

**UNIFIED SCHOOL DISTRICT NO. 291
GRINNELL, KANSAS**

Financial Statement
With Independent Auditors' Report

For the Year Ended June 30, 2019

UNIFIED SCHOOL DISTRICT NO. 291 GRINNELL, KANSAS
Financial Statement With Independent Auditors' Report
For the Year Ended June 30, 2019

TABLE OF CONTENTS

Independent Auditors' Report	1
Summary Statement of Receipts, Expenditures and Unencumbered Cash – Regulatory Basis	4
Notes to Financial Statement.....	5
Regulatory–Required Supplementary Information	
Schedule 1 – Summary of Expenditures – Actual and Budget – Regulatory Basis	12
Schedule 2 – Schedule of Receipts and Expenditures – Regulatory Basis Individually presented by fund	
Governmental Type Funds	
General Funds	
2-1 General Fund	13
2-2 Supplemental General Fund	14
Special Purpose Funds	
2-3 At Risk (4 Year Old) Fund	15
2-4 At Risk (K-12) Fund	16
2-5 Capital Outlay Fund	17
2-6 Food Service Fund	18
2-7 Professional Development Fund	19
2-8 Vocational Education Fund.....	20
2-9 Special Education Fund.....	21
2-10 KPERS Special Retirement Fund.....	22
2-11 Contingency Reserve Fund	23
2-12 REAP Grant Fund.....	24
2-13 Title I Low Income Fund	25
2-14 Gifts and Grants Fund	26
2-15 Title IIA (Reap) Fund	27
2-16 Title IVA Fund	28
Schedule 3 - Summary of Receipts and Disbursements – Regulatory Basis Agency Funds.....	29
Schedule 4 - Schedule of Receipts, Expenditures, and Unencumbered Cash – Regulatory Basis District Activity Funds	30



Phone (785) 462-7501 ■ Fax (785) 462-3172 ■ www.abbb.com
505 North Franklin Ave. ■ Suite D ■ P.O. Box 10
Colby, Kansas 67701-2342

Certified
Public
Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Unified School District No. 291 Grinnell, Kansas
Grinnell, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of **Unified School District No. 291 Grinnell, Kansas** as of and for the year ended June 30, 2018 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1; 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 *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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

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

As described in Note 1, the financial statement is prepared by **Unified School District No. 291 Grinnell, Kansas** on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting*

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matters 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 **Unified School District No. 291 Grinnell, Kansas** as of June 30, 2018, 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 **Unified School District No. 291 Grinnell, Kansas** as of June 30, 2018, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures – actual and budget, individual fund schedules of regulatory basis receipts and expenditures – actual and budget, summary of regulatory basis receipts and disbursements – agency funds, and 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*. 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 No. 291 Grinnell, Kansas** as of and for the year ended June 30, 2018 (not presented herein), and have issued our report thereon dated September 17, 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://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 2018 basic financial statement. The 2018 comparative information was subjected to the auditing procedures applied in the audit of the 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 2018 basic financial statement or to the 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 2018 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended June 30, 2018, on the basis of accounting described in Note 1.

Adams, Brown, Beran & Ball, Chartered

ADAMS, BROWN, BERAN & BALL, CHTD.

Certified Public Accountants

September 16, 2019

UNIFIED SCHOOL DISTRICT NO. 291 GRINNELL, KANSAS
 Summary Statement of Receipts, Expenditures and Unencumbered Cash
 Regulatory Basis
 For the Year Ended June 30, 2019

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds							
General Funds							
General Fund	\$ -	-	1,171,108	1,171,108	-	22,248	22,248
Supplemental General Fund	7,609	-	273,516	264,000	17,125	7,159	24,284
Special Purpose Funds							
At Risk (4 Year Old) Fund	33,000	-	34,000	24,937	42,063	485	42,548
At Risk (K-12) Fund	282	-	58,500	58,068	714	-	714
Capital Outlay Fund	309,971	-	1,085,668	1,107,562	288,077	116,909	404,986
Food Service Fund	14,373	-	71,472	64,781	21,064	-	21,064
Professional Development Fund	6,798	-	4,446	3,600	7,644	545	8,189
Vocational Education Fund	-	-	2,083	2,083	-	-	-
Special Education Fund	147,609	-	299,370	218,835	228,144	598	228,742
KPERS Special Retirement Fund	-	-	67,916	67,916	-	-	-
Contingency Reserve Fund	161,179	-	-	46,755	114,424	-	114,424
REAP Grant Fund	-	-	24,940	24,940	-	-	-
Title I Low Income Fund	-	-	9,231	9,231	-	-	-
Gifts and Grants Fund	2,677	-	9,433	10,278	1,832	1,301	3,133
Title IIA (Reap) Fund	-	-	2,121	2,121	-	1,388	1,388
Title IVA Fund	-	-	10,447	10,447	-	-	-
District Activity Funds	20,735	-	43,279	39,822	24,192	921	25,113
Total Reporting Entity (Excluding Agency Funds) \$	<u>704,233</u>	<u>-</u>	<u>3,167,530</u>	<u>3,126,484</u>	<u>745,279</u>	<u>151,554</u>	<u>896,833</u>
Composition of Cash							
						\$	441,074
							457,366
							225
							898,665
							(1,832)
Total Reporting Entity (Excluding Agency Funds)							<u>\$ 896,833</u>

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

UNIFIED SCHOOL DISTRICT NO. 291 GRINNELL, KANSAS

Notes to Financial Statement

June 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unified School District No. 291 Grinnell, Kansas has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. The accompanying financial statement is presented to conform to the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The following is a summary of such significant policies.

Use of Estimates

The preparation of financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas requires management to make estimates and assumptions that affect the reported amount of unencumbered cash balances and accounts payable during the reporting period. Actual results could differ from those estimates.

Financial Reporting Entity

The District is a municipal corporation governed by an elected seven-member board. A related municipal entity is an entity established to benefit the District and/or its constituents. The District has no related municipal entities.

Basis of Presentation – Fund Accounting

The accounts of the District are organized and operated on the basis of funds. In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

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

Regulatory Basis Fund Types

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.

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

Basis of Accounting

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 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.

UNIFIED SCHOOL DISTRICT NO. 291 GRINNELL, KANSAS

Notes to Financial Statement

June 30, 2019

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.

Departure From Accounting Principles Generally Accepted in the United States of America

The basis of accounting described above results in a financial statement presentation which shows cash receipts, expenditures, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expenses, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. Capital assets that account for the land, buildings, and equipment owned by the District are not presented in the financial statement. Also, long-term debt such as general obligation bonds, revenue bonds, capital leases, and temporary notes are not presented in the financial statement.

Property Tax Calendar

Collection of current year property tax by the County Treasurer is not completed, apportioned nor distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes. Property taxes are collected and remitted to the County Treasurer. Taxes levied annually on November 1st are due one-half by December 20th and one-half by May 10th. Major tax distributions are made in the months of December through July. Lien dates for personal property are in March and August and lien dates for real property are in September. Taxes are recognized as revenue in the year received. Delinquent tax payments are recognized as revenue in the year received.

Restricted Assets

Restricted cash balances are reported in various funds that are legally restricted for specified uses such as the payment of debt service and fiscal fees on long-term debt and for expenditures approved in federal and state grant contracts. Also, cash is restricted in the agency funds of the District for special purposes.

Reimbursements

The District records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as a receipt to the fund that receives the reimbursement. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements under KMAAG regulatory basis of accounting.

NOTE 2 – 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:

- a. Preparation of the budget for the succeeding calendar year on or before August 1st.
- b. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
- c. Public hearing on or before August 15th, but at least 10 days after publication of notice of hearing.
- d. Adoption of the final budget on or before August 25th.

UNIFIED SCHOOL DISTRICT NO. 291 GRINNELL, KANSAS

Notes to Financial Statement

June 30, 2019

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 10 days after publication, the hearing may be held and the governing body may amend the budget at that time. There were budget amendments for this year for the General Fund and the At Risk (K-12) Fund.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules 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 revenues 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 District 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: Contingency Reserve Fund, REAP Grant Fund, Title I Low Income Fund, Title IIA (Reap) Fund, Title IVA Fund, and District Activity 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.

NOTE 3 – DEPOSITS AND INVESTMENTS

Unified School District No. 291 Grinnell, Kansas follows the practice of pooling cash and investments of all funds. Each fund's portion of total cash and investments is summarized by fund category in the summary statement of receipts, expenditures and unencumbered cash.

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 K.S.A. 9-1405.

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

UNIFIED SCHOOL DISTRICT NO. 291 GRINNELL, KANSAS

Notes to Financial Statement

June 30, 2019

State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District does not use "peak periods". All deposits were legally secured at June 30, 2019.

At June 30, 2019, the District's carrying amount of deposits was \$898,665 and the bank balance was \$942,108. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$691,075 was covered by federal depository insurance and \$251,033 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. The District had no investments at June 30, 2019.

NOTE 4 – IN-SUBSTANCE RECEIPT IN TRANSIT

Unified School District No. 291 Grinnell, Kansas received \$46,807 subsequent to June 30, 2019 and as required by K.S.A. 72-6417, the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2019.

NOTE 5 – INTERFUND TRANSFERS

Interfund transfers within the reporting entity are substantially for the purpose of subsidizing operating functions, funding capital projects and asset acquisitions or maintaining debt service on a routine basis as authorized by Kansas statutes. **Unified School District No. 291 Grinnell, Kansas'** interfund transfers and regulatory authority for the year ended June 30, 2019 were as follows:

From	To	Regulatory Authority	Amount
General Fund	Capital Outlay Fund	K.S.A. 72-5167	\$ 10,350
General Fund	Special Education Fund	K.S.A. 72-5167	202,035
General Fund	At Risk (K-12) Fund	K.S.A. 72-5167	31,792
General Fund	Vocational Education Fund	K.S.A. 72-5167	2,083
Supplemental General Fund	At Risk (4 Year) Old Fund	K.S.A. 72-5143	34,000
Supplemental General Fund	Food Service Fund	K.S.A. 72-5143	15,000
Supplemental General Fund	Special Education Fund	K.S.A. 72-5143	91,951
Supplemental General Fund	Professional Development Fund	K.S.A. 72-5143	4,000
Supplemental General Fund	At Risk (K-12) Fund	K.S.A. 72-5143	26,708

NOTE 6 – LITIGATION

Unified School District No. 291 Grinnell, Kansas is a party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material financial impact on the affected funds of the District.

UNIFIED SCHOOL DISTRICT NO. 291 GRINNELL, KANSAS

Notes to Financial Statement

June 30, 2019

NOTE 7 – RISK MANAGEMENT

Unified School District No. 291 Grinnell, Kansas carries commercial insurance for risks of loss, including property, general liability, inland marine, automobile, workers compensation, cybersolutions, linebacker, public officials, and employment liability. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 8 – GRANTS AND SHARED REVENUES

Unified School District No. 291 Grinnell, Kansas participates in numerous state and federal grant programs, which are governed by various rules and regulations for the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the District, any liability for reimbursement, which may arise as the result of the audit, is not believed to be material.

NOTE 9 – DEFERRED COMPENSATION PLAN

Unified School District No. 291 Grinnell, Kansas sponsors a deferred compensation plan under Internal Revenue Code Section 403(b). Permanent and part-time employees are eligible to participate under the plan. The employee is responsible for the amount of deferred compensation to be contributed. The District is not required to make any contributions.

NOTE 10- SALARY REDUCTION PLAN

\$50 per month will be contributed by the District for each part-time employee to the District's Section 125 Plan. In addition, part-time employees also will receive a prorated increase up to \$350 annually to the District's Section 125 Plan. \$104.17 per month will be contributed by the District for each full-time employee to the District's Section 125 Plan. The employer contribution may be made up of non-elective contributions and/or elective contributions authorized by each participant on a salary reduction basis or taken as cash as designated by the employee. Payments to employees under this plan were \$25,977 for the year ended June 30, 2019.

NOTE 11 – DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan Description

Unified School District No. 291 Grinnell, Kansas participates in the Kansas Public Employees Retirement System (KPERs), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERs issues a publicly available financial report that includes financial statements and required supplementary information. KPERs' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERs website at www.kpers.org or by writing to KPERs (611 S 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

UNIFIED SCHOOL DISTRICT NO. 291 GRINNELL, KANSAS

Notes to Financial Statement

June 30, 2019

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% 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 of the reduced contributions are to be amortized over twenty years at a level dollar amount commencing in fiscal year 2018. The level dollar amount was computed to be \$6.4 million per year. The first year payment of \$6.4 million was received in July 2017.

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

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 \$67,916 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 \$970,238. 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, 2017. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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.

UNIFIED SCHOOL DISTRICT NO. 291 GRINNELL, KANSAS

Notes to Financial Statement

June 30, 2019

NOTE 12 – 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 13 – COMPENSATED ABSENCES

Sick Leave

All full-time employees are entitled to 10 days of sick leave per year. Any unused sick leave shall be allowed to accumulate to a total of 75 days, which can be carried forward to the new contract year. Any teacher who has taught in the school district for at least 5 years and resigns prior to May 1 of the current school year will be entitled to receive \$35 per day for each day of accumulated sick leave with a maximum of \$2,625. Teachers with less than 5 years that resign prior to May 1 of the current school year will be entitled to receive \$17.50 per day of accumulated sick leave.

Any full-time classified staff that has worked for the District at least 5 years and gives at least a 4 week notice of resignation will be entitled to receive \$35 per day for each day of accumulated sick leave with a maximum of \$2,625. Any full-time staff member with less than 5 years that gives 4 weeks notice of resignation will be entitled to payment of \$17.50 per day of accumulated sick leave. The potential liability for sick leave at June 30, 2019 was \$14,369. This is not reflected in the financial statement.

Compensatory Time

Classified personnel may elect to earn compensatory time for work over 40 hours in a work week at a rate of not less than 1.5 hours for each hour worked over 40 hours in lieu of overtime. At the end of each contract year, unused compensatory time will be paid at the employee's current hourly rate of pay. There was no unused compensatory time at year end.

UNIFIED SCHOOL DISTRICT NO. 291 GRINNELL, KANSAS

Regulatory-Required Supplementary Information

UNIFIED SCHOOL DISTRICT NO. 291 GRINNELL, KANSAS

Summary 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)
Governmental Type Funds						
General Funds						
General Fund	\$ 917,133	(12,078)	266,053	1,171,108	1,171,108	-
Supplemental General Fund	264,000	-	-	264,000	264,000	-
Special Purpose Funds						
At Risk (4 Year Old) Fund	38,000	-	-	38,000	24,937	(13,063)
At Risk (K-12) Fund	58,176	-	-	58,176	58,068	(108)
Capital Outlay Fund	378,719	-	987,960	1,366,679	1,107,562	(259,117)
Food Service Fund	72,868	-	-	72,868	64,781	(8,087)
Professional Development Fund	10,646	-	-	10,646	3,600	(7,046)
Vocational Education Fund	4,165	-	-	4,165	2,083	(2,082)
Special Education Fund	344,097	-	-	344,097	218,835	(125,262)
KPERS Special Retirement Fund	108,858	-	-	108,858	67,916	(40,942)
Gifts and Grants Fund	42,677	-	-	42,677	10,278	(32,399)

UNIFIED SCHOOL DISTRICT NO. 291 GRINNELL, KANSAS
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2019
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Intergovernmental Revenues				
Mineral Severance Tax	\$ 4,556	4,321	4,518	(197)
Grants/Reimbursements	165,202	266,053	-	266,053
State Aid	810,412	777,442	777,127	315
State Aid - Special Education Aid	103,148	123,292	135,488	(12,196)
Total Receipts	<u>1,083,318</u>	<u>1,171,108</u>	<u>917,133</u>	<u>253,975</u>
Expenditures				
Instruction	611,129	667,644	448,935	218,709
Student Support Services	6,108	5,689	7,000	(1,311)
Instructional Support Services	1,292	110	1,500	(1,390)
General Administration	52,169	69,235	58,750	10,485
School Administration	62,728	48,615	69,350	(20,735)
Operations and Maintenance	38,270	42,154	53,158	(11,004)
Transportation	32,124	39,062	32,112	6,950
Other Support Services	64,678	52,339	64,489	(12,150)
Transfers Out	214,879	246,260	181,839	64,421
Adjustment to Comply With Legal Max	-	-	(12,078)	12,078
Legal General Fund Budget	1,083,377	1,171,108	905,055	266,053
(a) Adjustment for Qualifying Budget Credits	-	-	266,053	(266,053)
Total Expenditures	<u>1,083,377</u>	<u>1,171,108</u>	<u>1,171,108</u>	<u>-</u>
Receipts Over (Under) Expenditures	(59)	-		
Unencumbered Cash - Beginning	<u>59</u>	-		
Unencumbered Cash - Ending	<u>\$ -</u>	<u>-</u>		
(a) Adjustment for Qualifying Budget Credits				
Grants/Reimbursements Over Amount Budgeted			\$ <u>266,053</u>	

UNIFIED SCHOOL DISTRICT NO. 291 GRINNELL, KANSAS
Supplemental General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2019
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Revenues				
Ad Valorem Tax	\$ 208,772	258,173	260,645	(2,472)
Delinquent Tax	1,629	966	2,136	(1,170)
Motor Vehicle Tax	11,821	14,235	12,317	1,918
Recreational Vehicle Tax	118	142	160	(18)
Total Receipts	<u>222,340</u>	<u>273,516</u>	<u>275,258</u>	<u>(1,742)</u>
Expenditures				
Instruction	17,567	11,461	60,650	(49,189)
General Administration	18,346	19,266	25,000	(5,734)
Operations and Maintenance	45,188	46,085	70,000	(23,915)
Transportation	14,786	15,529	17,549	(2,020)
Transfers Out	129,113	171,659	90,801	80,858
Total Expenditures	<u>225,000</u>	<u>264,000</u>	<u>264,000</u>	<u>-</u>
Receipts Over (Under) Expenditures	(2,660)	9,516		
Unencumbered Cash - Beginning	<u>10,269</u>	<u>7,609</u>		
Unencumbered Cash - Ending	<u>\$ 7,609</u>	<u>17,125</u>		

UNIFIED SCHOOL DISTRICT NO. 291 GRINNELL, KANSAS
At Risk (4 Year Old) Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2019
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Federal Aid	\$ 3,480	-	-	-
Transfers In	29,003	34,000	5,000	29,000
Total Receipts	32,483	34,000	<u>5,000</u>	<u>29,000</u>
Expenditures				
Instruction	30,560	24,937	<u>38,000</u>	<u>(13,063)</u>
Receipts Over (Under) Expenditures	1,923	9,063		
Unencumbered Cash - Beginning	31,077	33,000		
Unencumbered Cash - Ending	\$ <u>33,000</u>	<u>42,063</u>		

UNIFIED SCHOOL DISTRICT NO. 291 GRINNELL, KANSAS
At Risk (K-12) Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2019
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Transfers In	\$ 28,600	58,500	<u>57,894</u>	<u>606</u>
Expenditures				
Instruction	29,410	58,068	<u>58,176</u>	<u>(108)</u>
Receipts Over (Under) Expenditures	(810)	432		
Unencumbered Cash - Beginning	1,092	282		
Unencumbered Cash - Ending	\$ 282	714		

UNIFIED SCHOOL DISTRICT NO. 291 GRINNELL, KANSAS
Capital Outlay Fund

Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis

For the Year Ended June 30, 2019

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

	Prior Year Actual	Current Year		Variance Over Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Revenues				
Ad Valorem Tax	\$ 95,193	65,005	62,084	2,921
Delinquent Tax	769	427	974	(547)
Motor Vehicle Tax	7,009	6,104	5,322	782
Recreational Vehicle Tax	67	60	69	(9)
Transfers In	36,056	10,350	-	10,350
Insurance Proceeds	-	987,960	-	987,960
Other Local Revenue	192,074	15,762	-	15,762
Total Receipts	<u>331,168</u>	<u>1,085,668</u>	<u>68,449</u>	<u>1,017,219</u>
Expenditures				
Instruction	51,095	17,468	86,500	(69,032)
Operations and Maintenance	72,407	86,809	177,219	(90,410)
Transportation	50,268	-	95,000	(95,000)
Facility Acquisition and Construciton	226,454	1,003,285	20,000	983,285
Legal General Fund Budget	400,224	1,107,562	378,719	728,843
(a) Adjustment for Qualifying Budget Credits	-	-	987,960	(987,960)
Total Expenditures	<u>400,224</u>	<u>1,107,562</u>	<u>1,366,679</u>	<u>(259,117)</u>
Receipts Over (Under) Expenditures	(69,056)	(21,894)		
Unencumbered Cash - Beginning	<u>379,027</u>	<u>309,971</u>		
Unencumbered Cash - Ending	\$ <u>309,971</u>	<u>288,077</u>		
(a) Adjustment for Qualifying Budget Credits				
Insurance Proceeds Over Amount Budgeted			\$ <u>987,960</u>	

UNIFIED SCHOOL DISTRICT NO. 291 GRINNELL, KANSAS
Food Service Fund

Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis

For the Year Ended June 30, 2019

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

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Intergovernmental Revenues				
State Aid	\$ 570	572	465	107
Federal Aid	23,899	27,554	23,899	3,655
Services	21,499	20,610	21,442	(832)
Interest	2,689	7,736	2,689	5,047
Transfers In	2,860	15,000	10,000	5,000
Total Receipts	<u>51,517</u>	<u>71,472</u>	<u>58,495</u>	<u>12,977</u>
Expenditures				
Operations and Maintenance	420	482	4,568	(4,086)
Food Service Operation	57,076	64,299	68,300	(4,001)
Total Expenditures	<u>57,496</u>	<u>64,781</u>	<u>72,868</u>	<u>(8,087)</u>
Receipts Over (Under) Expenditures	(5,979)	6,691		
Unencumbered Cash - Beginning	<u>20,352</u>	<u>14,373</u>		
Unencumbered Cash - Ending	\$ <u>14,373</u>	<u>21,064</u>		

UNIFIED SCHOOL DISTRICT NO. 291 GRINNELL, KANSAS
Professional Development Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2019
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
State Aid	\$ 407	446	1,148	(702)
Transfers In	1,286	4,000	3,000	1,000
Total Receipts	1,693	4,446	<u>4,148</u>	<u>298</u>
Expenditures				
Instructional Support Services	338	3,600	<u>10,646</u>	<u>(7,046)</u>
Receipts Over (Under) Expenditures	1,355	846		
Unencumbered Cash - Beginning	5,443	6,798		
Unencumbered Cash - Ending	\$ <u>6,798</u>	<u>7,644</u>		

UNIFIED SCHOOL DISTRICT NO. 291 GRINNELL, KANSAS
Vocational Education Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2019
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Transfers In	\$ 2,804	2,083	4,165	(2,082)
Expenditures				
Instruction	2,804	2,083	4,165	(2,082)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash - Beginning	-	-		
Unencumbered Cash - Ending	\$ -	-		

UNIFIED SCHOOL DISTRICT NO. 291 GRINNELL, KANSAS
Special Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2019
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Local Sources	\$ -	5,384	-	5,384
Federal Aid	654	-	-	-
Transfers In	186,572	293,986	196,488	97,498
Total Receipts	187,226	299,370	<u>196,488</u>	<u>102,882</u>
Expenditures				
Instruction	176,279	218,835	<u>344,097</u>	<u>(125,262)</u>
Receipts Over (Under) Expenditures	10,947	80,535		
Unencumbered Cash - Beginning	136,662	147,609		
Unencumbered Cash - Ending	\$ <u>147,609</u>	<u>228,144</u>		

UNIFIED SCHOOL DISTRICT NO. 291 GRINNELL, KANSAS
KPERS Special Retirement Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2019
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
State Aid	\$ 79,000	67,916	108,858	(40,942)
Expenditures				
Instruction	55,828	48,383	77,095	(28,712)
General Administration	6,217	4,450	8,250	(3,800)
School Administration	4,861	4,797	6,455	(1,658)
Other Supplemental Services	3,617	2,612	4,803	(2,191)
Operations and Maintenance	4,069	4,893	6,400	(1,507)
Food Service Operation	4,408	2,781	5,855	(3,074)
Total Expenditures	79,000	67,916	108,858	(40,942)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash - Beginning	-	-		
Unencumbered Cash - Ending	\$ -	-		

UNIFIED SCHOOL DISTRICT NO. 291 GRINNELL, KANSAS
Contingency Reserve Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2019
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	Prior Year Actual	Current Year Actual
Receipts		
Transfers In	\$ 56,811	-
Expenditures		
Instructional	-	46,755
Receipts Over (Under) Expenditures	56,811	(46,755)
Unencumbered Cash - Beginning	104,368	161,179
Unencumbered Cash - Ending	<u>\$ 161,179</u>	<u>114,424</u>

UNIFIED SCHOOL DISTRICT NO. 291 GRINNELL, KANSAS
REAP Grant Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2019
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	Prior Year Actual	Current Year Actual
Receipts		
Intergovernmental Revenue		
Federal Aid	\$ 8,500	24,940
Expenditures		
Instruction	8,500	24,940
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash - Beginning	-	-
Unencumbered Cash - Ending	\$ -	-

UNIFIED SCHOOL DISTRICT NO. 291 GRINNELL, KANSAS
Title I Low Income Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2019
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	Prior Year Actual	Current Year Actual
Receipts		
Intergovernmental Revenue		
Federal Aid	\$ 10,591	9,231
Expenditures		
Instruction	10,591	9,231
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash - Beginning	-	-
Unencumbered Cash - Ending	\$ -	-

UNIFIED SCHOOL DISTRICT NO. 291 GRINNELL, KANSAS
Gifts and Grants Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2019
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Donations	\$ 3,859	4,428	40,000	(35,572)
State Aid	-	5,005	-	5,005
Grants	14,404	-	-	-
	<u>18,263</u>	<u>9,433</u>	<u>40,000</u>	<u>(30,567)</u>
Total Receipts	18,263	9,433	40,000	(30,567)
Expenditures				
Instruction	18,555	10,278	42,677	(32,399)
Receipts Over (Under) Expenditures	(292)	(845)		
Unencumbered Cash - Beginning	<u>2,969</u>	<u>2,677</u>		
Unencumbered Cash - Ending	\$ <u>2,677</u>	<u>1,832</u>		

UNIFIED SCHOOL DISTRICT NO. 291 GRINNELL, KANSAS
Title IIA (Reap) Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2019
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	Prior Year Actual	Current Year Actual
Receipts		
Intergovernmental Revenue		
Federal Aid	\$ 2,337	2,121
Expenditures		
Instruction	2,337	2,121
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash - Beginning	-	-
Unencumbered Cash - Ending	\$ -	-

UNIFIED SCHOOL DISTRICT NO. 291 GRINNELL, KANSAS
Title IVA Fund
Schedule of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2019
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	Prior Year Actual	Current Year Actual
Receipts		
Intergovernmental Revenue		
Federal Aid	\$ 315	10,447
Expenditures		
Instruction	315	10,447
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash - Beginning	-	-
Unencumbered Cash - Ending	\$ -	-

UNIFIED SCHOOL DISTRICT NO. 291 GRINNELL, KANSAS
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2019

Funds	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Student Organizations				
JH Cheerleaders	\$ 209	-	134	75
JH Student Council	281	7,118	6,438	961
Total Student Organizations	490	7,118	6,572	1,036
Non-Student Organizations				
Flower Fund	165	59	-	224
Greenhouse Fund	546	375	467	454
Board Flower Fund	18	140	40	118
Total Non-Student Organizations	729	574	507	796
Total	\$ 1,219	7,692	7,079	1,832

UNIFIED SCHOOL DISTRICT NO. 291 GRINNELL, KANSAS
District Activity Funds

Schedule of Receipts, Expenditures and Unencumbered Cash
 Regulatory Basis

For the Year Ended June 30, 2019

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Middle School							
Athletics	\$ 7,691	-	29,568	30,242	7,017	-	7,017
Concessions	5,399	-	6,890	4,728	7,561	-	7,561
Total Middle school	<u>13,090</u>	<u>-</u>	<u>36,458</u>	<u>34,970</u>	<u>14,578</u>	<u>-</u>	<u>14,578</u>
School Projects							
Annual	649	-	90	-	739	-	739
Accelerated Reader	1,396	-	-	396	1,000	-	1,000
Grade School	5,600	-	6,731	4,456	7,875	921	8,796
Total School Projects	<u>7,645</u>	<u>-</u>	<u>6,821</u>	<u>4,852</u>	<u>9,614</u>	<u>921</u>	<u>10,535</u>
Total District Activity Funds	<u>\$ 20,735</u>	<u>-</u>	<u>43,279</u>	<u>39,822</u>	<u>24,192</u>	<u>921</u>	<u>25,113</u>