

**UNIFIED SCHOOL DISTRICT #257**

Iola, Kansas

Independent Auditors' Reports and  
Regulatory Basis Financial Statement  
with Supplementary Information

For the Fiscal Year Ended June 30, 2019

**UNIFIED SCHOOL DISTRICT #257**  
Iola, Kansas

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Iola, Kansas

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**JARRED, GILMORE & PHILLIPS, PA**  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITORS' REPORT**

Board of Education  
Unified School District #257  
Iola, Kansas

**Report on the Financial Statement**

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District #257, Iola, Kansas, a municipality, 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; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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 that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the 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 District'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 District'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 opinion.

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

As described in Note 1 of the financial statement, the financial statement is prepared by Unified School District #257 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 Unified School District #257 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 Unified School District #257 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, schedule of regulatory basis receipts and disbursements-agency funds, and summary schedule of regulatory basis receipts, expenditures, and unencumbered cash-district activity funds (Schedules 1, 2, 3 and 4 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the Kansas Municipal Audit and Accounting Guide. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statements. 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.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of Unified School District #257 as of and for the year ended June 30, 2018 (not presented herein), and have issued our report thereon dated October 15, 2018, which contained an unmodified opinion on the basic financial statement. The 2018 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <http://www.admin.ks.gov/offices/chief-financial-officer/municipal-services>. The 2018 actual column (2018 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended June 30, 2019 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2018 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the fiscal year ended June 30, 2018 basic financial statement. The fiscal year ended June 30, 2018 comparative information was subjected to the auditing procedures applied in the audit of the fiscal year ended June 30, 2018 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 fiscal year ended June 30, 2018 basic financial statement or to the fiscal year ended June 30, 2018 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 fiscal year ended June 30, 2018 comparative information is fairly stated in all material respects in relation to the fiscal year ended June 30, 2018 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 November 21, 2019, on our consideration of the Unified School District #257's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 Unified School District #257's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Unified School District #257's internal control over financial reporting and compliance.



JARRED, GILMORE & PHILLIPS, PA  
Certified Public Accountants

Chanute, Kansas  
November 21, 2019

UNIFIED SCHOOL DISTRICT #257

Iola, Kansas

Summary Statement of Receipts, Expenditures, and Unencumbered Cash  
Regulatory Basis

For the Fiscal Year Ended June 30, 2019

Funds	Beginning Unencumbered Cash Balances		Receipts	Expenditures	Ending Unencumbered Cash Balances		Plus Encumbrances and Accounts Payable	Ending Cash Balances June 30, 2019
	\$				\$			
General	\$	207,457.06	\$	9,592,995.24	\$	194,586.14	\$	470,179.99
Supplemental General								
Special Purpose Funds:								
4 Year Old At-Risk		22,382.29		60,179.83		22,702.46		31,164.22
K-12 At-Risk		200,057.95		1,895,251.80		192,806.15		416,013.26
Capital Outlay		1,220,351.46		707,988.42		1,360,764.83		1,486,080.83
Driver Training		36,113.70		13,672.87		37,143.83		37,143.83
Food Service		178,824.13		677,685.71		213,897.00		214,432.62
Professional Development		18,246.74		7,278.78		20,967.96		30,210.47
Bilingual Education		1,026.40		1,541.73		1,042.67		1,088.13
Parent Education		10,713.65		7,500.00		10,213.65		10,213.65
Special Education		676,479.78		2,548,402.70		752,590.08		817,423.54
Vocational Education		88,821.58		334,165.11		95,975.67		133,528.72
Virtual Education		30,672.04		207,825.76		30,346.28		35,005.12
Title I		25,000.00		397,525.34		22,247.66		35,096.07
Title II-A Teacher Quality		10,113.00		61,180.00		709.40		3,783.51
Title IV Grant		-		25,762.00		-		-
Title VI-B Grant		-		25,902.00		-		-
KPERS Special Retirement Contributions		-		733,586.46		-		-
Contingency Reserve		700,000.00		-		700,000.00		700,000.00
Textbook & Student Material		340.22		17,763.00		2,090.00		2,090.00
Improvement Grant		4,074.46		-		4,074.46		4,074.46
21st Century Grant		-		75,000.00		-		791.44
Safe Base Donations		25,818.55		19,334.21		17,334.34		17,334.34
21st Century Summer Grant		48.00		48.00		-		-
21st Century Safe Base Grant		-		75,000.00		-		475.18

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

**Statement 1 (Continued)**

**UNIFIED SCHOOL DISTRICT #257**

Iola, Kansas

Summary Statement of Receipts, Expenditures, and Unencumbered Cash  
Regulatory Basis

For the Fiscal Year Ended June 30, 2019

Funds	Beginning Unencumbered Cash Balances	Receipts	Expenditures	Ending Unencumbered Cash Balances	Plus Encumbrances and Accounts Payable	Ending Cash Balances June 30, 2019
<b>Special Purpose Funds: (Continued)</b>						
Gate Receipts	\$ 28,009.17	\$ 98,896.49	\$ 91,582.64	\$ 35,323.02	\$ -	\$ 35,323.02
Special Projects	-	162,771.04	162,771.04	-	56,997.17	56,997.17
Reach Grant	329.83	-	-	329.83	-	329.83
Miscellaneous Grants	161,123.54	173,434.82	210,007.51	124,550.85	23,430.00	147,980.85
Bond and Interest Fund:						
Bond and Interest	143,867.50	-	-	143,867.50	-	143,867.50
Capital Projects Fund:						
Construction	-	36,323,470.62	115,197.17	36,208,273.45	-	36,208,273.45
Trust Funds:						
Bowlus Trust	-	313,996.47	313,996.47	-	-	-
Youth Friends	2,236.31	-	-	2,236.31	-	2,236.31
Myers Math Prize	1,112.85	1,000.00	200.00	1,912.85	-	1,912.85
Discretionary Trust	384.02	-	-	384.02	-	384.02
<b>Total Reporting Entity (Excluding Agency Funds)</b>	<b>\$ 3,793,604.23</b>	<b>\$ 57,805,809.57</b>	<b>\$ 21,403,043.39</b>	<b>\$ 40,196,370.41</b>	<b>\$ 1,094,028.45</b>	<b>\$ 41,290,398.86</b>
			<b>Composition of Cash</b>			
			Cash on Hand.....			\$ 150.00
			Petty Cash.....			2,050.00
			General Checking Account.....			4,922,800.21
			Activity Checking Accounts.....			144,475.77
			Kansas Municipal Investment Pool.....			36,352,140.45
			Total Cash			41,421,616.43
			Less Agency Funds per Schedule 3			(131,217.57)
			Total Reporting Entity.....			<b>\$ 41,290,398.86</b>

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



**UNIFIED SCHOOL DISTRICT #257**  
Iola, Kansas

Notes to the Financial Statement  
For the Fiscal Year Ended June 30, 2019

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statement and schedules of Unified School District #257, Iola, Kansas, have been prepared in order to show compliance with the cash basis and budget laws of the State of Kansas. The Governmental Accounting Standards Board is the principal standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies follow. Note 1 describes how the District's accounting policies differ from accounting principles generally accepted in the United States of America.

Reporting Entity

The District is a municipal corporation governed by an elected seven-member board. This financial statement and schedules present USD #257.

*Related Municipal Entities:* A related municipal entity is determined by the following criteria. Whether the District exercises oversight responsibility on financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters, scope of the public service, and significant operational or financial relationships with the District. Related municipal entities are not required to be included in the District's audit by the Kansas Municipal Audit and Accounting Guide (KMAAG). Based upon the application of this criterion, the following is a brief review of potential related entities:

USD #257 Endowment Association - The economic resources received or held by the component unit are held almost entirely for the direct benefit of the District. The USD #257 Endowment Association was formed to promote and foster the educational purposes of the District, and to create a fund to be used for any program, project or enterprise undertaken in the interest of the District. The Association acts largely as a fundraising organization, soliciting, receiving, managing and disbursing contributions on behalf of the District. Most of the contributions received are designated by the donors to be used for specific purposes or by specific departments. In these instances, the Association serves essentially as a conduit. Contributions that are not designated are used where the need is considered greatest, as determined by the Association board of directors. The Association can sue and be sued, and can buy, sell, or lease real property. Separate internal financial statements are available from the Endowment Association.

Bowlus Fine Arts and Cultural Center Trust - The Bowlus Fine Arts and Cultural Center Trust Board operates the Iola Bowlus Fine Arts and Cultural Center. The Trust was established to promote the appreciation of things artistic, musical and cultural for the benefit of the students and citizens of Iola. The Trust board members are the same as that of the District. The Trust can sue and be sued, and can buy, sell, or lease real property. Separate audited financial statements are prepared and are available at the Bowlus Fine Arts and Cultural Center.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Regulatory Basis Fund Types

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

The following types of funds comprise the financial activities of the Unified School District #257:

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

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

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

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

Trust Funds – funds used to account for funds held in trust for others. The funds are accounted for in essentially the same manner as governmental funds.

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

Basis of Presentation – Regulatory Basis of Accounting

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

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

Reimbursed Expenses

K.S.A. 79-2934 provides that reimbursed expenditures, in excess of those budgeted, should be recorded as reductions in expenditures rather than as revenues. In the financial statement and budget comparison schedules presented in this report, reimbursements and refunds are recorded as revenues. The reimbursements are recorded as cash receipts when received by the District Treasurer and are often difficult to identify the exact expenditure which they are reimbursing. In funds showing expenditures in excess of the original adopted budget, reimbursements are added to the adopted budget as budget credits for comparison with the actual expenditures.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Property Taxes

In accordance with governing state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1 of the ensuing year. Consequently, for revenue recognition purposes, taxes levied during the current year are not due and receivable until the ensuing year. At December 31 such taxes are a lien on the property.

Pension Plan

Substantially all full-time District employees are members of the State of Kansas Public Employees Retirement System which is a multi-employer state-wide pension plan. The District's policy is the State of Kansas will fund all pension costs accrued; such costs to be funded are actuarially determined annually by the State.

Budgetary Information

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

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. The District had no such amendments during the year, however, the General Fund and Supplemental General budget were decreased to the legal maximum budget based upon final enrollment numbers being lower than originally budgeted.

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.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Budgetary Information (Continued)

All legal annual operating budgets are prepared using the cash basis of accounting, modified further by the recording of accounts payable and encumbrances. Revenues are recognized when cash is received. Expenditures include cash disbursements, accounts payable and encumbrances, with disbursements being adjusted for prior year’s accounts payable and encumbrances. Encumbrances are commitments of 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 fiduciary funds and certain special revenue funds.

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

**2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

Compliance with Kansas Statutes

Statement 1 and Schedule 1 have been prepared in order to show compliance with the cash basis and budget laws of Kansas. As shown in Statement 1 and Schedule 1, the District was in compliance with the cash basis and budget laws of Kansas.

**3. DEPOSITS AND INVESTMENTS**

As of June 30, 2019, the District has the following investments.

<u>Investment Type</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Rating</u>
Kansas Investment Pool			
Less than one year maturity	\$ 36,352,140.45	\$ 36,352,140.45	S&P AAf/S1+
Total Investment	\$ 36,352,140.45	\$ 36,352,140.45	

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 branch or branch bank in the county in which the District is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

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

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

<u>Investments</u>	<u>Percentage of Investments</u>
Kansas Municipal Investment Pool	100.00%

**3. DEPOSITS AND INVESTMENTS** (Continued)

*Custodial credit risk – deposits.* Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at June 30, 2019.

At year-end, the District's carrying amount of deposits was \$5,069,325.98 and the bank balance was \$4,671,524.11. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$250,000.00 was covered by FDIC insurance and \$4,421,524.11 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

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

At June 30, 2019, the District has invested \$36,352,140.45 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 insured as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. No more than ten 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.

**4. IN-SUBSTANCE RECEIPT IN TRANSIT**

The District received \$622,690.00 subsequent to June 30, 2019, and as required by K.S.A. 72-6417 and 72-6434, the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2019.

**5. CAPITAL LEASE OBLIGATIONS**

The District has entered into a capital lease agreement in order to finance the acquisition of and installation of an energy management system. Payments are made of \$66,920.48 annually, including interest at 3.69%. Final maturity of the lease is July 1, 2022. Future minimum lease payments are as follows:

<u>Year Ended June 30</u>	<u>Totals</u>
2020	\$ 66,920.48
2021	66,920.48
2022	<u>66,920.48</u>
Total Payments from District	200,761.44
Less imputed interest	<u>(13,971.14)</u>
Net Present Value of Minimum	
Lease Payments	186,790.30
Less: Current Maturities	<u>(60,009.03)</u>
Long-Term Capital Lease Obligations	<u>\$ 126,781.27</u>

**5. CAPITAL LEASE OBLIGATIONS** (Continued)

The District has entered into a capital lease agreement in order to finance the acquisition of eight copy machines. Payments are made of \$601.14 monthly, including interest at 5.287%. Final maturity of the lease is December 20, 2019. Future minimum lease payments are as follows:

<u>Year Ended June 30</u>	<u>Totals</u>
2020	<u>\$ 3,606.84</u>
Total Payments from District	3,606.84
Less imputed interest	<u>(55.02)</u>
Net Present Value of Minimum Lease Payments	3,551.82
Less: Current Maturities	<u>(3,551.82)</u>
Long-Term Capital Lease Obligations	<u><u>\$ 0.00</u></u>

**6. OPERATING LEASES**

As of June 30, 2019 the District has entered into a number of operating leases for equipment and facilities. Total payments for the year ended June 30, 2019, was \$2,953.04 Under the current lease agreements, the future minimum lease rentals are as follows:

2020	\$ 1,317.78
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**7. LONG-TERM DEBT**

Changes in long-term liabilities for the District for the year ended June 30, 2019, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balances Beginning of Year	Additions/ New Debt	Reductions/ Principal Paid	Balances End of Year	Interest Paid
General Obligation Bonds Paid with Tax Appropriations and State Aid Series 2019	3.0-5.0%	6/27/2019	\$ 35,040,000.00	9/1/2048	\$ -	\$ 35,040,000.00	\$ -	\$ 35,040,000.00	\$ -
Capital Leases									
Energy Improvements	3.69%	8/13/2007	774,914.00	7/13/2022	244,682.01	-	57,891.71	186,790.30	9,028.77
Copy Machines	5.287%	12/20/2016	19,971.43	12/20/2019	10,380.58	-	6,828.76	3,551.82	384.92
<b>Total Contractual Indebtedness</b>					<b>\$ 255,062.59</b>	<b>\$ 35,040,000.00</b>	<b>\$ 64,720.47</b>	<b>\$ 35,230,342.12</b>	<b>\$ 9,413.69</b>

## 7. LONG-TERM DEBT (Continued)

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

Issue	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025-2029	June 30, 2030-2034	June 30, 2035-2039
<u>Principal</u>								
General Obligation Bonds								
Series 2019	\$ -	\$ 375,000.00	\$ 575,000.00	\$ 610,000.00	\$ 650,000.00	\$ 3,915,000.00	\$ 5,200,000.00	\$ 6,520,000.00
Capital Leases								
Energy Improvements	60,009.03	62,242.25	64,539.02	-	-	-	-	-
Copy Machines	3,551.82	-	-	-	-	-	-	-
Total Principal	63,560.85	437,242.25	639,539.02	610,000.00	650,000.00	3,915,000.00	5,200,000.00	6,520,000.00
<u>Interest</u>								
General Obligation Bonds								
Series 2019	853,156.99	1,249,381.26	1,225,631.26	1,196,006.26	1,164,506.26	5,275,656.30	4,221,256.30	3,148,081.30
Capital Leases								
Energy Improvements	6,911.45	4,678.23	2,381.46	-	-	-	-	-
Copy Machines	55.02	-	-	-	-	-	-	-
Total Interest	860,123.46	1,254,059.49	1,228,012.72	1,196,006.26	1,164,506.26	5,275,656.30	4,221,256.30	3,148,081.30
Total Principal and Interest	\$ 923,684.31	\$ 1,691,301.74	\$ 1,867,551.74	\$ 1,806,006.26	\$ 1,814,506.26	\$ 9,190,656.30	\$ 9,421,256.30	\$ 9,668,081.30

Issue	June 30, 2040-2044	June 30, 2045-2048	Totals
<u>Principal</u>			
General Obligation Bonds			
Series 2019	\$ 7,830,000.00	\$ 9,365,000.00	\$ 35,040,000.00
Capital Leases			
Energy Improvements	-	-	186,790.30
Copy Machines	-	-	3,551.82
Total Principal	7,830,000.00	9,365,000.00	35,230,342.12
<u>Interest</u>			
General Obligation Bonds			
Series 2019	2,067,331.30	752,734.39	21,153,741.62
Capital Leases			
Energy Improvements	-	-	13,971.14
Copy Machines	-	-	55.02
Total Interest	2,067,331.30	752,734.39	21,167,767.78
Total Principal and Interest	\$ 9,897,331.30	\$ 10,117,734.39	\$ 56,398,109.90



**8. OTHER COMMITMENTS**

The District has entered into a five year service contract with k12itc, for technology services. Total payments for the year ended June 30, 2019 was \$133,751.52 Under the current contract, the future commitment is as follows:

2020	\$	133,751.52
2021		133,751.52
2022		122,605.56

**9. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS**

*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](http://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 1.00% 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 dollars per year. The first 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 computed to be \$19.4 million per year.

**9. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS** (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 \$733,586.46 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 \$10,163,068.00. 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 publically available on the website at [www.kpers.org](http://www.kpers.org) or can be obtained as described above.

*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.

*Compensated Absences:*

Sick Leave: A maximum of 10 days of sick leave will be granted each year for employees working 205 days per year; a maximum of 11 days for employment of 206-220 days; and 12 days for those with over 220 days of employment with a total accumulation of 90 days allowed. There is no payment for unused sick leave when an employee ceases employment with the District except at retirement after 10 years of employment by the District or if resigning for any other reason after 15 consecutive years of service in the District. The payment rate is 25% of the daily rate or \$15.00, whichever is higher, up to a maximum of 60 days.

Vacation Leave: Full-time, twelve month custodial and clerical employees are granted vacation leave. After one year of employment – two weeks of paid vacation each year, after seven years of employment – three weeks of paid vacation each year, and after fifteen years of employment – four weeks of paid vacation each year. Employees working less than full time will receive vacation benefits on a pro-rated basis. Accumulated vacation pay is paid after one year of employment.

The District accrues a liability for compensated absences which meet the following criteria:

- 1) The District's obligation relating to employees' rights to receive compensation for future absences is attributed to employee's services already rendered.
- 2) The obligation relates to rights that vest or accumulate.
- 3) Payment of the compensation is probable.
- 4) The amount can be reasonably estimated.

**9. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS** (Continued)

In accordance with the above criteria, the District has estimated a liability for discretionary leave, which has been earned, but not taken by District employees of \$28,566.03. The District has not estimated a liability for sick leave earned, but not taken, by District employees, as the amounts cannot be reasonably estimated at this time.

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

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.

**10. CAPITAL PROJECTS**

Capital project authorizations with approved change orders compared with cash disbursements and accounts payable from inception are as follows:

<u>PROJECT NAME</u>	<u>AUTHORIZED</u>	<u>EXPENDED THRU 6/30/2019</u>	<u>COMPLETION</u>
Elementary School	\$ 25,230,000.00	\$ 0.00	Ongoing
S.T.E.M. and Career Prep Center	7,015,000.00	0.00	Ongoing
HVAC Upgrades and Improvements To Iola Middle School	<u>2,840,000.00</u>	<u>0.00</u>	Ongoing
	<u>\$ 35,085,000.00</u>	<u>\$ 0.00</u>	

**11. RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disasters. The District manages these risks of loss through the purchase of various insurance policies.

**12. CONTINGENT LIABILITIES**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government and state grantors. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

**13. INTERFUND TRANSFERS**

Operating transfers were as follows:

<u>From Fund:</u>	<u>To Fund:</u>	<u>Statutory Authority</u>	<u>Amount</u>
General Fund	4 Year Old At-Risk Fund	K.S.A. 72-5167	\$ 60,500.00
General Fund	K-12 At-Risk Fund	K.S.A. 72-5167	1,147,000.00
General Fund	Bilingual Education Fund	K.S.A. 72-5167	650.00
General Fund	Professional Development Fund	K.S.A. 72-5167	4,500.00
General Fund	Virtual Education Fund	K.S.A. 72-5167	142,500.00
General Fund	Vocational Education Fund	K.S.A. 72-5167	97,049.00
General Fund	Special Education Fund	K.S.A. 72-5167	2,364,843.40
Supplemental General Fund	Parent Education Fund	K.S.A. 72-5143	7,000.00
Supplemental General Fund	K-12 At-Risk Fund	K.S.A. 72-5143	741,000.00
Supplemental General Fund	Bilingual Education Fund	K.S.A. 72-5143	908.00
Supplemental General Fund	Food Service Fund	K.S.A. 72-5143	85,000.00
Supplemental General Fund	Professional Development Fund	K.S.A. 72-5143	5,500.00
Supplemental General Fund	Special Education Fund	K.S.A. 72-5143	204,867.70
Supplemental General Fund	Vocational Education Fund	K.S.A. 72-5143	219,000.00

**14. SUBSEQUENT EVENTS**

The District evaluated events and transactions occurring subsequent year end, and there were no subsequent events requiring recognition in the financial statements. Additionally, there were no non-recognized subsequent events requiring disclosure.

## SUPPLEMENTARY INFORMATION

**UNIFIED SCHOOL DISTRICT #257**

Iola, Kansas

Summary of Expenditures - Actual and Budget

Regulatory Basis

(Budgeted Funds Only)

For the Fiscal Year Ended June 30, 2019

Funds	Certified Budget	Adjustments to Comply with Legal Maximum	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures		Variance - Over (Under)
					Charged to Current Year Budget	Charged to Current Year Budget	
General	\$ 9,759,159.00	\$ (207,385.00)	\$ 41,221.43	\$ 9,592,995.43	\$ 9,592,995.24	\$ (0.19)	
Supplemental General	3,055,227.00	(40,931.00)	-	3,014,296.00	3,014,296.00	-	
Special Purpose Funds:							
4 Year Old At-Risk	107,510.00	-	-	107,510.00	60,179.83	(47,330.17)	
K-12 At-Risk	2,212,119.00	-	-	2,212,119.00	1,895,251.80	(316,867.20)	
Capital Outlay	1,993,621.00	-	-	1,993,621.00	707,988.42	(1,285,632.58)	
Driver Training	53,914.00	-	-	53,914.00	13,672.87	(40,241.13)	
Food Service	927,732.00	-	-	927,732.00	677,685.71	(250,046.29)	
Professional Development	26,756.00	-	-	26,756.00	7,278.78	(19,477.22)	
Bilingual Education	3,626.00	-	-	3,626.00	1,541.73	(2,084.27)	
Parent Education	18,214.00	-	-	18,214.00	7,500.00	(10,714.00)	
Special Education	2,974,199.00	-	-	2,974,199.00	2,548,402.70	(425,796.30)	
Vocational Education	392,005.00	-	-	392,005.00	334,165.11	(57,839.89)	
Virtual Education	276,672.00	-	65,000.00	341,672.00	207,825.76	(133,846.24)	
KPERS Special Retirement Contributions	1,162,962.00	-	-	1,162,962.00	733,586.46	(429,375.54)	

**UNIFIED SCHOOL DISTRICT #257**

Iola, Kansas

**GENERAL FUND**

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Local Sources				
Mineral Production Tax	\$ 520.24	\$ 1,031.81	\$ 520.00	\$ 511.81
Reimbursements	67,517.13	41,221.43	50,000.00	(8,778.57)
State Sources				
General State Aid	7,708,851.00	7,858,090.00	7,959,912.00	(101,822.00)
Special Education Aid	1,520,679.00	1,692,652.00	1,748,727.00	(56,075.00)
<b>Total Receipts</b>	<b>9,297,567.37</b>	<b>9,592,995.24</b>	<b>\$ 9,759,159.00</b>	<b>\$ (166,163.76)</b>
<b>Expenditures</b>				
Instruction	3,671,688.26	3,455,169.06	\$ 3,825,279.00	\$ (370,109.94)
Support Services				
Student Support	261,079.71	238,459.75	276,072.00	(37,612.25)
Instructional Support	307,919.42	287,208.28	322,951.00	(35,742.72)
General Administration	289,655.28	248,674.73	305,666.00	(56,991.27)
School Administration	779,638.17	812,870.34	814,406.00	(1,535.66)
Central Services	239,748.91	262,544.35	244,500.00	18,044.35
Student Transportation Services	430,826.10	470,659.73	464,000.00	6,659.73
Other Support Services	574.14	366.60	1,000.00	(633.40)
Operating Transfers to:				
4 Year Old At-Risk Fund	71,500.00	60,500.00	85,128.00	(24,628.00)
K-12 At-Risk Fund	1,112,594.09	1,147,000.00	1,408,068.00	(261,068.00)
Bilingual Education Fund	1,600.00	650.00	1,600.00	(950.00)
Professional Development Fund	3,610.01	4,500.00	3,610.00	890.00

**UNIFIED SCHOOL DISTRICT #257**

Iola, Kansas

**GENERAL FUND**

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Expenditures (Continued)				
Virtual Education Fund	\$ 186,000.00	\$ 142,500.00	\$ 181,000.00	\$ (38,500.00)
Food Service	15,000.00	-	-	-
Contingency Reserve	100,000.00	-	-	-
Vocational Education Fund	75,879.00	97,049.00	75,879.00	21,170.00
Capital Outlay Fund	5,075.28	-	-	-
Special Education Fund	1,745,179.00	2,364,843.40	1,750,000.00	614,843.40
Total Certified Budget			9,759,159.00	(166,163.76)
Adjustments to Budget				
Adjustment to Comply with Legal Maximum Budget			(207,385.00)	207,385.00
Adjustment for Qualifying Budget Credits			41,221.43	(41,221.43)
Total Expenditures	9,297,567.37	9,592,995.24	\$ 9,592,995.43	\$ (0.19)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ -		



**UNIFIED SCHOOL DISTRICT #257**

Iola, Kansas

**SUPPLEMENTAL GENERAL FUND**

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Local Sources				
Ad Valorem Tax	\$ 928,592.14	\$ 799,967.84	\$ 876,513.00	\$ (76,545.16)
Delinquent Tax	21,219.27	26,321.84	21,659.00	4,662.84
County Sources				
Motor Vehicle Tax	151,477.69	148,030.73	111,847.00	36,183.73
Commercial Vehicle Tax	7,135.75	13,086.25	8,260.00	4,826.25
Recreational Vehicle Tax	2,198.41	1,976.93	1,033.00	943.93
16/20M Trucks	3,699.83	4,220.55	-	4,220.55
In Lieu of Taxes IRBs	2,416.48	2,409.94	-	2,409.94
State Sources				
Supplemental State Aid	2,066,979.00	2,005,411.00	2,032,643.00	(27,232.00)
<b>Total Receipts</b>	<b>3,183,718.57</b>	<b>3,001,425.08</b>	<b>\$ 3,051,955.00</b>	<b>\$ (50,529.92)</b>
<b>Expenditures</b>				
Instruction	132,161.41	153,925.27	\$ 152,863.00	\$ 1,062.27
Support Services				
General Administration	65,620.26	91,130.09	67,000.00	24,130.09
School Administration	6,333.00	6,386.56	7,000.00	(613.44)
Central Services	8,868.63	13,116.55	9,000.00	4,116.55
Operations & Maintenance	1,406,859.82	1,486,461.83	1,444,500.00	41,961.83
Operating Transfers to:				
Parent Education Fund	7,500.00	7,000.00	7,500.00	(500.00)
K-12 At-Risk Fund	603,992.91	741,000.00	603,993.00	137,007.00
Driver Training Fund	5,000.00	-	-	-
Bilingual Education Fund	-	908.00	1,000.00	(92.00)

**UNIFIED SCHOOL DISTRICT #257**

Iola, Kansas

**SUPPLEMENTAL GENERAL FUND**

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Expenditures (Continued)				
Operating Transfers (Continued)				
Food Service Fund	\$ 42,000.00	\$ 85,000.00	\$ 42,000.00	\$ 43,000.00
Professional Development Fund	3,650.00	5,500.00	3,650.00	1,850.00
Special Education Fund	553,854.97	204,867.70	497,721.00	(292,853.30)
Vocational Education Fund	219,000.00	219,000.00	219,000.00	-
Total Certified Budget			3,055,227.00	(40,931.00)
Adjustments to Budget				
Adjustment to Comply with Legal Maximum Budget			(40,931.00)	40,931.00
Total Expenditures	3,054,841.00	3,014,296.00	\$ 3,014,296.00	\$ -
Receipts Over (Under) Expenditures	128,877.57	(12,870.92)		
Unencumbered Cash, Beginning	78,579.49	207,457.06		
Unencumbered Cash, Ending	\$ 207,457.06	\$ 194,586.14		

**UNIFIED SCHOOL DISTRICT #257**

Iola, Kansas

**4 YEAR OLD AT-RISK FUND**

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Operating Transfer from General Fund	\$ 71,500.00	\$ 60,500.00	\$ 85,128.00	\$ (24,628.00)
Total Receipts	71,500.00	60,500.00	\$ 85,128.00	\$ (24,628.00)
Expenditures				
Instruction	69,836.70	60,179.83	\$ 107,510.00	\$ (47,330.17)
Total Expenditures	69,836.70	60,179.83	\$ 107,510.00	\$ (47,330.17)
Receipts Over (Under) Expenditures	1,663.30	320.17		
Unencumbered Cash, Beginning	20,718.99	22,382.29		
Unencumbered Cash, Ending	\$ 22,382.29	\$ 22,702.46		

**UNIFIED SCHOOL DISTRICT #257**

Iola, Kansas

**K-12 AT-RISK FUND**

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Operating Transfers from:				
General Fund	\$ 1,112,594.09	\$ 1,147,000.00	\$ 1,408,068.00	\$ (261,068.00)
Supplemental General Fund	603,992.91	741,000.00	603,993.00	137,007.00
Total Receipts	1,716,587.00	1,888,000.00	\$ 2,012,061.00	\$ (124,061.00)
Expenditures				
Instruction	1,608,268.12	1,795,187.81	\$ 2,102,119.00	\$ (306,931.19)
Support Services				
Student Support	71,537.88	100,063.99	110,000.00	(9,936.01)
Total Expenditures	1,679,806.00	1,895,251.80	\$ 2,212,119.00	\$ (316,867.20)
Receipts Over (Under) Expenditures	36,781.00	(7,251.80)		
Unencumbered Cash, Beginning	163,276.95	200,057.95		
Unencumbered Cash, Ending	\$ 200,057.95	\$ 192,806.15		

**UNIFIED SCHOOL DISTRICT #257**

Iola, Kansas

**CAPITAL OUTLAY FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Local Sources				
Ad Valorem Tax	\$ 405,818.01	\$ 408,813.29	\$ 384,000.00	\$ 24,813.29
Delinquent Tax	7,532.30	10,878.12	9,436.00	1,442.12
Interest on Idle Funds	52,392.34	98,967.30	60,000.00	38,967.30
Other	8,722.94	4,646.99	10,000.00	(5,353.01)
County Sources				
Motor Vehicle Tax	62,038.27	66,171.68	50,653.00	15,518.68
Commercial Vehicle Tax	3,241.49	5,727.46	3,740.00	1,987.46
Recreational Vehicle Tax	903.15	884.23	467.00	417.23
16/20M Trucks	1,461.88	1,939.72	-	1,939.72
In Lieu of Taxes IRBs	1,115.32	-	-	-
State Sources				
Capital Outlay State Aid	246,613.00	250,373.00	254,973.00	(4,600.00)
Operating Transfer from General Fund	5,075.28	-	-	-
<b>Total Receipts</b>	<b>794,913.98</b>	<b>848,401.79</b>	<b>\$ 773,269.00</b>	<b>\$ 75,132.79</b>
<b>Expenditures</b>				
Instruction	34,389.35	3,597.00	\$ 271,200.00	\$ (267,603.00)
Support Services				
General Administration	135,735.30	139,885.72	597,421.00	(457,535.28)
School Administration	-	5,367.41	-	5,367.41
Operations & Maintenance	72,574.76	131,820.67	200,000.00	(68,179.33)
Transportation	143,295.00	93,173.00	275,000.00	(181,827.00)
Facility Acquisition and Construction Services				
Land Acquisition	19,859.41	68,419.05	300,000.00	(231,580.95)
Land Improvement	-	59,854.09	50,000.00	9,854.09
Architectural and Engineering Services	-	31,885.00	50,000.00	(18,115.00)
Site Improvement	-	-	100,000.00	(100,000.00)

**UNIFIED SCHOOL DISTRICT #257**

Iola, Kansas

**CAPITAL OUTLAY FUND**

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Expenditures (Continued)				
Facility Acquisition and Construction Services (Continued)				
Building Improvement	\$ 123,978.48	\$ 173,986.48	\$ 150,000.00	\$ 23,986.48
Total Expenditures	529,832.30	707,988.42	\$ 1,993,621.00	\$ (1,285,632.58)
Receipts Over (Under) Expenditures	265,081.68	140,413.37		
Unencumbered Cash, Beginning	955,269.78	1,220,351.46		
Unencumbered Cash, Ending	\$ 1,220,351.46	\$ 1,360,764.83		

**UNIFIED SCHOOL DISTRICT #257**

Iola, Kansas

**DRIVER TRAINING FUND**

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Local Sources				
Student Receipts	\$ 8,680.00	\$ 6,580.00	\$ 10,000.00	\$ (3,420.00)
State Sources				
State Aid	5,632.00	8,123.00	7,800.00	323.00
Operating Transfer from Supplemental General Fund	5,000.00	-	-	-
Total Receipts	19,312.00	14,703.00	\$ 17,800.00	\$ (3,097.00)
Expenditures				
Instruction	6.00	10,434.00	\$ 37,000.00	\$ (26,566.00)
Support Services				
Vehicle Operations	2,047.72	3,238.87	16,914.00	(13,675.13)
Total Expenditures	2,053.72	13,672.87	\$ 53,914.00	\$ (40,241.13)
Receipts Over (Under) Expenditures	17,258.28	1,030.13		
Unencumbered Cash, Beginning	18,855.42	36,113.70		
Unencumbered Cash, Ending	\$ 36,113.70	\$ 37,143.83		

**UNIFIED SCHOOL DISTRICT #257**

Iola, Kansas

**FOOD SERVICE FUND**

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Local Sources				
Food Service Sales	\$ 161,699.97	\$ 143,240.28	\$ 195,302.00	\$ (52,061.72)
Miscellaneous Receipts	1,625.69	868.00	15,000.00	(14,132.00)
State Sources				
Food Service Aid	6,193.74	5,233.07	5,447.00	(213.93)
Federal Sources				
Child Nutrition Aid	556,172.02	478,417.23	491,159.00	(12,741.77)
Operating Transfer from:				
General Fund	15,000.00	-	-	-
Supplemental General Fund	42,000.00	85,000.00	42,000.00	43,000.00
<b>Total Receipts</b>	<b>782,691.42</b>	<b>712,758.58</b>	<b>\$ 748,908.00</b>	<b>\$ (36,149.42)</b>
Expenditures				
Support Services				
Operations & Maintenance	8,281.14	-	\$ 68,069.00	\$ (68,069.00)
Operation of Non- Instructional Services				
Food Service Operations	753,050.76	677,685.71	859,663.00	(181,977.29)
<b>Total Expenditures</b>	<b>761,331.90</b>	<b>677,685.71</b>	<b>\$ 927,732.00</b>	<b>\$ (250,046.29)</b>
Receipts Over (Under) Expenditures	21,359.52	35,072.87		
Unencumbered Cash, Beginning	157,464.61	178,824.13		
Unencumbered Cash, Ending	<b>\$ 178,824.13</b>	<b>\$ 213,897.00</b>		



**UNIFIED SCHOOL DISTRICT #257**

Iola, Kansas

**PROFESSIONAL DEVELOPMENT FUND**

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
State Sources				
Professional Development Aid	\$ -	\$ -	\$ 1,250.00	\$ (1,250.00)
Operating Transfer from:				
General Fund	5,000.00	4,500.00	3,610.00	890.00
Supplemental General Fund	3,650.00	5,500.00	3,650.00	1,850.00
Total Receipts	8,650.00	10,000.00	\$ 8,510.00	\$ 1,490.00
Expenditures				
Support Services				
Instructional Support	6,394.80	7,278.78	\$ 26,756.00	\$ (19,477.22)
Total Expenditures	6,394.80	7,278.78	\$ 26,756.00	\$ (19,477.22)
Receipts Over (Under) Expenditures	2,255.20	2,721.22		
Unencumbered Cash, Beginning	15,991.54	18,246.74		
Unencumbered Cash, Ending	\$ 18,246.74	\$ 20,967.96		

**UNIFIED SCHOOL DISTRICT #257**

Iola, Kansas

**BILINGUAL EDUCATION FUND**

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Operating Transfer from:				
General Fund	\$ 1,600.00	\$ 650.00	\$ 1,600.00	\$ (950.00)
Supplemental General Fund	-	908.00	1,000.00	(92.00)
Total Receipts	1,600.00	1,558.00	2,600.00	(1,042.00)
Expenditures				
Instruction	573.60	1,541.73	\$ 3,626.00	\$ (2,084.27)
Total Expenditures	573.60	1,541.73	\$ 3,626.00	\$ (2,084.27)
Receipts Over (Under) Expenditures	1,026.40	16.27		
Unencumbered Cash, Beginning	-	1,026.40		
Unencumbered Cash, Ending	\$ 1,026.40	\$ 1,042.67		

**UNIFIED SCHOOL DISTRICT #257**

Iola, Kansas

**PARENT EDUCATION FUND**

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Operating Transfers from Supplemental General Fund	\$ 7,500.00	\$ 7,000.00	\$ 7,500.00	\$ (500.00)
Total Receipts	7,500.00	7,000.00	\$ 7,500.00	\$ (500.00)
Expenditures				
Support Services Student Support	7,500.00	7,500.00	\$ 18,214.00	\$ (10,714.00)
Total Expenditures	7,500.00	7,500.00	\$ 18,214.00	\$ (10,714.00)
Receipts Over (Under) Expenditures	-	(500.00)		
Unencumbered Cash, Beginning	10,713.65	10,713.65		
Unencumbered Cash, Ending	\$ 10,713.65	\$ 10,213.65		

**UNIFIED SCHOOL DISTRICT #257**

Iola, Kansas

**SPECIAL EDUCATION FUND**

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Local Sources				
Miscellaneous	\$ 40,652.24	\$ 54,801.90	\$ 50,000.00	\$ 4,801.90
State Sources			-	
General State Aid	9,250.00	-	-	-
Operating Transfers from:				
General Fund	1,745,179.00	2,364,843.40	1,750,000.00	614,843.40
Supplemental General Fund	553,854.97	204,867.70	497,721.00	(292,853.30)
<b>Total Receipts</b>	<b>2,348,936.21</b>	<b>2,624,513.00</b>	<b>\$ 2,297,721.00</b>	<b>\$ 326,792.00</b>
Expenditures				
Instruction	2,171,638.37	2,382,377.90	\$ 2,321,353.00	\$ 61,024.90
Support Services				
Student Transportation Services	149,585.96	166,024.80	652,846.00	(486,821.20)
<b>Total Expenditures</b>	<b>2,321,224.33</b>	<b>2,548,402.70</b>	<b>\$ 2,974,199.00</b>	<b>\$ (425,796.30)</b>
Receipts Over (Under) Expenditures	27,711.88	76,110.30		
Unencumbered Cash, Beginning	648,767.90	676,479.78		
Unencumbered Cash, Ending	\$ 676,479.78	\$ 752,590.08		

**UNIFIED SCHOOL DISTRICT #257**

Iola, Kansas

**VOCATIONAL EDUCATION FUND**

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Local Sources				
Miscellaneous	\$ 7,158.80	\$ 6,712.20	\$ 7,000.00	\$ (287.80)
State Sources				
CTE Transportation State Aid	1,317.00	1,280.00	1,305.00	(25.00)
Federal Sources				
Federal Aid	5,119.12	17,278.00	-	17,278.00
Operating Transfers from:				
General Fund	75,879.00	97,049.00	75,879.00	21,170.00
Supplemental General Fund	219,000.00	219,000.00	219,000.00	-
<b>Total Receipts</b>	<b>308,473.92</b>	<b>341,319.20</b>	<b>\$ 303,184.00</b>	<b>\$ 38,135.20</b>
Expenditures				
Instruction	300,653.00	334,165.11	\$ 392,005.00	\$ (57,839.89)
<b>Total Expenditures</b>	<b>300,653.00</b>	<b>334,165.11</b>	<b>\$ 392,005.00</b>	<b>\$ (57,839.89)</b>
Receipts Over (Under) Expenditures	7,820.92	7,154.09		
Unencumbered Cash, Beginning	81,000.66	88,821.58		
Unencumbered Cash, Ending	\$ 88,821.58	\$ 95,975.67		

**UNIFIED SCHOOL DISTRICT #257**

Iola, Kansas

**VIRTUAL EDUCATION FUND**

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Local Sources				
Reimbursements	\$ 40,000.00	\$ 65,000.00	\$ 65,000.00	\$ -
Operating Transfers from General Fund	186,000.00	142,500.00	181,000.00	(38,500.00)
Total Receipts	226,000.00	207,500.00	\$ 246,000.00	\$ (38,500.00)
Expenditures				
Instruction	206,922.00	207,825.76	\$ 276,672.00	\$ (68,846.24)
Total Certified Budget			276,672.00	(68,846.24)
Adjustment for Qualifying Budget Credits			65,000.00	(65,000.00)
Total Expenditures	206,922.00	207,825.76	\$ 341,672.00	\$ (133,846.24)
Receipts Over (Under) Expenditures	19,078.00	(325.76)		
Unencumbered Cash, Beginning	11,594.04	30,672.04		
Unencumbered Cash, Ending	\$ 30,672.04	\$ 30,346.28		

**UNIFIED SCHOOL DISTRICT #257**

Iola, Kansas

**TITLE I FUND**

Schedule of Receipts and Expenditures - Actual

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year Actual
Receipts		
Federal Sources		
Federal Aid	\$ 393,554.00	\$ 394,773.00
Total Receipts	393,554.00	394,773.00
Expenditures		
Instruction	366,054.00	395,025.34
Support Services		
School Administration	2,500.00	2,500.00
Total Expenditures	368,554.00	397,525.34
Receipts Over (Under) Expenditures	25,000.00	(2,752.34)
Unencumbered Cash, Beginning	-	25,000.00
Unencumbered Cash, Ending	\$ 25,000.00	\$ 22,247.66

**UNIFIED SCHOOL DISTRICT #257**

Iola, Kansas

**TITLE II-A TEACHER QUALITY FUND**

Schedule of Receipts and Expenditures - Actual

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year Actual
Receipts		
Federal Sources		
Federal Aid	\$ 63,155.00	\$ 61,180.00
Operating Transfers from Title IV Grant Fund	10,126.66	-
Total Receipts	<u>73,281.66</u>	<u>61,180.00</u>
Expenditures		
Instruction	4,536.82	4,171.84
Support Services		
Instructional Support	59,825.00	66,411.76
Total Expenditures	<u>64,361.82</u>	<u>70,583.60</u>
Receipts Over (Under) Expenditures	8,919.84	(9,403.60)
Unencumbered Cash, Beginning	<u>1,193.16</u>	<u>10,113.00</u>
Unencumbered Cash, Ending	<u>\$ 10,113.00</u>	<u>\$ 709.40</u>



**UNIFIED SCHOOL DISTRICT #257**

Iola, Kansas

**TITLE IV GRANT FUND**

Schedule of Receipts and Expenditures - Actual

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year Actual
Receipts		
Federal Sources		
Federal Aid	\$ 10,502.00	\$ 25,762.00
Total Receipts	10,502.00	25,762.00
Expenditures		
Instruction	-	24,740.00
Support Services		
School Administration	389.00	1,022.00
Operating Transfers to Title II-A-Teacher Quality Fund	10,126.66	-
Total Expenditures	10,515.66	25,762.00
Receipts Over (Under) Expenditures	(13.66)	-
Unencumbered Cash, Beginning	13.66	-
Unencumbered Cash, Ending	\$ -	\$ -

**UNIFIED SCHOOL DISTRICT #257**

Iola, Kansas

**TITLE VI-B GRANT FUND**

Schedule of Receipts and Expenditures - Actual

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year Actual
Receipts		
Federal Sources		
Federal Aid	\$ 26,492.00	\$ 25,902.00
Total Receipts	26,492.00	25,902.00
Expenditures		
Instruction	26,492.00	25,902.00
Total Expenditures	26,492.00	25,902.00
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

**UNIFIED SCHOOL DISTRICT #257**

Iola, Kansas

**KPERS SPECIAL RETIREMENT CONTRIBUTIONS FUND**

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
State Sources				
KPERS Contributions	\$ 863,884.55	\$ 733,586.46	\$ 1,162,962.00	\$ (429,375.54)
Total Receipts	863,884.55	733,586.46	\$ 1,162,962.00	\$ (429,375.54)
Expenditures				
Instruction	538,286.46	457,097.72	\$ 603,383.00	\$ (146,285.28)
Support Services				
Student Support	34,987.32	29,710.25	63,948.00	(34,237.75)
Instructional Support	49,241.42	41,814.42	78,918.00	(37,103.58)
General Administration	24,793.49	21,053.94	53,245.00	(32,191.06)
School Administration	73,516.58	62,428.22	104,405.00	(41,976.78)
Other Supplemental Services	29,717.63	25,235.37	58,416.00	(33,180.63)
Operations and Maintenance	56,152.50	47,683.12	86,173.00	(38,489.88)
Student Transportation Services	36,715.09	31,177.42	65,763.00	(34,585.58)
Food Service	20,474.06	17,386.00	48,711.00	(31,325.00)
Total Expenditures	863,884.55	733,586.46	\$ 1,162,962.00	\$ (429,375.54)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ -		

**UNIFIED SCHOOL DISTRICT #257**

Iola, Kansas

**CONTINGENCY RESERVE FUND**

Schedule of Receipts and Expenditures - Actual

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year Actual
Receipts		
Operating Transfer from General Fund	\$ 100,000.00	\$ -
Total Receipts	100,000.00	-
Expenditures		
Support Services School Administration	-	-
Total Expenditures	-	-
Receipts Over (Under) Expenditures	100,000.00	-
Unencumbered Cash, Beginning	600,000.00	700,000.00
Unencumbered Cash, Ending	\$ 700,000.00	\$ 700,000.00

**UNIFIED SCHOOL DISTRICT #257**  
Iola, Kansas  
**TEXTBOOK & STUDENT MATERIAL FUND**  
Schedule of Receipts and Expenditures - Actual  
Regulatory Basis  
For the Fiscal Year Ended June 30, 2019  
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Receipts		
Local Sources		
Rental Fees & Books	\$ 20,946.99	\$ 19,512.78
Total Receipts	<u>20,946.99</u>	<u>19,512.78</u>
Expenditures		
Instruction	<u>20,606.77</u>	<u>17,763.00</u>
Total Expenditures	<u>20,606.77</u>	<u>17,763.00</u>
Receipts Over (Under) Expenditures	340.22	1,749.78
Unencumbered Cash, Beginning	<u>-</u>	<u>340.22</u>
Unencumbered Cash, Ending	<u>\$ 340.22</u>	<u>\$ 2,090.00</u>

**UNIFIED SCHOOL DISTRICT #257**

Iola, Kansas

**IMPROVEMENT GRANT FUND**

Schedule of Receipts and Expenditures - Actual

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year Actual
Receipts		
Federal Sources		
Federal Aid	\$ -	\$ -
Total Receipts	-	-
Expenditures		
Instruction	-	-
Total Expenditures	-	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	4,074.46	4,074.46
Unencumbered Cash, Ending	\$ 4,074.46	\$ 4,074.46

**UNIFIED SCHOOL DISTRICT #257**

Iola, Kansas

**21st CENTURY GRANT FUND**

Schedule of Receipts and Expenditures - Actual

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year Actual
Receipts		
Federal Sources		
21st Century Grant	\$ 75,000.00	\$ 75,000.00
Total Receipts	75,000.00	75,000.00
Expenditures		
Instruction	71,716.18	69,500.00
Support Services		
Instructional Support	1,783.82	4,000.00
General Administration	1,500.00	1,500.00
Total Expenditures	75,000.00	75,000.00
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

**UNIFIED SCHOOL DISTRICT #257**

Iola, Kansas

**SAFEBASE DONATIONS FUND**

Schedule of Receipts and Expenditures - Actual

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year Actual
Receipts		
Local Source Donations	\$ 20,251.11	\$ 10,850.00
Total Receipts	20,251.11	10,850.00
Expenditures		
Instruction	33,839.94	19,334.21
Total Expenditures	33,839.94	19,334.21
Receipts Over (Under) Expenditures	(13,588.83)	(8,484.21)
Unencumbered Cash, Beginning	39,407.38	25,818.55
Unencumbered Cash, Ending	\$ 25,818.55	\$ 17,334.34



**UNIFIED SCHOOL DISTRICT #257**  
Iola, Kansas  
**21st CENTURY SUMMER GRANT FUND**  
Schedule of Receipts and Expenditures - Actual  
Regulatory Basis  
For the Fiscal Year Ended June 30, 2019  
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year Actual
Receipts		
Local Sources		
Reimbursements	\$ 48.00	\$ -
Total Receipts	48.00	-
Expenditures		
Instruction	-	48.00
Total Expenditures	-	48.00
Receipts Over (Under) Expenditures	48.00	(48.00)
Unencumbered Cash, Beginning	-	48.00
Unencumbered Cash, Ending	\$ 48.00	\$ -

**UNIFIED SCHOOL DISTRICT #257**  
Iola, Kansas  
**21st CENTURY SAFE BASE GRANT FUND**  
Schedule of Receipts and Expenditures - Actual  
Regulatory Basis  
For the Fiscal Year Ended June 30, 2019  
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year Actual
Receipts		
Federal Sources		
Federal Aid	\$ 78,000.00	\$ 75,000.00
Total Receipts	78,000.00	75,000.00
Expenditures		
Instruction	74,000.00	71,000.00
Support Services		
Instructional Support	4,000.00	4,000.00
Total Expenditures	78,000.00	75,000.00
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

**UNIFIED SCHOOL DISTRICT #257**

Iola, Kansas

**REACH GRANT FUND**

Schedule of Receipts and Expenditures - Actual

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year Actual
Receipts		
Other Revenue		
Reach Grant	\$ -	\$ -
Total Receipts	-	-
Expenditures		
Support Services		
Student Support	312.41	-
Total Expenditures	312.41	-
Receipts Over (Under) Expenditures	(312.41)	-
Unencumbered Cash, Beginning	642.24	329.83
Unencumbered Cash, Ending	\$ 329.83	\$ 329.83

**UNIFIED SCHOOL DISTRICT #257**

Iola, Kansas

**MISCELLANEOUS GRANTS FUND**

Schedule of Receipts and Expenditures - Actual

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year Actual
Receipts		
Local Sources		
Foundation Grants	\$ 122,650.00	\$ 173,434.82
Total Receipts	122,650.00	173,434.82
Expenditures		
Instruction	1,489.20	329.41
General Administration	11,717.31	181,080.00
Operations and Maintenance	9,376.77	28,598.10
Total Expenditures	22,583.28	210,007.51
Receipts Over (Under) Expenditures	100,066.72	(36,572.69)
Unencumbered Cash, Beginning	61,056.82	161,123.54
Unencumbered Cash, Ending	\$ 161,123.54	\$ 124,550.85

**UNIFIED SCHOOL DISTRICT #257**

Iola, Kansas

**BOND AND INTEREST FUND**

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Local Sources				
Bond Proceeds	\$ -	\$ -	\$ -	\$ -
Total Receipts	-	-	\$ -	\$ -
Expenditures				
Commission and Postage	-	-	\$ -	\$ -
Total Expenditures	-	-	\$ -	\$ -
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	143,867.50	143,867.50		
Unencumbered Cash, Ending	\$ 143,867.50	\$ 143,867.50		

**UNIFIED SCHOOL DISTRICT #257**

Iola, Kansas

**CONSTRUCTION FUND**

Schedule of Receipts and Expenditures - Actual

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year Actual
Receipts		
Local Sources		
Bond Proceeds	\$ -	\$ 36,315,412.12
Interest Income	-	8,058.50
Total Receipts	-	36,323,470.62
Expenditures		
Debt Service		
Cost of Issuance	-	115,197.17
Total Expenditures	-	115,197.17
Receipts Over (Under) Expenditures	-	36,208,273.45
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ 36,208,273.45

**UNIFIED SCHOOL DISTRICT #257**

Iola, Kansas

**BOWLUS TRUST FUND**

Schedule of Receipts and Expenditures - Actual

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year Actual
Receipts		
Local Sources		
Bowlus Trust Reimbursements	\$ 290,775.92	\$ 313,996.47
Total Receipts	290,775.92	313,996.47
Expenditures		
Support Services		
Other Supplemental Services	290,775.92	313,996.47
Total Expenditures	290,775.92	313,996.47
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

**UNIFIED SCHOOL DISTRICT #257**

Iola, Kansas

**YOUTH FRIENDS FUND**

Schedule of Receipts and Expenditures - Actual

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year Actual
Receipts		
Other Revenue		
Youth Friends Donations	\$ -	\$ -
Total Receipts	-	-
Expenditures		
Support Services		
Instructional Support	-	-
Total Expenditures	-	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	2,236.31	2,236.31
Unencumbered Cash, Ending	\$ 2,236.31	\$ 2,236.31



**UNIFIED SCHOOL DISTRICT #257**

Iola, Kansas

**MYERS MATH PRIZE FUND**

Schedule of Receipts and Expenditures - Actual

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year Actual
Receipts		
Local Sources		
Miscellaneous	\$ -	\$ 1,000.00
Total Receipts	-	1,000.00
Expenditures		
Student Services		
Scholarships	150.00	200.00
Total Expenditures	150.00	200.00
Receipts Over (Under) Expenditures	(150.00)	800.00
Unencumbered Cash, Beginning	1,262.85	1,112.85
Unencumbered Cash, Ending	\$ 1,112.85	\$ 1,912.85

**UNIFIED SCHOOL DISTRICT #257**

Iola, Kansas

**DISCRETIONARY TRUST FUND**

Schedule of Receipts and Expenditures - Actual

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year Actual
Receipts		
Local Sources		
Interest on Idle Funds	\$ -	\$ -
Total Receipts	-	-
Expenditures		
Instruction	-	-
Total Expenditures	-	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	384.02	384.02
Unencumbered Cash, Ending	\$ 384.02	\$ 384.02

## UNIFIED SCHOOL DISTRICT #257

Iola, Kansas

## AGENCY FUNDS

## Schedule of Receipts and Disbursements

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

	Beginning Cash Balances			Ending Cash Balances	
		Receipts	Disbursements		
Payroll Clearing	\$ 73,157.92	\$ 4,068,199.43	\$ 4,062,445.36	\$	78,911.99
Student Organizations					
Middle School					
6th Grade Teams	75.00	-	-		75.00
Band	50.01	-	22.68		27.33
Choir	1,110.30	-	415.12		695.18
Crime Stoppers	343.59	-	-		343.59
Football	-	273.67	318.26		(44.59)
John Carnahan Memorial	347.07	-	87.76		259.31
Orchestra	482.42	1,152.66	1,344.49		290.59
Pomatto	-	200.00	96.98		103.02
Sensory Student	474.80	-	161.55		313.25
Sprit Leader	54.39	-	-		54.39
STUCO	361.26	571.95	699.41		233.80
T-Shirts	564.20	1,558.02	1,443.20		679.02
Volleyball	-	609.13	30.00		579.13
Wellness Grant	306.08	-	-		306.08
Wrestling	946.31	600.46	921.85		624.92
High School					
Art	8.35	747.70	702.07		53.98
Band Fundraising	1,946.39	4,131.40	5,444.16		633.63
Band Boosters	2.29	9,030.00	1,344.53		7,687.76
Blue & Gold	-	2,787.90	2,700.94		86.96
Cheerleaders	3,614.21	16,605.83	16,993.31		3,226.73
Chess	-	859.00	49.00		810.00
Choir	2,662.88	-	396.56		2,266.32
Class of 2009	624.21	-	-		624.21
Class of 2014	586.65	-	-		586.65
Class of 2015	550.46	-	-		550.46
Class of 2016	806.93	-	-		806.93
Class of 2017	1,309.90	-	-		1,309.90
Class of 2019	1,595.39	2,195.63	3,474.81		316.21
Class of 2020	112.50	9,075.33	8,122.99		1,064.84
Class of 2021	87.50	50.00	-		137.50
Class of 2022	-	25.00	-		25.00
Cross Country	2,929.44	2,856.51	2,711.46		3,074.49
Entrepreneurship	38.01	-	-		38.01

**UNIFIED SCHOOL DISTRICT #257**  
 Iola, Kansas  
**AGENCY FUNDS**  
 Schedule of Receipts and Disbursements  
 Regulatory Basis  
 For the Fiscal Year Ended June 30, 2019

	Beginning Cash Balances	Receipts	Disbursements	Ending Cash Balances
Student Organizations (Continued)				
High School (Continued)				
FBLA	\$ 11.73	\$ 7,156.08	\$ 6,562.72	\$ 605.09
FCA	6.57	-	-	6.57
FCCLA	2,849.43	6,571.77	7,126.34	2,294.86
FFA	15,639.86	19,730.80	23,705.73	11,664.93
FFA Project	237.65	218.34	77.52	378.47
Forensics	817.47	1,372.26	2,161.99	27.74
Hal Pannell	1,538.02	935.00	283.84	2,189.18
HOSA	-	1,971.99	1,937.32	34.67
I Club	279.29	-	138.00	141.29
Iola Players	758.16	2,745.10	2,217.86	1,285.40
After Prom	1,240.00	-	1,240.00	-
Metals	386.08	1,692.29	632.51	1,445.86
NHS	0.46	1,470.61	1,170.90	300.17
Plays	481.03	3,074.18	2,073.67	1,481.54
SADD	538.93	258.64	55.74	741.83
Spring Romp	266.78	-	108.45	158.33
Strings	-	2,780.61	2,762.80	17.81
STUCO	1,165.36	12,205.76	12,769.31	601.81
Weight Lifting	124.56	2,224.19	1,283.89	1,064.86
Video Club	4.71	-	-	4.71
Wood	723.02	1,267.05	1,969.21	20.86
<b>Totals</b>	<b>\$ 122,217.57</b>	<b>\$ 4,187,204.29</b>	<b>\$ 4,178,204.29</b>	<b>\$ 131,217.57</b>

**UNIFIED SCHOOL DISTRICT #257**  
 Iola, Kansas  
**DISTRICT ACTIVITY FUNDS**  
 Summary of Receipts, Expenditures, and Unencumbered Cash  
 Regulatory Basis  
 For the Fiscal Year Ended June 30, 2019

Funds	Beginning		Receipts	Expenditures	Ending Unencumbered Cash Balances	Plus Encumbrances and Accounts Payable	Ending Cash Balances June 30, 2019
	Unencumbered Cash Balances	Unencumbered Cash Balances					
Gate Receipts							
High School	\$ 14,874.43	\$ 66,760.70	\$ 62,372.65	\$ 19,262.48	\$ -	\$ 19,262.48	
Middle School	13,134.74	32,135.79	29,209.99	16,060.54	-	16,060.54	
Sub-Total Gate Receipts	28,009.17	98,896.49	91,582.64	35,323.02	-	35,323.02	
School Activities							
Jefferson Elementary							
Activity	-	8,275.53	8,275.53	-	4,023.89	4,023.89	
Library	-	2,825.97	2,825.97	-	1,181.29	1,181.29	
P.E.	-	1,198.99	1,198.99	-	36.26	36.26	
Music	-	584.00	584.00	-	546.21	546.21	
G&W	-	191.60	191.60	-	141.60	141.60	
Tennis	-	550.00	550.00	-	550.00	550.00	
Lincoln Elementary							
Activity	-	3,380.85	3,380.85	-	1,518.66	1,518.66	
Art	-	77.91	77.91	-	77.91	77.91	
A. Gardner Memorial	-	4,070.00	4,070.00	-	4,070.00	4,070.00	
Library	-	2,139.95	2,139.95	-	1,907.33	1,907.33	
Music	-	3,711.04	3,711.04	-	3,568.22	3,568.22	
Rewards	-	222.30	222.30	-	82.98	82.98	
Year Book	-	1,268.92	1,268.92	-	581.71	581.71	
McKinley Elementary							
Weide - SC	-	6.78	6.78	-	6.78	6.78	
Library	-	1,199.75	1,199.75	-	1,040.06	1,040.06	
Staff Social	-	1,046.37	1,046.37	-	100.81	100.81	
Student Accounts	-	3,724.80	3,724.80	-	3,198.80	3,198.80	
Year Book	-	1,377.68	1,377.68	-	202.95	202.95	
Music	-	38.00	38.00	-	38.00	38.00	
Cokely/Quilt	-	158.91	158.91	-	158.91	158.91	
Middle School							
Activity	-	6,928.60	6,928.60	-	2,449.74	2,449.74	
Character Ed	-	146.50	146.50	-	146.50	146.50	
Equipment	-	203.19	203.19	-	203.19	203.19	
FCA	-	46.66	46.66	-	46.66	46.66	
Gymnastics	-	2,315.54	2,315.54	-	871.39	871.39	
History Bowl	-	1,035.38	1,035.38	-	935.12	935.12	
Improvements	-	29.71	29.71	-	29.71	29.71	

Schedule 4 (Continued)

**UNIFIED SCHOOL DISTRICT #257**  
 Iola, Kansas  
**DISTRICT ACTIVITY FUNDS**  
 Summary of Receipts, Expenditures, and Unencumbered Cash  
 Regulatory Basis  
 For the Fiscal Year Ended June 30, 2019

Funds	Beginning		Receipts	Expenditures	Ending Unencumbered Cash Balances	Plus Encumbrances and Accounts Payable	Ending Cash Balances June 30, 2019
	Cash Balances	Unencumbered					
School Activities (Continued)							
Middle School (Continued)							
Improving Morale	\$ -	\$ 151.74	\$ 151.74	\$ -	\$ -	\$ (3.07)	\$ (3.07)
IMS Sponsor Fund	-	50.00	50.00	-	-	50.00	50.00
Incentive Fund	-	2,562.15	2,562.15	-	-	1,081.54	1,081.54
Library	-	38.37	38.37	-	-	38.37	38.37
Petty Cash	-	150.00	150.00	-	-	50.00	50.00
Positive Behavior	-	30.38	30.38	-	-	21.00	21.00
Sales Tax	-	3,141.49	3,141.49	-	-	(13.69)	(13.69)
Uniform Fund	-	150.42	150.42	-	-	150.42	150.42
New Student	-	161.00	161.00	-	-	161.00	161.00
Year Book	-	12,369.73	12,369.73	-	-	6,027.92	6,027.92
PHYFOC	-	(10.00)	(10.00)	-	-	(10.00)	(10.00)
High School							
Cross Roads	-	2,570.41	2,570.41	-	-	2,181.76	2,181.76
Concessions	-	18,170.88	18,170.88	-	-	3,203.82	3,203.82
Health Grant	-	42.77	42.77	-	-	42.77	42.77
Stang Designs	-	9,922.79	9,922.79	-	-	3,802.69	3,802.69
Library	-	353.78	353.78	-	-	176.42	176.42
Link Crew	-	1,053.89	1,053.89	-	-	605.98	605.98
Messenger Paper	-	478.66	478.66	-	-	442.87	442.87
Postage	-	17.01	17.01	-	-	17.01	17.01
Sales Tax	-	12,398.94	12,398.94	-	-	714.17	714.17
Scholar Bowl	-	2,892.75	2,892.75	-	-	2,430.03	2,430.03
Student Accounts	-	31,056.36	31,056.36	-	-	1,355.37	1,355.37
Counseling/Testing	-	1,354.95	1,354.95	-	-	281.97	281.97
Student Incentives	-	577.89	577.89	-	-	125.86	125.86
Tech/Meal	-	447.22	447.22	-	-	9.20	9.20
Year Book	-	15,037.53	15,037.53	-	-	6,339.08	6,339.08
MIP-Mustang Incentive Program	-	845.00	845.00	-	-	-	-
Sub-Total Special Projects	-	162,771.04	162,771.04	-	-	56,997.17	56,997.17
Total District Activity Funds	\$ 28,009.17	\$ 261,667.53	\$ 254,353.68	\$ 35,323.02	\$ 56,997.17	\$ 92,320.19	\$ 92,320.19

**UNIFIED SCHOOL DISTRICT #257**  
 Iola, Kansas  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended June 30, 2019

Federal Grantor/ Pass Through Grantor/ Program Title	Pass-Through Entity Identifying Number	Federal CFDA Number	Receipts	Disbursements/ Expenditures
<b>U.S. DEPARTMENT OF EDUCATION</b>				
Passed through the Kansas Department of Education				
Title I Grant to Local Educational Agencies	DO257	84.010	(M) \$ 394,773.00	\$ 397,525.34
21st Century Community Learning Centers	USD257	84.287C	150,000.00	150,000.00
Rural Education	DO257	84.358B	25,902.00	25,902.00
Supporting Effective Instruction	DO257	84.367A	61,180.00	70,583.60
ESSA Student Support	DO257	84.424A	25,762.00	25,762.00
Carl Perkins Reserve Fund	DO257	84.048	10,478.00	10,560.00
Passed through Southeast Ks. Reg. Services Ctr.				
Carl Perkins Career & Technical Education Improvement	D0609	84.048	6,800.00	6,800.00
		TOTAL 84.048	17,278.00	17,360.00
Total U.S. Department of Education			674,895.00	687,132.94
<b>U.S. DEPARTMENT OF AGRICULTURE</b>				
Passed through the Kansas Department of Education				
Child USDA Nutrition Cluster:				
National School Lunch Program	DO257	10.555	301,329.55	301,329.55
School Breakfast Program	DO257	10.553	131,976.47	131,976.47
Summer Food Service Program for Children	DO257	10.559	20,903.02	20,903.02
Total Child USDA Nutrition Cluster:		(M)	454,209.04	454,209.04
Fresh Fruit and Vegetable Program	DO257	10.582	24,208.19	24,208.19
Federal School Food Service Equipment	DO257	10.597	1,750.00	1,750.00
Federal School Food Service Training	DO257	10.574	200.00	200.00
Total U.S. Department of Agriculture			480,367.23	480,367.23
TOTAL FEDERAL AWARDS			\$ 1,155,262.23	\$ 1,167,500.17

Notes to the Schedule of Expenditures of Federal Awards:

NOTE A -- BASIS OF PRESENTATION

Federal expenditures are recorded on the accrual basis of accounting, which records expenses when the goods or services are received, and not necessarily when paid.

NOTE B -- INDIRECT COST RATE

Unified School District #257 did not elect to use the 10% de minimis cost rate.  
 (M) = Major Program

**JARRED, GILMORE & PHILLIPS, PA**  
CERTIFIED PUBLIC ACCOUNTANTS

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

Board of Education  
Unified School District #257  
Iola, Kansas

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 statement of Unified School District #257, Iola, Kansas, as of and for the year ended June 30, 2019, and the related notes to the financial statement, which collectively comprise the Unified School District #257's basic financial statement, and have issued our report thereon dated November 21, 2019.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statement, we considered the Unified School District #257'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 opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Unified School District #257's internal control. Accordingly, we do not express an opinion on the effectiveness of the Unified School District #257's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statement 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 Unified School District #257's financial statement are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



**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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



JARRED, GILMORE & PHILLIPS, PA  
Certified Public Accountants

Chanute, Kansas  
November 21, 2019

**JARRED, GILMORE & PHILLIPS, PA**  
CERTIFIED PUBLIC ACCOUNTANTS

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

Board of Education  
Unified School District #257  
Iola, Kansas

**Report on Compliance for Each Major Federal Program**

We have audited the Unified School District #257, Iola, Kansas' compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the Unified School District #257's major federal programs for the year ended June 30, 2019. Unified School District #257's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the Unified School District #257's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Unified School District #257's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Unified School District #257's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the Unified School District #257, 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 Unified School District #257, 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 Unified School District #257'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 Unified School District #257's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Purpose of this Report**

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.



JARRED, GILMORE & PHILLIPS, PA  
Certified Public Accountants

Chanute, Kansas  
November 21, 2019

**UNIFIED SCHOOL DISTRICT #257**  
Iola, Kansas

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2019

**I. SUMMARY OF AUDITORS' RESULTS**

**Financial Statement:**

The auditors' report expresses an adverse opinion on the basic financial statement of Unified School District #257 on the Generally Accepted Accounting Principles (GAAP) basis of accounting and an unmodified opinion on the regulatory basis of accounting.

**Internal Control over Financial Reporting:**

Material weakness(es) identified?	_____	Yes	_____ <u>X</u> _____	No
Significant deficiencies identified?	_____	Yes	_____ <u>X</u> _____	None Reported
Noncompliance or other matters required to be reported under <i>Government Auditing Standards</i>	_____	Yes	_____ <u>X</u> _____	No

**Federal Awards:**

Internal control over major programs:				
Material weakness(es) identified?	_____	Yes	_____ <u>X</u> _____	No
Significant deficiencies identified?	_____	Yes	_____ <u>X</u> _____	None Reported

The auditors' report on compliance for the major federal award programs for Unified School District #257 expresses an unmodified opinion.

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_____	Yes	_____ <u>X</u> _____	No
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Identification of major programs:

**U.S. DEPARTMENT OF AGRICULTURE**

Child USDA Nutrition Cluster:	
National School Lunch Program	CFDA No. 10.555
School Breakfast Program	CFDA No. 10.553
Summer Food Service Program for Children	CFDA No. 10.559

**U.S. DEPARTMENT OF EDUCATION**

Title I Grant to Local Educational Agencies	CFDA No. 84.010
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The threshold for distinguishing Types A and B programs was \$750,000.00.

Auditee qualified as a low risk auditee?	_____	Yes	_____ <u>X</u> _____	No
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**II. FINANCIAL STATEMENT FINDINGS**

NONE

**III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

NONE

**UNIFIED SCHOOL DISTRICT #257**  
Iola, Kansas

Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2019

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NONE