

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

**Regulatory Basis Financial Statement
and Independent Auditors' Report
Year Ended June 30, 2019**

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

Regulatory Basis Financial Statement
Year Ended June 30, 2019

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Independent Auditors' Report

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

I have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Chase County Unified School District No. 284, Chase County, Kansas, as of and for the year ended June 30, 2019 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

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

As described in Note 1 of the financial statement, the Chase County Unified School District No. 284, Chase County, Kansas, prepared this financial statement to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

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

Adverse Opinion on the U.S. Generally Accepted Accounting Principles

In my opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on the U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Chase County Unified School District No. 284, Chase County, Kansas, as of June 30, 2019, or the changes in its financial position or cash flows for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In my opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of Chase County Unified School District No.284, Chase County, Kansas, as of June 30, 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.

Regulatory – Required Supplementary Information

My audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement), as a whole. The summary of regulatory basis expenditures – actual and budget, individual fund schedules of regulatory basis receipts and expenditures – actual and budget, agency funds summary of receipts and disbursements, and district activity funds schedule of receipts and expenditures (Schedules 1, 2, 3, and 4 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement. However, they are required to be presented under the provisions of the Kansas Municipal Audit and Accounting Guide. The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement itself, and other addition procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.



Cindy Jensen, CPA
December 24, 2019

Unified School District No. 284
Chase County, Kansas

Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2019

	Beginning Unencumbered Cash Balance	<u>Receipts</u>	<u>Expenditures</u>	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
General Funds						
General	\$ 0	\$ 2,986,625	\$ 2,986,625	\$ 0	\$ 7,500	\$ 7,500
Supplemental General	37,460	1,005,237	971,559	71,138	0	71,138
Special Purpose Funds						
At Risk	0	200,000	200,000	0	0	0
Capital Outlay	1,543,940	553,190	686,987	1,410,143	0	1,410,143
Food Service	63,371	189,995	196,475	56,891	0	56,891
Professional Development	12,243	7,189	2,870	16,562	0	16,562
Special Education	264,678	517,910	510,529	272,059	0	272,059
Vocational Education	0	155,000	155,000	0	0	0
KPERs Retirement	0	264,207	264,207	0	0	0
Contingency Reserve	100,000	0	0	100,000	0	100,000
Textbook Rental	251,013	59,772	54,662	256,123	0	256,123
Federal Grants	3,911	87,827	91,738	0	0	0
Kaltenbacher & Misc Grants	60,442	40,138	74,943	25,637	0	25,637
District Activity Funds	62,778	66,595	61,399	67,974	0	67,974
Bond & Interest Fund						
Bond & Interest	763,082	1,081,310	758,212	1,086,180	0	1,086,180
Capital Project Fund						
Capital Project	890,422	35,204	805,778	119,848	189,068	308,916
Total Reporting Entity						
(Excluding Agency Funds)	<u>\$ 4,053,340</u>	<u>\$ 7,250,199</u>	<u>\$ 7,820,984</u>	<u>\$ 3,482,555</u>	<u>\$ 196,568</u>	<u>\$ 3,679,123</u>
					District Checking	\$ 492,242
					District Petty Cash Account	800
					Chase Co Jr/Sr High School	47,124
					Chase Co Elementary School	41,068
					Kansas Municipal Investment Pool	<u>3,176,280</u>
					Total Cash & Investments	3,757,514
					Less: Agency Funds per Schedule 3	<u>(78,391)</u>
					Total Reporting Entity (Excluding Agency Funds)	<u>\$ 3,679,123</u>

The accompanying notes are an integral part of this statement.

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

Notes to the Financial Statement
June 30, 2019

Note 1 – Summary of Significant Accounting Policies

Municipal Financial Reporting Entity

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

Regulatory Basis of Funds

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

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

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

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

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

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

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

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

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

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

Notes to the Financial Statement
June 30, 2019

Note 2 – Stewardship, Compliance, and Accountability

Budgetary Information

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

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

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 Special Education and General Funds were amended increasing expenditure authority from \$551,600 and \$2,916,333 to \$651,600 and \$2,940,074, respectively.

After the above procedures have been followed, the Kansas State Board of Education computes what the maximum legal general fund budget of operating expenses can be. For the fiscal year ended June 30, 2019, the State calculation of the legal maximum general fund budget was \$2,940,014 and the supplemental general fund was \$971,559. In accordance with Kansas statutes, a district will be penalized state aid equal to the amount expended in excess of the computed statutory limitation plus any qualifying budget credits.

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

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

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

Property Tax Receipts

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

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

Notes to the Financial Statement
June 30, 2019

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

Use of Estimates

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

Compliance with Finance-Related Legal and Contractual Obligations

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

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

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

K.S.A. 75-3317 through 75-3322 require the district to make purchases offered by the Kansas industries for the blind and severely disabled. Such purchases were not made.

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

Note 3 – Deposits and Investments

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

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

Concentration of Credit Risk

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

Custodial Credit Risk – Deposits

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

At June 30, 2019, the District's carrying amount of deposits, including certificates of deposit was \$581,234 and the bank balance was \$871,290. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank

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

Notes to the Financial Statement
June 30, 2019

Note 3 – Deposits and Investments (Cont.)

Custodial Credit Risk – Deposits (Cont)

balance, \$339,638 was covered by FDIC insurance, and \$531,652 was collateralized with securities held by the pledging financial institutions' agents in USD 284's name.

Custodial Credit Risk – Investments

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

At June 30, 2019, the District had \$3,176,280 invested in the State's municipal investment pool with maturities of less than one year. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The Board is comprised of the State Treasurer and four additional members appointed by the State Governor. The Board reports annually to the Kansas Legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. No more than 10% of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

Note 4 – Defined Benefit Pension Plan

Plan Description

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

Contributions

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

State law provides that the employer contribution rates for KPERS 1, KPERS 2, and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate and the statutory contribution rate (not including the 1.0% 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%, respectively, 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

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

Notes to the Financial Statement
June 30, 2019

Note 4 – Defined Benefit Pension Plan (Cont.)

Contributions (Cont.)

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 year payment of \$6.4 million was received in July 2017.

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

The State of Kansas is required to contribute the statutory required employer's share except for the retired district employees. The District is responsible for the employer's portion of the cost for retired district employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled \$264,207 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 \$3,651,521. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2018. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

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

Note 5 – Other Long-Term Obligations from Operations

Compensated Absences

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

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

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

Notes to the Financial Statement
June 30, 2019

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

Compensated Absences (Cont.)

Accumulated personal leave in excess of five days will be compensated at a rate equal to 50% of the employee's compensation rate at the end of the contract year. Classified full-time employees on a twelve-month contract will be granted paid vacation time based upon years of service. All days from the previous year must be used by June 30th of the following year or the time will be lost.

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

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

Other Post-Employment Benefits

As provided by K.S.A.12-5040, the District allows retirees to participate in the group health insurance plan. The District pays a portion of the premium for each eligible retiree and the retiree is responsible for the balance. During the year ended June 30, 2019, the District paid \$7,240 in premiums for retirees. Any remaining subsidy to retirees due to the plan's level premium structure has not been quantified in this financial statement.

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

Death & 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.

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

The Board adopted, by resolution, a salary-reduction flexible benefit plan ("Plan") under Section 125 of the Internal Revenue Code. All employees of the District are eligible to participate in the Plan beginning the first day of the month following their employment. Each participant may elect to reduce his or her salary by an elected amount per month to purchase benefits offered through the Plan. In addition, the District contributes \$450 per month to the fringe benefit package for health insurance for full-time employees.

Note 7 – Risk Management

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

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

Notes to the Financial Statement
June 30, 2019

Note 8 – Transfers

Transfers between budgetary funds are for the purpose of shifting resources from the fund legally required to receive the revenue to the fund authorized to expend the revenues. Operating transfers during the fiscal year ended June 30, 2019 consisted of the following:

<u>Transfer from:</u>	<u>Transfer to:</u>	<u>Authority</u>	<u>Amount</u>
General	At Risk	72-5167	\$40,000
General	Special Ed	72-5167	517,910
General	Vocational Ed	72-5167	45,247
General	Textbooks	72-5167	30,000
Supplemental Gen	Food Service	72-5143	25,000
Supplemental Gen	Professional Development	72-5143	6,807
Supplemental Gen	Vocational Ed	72-5143	100,168
Supplemental Gen	At Risk	72-5143	160,000

Note 9 – Contingencies

The District receives significant financial assistance for numerous Federal and State governmental agencies in the form of grants and state pass-through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability of the General fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statements of the District at June 30, 2019.

Note 10 – In-Substance Receipt in Transit

The District received \$156,566 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.

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

Notes to the Financial Statement
June 30, 2019

Note 11 – General Long-Term Debt

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

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

	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning	Additions	Reductions/ Payments	Balance End of Yr	Interest Paid
General Obligation Bonds:									
Series 2016	3-4%	12/29/2016	\$ 9,480,000	9/1/2032	\$9,480,000	\$0	\$0	\$9,480,000	\$304,612
Series 2017	4%	3/1/2017	2,520,000	9/1/2022	2,520,000	0	360,000	2,160,000	93,600
Total contractual indebtedness					<u>\$12,000,000</u>	<u>\$0</u>	<u>\$360,000</u>	<u>\$11,640,000</u>	<u>\$398,212</u>

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

	Ser 2016 Principal	Ser 2016 Interest	Ser 2016 Total	Ser 2017 Principal	Ser 2017 Interest	Ser 2017 Total
2020	\$ 0	\$ 304,612	\$ 304,612	\$ 640,000	\$ 73,600	\$ 713,600
2021	0	304,613	304,613	695,000	46,900	741,900
2022	0	304,612	304,612	715,000	18,700	733,700
2023	620,000	295,313	915,313	110,000	2,200	112,200
2024	745,000	274,837	1,019,837	0	0	0
2025-2029	4,180,000	1,014,113	5,194,113	0	0	0
2030-2033	3,935,000	299,031	4,234,031	0	0	0
Total Principal & Interest	<u>\$ 9,480,000</u>	<u>\$ 2,797,131</u>	<u>\$ 12,277,131</u>	<u>\$ 2,160,000</u>	<u>\$ 141,400</u>	<u>\$ 2,301,400</u>

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

Notes to the Financial Statement
June 30, 2019

Note 12 – Capital Projects

The District is making improvements and additions to the Chase County Jr/Sr High School and to the Chase County Elementary School. The total project cost is estimated at \$12,764,505. Construction, architectural, and engineering cash disbursements and accounts payable from the inception to June 30, 2019 on the project are \$12,455,589, with an additional \$189,068 of Construction costs encumbered at June 30, 2019.

Regulatory – Required Supplementary Information

Unified School District No. 284
Chase County, Kansas

Schedule 1

Schedule of Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2019

Funds	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
General Funds						
General	\$ 2,940,074	\$ (60)	\$ 46,611	\$ 2,986,625	\$ 2,986,625	\$ 0
Supplemental General	971,559	0	0	971,559	971,559	0
Special Purpose Funds						
At Risk	200,000			200,000	200,000	0
Capital Outlay	1,263,600			1,263,600	686,987	(576,613)
Food Service	212,350			212,350	196,475	(15,875)
Professional Development	0			0	2,870	2,870
Special Education	651,600			651,600	510,529	(141,071)
Vocational Education	155,000			155,000	155,000	0
KPERs Retirement	406,392			406,392	264,207	(142,185)
Bond & Interest Fund						
Bond & Interest	765,000			765,000	758,212	(6,788)

See accompanying Auditors' report.

Unified School District No. 284
Chase County, Kansas

Schedule 2-A

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2019

GENERAL FUND

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts:			
State Aid	\$ 2,603,426	\$ 2,592,948	\$ 10,478
Special Ed Pass Through	336,588	347,126	(10,538)
Reimbursements	46,611	0	46,611
Total Receipts	2,986,625	2,940,074	46,551
Expenditures			
Instruction	1,494,871	1,573,174	(78,303)
Student Support	53,795	45,000	8,795
Instructional Support	26,619	27,100	(481)
General Administration	168,839	157,600	11,239
School Administration	139,273	129,600	9,673
Operations & Maintenance	178,789	186,700	(7,911)
Transportation	291,282	295,900	(4,618)
Operating Transfers	633,157	525,000	108,157
Adjustment to Comply with Legal Max	0	(60)	60
Total legal general fund budget	2,986,625	2,940,014	46,611
Adjustment for qualifying budget credits	0	46,611	(46,611)
Total Expenditures	2,986,625	\$ 2,986,625	\$ 0
Receipts Over (Under) Expenditures	0		
Unencumbered Cash, July 1	0		
Unencumbered Cash, June 30	0		

See accompanying Auditors' report.

Unified School District No. 284
Chase County, Kansas

Schedule 2-B

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2019

SUPPLEMENTAL GENERAL FUND

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts:			
County Tax Receipts	\$ 1,005,237	\$ 933,578	\$ 71,659
State Aid	0	0	0
Other Receipts	0	0	0
Total Receipts	1,005,237	933,578	71,659
Expenditures			
Instruction	211,177	210,620	557
Student Support	74,941	75,000	(59)
General Administration	107,756	95,880	11,876
School Administration	174,878	176,600	(1,722)
Operations & Maintenance	110,832	103,459	7,373
Operating Transfers	291,975	310,000	(18,025)
Adjustment to Comply with Legal Max	0	0	0
Total legal supplemental general fund budget	971,559	971,559	0
Adjustment for qualifying budget credits	0	0	0
Total Expenditures	971,559	\$ 971,559	\$ 0
Receipts Over (Under) Expenditures	33,678		
Unencumbered Cash, July 1	37,460		
Unencumbered Cash, June 30	\$ 71,138		

See accompanying Auditors' report.

Unified School District No. 284
Chase County, Kansas

Schedule 2-C

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2019

AT RISK

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts:			
Other Receipts	\$ 0	\$ 0	\$ 0
Operating Transfers	200,000	200,000	0
Total Receipts	200,000	200,000	0
Expenditures			
Instruction	179,885	180,090	(205)
Student Support	20,115	19,910	205
Total Expenditures	200,000	\$ 200,000	\$ 0
Receipts Over (Under) Expenditures	0		
Unencumbered Cash, July 1	0		
Unencumbered Cash, June 30	\$ 0		

See accompanying Auditors' report.

Unified School District No. 284
Chase County, Kansas

Schedule 2-D

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2019

CAPITAL OUTLAY

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts:			
County Tax Receipts	\$ 461,303	\$ 441,572	\$ 19,731
Other Receipts	91,887	20,000	71,887
Operating Transfers	0	0	0
Total Receipts	553,190	461,572	91,618
Expenditures			
Property & Equipment	97,061	360,000	(262,939)
Operations & Maintenance	75,206	353,600	(278,394)
Transportation	0	150,000	(150,000)
Architectural & Engineering	252,306	150,000	102,306
Site Improvement	262,414	250,000	12,414
Other	0	0	0
Total Expenditures	686,987	\$ 1,263,600	\$ (576,613)
Receipts Over (Under) Expenditures	(133,797)		
Unencumbered Cash, July 1	1,543,940		
Unencumbered Cash, June 30	\$ 1,410,143		

See accompanying Auditors' report.

Unified School District No. 284
Chase County, Kansas

Schedule 2-E

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2019

FOOD SERVICE

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts:			
Student & Adult Sales	\$ 84,206	\$ 71,185	\$ 13,021
State Aid	1,822	1,384	438
Federal Aid	78,967	69,197	9,770
Operating Transfers	25,000	10,000	15,000
Total Receipts	189,995	151,766	38,229
Expenditures			
Food Service Operation	196,475	212,350	(15,875)
Other	0	0	0
Total Expenditures	196,475	\$ 212,350	\$ (15,875)
Receipts Over (Under) Expenditures	(6,480)		
Unencumbered Cash, July 1	63,371		
Unencumbered Cash, June 30	\$ 56,891		

See accompanying Auditors' report.

Unified School District No. 284
Chase County, Kansas

Schedule 2-F

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2019

PROFESSIONAL DEVELOPMENT

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts:			
Operating Transfers	\$ 6,807	\$ 0	\$ 6,807
Other Receipts	382	1,000	(618)
Total Receipts	7,189	1,000	6,189
Expenditures			
Instructional Staff Support	2,870	0	2,870
Other	0	0	0
Total Expenditures	2,870	0	2,870
Receipts Over (Under) Expenditures	4,319		
Unencumbered Cash, July 1	12,243		
Unencumbered Cash, June 30	\$ 16,562		

See accompanying Auditors' report.

Unified School District No. 284
Chase County, Kansas

Schedule 2-G

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2019

SPECIAL EDUCATION

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts:			
Other Receipts	\$ 0	\$ 0	\$ 0
Operating Transfers	517,910	475,000	42,910
Total Receipts	517,910	475,000	42,910
Expenditures			
Instruction	489,902	600,000	(110,098)
Transportation	20,627	51,600	(30,973)
Total Expenditures	510,529	\$ 651,600	\$ (141,071)
Receipts Over (Under) Expenditures	7,381		
Unencumbered Cash, July 1	264,678		
Unencumbered Cash, June 30	\$ 272,059		

See accompanying Auditors' report.

Unified School District No. 284
Chase County, Kansas

Schedule 2-H

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2019

VOCATIONAL EDUCATION

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts:			
Other Receipts	\$ 9,585	\$ 5,000	\$ 4,585
Operating Transfers	145,415	150,000	(4,585)
Total Receipts	155,000	155,000	0
Expenditures			
Instruction	155,000	155,000	0
Other	0	0	0
Total Expenditures	155,000	\$ 155,000	\$ 0
Receipts Over (Under) Expenditures	0		
Unencumbered Cash, July 1	0		
Unencumbered Cash, June 30	\$ 0		

See accompanying Auditors' report.

Unified School District No. 284
Chase County, Kansas

Schedule 2-1

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2019

KPERS RETIREMENT

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts:			
Other Receipts	\$ 0	\$ 0	\$ 0
State Receipts	264,207	406,392	(142,185)
Total Receipts	264,207	406,392	(142,185)
Expenditures			
KPERS retirement	264,207	406,392	(142,185)
Other	0	0	0
Total Expenditures	264,207	\$ 406,392	\$ (142,185)
Receipts Over (Under) Expenditures	0		
Unencumbered Cash, July 1	0		
Unencumbered Cash, June 30	\$ 0		

See accompanying Auditors' report.

Unified School District No. 284
Chase County, Kansas

Schedule 2-J

Schedule of Receipts and Expenditures-Actual
Regulatory Basis
For the Year Ended June 30, 2019

CONTINGENCY RESERVE

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

See accompanying Auditors' report.

Unified School District No. 284
Chase County, Kansas

Schedule 2-K

Schedule of Receipts and Expenditures-Actual
Regulatory Basis
For the Year Ended June 30, 2019

TEXTBOOK RENTAL

	<u>Current Year Actual</u>
Receipts:	
Rental fees & books	\$ 29,772
Operating Transfers	<u>30,000</u>
Total Receipts	59,772
Expenditures	
Instruction	54,662
Other	<u>0</u>
Total Expenditures	<u>54,662</u>
Receipts Over (Under) Expenditures	5,110
Unencumbered Cash, July 1	<u>251,013</u>
Unencumbered Cash, June 30	<u>\$ 256,123</u>

See accompanying Auditors' report.

Unified School District No. 284
Chase County, Kansas

Schedule 2-L

Schedule of Receipts and Expenditures-Actual
Regulatory Basis
For the Year Ended June 30, 2019

FEDERAL GRANTS

	Title I	Title IIA	Title V	REAP	Total Federal Grants
Receipts:					
Federal Aid	\$ 44,654	\$ 12,275	\$ 11,990	\$ 18,908	\$ 87,827
Transfer from General	0	0	0	0	0
Total Receipts	44,654	12,275	11,990	18,908	87,827
Expenditures					
Instructional	48,565	12,275	11,990	18,908	91,738
Other	0	0	0	0	0
Total Expenditures	48,565	12,275	11,990	18,908	91,738
Receipts Over (Under) Expenditures	(3,911)	0	0	0	(3,911)
Unencumbered Cash, July 1	3,911	0	0	0	3,911
Unencumbered Cash, June 30	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

See accompanying Auditors' report.

Unified School District No. 284
Chase County, Kansas

Schedule 2-M

Schedule of Receipts and Expenditures-Actual
Regulatory Basis
For the Year Ended June 30, 2019

KALTENBACHER AND MISCELLANEOUS GRANTS

	<u>Current Year Actual</u>
Receipts:	
Contributions	\$ 40,138
Other Receipts	<u>0</u>
Total Receipts	40,138
Expenditures	
Student Support Services	74,943
Other	<u>0</u>
Total Expenditures	<u>74,943</u>
Receipts Over (Under) Expenditures	(34,805)
Unencumbered Cash, July 1	<u>60,442</u>
Unencumbered Cash, June 30	<u><u>\$ 25,637</u></u>

See accompanying Auditors' report.

Unified School District No. 284
Chase County, Kansas

Schedule 2-N

Schedule of Receipts and Expenditures-Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2019

BOND AND INTEREST

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts:			
County Tax Receipts	\$ 1,081,310	\$ 1,038,756	\$ 42,554
Other Receipts	0	0	0
Total Receipts	1,081,310	1,038,756	42,554
Expenditures			
Principal, Interest, and fees	758,212	765,000	(6,788)
Other	0	0	0
Total Expenditures	758,212	\$ 765,000	\$ (6,788)
Receipts Over (Under) Expenditures	323,098		
Unencumbered Cash, July 1	763,082		
Unencumbered Cash, June 30	\$ 1,086,180		

See accompanying Auditors' report.

Unified School District No. 284
Chase County, Kansas

Schedule 2-O

Schedule of Receipts and Expenditures-Actual
Regulatory Basis
For the Year Ended June 30, 2019

CAPITAL PROJECT FUND

	<u>Current Year Actual</u>
Receipts:	
Bond Proceeds and Accrued Interest	\$ 0
Investment Receipts	35,204
Other	<u>0</u>
Total Receipts	35,204
Expenditures	
Project expenditures	805,778
Bond Issuance Costs	<u>0</u>
Total Expenditures	<u>805,778</u>
Receipts Over (Under) Expenditures	(770,574)
Unencumbered Cash, July 1	<u>890,422</u>
Unencumbered Cash, June 30	<u>\$ 119,848</u>

See accompanying Auditors' report.

Unified School District No. 284
Chase County, Kansas

Schedule 3

Schedule of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2019

AGENCY FUNDS

	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Chase County High School/Middle				
Class of 2022	\$ 0	\$ 1,390	\$ 477	\$ 913
Class of 2021	1,700	7,858	5,593	3,965
Class of 2020	5,006	3,384	5,904	2,486
Class of 2019	2,191	0	1,254	937
Class of 2018	485	0	0	485
FBLA	2,264	19,595	18,361	3,498
Cheerleaders	2,322	7,621	7,162	2,781
TSA	372	502	570	304
Kay Club	421	6,874	6,229	1,066
National Honor Society	907	1,857	1,919	845
Newspaper	676	0	0	676
Pompon	272	2,977	2,836	413
Quill & Scroll	80	361	314	127
Spanish Club	601	1,476	1,086	991
Student Council	1,597	5,062	4,964	1,695
Yearbook	61	15,000	13,002	2,059
Middle School Kay	428	5,264	4,976	716
Middle School Stuco	396	5,459	4,436	1,419
Total Student Organizations	<u>19,779</u>	<u>84,680</u>	<u>79,083</u>	<u>25,376</u>
Insurance Clearing	0	4,338	4,338	0
Recreation Commission	<u>28,295</u>	<u>174,720</u>	<u>150,000</u>	<u>53,015</u>
Total Agency Funds	<u>\$ 48,074</u>	<u>\$ 263,738</u>	<u>\$ 233,421</u>	<u>\$ 78,391</u>

See accompanying Auditors' report.

Unified School District No. 284
Chase County, Kansas

Schedule 4

Schedule of Receipts and Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2019

DISTRICT ACTIVITY FUNDS

	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Gate Receipts/Athletics						
CCHS/CCMS	\$ 2,245	\$ 35,169	\$ 33,991	\$ 3,423	\$ 0	\$ 3,423
	<u>2,245</u>	<u>35,169</u>	<u>33,991</u>	<u>3,423</u>	<u>0</u>	<u>3,423</u>
School Projects						
Photo Fund	4,996	1,285	1,123	5,158	0	5,158
CCHS/CCMS						
Ag	12,101	1,078	1,787	11,392	0	11,392
Honors Banquet	1,920	4,970	4,164	2,726	0	2,726
Musical	3,402	1,583	1,272	3,713	0	3,713
Sales Tax	488	4,488	4,976	0	0	0
Voices	612	6,228	6,346	494	0	494
CCES						
Activity	37,014	11,794	7,740	41,068	0	41,068
	<u>60,533</u>	<u>31,426</u>	<u>27,408</u>	<u>64,551</u>	<u>0</u>	<u>64,551</u>
Total Activity Funds	<u>\$ 62,778</u>	<u>\$ 66,595</u>	<u>\$ 61,399</u>	<u>\$ 67,974</u>	<u>\$ 0</u>	<u>\$ 67,974</u>

See accompanying Auditors' report.