,934
Career and Postsecondary Education	-	-	683,506	626,593	56,913	5,093	62,006
KPERs Special Retirement Contribution	-	-	2,473,010	2,473,010	-	-	-
Virtual Education	15,081	-	-	14	15,067	-	15,067
Flint Hills Special Education Cooperative	784	-	11,774,410	11,405,851	369,343	1,911	371,254
Contingency Reserve	1,937,867	-	-	300,000	1,637,867	-	1,637,867
Textbook Rental	280,595	-	133	107,073	173,655	2,900	176,555
Grants	[44,378]	-	1,669,221	1,514,721	110,122	70,314	180,436
District Activity	69,038	-	280,739	254,696	95,081	-	95,081
Bond and Interest Fund:							
Bond and Interest	4,751,797	-	3,866,978	3,173,731	5,445,044	-	5,445,044
Trust Funds:							
Gifts and Grants	94,073	-	100,533	44,702	149,904	718	150,622
Other	34,957	-	4,342	3,250	36,049	-	36,049
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 12,844,756</u>	<u>\$ -</u>	<u>\$ 81,881,232</u>	<u>\$ 81,836,858</u>	<u>\$ 12,889,130</u>	<u>\$ 1,162,985</u>	<u>\$ 14,052,115</u>

Composition of Cash:

Lyon County State Bank	Checking	92,859
	Petty Cash	5,000
	Total Lyon County State Bank	<u>97,859</u>
Emporia State Federal Credit Union	Checking	4,138
	Savings	9,655
	Total Emporia State Federal Credit Union	<u>13,793</u>
Emporia State Bank and Trust	Checking	175,646
	Savings	15,069
	Total Emporia State Bank and Trust	<u>190,715</u>
Kansas Municipal Investment Pool	Investment Pool	13,888,147
	Total Kansas Municipal Investment Pool	<u>13,888,147</u>
Bank of Oklahoma	Early Retirement Deferred Benefit Account	7,503,935
	Total Bank of Oklahoma	<u>7,503,935</u>
	Total Cash	21,694,449
	Less Agency Funds per Schedule 3	<u>[7,642,334]</u>
	Total Reporting Entity (Excluding Agency Funds)	<u>\$ 14,052,115</u>

UNIFIED SCHOOL DISTRICT NO. 253
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 1 - Summary of Significant Accounting Policies

Municipal Financial Reporting Entity

Unified School District No. 253 (the District) is a municipal corporation governed by an elected seven-member board. These financial statements include all the accounts for which the District is considered to be financially accountable. The District had no related municipal entities.

The Emporia Recreation Commission (the Commission) was established as a jointly governed organization between the City of Emporia, Kansas and Unified School District No. 253, Emporia, Kansas. The governing board consists of two members from the Emporia City Commission, two members from the Unified School District No. 253 Board of Education, two members appointed by the Emporia City Commission, two members appointed by the Unified School District No. 253 Board of Education and one at large board member appointed by the other eight appointed members of the Recreation Commission Board.

The Commission utilizes the tax authority and tax base of the Unified School District No. 253, Emporia, Kansas to levy ad valorem taxes to help fund its general fund and employee benefit fund budgets. The City of Emporia, Kansas has issued general obligation bonds, the proceeds of which were used to construct a portion of the facility used by the Commission.

Reimbursed Expenses

Expenditures in the amount of \$198,132 are classified as reimbursed expenses in the General Fund. The purpose of these expenditures is payments for goods and services in which fees are collected and such expenditures are exempt from the budget law under K.S.A. 79-2934.

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statements meet the following criteria:

1. the related disbursement was made in the current year on behalf of the payee,
2. the item paid for was directly identifiable as having been used by or provided to the payee, and
3. the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

Basis of Accounting

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

The municipality has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

Regulatory Basis Fund Types

The following types of funds comprise the financial activities of the District for the year ended June 30, 2019:

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

UNIFIED SCHOOL DISTRICT NO. 253
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Special Purpose Fund - used to account for the proceeds of specific tax levies and other specific regulatory receipts sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

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

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

Agency Fund - used to report assets held by a municipal reporting entity in a purely custodial capacity (i.e. payroll clearing fund, student organization funds, etc.).

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), principal and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The budget for the year ended June 30, 2019 was amended for the Bilingual Education Fund.

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

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which, regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for trust funds, agency funds, and the following special purpose funds: Contingency Reserve, Textbook Rental, and District Activity.

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

UNIFIED SCHOOL DISTRICT NO. 253
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 2 - Deposits and Investments

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

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

Some of the District's investments are of bond proceeds invested pursuant to K.S.A. 10-131. This statute allows additional investment authority beyond that of K.S.A. 12-1675. Investments of bond proceeds may follow K.S.A. 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 K.S.A. 10-131.

As of June 30, 2019, the District had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturity</u>		<u>Rating</u>
		<u>Less than 1 year</u>		
Kansas Municipal Investment Pool	\$ 13,888,147	\$ 13,888,147		S&P AAAf/S1+
Total fair value	<u>\$ 13,888,147</u>	<u>\$ 13,888,147</u>		

Concentration of credit risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The District's allocation of investments as of June 30, 2019, is as follows:

<u>Investment</u>	<u>Percentage of Investments</u>
Kansas Municipal Investment Pool	100%

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District has no designated "peak periods". All deposits were legally secured at June 30, 2019.

At June 30, 2019, District's carrying amount of deposits was \$302,367 and the bank balance was \$3,915,880. The bank balance was held by four banks resulting in a concentration of credit risk. Of the bank balance, \$368,137 was covered by federal depository insurance and the balance of \$3,547,743 was collateralized with securities held by the pledging financial institutions' agents in the District's name. Additionally, at June 30, 2019, the Bank of Oklahoma held as agent for the District a deposit of \$7,503,935 in an early retirement deferred benefit account.

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

At June 30, 2019, the District had invested \$13,888,147 in the State's municipal investment pool. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest by the U.S. government or any agency thereof, with maturities up to four years. No more than 10 percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

UNIFIED SCHOOL DISTRICT NO. 253
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 3 - Substance Receipt in Transit

The District received \$2,012,889 subsequent to June 30, 2019 and as required by K.S.A. 72-6466 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2019.

NOTE 4 - Long-Term Debt

Following is a detailed listing of the District's long-term liabilities at June 30, 2019:

<u>Debt Issue</u>	<u>Date Issued</u>	<u>Maturity Date</u>	<u>Interest Rates</u>	<u>Original Amount</u>	<u>Balance June 30, 2019</u>
Paid for by revenues:					
General Obligation Bonds					
2010 Refunding	9/15/2010	9/1/2021	2.00 - 3.25%	\$ 14,890,000	\$ 3,035,000
2017 Refunding	6/7/2017	9/1/2021	3.00%	4,150,000	4,150,000
Certificates of Participation					
Series 2009 QSCB	10/29/2009	9/1/2025	2.23%	6,840,000	<u>6,840,000</u>
Total					<u>\$ 14,025,000</u>

Current maturities of general obligation bonds and interest for the next five years and in five year increments through maturity are as follows:

<u>Year ended June 30,</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Due</u>
2020	\$ 2,915,000	\$ 188,525	\$ 3,103,525
2021	2,945,000	116,875	3,061,875
2022	<u>1,325,000</u>	<u>38,719</u>	<u>1,363,719</u>
Total	<u>\$ 7,185,000</u>	<u>\$ 344,119</u>	<u>\$ 7,529,119</u>

Following is a summary of changes in long-term liabilities for the year ended June 30, 2019:

<u>Type of Issue</u>	<u>Beginning Principal Outstanding</u>	<u>Additions to Principal</u>	<u>Reductions of Principal</u>	<u>Ending Principal Outstanding</u>	<u>Interest Paid</u>
Paid for by revenues:					
General Obligation Bonds:					
2007 Refunding	\$ 760,000	\$ -	\$ 760,000	\$ -	\$ 20,900
2010 Refunding	5,170,000	-	2,135,000	3,035,000	133,331
2017 Refunding	4,150,000	-	-	4,150,000	124,500
Certificates of Participation					
Series 2009 QSCB	<u>6,840,000</u>	<u>-</u>	<u>-</u>	<u>6,840,000</u>	<u>152,532</u>
Total	<u>\$ 16,920,000</u>	<u>\$ -</u>	<u>\$ 2,895,000</u>	<u>\$ 14,025,000</u>	<u>\$ 431,263</u>

UNIFIED SCHOOL DISTRICT NO. 253
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 4 - Long-Term Debt (Continued)

General Obligation Bonds. The District issues General Obligation Bonds to provide funds for the acquisition and construction of major capital facilities.

General Obligation Bonds are direct obligations and pledge the full faith and credit of the District. These bonds generally are issued with equal amounts of principal maturing each year.

Certificates of Participation. The Series 2009 QSCB Certificates of Participation (COPS) are payable in full on September 1, 2025 in the amount of \$6,840,000, with interest payable annually to that date of \$152,532. The District is required to make annual sinking fund deposits annually through September 1, 2025 of amounts necessary to satisfy the minimum required accumulated balance under the Lease and Declaration of Trust. The District's annual deposits will consist of (1) the District's expected annual cash deposit in the base amount of \$325,371 (the "Base Cash Deposit") plus (2) the estimated investment earnings on the accumulated balance (the "Investment Earnings"). In the event the District's Base Cash Deposit plus Investment Earnings is insufficient to meet the required accumulated balance on a given September 1st, the District is required to make up the difference with an additional cash deposit to the sinking fund. In the event the accumulated balance exceeds the required accumulated balance on a given September 1st the excess will be withdrawn from the sinking fund. During the year ended June 30, 2019 the District was required to make the annual base deposit, as well as an additional payment of \$409,747 in order to meet the required accumulated balance.

The District is subject to Kansas statutes and may issue general obligation bonds for capital improvements upon the approval of a majority of the voters. Remaining debt service requirements for general obligation bonds will be repaid from the Bond and Interest Fund with future tax assessments. Such general obligation indebtedness may not exceed the amount allowed for the District under K.S.A. 72-6761.

The District's statutory limit for such bonded indebtedness is approximately \$27 million at June 30, 2019. The District has received authorization from the State of Kansas to exceed this limit.

NOTE 5 - Capital Leases

The District has entered into lease agreements as lessee for financing the acquisition of equipment.

During the year ended June 30, 2019, the following changes occurred in capital leases:

	Beginning Principal <u>Outstanding</u>	Additions to <u>Principal</u>	Reductions of <u>Principal</u>	Ending Principal <u>Outstanding</u>	Interest <u>Paid</u>
Capital Leases					
Computers	\$ 578,025	\$ -	\$ 578,025	\$ -	\$ -

UNIFIED SCHOOL DISTRICT NO. 253
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 6 - Compensated Absences

The District's policy is to recognize the costs of compensated absences when actually paid.

The District's policies regarding professional leaves and absences permit employees to accumulate a maximum of 9 to 108 days of chargeable leave depending on the number of days worked per year. Policies require the cancellation of accumulated leave pay on the date of employment termination if the employee has less than ten years of service.

Classified personnel retiring or resigning from the District with ten years or more of service in the District will be compensated for unused accumulated leave at the rate of \$15 per day up to a maximum of 90 days.

Certified personnel retiring from the District with ten years or more of service in the District will be compensated for unused accumulated leave at the rate of .4 times the current substitute rate per day up to a maximum of 90 days.

Twelve-month administrative personnel may accumulate a maximum of 40 days vacation leave and classified personnel may accumulate a maximum of 30 days vacation leave depending upon the years of service. Policies permit payment of vacation pay upon termination of employment if sufficient notice of termination is given. The cost of accumulated unpaid vacation was \$601,007.

NOTE 7 - Defined Benefit Pension Plan

Plan description - The District participates in the Kansas Public Employees Retirement System (KPERs), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A 74-4901 *et seq.* Kansas law establishes and amends benefit provisions. KPERs issues a publicly available financial report that includes financial statements and required supplementary information. KPERs' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERs website at www.kpers.org or by writing to KPERs (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERs member-employee contribution rates. KPERs has multiple benefit structures and contribution rates depending on whether the employee is a KPERs 1, KPERs 2, or KPERs 3 member. KPERs 1 members are active and contributing members hired before July 1, 2009. KPERs 2 members were first employed in a covered position on or after July 1, 2009 and KPERs 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERs member-employee contribution rate of 6% of covered salary for KPERs 1, KPERs 2 and KPERs 3 members. Member contributions are withheld by their employer and paid to KPERs according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERs 1, KPERs 2 and KPERs 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate and the statutory contribution rate (not including the 1% contribution rate for the Death and Disability Program) was 16.38% and 12.01%, respectively for the fiscal year ended June 30, 2018. The actuarially determined employer contribution rate and the statutory contribution rate was 14.59% and 13.21% for the fiscal year ended June 30, 2019.

Per 2017 Senate Substitute for House Bill 2052, Section 37(a), state general fund employer contributions to KPERs were decreased by \$64,130,234 for the fiscal year ended June 30, 2017. Section 43(17) of the bill also stipulated that repayments of the reduced contributions are to be amortized over twenty years at a level dollar amount commencing in fiscal year 2018. The level dollar amount was computed to be \$6.4 million per year. The first year payment of \$6.4 million was received in July 2017.

Per 2017 Senate Substitute for House Bill 2002, Section 51(a), state general fund employer contributions to KPERs were decreased by \$194,022,683 for the fiscal year ended June 30, 2019. Section 56(19) of the bill also stipulates that repayments of the reduced contributions are to be amortized over twenty years at a level dollar amount commencing in fiscal year 2020. The level dollar amount was computer to be \$19.4 million per year.

UNIFIED SCHOOL DISTRICT NO. 253
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 7 - Defined Benefit Pension Plan (Continued)

Contributions (Continued). The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled \$2,473,010 for the year ended June 30, 2019.

Net Pension Liability. At June 30, 2019, the District's proportionate share of the collective net pension liability reported by KPERS was \$48,157,218. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2018. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

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

NOTE 8 - Flexible Benefit Plan

The Board adopted by resolution a salary-reduction flexible benefit plan ("Plan") under Section 125 of the Internal Revenue Code. All non-certified employees of the District who work a minimum of 20 hours per week and all certified employees with a .5 full-time equivalency are eligible to participate in the Plan. Each participant may elect to reduce his or her salary by an elected amount per month to purchase benefits offered through the Plan.

In addition, on average, the District contributes \$402 per month for both certified and classified employees working greater than 30 hours per month to the fringe benefit package for employees electing to participate. Alternatively, employees may elect to enroll in a low premium high deductible option where the District also contributes \$402 per month. Currently, benefits offered through the Plan include health insurance coverage.

NOTE 9 - Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters and other events for which the District carries commercial insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past fiscal years.

NOTE 10 - Commitments and Contingencies

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 negative effect on the financial statements of the District at June 30, 2019.

UNIFIED SCHOOL DISTRICT NO. 253
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 11 - Interfund Transactions

Transfers were as follows:

<u>From</u>	<u>To</u>	<u>Authority</u>	<u>Amount</u>
General	At Risk (K-12)	K.S.A. 72-6478	\$ 4,702,702
General	At Risk (4 Yr Old)	K.S.A. 72-6478	449,770
General	Bilingual Education	K.S.A. 72-6478	1,383,776
General	Special Education	K.S.A. 72-6478	5,240,898
General	Career and Postsecondary Education	K.S.A. 72-6478	526,494
General	Driver Training	K.S.A. 72-6478	530
General	Extraordinary School Program	K.S.A. 72-6478	145,024
Supplemental General	At Risk (K-12)	K.S.A. 72-6478	1,332,547
Supplemental General	Bilingual Education	K.S.A. 72-6478	433,990
Supplemental General	Extraordinary School Program	K.S.A. 72-6478	32,110
Supplemental General	Food Service	K.S.A. 72-6478	289,000
Supplemental General	Special Education	K.S.A. 72-6478	<u>80,000</u>
Total			<u>\$ 14,616,841</u>

NOTE 12 - Termination Benefits

The District has obligations to make payments as follows to employees who retired early:

<u>Year</u>	<u>Amount</u>
2019-20	\$ 517,381
2020-21	407,742
2021-22	226,826
2022-23	125,599
2023-24	<u>44,424</u>
	<u>\$ 1,321,972</u>

The total payment made to early retirees in the fiscal year ended June 30, 2019, was \$644,721.

NOTE 13 - Other Post-Employment Benefits

As provided by K.S.A. 12-5040, the local government allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the local government is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the government under this program.

NOTE 14 – Death and Disability Other Post Employment Benefits

As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended June 30, 2019.

SCHEDULE 1

UNIFIED SCHOOL DISTRICT NO. 253
 Summary of Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2019

<u>Fund</u>	<u>Certified Budget</u>	<u>Adjustment to Comply with Legal Max Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year Budget</u>	<u>Variance Positive [Negative]</u>
General Funds:						
General	\$ 31,370,818	\$ [577,723]	\$ 198,132	\$ 30,991,227	\$ 30,991,227	\$ -
Supplemental General	10,041,733	[178,320]	-	9,863,413	9,863,413	-
Special Purpose Funds:						
Adult Education	101,597	-	-	101,597	101,597	-
Bilingual Education	1,817,766	-	-	1,817,766	1,817,766	-
At-Risk (K-12)	6,626,414	-	-	6,626,414	6,035,249	591,165
At-Risk (4 Yr Old)	576,584	-	-	576,584	449,770	126,814
Capital Outlay	6,251,662	-	-	6,251,662	3,219,486	3,032,176
Driver Training	46,000	-	-	46,000	956	45,044
Extraordinary School Program	226,101	-	-	226,101	225,402	699
Food Service	2,875,459	-	-	2,875,459	2,689,419	186,040
Professional Development	319,263	-	-	319,263	235,339	83,924
Summer School	81,776	-	-	81,776	3,741	78,035
Special Education	6,376,856	-	-	6,376,856	6,299,852	77,004
Career and Postsecondary Education	725,000	-	-	725,000	626,593	98,407
KPERs Special Retirement Contribution	5,859,727	-	-	5,859,727	2,473,010	3,386,717
Virtual Education	15,081	-	-	15,081	14	15,067
Flint Hills Special Education Cooperative	11,526,013	-	-	11,526,013	11,405,851	120,162
Grants	1,474,477	-	-	1,474,477	1,514,721	[40,244]
Bond and Interest Fund:						
Bond and Interest	3,173,782	-	-	3,173,782	3,173,731	51

UNIFIED SCHOOL DISTRICT NO. 253
Schedule of Receipts and Expenditures - Actual and Budget
General Fund
Regulatory Basis
For the Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
State aid	\$ 30,793,095	\$ 31,370,818	\$ [577,723]
Reimbursed expenses	198,132	-	198,132
Total Receipts	<u>30,991,227</u>	<u>\$ 31,370,818</u>	<u>\$ [379,591]</u>
Expenditures			
Instruction	9,399,716	\$ 9,498,005	\$ 98,289
Student support services	18,083	16,880	[1,203]
Instructional support staff	838,584	1,047,270	208,686
General administration	791,472	712,348	[79,124]
School administration	2,524,997	2,638,073	113,076
Operations and maintenance	3,289,129	3,702,210	413,081
Other supplemental service	338,147	360,672	22,525
Student transportation	1,341,905	1,242,632	[99,273]
Transfers out	12,449,194	12,152,728	[296,466]
Adjustment to comply with legal max budget	-	[577,723]	[577,723]
Adjustment for qualifying budget credits:			
Reimbursed expenses	-	198,132	198,132
Total Expenditures	<u>30,991,227</u>	<u>\$ 30,991,227</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	-		
Unencumbered Cash, Beginning	-		
Unencumbered Cash, Ending	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 253
Schedule of Receipts and Expenditures - Actual and Budget
Supplemental General Fund
Regulatory Basis
For the Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
Taxes and Shared Revenues:			
Ad valorem property taxes			
Current taxes	\$ 3,030,157	\$ 2,755,728	\$ 274,429
Delinquent taxes	54,837	46,072	8,765
Motor vehicle tax	336,274	326,391	9,883
Recreational vehicle tax	4,337	4,093	244
Commercial vehicle tax	-	13,752	[13,752]
State aid	<u>6,592,705</u>	<u>6,711,894</u>	<u>[119,189]</u>
Total Receipts	<u>10,018,310</u>	<u>\$ 9,857,930</u>	<u>\$ 160,380</u>
Expenditures			
Instruction	4,219,235	\$ 4,256,941	\$ 37,706
Student support services	341,187	224,692	[116,495]
Instructional support services	1,302,668	1,451,767	149,099
General administration	131,251	159,000	27,749
School administration	45,646	-	[45,646]
Operations and maintenance	890,174	930,475	40,301
Other supplemental service	765,605	753,449	[12,156]
Transfers out	2,167,647	2,265,409	97,762
Adjustment to comply with legal max budget	<u>-</u>	<u>[178,320]</u>	<u>[178,320]</u>
Total Expenditures	<u>9,863,413</u>	<u>\$ 9,863,413</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	154,897		
Unencumbered Cash, Beginning	<u>183,803</u>		
Unencumbered Cash, Ending	<u>\$ 338,700</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 253
Schedule of Receipts and Expenditures - Actual and Budget
Adult Education Fund
Regulatory Basis
For the Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
Taxes and Shared Revenues:			
Ad valorem property taxes			
Current taxes	\$ 93,358	\$ 89,433	\$ 3,925
Delinquent taxes	1,662	1,392	270
Motor vehicle tax	10,529	10,214	315
Recreational vehicle tax	136	128	8
Commercial vehicle tax	-	430	[430]
Total Receipts	<u>105,685</u>	<u>\$ 101,597</u>	<u>\$ 4,088</u>
Expenditures			
Instruction	<u>101,597</u>	<u>\$ 101,597</u>	<u>\$ -</u>
Total Expenditures	<u>101,597</u>	<u>\$ 101,597</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	4,088		
Unencumbered Cash, Beginning	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 4,088</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 253
Schedule of Receipts and Expenditures - Actual and Budget
Bilingual Education Fund
Regulatory Basis
For the Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
Transfers in	\$ 1,817,766	\$ 1,817,766	\$ -
Total Receipts	<u>1,817,766</u>	<u>\$ 1,817,766</u>	<u>\$ -</u>
Expenditures			
Instruction	1,709,112	\$ 1,784,171	\$ 75,059
Student support services	23,545	33,595	10,050
School administration	85,109	-	[85,109]
Total Expenditures	<u>1,817,766</u>	<u>\$ 1,817,766</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	-		
Unencumbered Cash, Beginning	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 253
Schedule of Receipts and Expenditures - Actual and Budget
At Risk (K-12) Fund
Regulatory Basis
For the Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
Transfers in	\$ 6,035,249	\$ 6,626,414	\$ [591,165]
Total Receipts	<u>6,035,249</u>	<u>\$ 6,626,414</u>	<u>\$ [591,165]</u>
Expenditures			
Instruction	4,618,824	\$ 5,046,549	\$ 427,725
Student support services	1,101,049	1,142,331	41,282
Instructional support	315,376	397,508	82,132
School administration	-	40,026	40,026
Total Expenditures	<u>6,035,249</u>	<u>\$ 6,626,414</u>	<u>\$ 591,165</u>
Receipts Over [Under] Expenditures	-		
Unencumbered Cash, Beginning	-		
Unencumbered Cash, Ending	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 253
Schedule of Receipts and Expenditures - Actual and Budget
At Risk (4 Yr Old) Fund
Regulatory Basis
For the Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
Transfers in	\$ 449,770	\$ 576,584	\$ [126,814]
Total Receipts	<u>449,770</u>	<u>\$ 576,584</u>	<u>\$ [126,814]</u>
Expenditures			
Instruction	302,717	\$ 419,225	\$ 116,508
Student support services	1,176	-	[1,176]
School administration	-	200	200
Student transportation	145,877	157,159	11,282
Total Expenditures	<u>449,770</u>	<u>\$ 576,584</u>	<u>\$ 126,814</u>
Receipts Over [Under] Expenditures	-		
Unencumbered Cash, Beginning	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 253
Schedule of Receipts and Expenditures - Actual and Budget
Capital Outlay Fund
Regulatory Basis
For the Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
Taxes and Shared Revenues:			
Ad valorem property taxes			
Current taxes	\$ 1,493,746	\$ 1,430,998	\$ 62,748
Delinquent taxes	26,263	22,277	3,986
Motor vehicle tax	168,463	163,623	4,840
Recreational vehicle tax	2,173	2,052	121
Commercial vehicle tax	-	6,894	[6,894]
State aid	913,147	927,438	[14,291]
Miscellaneous	366,641	-	366,641
Investment income	<u>305,822</u>	<u>171,000</u>	<u>134,822</u>
Total Receipts	<u>3,276,255</u>	<u>\$ 2,724,282</u>	<u>\$ 551,973</u>
Expenditures			
Instruction	704,630	\$ 2,107,000	\$ 1,402,370
Student support services	20,469	50,000	29,531
Instructional support staff	331,361	100,000	[231,361]
General administration	-	100,000	100,000
School administration	-	50,000	50,000
Other supplemental service	-	50,000	50,000
Operations and maintenance	193,737	100,000	[93,737]
Student transportation	279,595	250,000	[29,595]
Debt service	565,529	566,000	471
Facility acquisition and construction	<u>1,124,165</u>	<u>2,878,662</u>	<u>1,754,497</u>
Total Expenditures	<u>3,219,486</u>	<u>\$ 6,251,662</u>	<u>\$ 3,032,176</u>
Receipts Over [Under] Expenditures	56,769		
Unencumbered Cash, Beginning	<u>3,527,380</u>		
Unencumbered Cash, Ending	<u>\$ 3,584,149</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 253
Schedule of Receipts and Expenditures - Actual and Budget
Driver Training Fund
Regulatory Basis
For the Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Positive <u>[Negative]</u>
Receipts			
Charges for services	\$ 22,200	\$ 20,000	\$ 2,200
State aid	13,083	26,000	[12,917]
Transfers in	530	-	530
Total Receipts	<u>35,813</u>	<u>\$ 46,000</u>	<u>\$ [10,187]</u>
Expenditures			
Instruction	430	\$ 38,000	\$ 37,570
Operations and maintenance	<u>526</u>	<u>8,000</u>	<u>7,474</u>
Total Expenditures	<u>956</u>	<u>\$ 46,000</u>	<u>\$ 45,044</u>
Receipts Over [Under] Expenditures	34,857		
Unencumbered Cash, Beginning	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 34,857</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 253
Schedule of Receipts and Expenditures - Actual and Budget
Extraordinary School Program Fund
Regulatory Basis
For the Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
Miscellaneous	\$ 1,610	\$ -	\$ 1,610
Transfers in	<u>177,134</u>	<u>-</u>	<u>177,134</u>
Total Receipts	<u>178,744</u>	<u>\$ -</u>	<u>\$ 178,744</u>
Expenditures			
Instruction	997	\$ 4,345	\$ 3,348
Student support services	<u>224,405</u>	<u>221,756</u>	<u>[2,649]</u>
Total Expenditures	<u>225,402</u>	<u>\$ 226,101</u>	<u>\$ 699</u>
Receipts Over [Under] Expenditures	[46,658]		
Unencumbered Cash, Beginning	<u>226,100</u>		
Unencumbered Cash, Ending	<u>\$ 179,442</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 253
 Schedule of Receipts and Expenditures - Actual and Budget
 Food Service Fund
 Regulatory Basis
 For the Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
Federal aid	\$ 1,822,959	\$ 2,007,874	\$ [184,915]
State aid	22,052	21,580	472
Charges for services	626,422	680,235	[53,813]
Investment income	5,623	2,000	3,623
Tranfers in	<u>289,000</u>	<u>100,000</u>	<u>189,000</u>
Total Receipts	<u>2,766,056</u>	<u>\$ 2,811,689</u>	<u>\$ [45,633]</u>
Expenditures			
Food service operation	2,585,279	\$ 2,768,059	\$ 182,780
Operations and maintenance	<u>104,140</u>	<u>107,400</u>	<u>3,260</u>
Total Expenditures	<u>2,689,419</u>	<u>\$ 2,875,459</u>	<u>\$ 186,040</u>
Receipts Over [Under] Expenditures	76,637		
Unencumbered Cash, Beginning	<u>63,770</u>		
Unencumbered Cash, Ending	<u>\$ 140,407</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 253
Schedule of Receipts and Expenditures - Actual and Budget
Professional Development Fund
Regulatory Basis
For the Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
State aid	\$ 32,587	\$ 37,039	\$ [4,452]
Total Receipts	<u>32,587</u>	<u>\$ 37,039</u>	<u>\$ [4,452]</u>
Expenditures			
Instructional support	235,339	\$ 319,263	\$ 83,924
Total Expenditures	<u>235,339</u>	<u>\$ 319,263</u>	<u>\$ 83,924</u>
Receipts Over [Under] Expenditures	[202,752]		
Unencumbered Cash, Beginning	<u>282,224</u>		
Unencumbered Cash, Ending	<u>\$ 79,472</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 253
 Schedule of Receipts and Expenditures - Actual and Budget
 Summer School Fund
 Regulatory Basis
 For the Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
Charges for services	\$ -	\$ -	\$ -
Total Receipts	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures			
Instruction	<u>3,741</u>	\$ <u>81,776</u>	\$ <u>78,035</u>
Total Expenditures	<u>3,741</u>	<u>\$ 81,776</u>	<u>\$ 78,035</u>
Receipts Over [Under] Expenditures	[3,741]		
Unencumbered Cash, Beginning	<u>81,777</u>		
Unencumbered Cash, Ending	<u>\$ 78,036</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 253
Schedule of Receipts and Expenditures - Actual and Budget
Special Education Fund
Regulatory Basis
For the Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
Transfers in	\$ 5,320,898	\$ 5,036,968	\$ 283,930
Total Receipts	<u>5,320,898</u>	<u>\$ 5,036,968</u>	<u>\$ 283,930</u>
Expenditures			
Instruction	5,783,303	\$ 5,851,856	\$ 68,553
Student transportation services	<u>516,549</u>	<u>525,000</u>	<u>8,451</u>
Total Expenditures	<u>6,299,852</u>	<u>\$ 6,376,856</u>	<u>\$ 77,004</u>
Receipts Over [Under] Expenditures	[978,954]		
Unencumbered Cash, Beginning	<u>1,339,888</u>		
Unencumbered Cash, Ending	<u>\$ 360,934</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 253
 Schedule of Receipts and Expenditures - Actual and Budget
 Career and Postsecondary Education Fund
 Regulatory Basis
 For the Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
Federal aid	\$ 42,655	\$ 46,000	\$ [3,345]
Miscellaneous	114,357	125,000	[10,643]
Transfers in	<u>526,494</u>	<u>554,000</u>	<u>[27,506]</u>
Total Receipts	<u>683,506</u>	<u>\$ 725,000</u>	<u>\$ [41,494]</u>
Expenditures			
Instruction	608,406	\$ 696,384	\$ 87,978
Instructional support services	17,428	27,616	10,188
School administration	<u>759</u>	<u>1,000</u>	<u>241</u>
Total Expenditures	<u>626,593</u>	<u>\$ 725,000</u>	<u>\$ 98,407</u>
Receipts Over [Under] Expenditures	56,913		
Unencumbered Cash, Beginning	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 56,913</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 253
Schedule of Receipts and Expenditures - Actual and Budget
KPERS Special Retirement Contribution Fund
Regulatory Basis
For the Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
State aid	\$ 2,473,010	\$ 5,859,727	\$ [3,386,717]
Total Receipts	<u>2,473,010</u>	<u>\$ 5,859,727</u>	<u>\$ [3,386,717]</u>
Expenditures			
Instruction	1,484,550	\$ 3,926,017	\$ 2,441,467
Student support services	124,693	351,584	226,891
Instructional support staff	198,173	410,181	212,008
General administration	55,703	117,195	61,492
School administration	194,290	292,987	98,697
Other supplemental services	82,490	175,792	93,302
Operations and maintenance	167,337	292,987	125,650
Student transportation services	95,560	175,792	80,232
Food service	70,214	117,192	46,978
Total Expenditures	<u>2,473,010</u>	<u>\$ 5,859,727</u>	<u>\$ 3,386,717</u>
Receipts Over [Under] Expenditures	-		
Unencumbered Cash, Beginning	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 253
Schedule of Receipts and Expenditures - Actual and Budget
Virtual Education Fund
Regulatory Basis
For the Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Variance Positive [Negative]</u>
Receipts			
Transfers in	\$ -	\$ -	\$ -
Total Receipts	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures			
Instruction	<u>14</u>	<u>\$ 15,081</u>	<u>\$ 15,067</u>
Total Expenditures	<u>14</u>	<u>\$ 15,081</u>	<u>\$ 15,067</u>
Receipts Over [Under] Expenditures	[14]		
Unencumbered Cash, Beginning	<u>15,081</u>		
Unencumbered Cash, Ending	<u>\$ 15,067</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 253
Schedule of Receipts and Expenditures - Actual and Budget
Flint Hills Special Education Cooperative Fund
Regulatory Basis
For the Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
Federal aid	\$ 1,672,452	\$ 1,787,553	\$ [115,101]
State aid	6,129,210	7,125,133	[995,923]
Local revenue	3,531,134	2,267,543	1,263,591
Medicaid reimbursement	<u>441,614</u>	<u>345,000</u>	<u>96,614</u>
Total Receipts	<u>11,774,410</u>	<u>\$ 11,525,229</u>	<u>\$ 249,181</u>
Expenditures			
Instruction	8,732,326	\$ 8,700,548	\$ [31,778]
Student support services	1,982,080	2,091,728	109,648
Instructional support staff	442,047	448,275	6,228
General administration	194,450	233,945	39,495
School administration	52,224	51,517	[707]
Operations and maintenance	<u>2,724</u>	<u>-</u>	<u>[2,724]</u>
Total Expenditures	<u>11,405,851</u>	<u>\$ 11,526,013</u>	<u>\$ 120,162</u>
Receipts Over [Under] Expenditures	368,559		
Unencumbered Cash, Beginning	<u>784</u>		
Unencumbered Cash, Ending	<u>\$ 369,343</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 253
Schedule of Receipts and Expenditures - Actual
Contingency Reserve Fund*
Regulatory Basis
For the Year Ended June 30, 2019

Receipts	
Transfers in	\$ -
Total Receipts	<u>-</u>
Expenditures	
Instruction	<u>300,000</u>
Total Expenditures	<u>300,000</u>
Receipts Over [Under] Expenditures	[300,000]
Unencumbered Cash, Beginning	<u>1,937,867</u>
Unencumbered Cash, Ending	<u>\$ 1,637,867</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 253
Schedule of Receipts and Expenditures - Actual
Textbook Rental Fund*
Regulatory Basis
For the Year Ended June 30, 2019

Receipts	
Charges for services	\$ 133
Total Receipts	<u>133</u>
Expenditures	
Instruction	<u>107,073</u>
Total Expenditures	<u>107,073</u>
Receipts Over [Under] Expenditures	[106,940]
Unencumbered Cash, Beginning	<u>280,595</u>
Unencumbered Cash, Ending	<u>\$ 173,655</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 253
Schedule of Receipts and Expenditures - Actual and Budget
Grants Fund
Regulatory Basis
For the Year Ended June 30, 2019

	<u>Title I</u>	<u>Migrant</u>	<u>Title III</u>	<u>Kansas Pre-K Pilot</u>	<u>Safe and Secure Schools</u>	<u>21st Century Community Learning</u>	<u>Title II-A</u>
Receipts							
Federal aid	\$ 844,044	\$ 148,125	\$ 97,894	\$ -	\$ -	\$ [3,778]	\$ 152,700
State aid	-	-	-	123,114	84,564	-	-
Donations	-	-	-	-	-	-	-
Total Receipts	<u>844,044</u>	<u>148,125</u>	<u>97,894</u>	<u>123,114</u>	<u>84,564</u>	<u>[3,778]</u>	<u>152,700</u>
Expenditures							
Instruction	746,904	23,465	93,962	91,340	-	-	54
Student support services	5,858	92,148	-	-	-	-	-
Instructional support staff	27,001	-	2,451	-	7,474	-	80,900
Other supplemental service	-	-	-	25,586	-	-	-
General administration	64,373	15,060	2,132	6,188	1,484	-	6,688
Operations and maintenance	-	-	-	-	4,630	-	-
Facility acquisition and construction	-	-	-	-	70,976	-	-
Transportation	-	1,466	-	-	-	-	-
Total Expenditures	<u>844,136</u>	<u>132,139</u>	<u>98,545</u>	<u>123,114</u>	<u>84,564</u>	<u>-</u>	<u>87,642</u>
Receipts Over [Under] Expenditures	[92]	15,986	[651]	-	-	[3,778]	65,058
Unencumbered Cash, Beginning	<u>92</u>	<u>[15,986]</u>	<u>654</u>	<u>-</u>	<u>-</u>	<u>3,778</u>	<u>[41,522]</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,536</u>

UNIFIED SCHOOL DISTRICT NO. 253
Schedule of Receipts and Expenditures - Actual and Budget
Grants Fund
Regulatory Basis
For the Year Ended June 30, 2019

	Mobilizing <u>Literacy</u>	Kansas Masonic <u>Literacy</u>	Camp Hope	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts						
Federal aid	\$ -	\$ -	\$ -	\$ 1,238,985	\$ 1,325,882	\$ [86,897]
State aid	-	-	-	207,678	-	207,678
Donations	<u>195,558</u>	<u>12,000</u>	<u>15,000</u>	<u>222,558</u>	<u>148,125</u>	<u>74,433</u>
Total Receipts	<u>195,558</u>	<u>12,000</u>	<u>15,000</u>	<u>1,669,221</u>	<u>\$ 1,474,007</u>	<u>\$ 195,214</u>
Expenditures						
Instruction	11,989	3,404	792	971,910	\$ 953,990	\$ [17,920]
Student support services	75,300	-	-	173,306	128,327	[44,979]
Instructional support staff	52,844	-	-	170,670	287,805	117,135
Other supplemental service	-	-	-	25,586	-	[25,586]
General administration	-	-	-	95,925	102,905	6,980
Operations and maintenance	-	-	-	4,630	-	[4,630]
Facility acquisition and construction	-	-	-	70,976	-	[70,976]
Transportation	<u>252</u>	-	-	<u>1,718</u>	<u>1,450</u>	<u>[268]</u>
Total Expenditures	<u>140,385</u>	<u>3,404</u>	<u>792</u>	<u>1,514,721</u>	<u>\$ 1,474,477</u>	<u>\$ [40,244]</u>
Receipts Over [Under] Expenditures	55,173	8,596	14,208	154,500		
Unencumbered Cash, Beginning	<u>3,143</u>	<u>5,463</u>	-	<u>[44,378]</u>		
Unencumbered Cash, Ending	<u>\$ 58,316</u>	<u>\$ 14,059</u>	<u>\$ 14,208</u>	<u>\$ 110,122</u>		

UNIFIED SCHOOL DISTRICT NO. 253
Schedule of Receipts and Expenditures - Actual and Budget
Bond and Interest Fund
Regulatory Basis
For the Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	<u>Variance</u> <u>Positive</u> <u>[Negative]</u>
Receipts			
Taxes and Shared Revenues:			
Ad valorem property taxes:			
Current	\$ 1,732,151	\$ 1,650,112	\$ 82,039
Delinquent	29,898	25,129	4,769
Motor vehicle tax	200,690	203,476	[2,786]
State aid	<u>1,904,239</u>	<u>1,904,239</u>	<u>-</u>
Total Receipts	<u>3,866,978</u>	<u>\$ 3,782,956</u>	<u>\$ 84,022</u>
Expenditures			
Principal	2,895,000	\$ 2,895,000	\$ -
Interest	<u>278,731</u>	<u>278,782</u>	<u>51</u>
Total Expenditures	<u>3,173,731</u>	<u>\$ 3,173,782</u>	<u>\$ 51</u>
Receipts Over [Under] Expenditures	693,247		
Unencumbered Cash, Beginning	<u>4,751,797</u>		
Unencumbered Cash, Ending	<u>\$ 5,445,044</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 253
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2019

	Beginning Cash <u>Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	Ending Cash <u>Balance</u>
Emporia High School				
AMPED	\$ 370	\$ 997	\$ 824	\$ 543
Art	1,155	92	689	558
Business Sponsors-Athletic	8,398	2,500	3,974	6,924
Thespian Club	1,652	12,704	12,635	1,721
Class of 2018	1,400	-	-	1,400
Class of 2019	550	1,055	398	1,207
Class of 2020	1,584	2,180	3,589	175
Class of 2021	115	732	200	647
Class of 2022	-	225	-	225
Creative Writing	749	-	-	749
Cycling	-	730	648	82
Debate	1	5,151	4,796	356
Drama	-	16,012	15,906	106
Drill Team	2,686	15,652	17,491	847
Echo	207	-	-	207
E-Vision	154	-	-	154
FBLA	7,348	30,128	29,785	7,691
FCA	642	-	-	642
FCCLA	973	5,431	4,121	2,283
FFA	6,352	7,358	10,634	3,076
Orchestra	2,470	10,898	8,757	4,611
Future Educators	73	-	-	73
German Club	324	2	-	326
Guidance/Testing	4,629	11,059	10,248	5,440
FACS	699	400	-	1,099
French Club	1,057	994	943	1,108
JAG	702	4,343	3,385	1,660
Key Club	478	1,739	2,026	191
Landscaping Club	14	-	-	14
Latinos Unidos	487	2,478	2,083	882
Model U.N.	571	323	150	744
Multicultural Youth Organization	375	2,730	1,590	1,515
Musical Production	737	5,835	3,719	2,853
National Honor Society	230	324	47	507
Recycling Club	167	-	-	167
Re-Echo	18,692	22,615	11,583	29,724
Science Club	981	500	1,180	301
Wildlife/Backpacking Club	172	337	-	509
Scholars Bowl	399	-	-	399
Spartans	6,441	6,850	8,154	5,137
Special Education TMR	1,017	2,203	704	2,516
Stage Band	3,496	10,886	14,381	1
State Sales	11	6,198	6,209	-
STUCO	3,561	8,497	8,609	3,449
TSA	2,325	-	2,325	-
Total High School	<u>84,444</u>	<u>199,161</u>	<u>190,959</u>	<u>92,819</u>

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 253
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2019

	Beginning Cash <u>Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	Ending Cash <u>Balance</u>
Emporia Middle School				
Student Activity	\$ 20,352	\$ 16,844	\$ 13,913	\$ 23,283
Fundraising	84	-	-	84
Junior Spartan Extra	2,245	4,876	4,818	2,303
Student Council	8,263	6,517	5,798	8,982
AVID	1,759	281	758	1,282
Sales Tax	316	1,565	1,881	-
Teaching Supplies	47	-	-	47
Yearbook	7,385	7,853	6,871	8,367
	<u>40,451</u>	<u>37,936</u>	<u>34,039</u>	<u>44,348</u>
Total Middle School				
District				
Early Retirement Funding Account	6,910,378	3,981,621	3,388,064	7,503,935
Clearing Account	3,225	42	2,035	1,232
	<u>6,913,603</u>	<u>3,981,663</u>	<u>3,390,099</u>	<u>7,505,167</u>
Total District				
Total Agency Funds	<u>\$ 7,038,498</u>	<u>\$ 4,218,760</u>	<u>\$ 3,615,097</u>	<u>\$ 7,642,334</u>

UNIFIED SCHOOL DISTRICT NO. 253
 District Activity Funds
 Schedule of Receipts, Expenditures and Unencumbered Cash
 Regulatory Basis
 For the Year Ended June 30, 2019

Fund	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Emporia High School							
Athletics Gate Receipts	\$ 964	\$ -	\$ 84,631	\$ 80,322	\$ 5,273	\$ -	\$ 5,273
Basketball	2,842	-	21,065	21,214	2,693	-	2,693
Baseball	4,942	-	4,399	5,821	3,520	-	3,520
Bowling	1,007	-	-	-	1,007	-	1,007
Cheerleaders	626	-	31,645	30,808	1,463	-	1,463
Concessions	428	-	914	655	687	-	687
Cross Country	2,083	-	3,332	1,257	4,158	-	4,158
Boys Golf	516	-	205	253	468	-	468
Girls Golf	322	-	130	-	452	-	452
Boys Soccer	-	-	896	895	1	-	1
Girls Soccer	861	-	2,764	1,992	1,633	-	1,633
Boys Tennis	234	-	3,397	3,088	543	-	543
Girls Tennis	42	-	8,130	4,811	3,361	-	3,361
Football Fundraiser	2,152	-	13,953	10,527	5,578	-	5,578
Girls Basketball	1,561	-	5,251	6,353	459	-	459
Library	467	-	126	-	593	-	593
Parking Tickets	5,574	-	3,207	3,579	5,202	-	5,202
Renaissance	54	-	2,000	2,048	6	-	6
Student Activities	15,473	-	51,215	42,186	24,502	-	24,502
Softball	872	-	4,344	3,154	2,062	-	2,062
Swim Team	975	-	5,249	4,296	1,928	-	1,928
Textbook and fees	381	-	1,696	1,147	930	-	930
Volleyball	1,642	-	531	331	1,842	-	1,842
Wrestling	1,313	-	1,238	1,313	1,238	-	1,238
Sports	396	-	9,171	9,108	459	-	459
Emporia Middle School							
Athletics	14,360	-	12,417	10,713	16,064	-	16,064
Drug Free Walk	7,763	-	8,308	8,300	7,771	-	7,771
Textbook and Fees	1,188	-	525	525	1,188	-	1,188
Total District Activity Funds	\$ 69,038	\$ -	\$ 280,739	\$ 254,696	\$ 95,081	\$ -	\$ 95,081

UNIFIED SCHOOL DISTRICT NO. 253
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Beginning Unencumbered Cash	Receipts	Expenditures	Ending Unencumbered Cash
<u>U.S. Department of Agriculture/KSDE</u>					
Child Nutrition Cluster:					
School Breakfast Program	10.553	\$ -	\$ 335,016	\$ 335,016	\$ -
National School Lunch Program	10.555	-	1,083,056	1,083,056	-
Cash for Commodities	10.555	-	105,045	105,045	-
After School Snacks	10.555	-	90,337	90,337	-
Summer Food Service Program	10.559	-	93,615	93,615	-
Subtotal Child Nutrition Cluster		-	1,707,069	1,707,069	-
Child and Adult Care Food Program	10.558	-	50,632	50,632	-
Federal School Food Service	10.560	-	1,050	1,050	-
Fresh Fruits & Vegetables	10.582	-	64,208	64,208	-
Total U.S. Department of Agriculture/KSDE		-	1,822,959	1,822,959	-
<u>U.S. Department of Education/KSDE</u>					
Title I-Low Income 18-19	84.010	-	716,734	716,734	-
Title I-Carryover 18-19	84.010	-	127,310	127,310	-
Migrant 18-19	84.011	-	125,000	125,000	-
Migrant Summer School 2018	84.011	[15,986]	23,125	7,139	-
21st Century Learning Communities STREAM 14-15	84.287	3,778	[3,778]	-	-
Title III-English Language Acquisition 17-18	84.365	654	[654]	-	-
Title III-English Language Acquisition 18-19	84.365	-	95,747	95,744	3
Title III-English Language Acquisition-Carryover 18-19	84.365	-	2,801	2,801	-
Student Support Academic Enrichment	84.424A	-	45,885	45,885	-
Title II-A-Teacher Quality 17-18	84.367	[41,571]	41,571	-	-
Title II-A-Teacher Quality 18-19	84.367	-	60,213	36,678	23,535
Title II-A-Teacher Quality-Carryover 17-18	84.367	49	-	49	-
Title II-A-Teacher Quality-Carryover 18-19	84.367	-	5,031	5,031	-
Hurricanes Harvey, Irma and Maria	84.938C	-	7,500	7,500	-
Vocation Education-Carl Perkins	84.048	[3,307]	37,281	32,235	1,739
Carl Perkins Reserve	84.048	-	5,374	3,484	1,890
Subtotal U.S. Department of Education/KSDE		[56,383]	1,289,140	1,205,590	27,167
<u>U.S. Department of Education to Flint Hills</u>					
<u>Special Education Cooperative</u>					
<u>Pass Through KSDE</u>					
Special Education (IDEA) Cluster:					
Title VI-B Special Education-EHC Flow-Thru Disc.	84.027	19,723	1,414,827	1,440,728	[6,178]
Title VI-B Special Education-EHC Flow-Thru Disc. Cont. Improv.	84.027	-	59,784	59,784	-
Title VI-B Special Education Preschool-EC Flow-Thru	84.173	1,025	31,014	32,564	[525]
Subtotal Special Education (IDEA) Cluster		20,748	1,505,625	1,533,076	[6,703]
<u>Pass Through KDHE</u>					
Special Education of Infants and Families with Disabilities	84.181A	[20,738]	159,327	156,027	[17,438]
Subtotal U.S. Department of Education to Cooperative		10	1,664,952	1,689,103	[24,141]
Total U.S. Department of Education		[56,373]	2,954,092	2,894,693	3,026
Total Federal Awards		\$ [56,373]	\$ 4,777,051	\$ 4,717,652	\$ 3,026

The accompanying notes are an integral part of this schedule.

UNIFIED SCHOOL DISTRICT NO. 253
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

1. Organization

Unified School District No. 253, Emporia, Kansas, (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. 253
 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 (Regulatory Basis)
Adverse (GAAP)

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 Uniform Guidance ___ Yes X No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.010 84.027, 84.173	Title I Special Education (IDEA) Cluster

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

Auditee qualified as low-risk auditee? ___ Yes X No

UNIFIED SCHOOL DISTRICT NO. 253
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2019

Section II - Financial Statement Findings

Current Year Findings

None Noted

Prior Year Findings

None Noted

Section III - Federal Award Findings and Questioned Costs

Current Year Findings

None Noted

Prior Year Findings

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. 253
Emporia, Kansas

We have audited, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*, the financial statements of the Unified School District No. 253, (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 October 16, 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 controls 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 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 charge 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*.

Purpose of this Report

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

Mike Houser: Company PA

Certified Public Accountants

October 16, 2019
Lawrence, KS



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

Board of Education
Unified School District No. 253
Emporia, Kansas

Report on Compliance for Each Major Federal Program

We have audited the compliance of the Unified School District No. 253, (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 State 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.

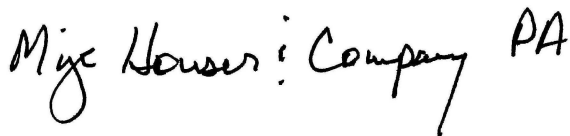
Report on Internal Control Over Compliance

The 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 to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Our consideration of 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 the 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

October 16, 2019
Lawrence, KS