

UNIFIED SCHOOL DISTRICT NO. 333

Concordia, Kansas

FINANCIAL STATEMENT AND
INDEPENDENT AUDITOR'S REPORT

For the Year Ended June 30, 2019

MAPES & MILLER
Certified Public Accountants
Phillipsburg, Kansas

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas
June 30, 2019

Quentin Breese – Superintendent
Tracey Holmes – Board Clerk
Ronda Gumm – Business Office Manager/Treasurer

BOARD MEMBERS

Mark Nordell – President
Steve Wetter – Vice President
Mary Beth Smith
Kevin Pounds
John Culley
Tony Miller
Tim Beims

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

For the Year Ended June 30, 2019

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Concordia, Kansas

For the Year Ended June 30, 2019

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Unified School District No. 333
Concordia, Kansas 66901

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 333, Concordia, Kansas, a Municipality, as of and for the year ended June 30, 2019, and the related notes to the financial statement.

Management's Responsibility for the Financial Statements

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 presentation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

As described in Note 1 of the financial statement, the financial statement is prepared by Unified School District No. 333, Concordia, Kansas to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District No. 333, Concordia, Kansas as of June 30, 2019, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of Unified School District No. 333, Concordia, 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.

Other Matter

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, schedule of regulatory basis receipts, expenditures, and unencumbered cash – district activity funds, and schedule of regulatory receipts and disbursements – student activity funds (Schedules 1, 2, 3, 4, and 5 as listed in the table of contents) are presented for purposes of additional 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 supplementary information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Unified School District No. 333's basic financial statement. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is also not a required part of the basic financial statement.

The schedule of expenditures of federal awards 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements 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 schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated February 10, 2020, on our consideration of Unified School District No. 333's internal control over financial reporting and on our tests of its compliance with certain provisions of laws regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Unified School District No. 333's internal control over financial reporting and compliance.

Respectfully submitted,
Mapes & Miller LLP
Certified Public Accountants

February 10, 2020
Phillipsburg, Kansas

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Statement 1

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
REGULATORY BASIS
For The Year Ended June 30, 2019

FUND	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
General Funds							
General Fund	\$ -	\$ -	\$ 8,068,179	\$ 8,068,179	\$ -	\$ 310,748	\$ 310,748
Supplemental General Fund	99,079	-	2,539,746	2,542,120	96,705	365,816	462,521
Special Purpose Funds							
Special Education Cooperative Fund	625,505	-	5,239,072	5,265,296	599,281	478,107	1,077,388
At Risk (4 Year Old) Fund	39,480	-	68,346	107,826	-	12,938	12,938
At Risk (K-12) Fund	39,909	-	890,792	906,701	24,000	60,781	84,781
Bilingual Education Fund	-	-	22,380	22,376	4	252	256
Capital Outlay Fund	1,038,082	-	991,963	953,590	1,076,455	7,320	1,083,775
Driver Training Fund	18,169	-	16,580	14,978	19,771	568	20,339
Food Service Fund	109,873	-	697,903	708,171	99,605	21,801	121,406
Professional Development Fund	54,736	-	6,034	44,411	16,359	8,600	24,959
Special Education Fund	317,915	-	1,713,691	1,902,991	128,615	-	128,615
Career & Postsecondary Education Fund	89,094	-	217,019	263,097	43,016	21,355	64,371
Textbook & Student Material Revolving Fund	48,749	-	56,417	18,726	86,440	-	86,440
KPERs Special Retirement Contribution Fund	-	-	881,490	881,490	-	-	-
Contingency Reserve Fund	808,393	-	-	-	808,393	-	808,393
Gifts & Grants Fund	31,177	-	59,837	58,836	32,178	8	32,186
Parents as Teachers Fund	-	-	137,147	137,147	-	14,571	14,571
Federal Funds	15,702	-	332,744	342,994	5,452	30,347	35,799
District Activity Funds	20,457	18	115,328	118,671	17,132	2,109	19,241

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

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Statement 1
(Cont.)

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
REGULATORY BASIS
For The Year Ended June 30, 2019

FUNDS	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Bond & Interest Fund							
Bond & Interest Fund	\$ 582,320	\$ -	\$ 411,354	\$ 407,163	\$ 586,511	\$ -	\$ 586,511
Trust Funds							
Donald Wade Scholarship Fund	4,271	-	16	309	3,978	-	3,978
Cheryl Laas Memorial Fund	5,073	-	25	500	4,598	-	4,598
Nicole Barleen Scholarship Fund	27,652	-	1,120	1,000	27,772	-	27,772
Doug Moore Scholarship Fund	250	-	459	709	-	-	-
Floyd Hull Scholarship Fund	317	-	-	317	-	-	-
Larry Hamel Scholarship Fund	651	-	349	1,000	-	-	-
Chad McDaniel Scholarship	1,252	-	-	1,252	-	-	-
Trevor Gennette Scholarship Fund	500	-	616	590	526	-	526
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 3,978,606</u>	<u>\$ 18</u>	<u>\$ 22,468,607</u>	<u>\$ 22,770,440</u>	<u>\$ 3,676,791</u>	<u>\$ 1,335,321</u>	<u>\$ 5,012,112</u>

Composition of Cash	
American State Bank & Trust	
Checking	\$ 4,702,103
Citizens National Bank	
Savings Accounts	10,545
Certificates of Deposit	25,804
Central National Bank	
Certificates of Deposit	200,000
United Bank & Trust	
Certificates of Deposit	<u>330,000</u>
Total Cash	5,268,452
Agency Funds per Schedule 3	<u>(256,340)</u>
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 5,012,112</u>

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

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

NOTES TO THE FINANCIAL STATEMENT
June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. FINANCIAL REPORTING ENTITY

Unified School District No. 333, Concordia, Kansas is a municipal corporation governed by an elected seven-member board. This regulatory financial statement presents Unified School District No. 333, Concordia, Kansas, a Municipality.

B. REGULATORY BASIS FUND TYPES

In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The following types of funds comprise the financial activities for the District for the year ended June 30, 2019.

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

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

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

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

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

C. 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 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 statutory basis of accounting.

D. BUDGETARY INFORMATION

Kansas statutes require that an annual operating budget be legally adopted for the General Fund, Special Purpose Funds (unless specifically exempted by statute), Bond and Interest Funds, and Business Funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no budget amendments made for the year ended June 30, 2019.

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 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 Projects Funds, Trust Funds, Agency Funds, and the following Special Purpose Funds:

Textbook & Student Material Revolving Fund
Contingency Reserve Fund
Gifts and Grants Fund
Federal Funds
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.

2. STEWARDSHIP COMPLIANCE AND ACCOUNTABILITY

Compliance with Kansas Statutes

- A. The District was not in compliance with the budget laws as required by K.S.A. 79-2935, for the year ended June 30, 2019. The expenditures in the Special Education Fund and the Bilingual Education Fund exceeded the budget.
- B. The District is not aware of any other non-compliance with Kansas statutes.

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

At June 30, 2019, the District's carrying amount of deposits was \$5,268,452 and the bank balance was \$5,390,249. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$737,848 was covered by federal depository insurance, \$4,652,401 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.

4. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General Fund	At Risk (4 Year Old) Fund	K.S.A. 72-5167	\$ 63,579
General Fund	At Risk (K-12) Fund	K.S.A. 72-5167	569,590
General Fund	Bilingual Education Fund	K.S.A. 72-5167	13,396
General Fund	Special Education Fund	K.S.A. 72-5167	1,694,701
General Fund	Career & Postsecondary Education Fund	K.S.A. 72-5167	97,826
Supplemental General Fund	At Risk (K-12) Fund	K.S.A. 72-5143	321,202
Supplemental General Fund	Bilingual Education Fund	K.S.A. 72-5143	8,984
Supplemental General Fund	Career & Postsecondary Education Fund	K.S.A. 72-5143	103,158

5. DEFINED BENEFIT PENSION PLAN

Plan Description. The District participates in the Kansas Public Employees Retirement System (KPERs), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERs issues a publicly available financial report that includes financial statements and required supplementary information. KPERs' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERs website at www.kpers.org or by writing to KPERs (611 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 KPERs 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERs member-employee contribution rate of 6% of covered salary for KPERs 1, KPERs 2, and KPERs 3 members. Member contributions are withheld by their employer and paid to KPERs according to the provisions of Section 414(h) of the Internal Revenue Code.

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

Per 2017 Senate Substitute for House Bill 2052, Section 37(a), state general fund employer contributions to KPERs were decreased by \$64,130,234 for the fiscal year ended June 30, 2017. Section 43(17) of the bill also stipulated that repayments of the reduced contributions are to be amortized over twenty years at a level dollar amount commencing in fiscal year 2018. The level dollar amount was computed to be \$6.4 million 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 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 \$881,490 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 \$11,156,987. 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 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 publically available on the website at www.kpers.org or can be obtained as described above.

6. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

A. Other Post Employment Benefits

As provided by K.S.A. 12-5040, the District allows for retirees (and their dependents) with a minimum of 10 years of service in the district and who have reached KPERS requirements for full benefits, to continue participation in the district group health insurance plan until such time as the retiree reaches age 65. Retirees pay for dependent coverage at the employee rate.

The District provides for a single health insurance plan for retirees who were full-time twelve month employees upon retirement, with the district paying the premiums directly to the provider. The district provides this benefit to qualified retirees until they reach age 65 or are eligible for Medicare benefits. In the event of the retiree's death before the age of 65, this benefit would continue to the retiree's spouse until the retiree would have reached 65 or as limited by COBRA regulations. The total amount paid for the year ended June 30, 2019 by the district for these retirees was \$162,443.

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.

B. Death and Disability Other Post Employment Benefits

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

C. Compensated Absences

Vacation and Sick Leave

Certified and classified employees are granted three paid, non-accumulative discretionary days per year. Each classified employee who works 50 or more hours per month is granted one day of paid sick leave per month of service up to an accumulation of 90 sick days. Accumulated sick leave is paid upon resignation or retirement from the District at a rate of \$10 per day (up to \$900) for classified employees. Certified employees receive ten paid sick days per year and are allowed to accumulate up to 90 sick days. Upon resignation, retirement, termination or death of the employee, sick leave is paid to certified employees at the rate of \$20 per day (up to \$1,800). Full time, 12-month classified employees, receive 1 day of paid vacation for each month of work. Vacation days accumulate up to 15 days and are payable upon retirement or resignation at the employee's regular rate.

As of June 30, 2019, accumulated sick leave payable to certified employees totaled \$80,366 and accumulated sick leave payable to classified employees totaled \$33,081. Vacation leave payable to classified employees totaled \$41,733 as of June 30, 2019.

7. RISK MANAGEMENT

The Unified School District No. 333 is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The District has purchased commercial insurance for these potential risks.

During the year ended June 30, 2019, the District did not reduce insurance coverage from levels in place during the prior year. No settlements have exceeded coverage levels in place during the past three fiscal years.

8. IN-SUBSTANCE RECEIPT IN TRANSIT

The District received \$314,835 subsequent to June 30, 2019 and as required by K.S.A. 72-5135(d) the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2019.

9. SUBSEQUENT EVENTS

A resolution to refinance the 2013 General Obligation Bonds was approved in October 2019. \$3,550,000 was refinanced into General Obligation Refunding Bonds, Series 2019, dated November 1, 2019. The average interest rate after refinancing will be 2.43%.

The District has evaluated subsequent events from year end through the date of this report and does not believe any other events have occurred which effect the financial statement as presented.

11. LONG-TERM DEBT

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

Issue	Interest Rate	Date Issued	Amount of Issue	Date of Final Maturity	Balance 7/1/2018	Additions	Reductions/ Payments	Balance 6/30/2019	Interest Paid
General Obligation Bonds Series 2013	3%-4.5%	12/23/2013	5,500,000	9/1/2033	\$ 5,055,000	\$ -	\$ 220,000	\$ 4,835,000	\$ 187,163
Total General Obligation Bonds					5,055,000	-	220,000	4,835,000	187,163
Leases									
Track Lease	2.97%	11/13/2017	1,250,000	11/1/2024	1,072,546	-	165,781	906,765	32,297
Bus Lease	2.49%	8/2/2017	156,402	8/31/2022	132,920	-	20,452	112,468	3,356
Bus Lease	2.49%	11/1/2017	91,162	11/1/2022	77,298	-	11,926	65,372	1,951
Total Leases					1,282,764	-	198,159	1,084,605	37,604
Total Contractual Indebtedness					\$ 6,337,764	\$ -	\$ 418,159	\$ 5,919,605	\$ 224,767

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

Year Ended June 30	General Obligation Bonds		Leases		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 225,000	\$ 181,588	\$ 203,893	\$ 31,869	\$ 428,893	\$ 213,457
2021	235,000	174,687	209,946	25,817	444,946	200,504
2022	250,000	167,413	216,103	19,660	466,103	187,073
2023	260,000	159,762	262,390	12,958	522,390	172,720
2024	270,000	151,812	192,273	5,806	462,273	157,618
2025-2029	1,565,000	606,619	-	-	1,565,000	606,619
2030-2034	2,030,000	235,925	-	-	2,030,000	235,925
Total	\$ 4,835,000	\$ 1,677,806	\$ 1,084,605	\$ 96,110	\$ 5,919,605	\$ 1,773,916

UNIFIED SCHOOL DISTRICT NO. 333
REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2019

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 1

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	\$ 8,089,680	\$ (228,659)	\$ 207,158	\$ 8,068,179	\$ 8,068,179	\$ -
Supplemental General Fund	2,586,999	(44,879)	-	2,542,120	2,542,120	-
Special Purpose Funds						
Special Education Cooperative Fund	5,393,978	-	-	5,393,978	5,265,296	(128,682)
At Risk (4 Year Old) Fund	134,480	-	-	134,480	107,826	(26,654)
At Risk (K-12) Fund	1,109,910	-	-	1,109,910	906,701	(203,209)
Bilingual Education Fund	8,000	-	-	8,000	22,376	14,376
Capital Outlay Fund	1,848,789	-	-	1,848,789	953,590	(895,199)
Driver Training Fund	24,669	-	-	24,669	14,978	(9,691)
Food Service Fund	761,225	-	-	761,225	708,171	(53,054)
Professional Development Fund	62,236	-	-	62,236	44,411	(17,825)
Special Education Fund	1,843,333	-	-	1,843,333	1,902,991	59,658
Career & Postsecondary Fund	283,377	-	-	283,377	263,097	(20,280)
KPERs Special Retirement Contribution Fund	1,407,954	-	-	1,407,954	881,490	(526,464)
Parents as Teachers Fund	148,125	-	-	148,125	137,147	(10,978)
Bond & Interest Fund						
Bond & Interest Fund	407,163	-	-	407,163	407,163	-

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-1

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
REGULATORY BASIS
For The Year Ended June 30, 2019

GENERAL FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Reimbursements	\$ 197,977	\$ -	\$ 197,977
State Reimbursements	9,237	-	9,237
State Aid	6,770,594	6,837,133	(66,539)
Special Education Aid	1,090,371	1,252,547	(162,176)
	8,068,179	\$ 8,089,680	\$ (21,501)
EXPENDITURES			
Instruction	2,372,802	\$ 2,837,398	\$ (464,596)
Student Support Services	244,365	338,470	(94,105)
Instructional Support Staff	374,987	364,862	10,125
General Administration	277,315	305,600	(28,285)
School Administration	683,315	672,445	10,870
Central Services	195,661	187,571	8,090
Operations & Maintenance	1,082,369	1,106,334	(23,965)
Supervision	254,477	244,500	9,977
Vehicle Operating Services	93,738	93,000	738
Vehicle & Maintenance Services	47,008	83,500	(36,492)
Other Student Transportation Services	1,083	3,500	(2,417)
Other Support Services	1,967	27,000	(25,033)
Architectural & Engineering Services	-	500	(500)
Outgoing Transfers	2,439,092	1,825,000	614,092
Adjustments to Comply with Legal Max	-	(228,659)	228,659
	8,068,179	7,861,021	207,158
Legal General Fund Budget			
Adjustment for Qualifying Budget Credits			
Reimbursements	-	207,158	(207,158)
	8,068,179	\$ 8,068,179	\$ -
Receipts Over (Under) Expenditures	-		
UNENCUMBERED CASH, July 1, 2018	-		
UNENCUMBERED CASH, June 30, 2019	\$ -		

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-2

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
REGULATORY BASIS
For The Year Ended June 30, 2019

SUPPLEMENTAL GENERAL FUND

	<u>Actual</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
RECEIPTS			
General Property Taxes			
Ad Valorem Taxes			
Tax In Process	\$ 37,393	\$ 26,342	\$ 11,051
Current Tax	983,290	1,112,584	(129,294)
Delinquent Tax	11,000	17,656	(6,656)
Motor Vehicle Tax	114,504	111,348	3,156
Recreational Vehicle Tax	1,712	1,427	285
Commercial Vehicle Tax	7,021	7,756	(735)
Rental Excise Tax	33	-	33
Reimbursements	100	-	100
Supplemental General State Aid	1,384,693	1,409,138	(24,445)
	<u>2,539,746</u>	<u>\$ 2,686,251</u>	<u>\$ (146,505)</u>
Total Receipts			
EXPENDITURES			
Instruction	1,889,054	\$ 1,278,446	\$ 610,608
Instructional Support Staff	219,722	220,553	(831)
Outgoing Transfers	433,344	1,088,000	(654,656)
Adjustments to Comply with Legal Max	-	(44,879)	44,879
	<u>2,542,120</u>	<u>\$ 2,542,120</u>	<u>\$ -</u>
Total Expenditures			
Receipts Over (Under) Expenditures	(2,374)		
UNENCUMBERED CASH, July 1, 2018	<u>99,079</u>		
UNENCUMBERED CASH, June 30, 2019	<u>\$ 96,705</u>		

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-3

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
REGULATORY BASIS
For The Year Ended June 30, 2019

SPECIAL EDUCATION COOPERATIVE FUND

	<u>Learning Cooperative of NCK</u>	<u>Budget</u>	<u>Variance Over (Under)</u>
RECEIPTS			
Payments from Other Districts	\$ 4,372,428	\$ 3,986,000	\$ 386,428
Interest on Idle Funds	2,406	2,000	406
Other Revenue from Local Sources	18,625	4,676	13,949
Federal Aid	680,797	680,797	-
Medicaid Aid	164,816	95,000	69,816
	<u>5,239,072</u>	<u>\$ 4,768,473</u>	<u>\$ 470,599</u>
EXPENDITURES			
Instruction	3,995,014	\$ 4,179,628	\$ (184,614)
Student Support Services	873,462	858,400	15,062
Instructional Support Staff	31,954	21,200	10,754
General Administration	3,516	-	3,516
School Administration	359,154	331,450	27,704
Operations & Maintenance	2,196	3,300	(1,104)
	<u>5,265,296</u>	<u>\$ 5,393,978</u>	<u>\$ (128,682)</u>
Receipts Over (Under) Expenditures	(26,224)		
UNENCUMBERED CASH, July 1, 2018	<u>625,505</u>		
UNENCUMBERED CASH, June 30, 2019	<u>\$ 599,281</u>		

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-4

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
REGULATORY BASIS
For The Year Ended June 30, 2019

AT RISK (4 YEAR OLD) FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Other Revenue From Local Sources	\$ 4,767	\$ -	\$ 4,767
Incoming Transfers	63,579	95,000	(31,421)
Total Receipts	68,346	\$ 95,000	\$ (26,654)
EXPENDITURES			
Instruction	89,604	\$ 111,080	\$ (21,476)
Student Transportation Services	17,344	21,000	(3,656)
Other Support Services	878	2,400	(1,522)
Total Expenditures	107,826	\$ 134,480	\$ (26,654)
Receipts Over (Under) Expenditures	(39,480)		
UNENCUMBERED CASH, July 1, 2018	39,480		
UNENCUMBERED CASH, June 30, 2019	\$ -		

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-5

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
REGULATORY BASIS
For The Year Ended June 30, 2019

AT RISK (K-12) FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Incoming Transfers	\$ 890,792	\$ 1,070,000	\$ (179,208)
EXPENDITURES			
Instruction	682,397	\$ 1,078,685	\$ (396,288)
Student Support Services	224,304	31,225	193,079
Total Expenditures	906,701	\$ 1,109,910	\$ (203,209)
Receipts Over (Under) Expenditures	(15,909)		
UNENCUMBERED CASH, July 1, 2018	39,909		
UNENCUMBERED CASH, June 30, 2019	\$ 24,000		

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-6

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
REGULATORY BASIS
For The Year Ended June 30, 2019

BILINGUAL EDUCATION FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Incoming Transfers	\$ 22,380	\$ 8,000	\$ 14,380
EXPENDITURES			
Instruction	22,376	\$ 8,000	\$ 14,376
Receipts Over (Under) Expenditures	4		
UNENCUMBERED CASH, July 1, 2018	-		
UNENCUMBERED CASH, June 30, 2019	\$ 4		

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-7

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
REGULATORY BASIS
For The Year Ended June 30, 2019

CAPITAL OUTLAY FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
General Property Taxes			
Ad Valorem Taxes			
Tax in Process	\$ 17,082	\$ 12,031	\$ 5,051
Current Tax	500,286	486,801	13,485
Delinquent Tax	4,885	8,066	(3,181)
Motor Vehicle Tax	51,982	50,577	1,405
Recreational Vehicle Tax	778	648	130
Commercial Vehicle Tax	3,205	3,523	(318)
Rental Excise Tax	15	-	15
Interest on Idle Funds	19,068	-	19,068
Other Revenue from Local Sources	122,965	-	122,965
State Aid	271,697	249,061	22,636
	<u>991,963</u>	<u>\$ 810,707</u>	<u>\$ 181,256</u>
EXPENDITURES			
Instruction	145,631	\$ 50,000	\$ 95,631
General Administration	-	281,289	(281,289)
Operations & Maintenance	230,967	617,500	(386,533)
Transportation	256,968	200,000	56,968
Land Acquisition	-	100,000	(100,000)
Land Improvement	264,148	300,000	(35,852)
Architectural & Engineering Services	36,615	50,000	(13,385)
Building Improvements	19,261	50,000	(30,739)
Other Facility Acquisition & Construction Services	-	200,000	(200,000)
	<u>953,590</u>	<u>\$ 1,848,789</u>	<u>\$ (895,199)</u>
Receipts Over (Under) Expenditures	38,373		
UNENCUMBERED CASH, July 1, 2018	<u>1,038,082</u>		
UNENCUMBERED CASH, June 30, 2019	<u>\$ 1,076,455</u>		

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-8

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
REGULATORY BASIS
For The Year Ended June 30, 2019

DRIVER TRAINING FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Other Revenue from Local Sources	\$ 10,700	\$ -	\$ 10,700
State Aid	5,880	6,500	(620)
Total Receipts	16,580	\$ 6,500	\$ 10,080
EXPENDITURES			
Instruction	13,960	\$ 23,969	\$ (10,009)
Vehicle Operations & Maintenance Services	1,018	700	318
Total Expenditures	14,978	\$ 24,669	\$ (9,691)
Receipts Over (Under) Expenditures	1,602		
UNENCUMBERED CASH, July 1, 2018	18,169		
UNENCUMBERED CASH, June 30, 2019	\$ 19,771		

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-9

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
REGULATORY BASIS
For The Year Ended June 30, 2019

FOOD SERVICE FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Lunch Receipts	\$ 198,539	\$ 197,626	\$ 913
Breakfast Receipts	19,882	23,082	(3,200)
Adult & Ala Carte Receipts	14,310	20,965	(6,655)
Miscellaneous Receipts	17,232	-	17,232
State Aid	7,111	5,691	1,420
Federal Aid	440,829	358,988	81,841
Incoming Transfers	-	45,000	(45,000)
	<u>697,903</u>	<u>\$ 651,352</u>	<u>\$ 46,551</u>
EXPENDITURES			
Operations & Maintenance	817	\$ 2,800	\$ (1,983)
Food Service Operations	707,354	758,425	(51,071)
	<u>708,171</u>	<u>\$ 761,225</u>	<u>\$ (53,054)</u>
Receipts Over (Under) Expenditures	(10,268)		
UNENCUMBERED CASH, July 1, 2018	<u>109,873</u>		
UNENCUMBERED CASH, June 30, 2019	<u>\$ 99,605</u>		

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-10

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
REGULATORY BASIS
For The Year Ended June 30, 2019

PROFESSIONAL DEVELOPMENT FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
State Aid	\$ 4,904	\$ 7,500	\$ (2,596)
Other Revenue from Local Sources	1,130	-	1,130
Total Receipts	6,034	\$ 7,500	\$ (1,466)
EXPENDITURES			
Instructional Support Staff	44,411	\$ 62,236	\$ (17,825)
Receipts Over (Under) Expenditures	(38,377)		
UNENCUMBERED CASH, July 1, 2018	54,736		
UNENCUMBERED CASH, June 30, 2019	\$ 16,359		

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-11

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
REGULATORY BASIS
For The Year Ended June 30, 2019

SPECIAL EDUCATION FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Other Revenue from Local Sources	\$ 18,990	\$ 10,000	\$ 8,990
Incoming Transfers	1,694,701	1,500,000	194,701
Total Receipts	1,713,691	\$ 1,510,000	\$ 203,691
EXPENDITURES			
Instruction	1,888,672	\$ 1,813,533	\$ 75,139
Supervision	14,319	29,800	(15,481)
Total Expenditures	1,902,991	\$ 1,843,333	\$ 59,658
Receipts Over (Under) Expenditures	(189,300)		
UNENCUMBERED CASH, July 1, 2018	317,915		
UNENCUMBERED CASH, June 30, 2019	\$ 128,615		

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-12

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
REGULATORY BASIS
For The Year Ended June 30, 2019

CAREER & POSTSECONDARY EDUCATION FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Other Revenue from Local Sources	\$ 16,035	\$ -	\$ 16,035
Incoming Transfers	200,984	195,000	5,984
Total Receipts	217,019	\$ 195,000	\$ 22,019
EXPENDITURES			
Instruction	263,097	\$ 283,377	\$ (20,280)
Receipts Over (Under) Expenditures	(46,078)		
UNENCUMBERED CASH, July 1, 2018	89,094		
UNENCUMBERED CASH, June 30, 2019	\$ 43,016		

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-13

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL
REGULATORY BASIS
For The Year Ended June 30, 2019

TEXTBOOK & STUDENT MATERIAL REVOLVING FUND

	Textbook	Student Material	Total
RECEIPTS			
Rental Fees & Books	\$ 34,568	\$ -	\$ 34,568
Miscellaneous Receipts	135	21,714	21,849
Total Receipts	<u>34,703</u>	<u>21,714</u>	<u>56,417</u>
EXPENDITURES			
Instruction	<u>-</u>	<u>18,726</u>	<u>18,726</u>
Receipts Over (Under) Expenditures	34,703	2,988	37,691
UNENCUMBERED CASH, July 1, 2018	<u>18,094</u>	<u>30,655</u>	<u>48,749</u>
UNENCUMBERED CASH, June 30, 2019	<u>\$ 52,797</u>	<u>\$ 33,643</u>	<u>\$ 86,440</u>

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-14

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
REGULATORY BASIS
For The Year Ended June 30, 2019

KPERS SPECIAL RETIREMENT CONTRIBUTION FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
State Aid	\$ 881,490	\$ 1,407,954	\$ (526,464)
EXPENDITURES			
Instruction	629,825	\$ 842,999	\$ (213,174)
Student Support Services	63,379	56,388	6,991
Instructional Support Staff	27,855	69,032	(41,177)
General Administration	19,305	41,661	(22,356)
School Administration	60,735	117,476	(56,741)
Central Services	7,757	27,448	(19,691)
Operations & Maintenance	34,025	165,920	(131,895)
Student Transportation Services	17,894	46,994	(29,100)
Food Service	20,715	40,036	(19,321)
Total Expenditures	881,490	\$ 1,407,954	\$ (526,464)
Receipts Over (Under) Expenditures	-		
UNENCUMBERED CASH, July 1, 2018	-		
UNENCUMBERED CASH, June 30, 2019	\$ -		

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-15

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL
REGULATORY BASIS
For The Year Ended June 30, 2019

CONTINGENCY RESERVE FUND

	<u>Actual</u>
RECEIPTS	<u>\$ -</u>
EXPENDITURES	<u>-</u>
Receipts Over (Under) Expenditures	-
UNENCUMBERED CASH, July 1, 2018	<u>808,393</u>
UNENCUMBERED CASH, June 30, 2019	<u><u>\$ 808,393</u></u>

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-16

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
REGULATORY BASIS
For The Year Ended June 30, 2019

GIFTS & GRANTS FUND

	Owls Grant Fund	Duclos Grant Fund	NCK Honor Flight Fund	Children's Trust Fund	Other Gifts & Donations Fund	Total Gifts and Donations	Budget*	Variance Over (Under)
RECEIPTS								
Contributions & Donations	\$ -	\$ 4,000	\$ -	\$ 3,076	\$ 32,420	\$ 39,496	\$ 250,000	\$ (210,504)
State Aid	-	-	-	-	20,341	20,341	-	20,341
Total Receipts	-	4,000	-	3,076	52,761	59,837	\$ 250,000	\$ (190,163)
EXPENDITURES								
Instruction	-	4,693	-	2,866	46,156	53,715	\$ 287,838	\$ (234,123)
Instructional Support Staff	-	-	-	-	5,121	5,121	1,700	3,421
Vehicle Operating Services	-	-	-	-	-	-	7,342	(7,342)
Total Expenditures	-	4,693	-	2,866	51,277	58,836	\$ 296,880	\$ (238,044)
Receipts Over (Under) Expenditures	-	(693)	-	210	1,484	1,001		
UNENCUMBERED CASH, July 1, 2018	1,000	1,513	2,307	127	26,230	31,177		
UNENCUMBERED CASH, June 30, 2019	\$ 1,000	\$ 820	\$ 2,307	\$ 337	\$ 27,714	\$ 32,178		

* Gifts and Grants Funds are not required by statute to be budgeted, this budget is for informational purposes only.

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-17

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
REGULATORY BASIS
For The Year Ended June 30, 2019

PARENTS AS TEACHERS FUND

	Actual	Budget	Variance Over (Under)
RECEIPTS			
Payments from Other Districts	\$ 49,375	\$ 49,375	\$ -
State Aid	87,772	98,750	(10,978)
Total Receipts	137,147	\$ 148,125	\$ (10,978)
EXPENDITURES			
Student Support Services	-	\$ 13,558	\$ (13,558)
Instructional Support Staff	137,147	134,567	2,580
Total Expenditures	137,147	\$ 148,125	\$ (10,978)
Receipts Over (Under) Expenditures	-		
UNENCUMBERED CASH, July 1, 2018	-		
UNENCUMBERED CASH, June 30, 2019	\$ -		

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-18

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
REGULATORY BASIS
For The Year Ended June 30, 2019

FEDERAL FUNDS

	Temporary Assistance for Needy Families Grant Fund	Carl Perkins Grant Fund	Title I	Title IIA Improving Teacher Quality	Title IV Part A	Total Federal Funds	Budget*	Variance Over (Under)
RECEIPTS								
Federal Aid	\$ 105,400	\$ -	\$ 177,014	\$ 32,715	\$ 17,615	\$ 332,744	\$ 218,000	\$ 114,744
EXPENDITURES								
Instruction	100,423	-	177,014	32,715	-	310,152	\$ 218,000	\$ 92,152
Instructional Support Staff	-	-	-	-	17,615	17,615	-	17,615
Vehicle Operating Services	10,312	-	-	-	-	10,312	-	10,312
Grant Repayment	4,915	-	-	-	-	4,915	-	4,915
Total Expenditures	115,650	-	177,014	32,715	17,615	342,994	\$ 218,000	\$ 124,994
Receipts Over (Under) Expenditures	(10,250)	-	-	-	-	(10,250)		
UNENCUMBERED CASH, July 1, 2018	11,788	3,914	-	-	-	15,702		
UNENCUMBERED CASH, June 30, 2019	\$ 1,538	\$ 3,914	\$ -	\$ -	\$ -	\$ 5,452		

* Federal Funds are not required by statute to be budgeted, this budget is for informational purposes only.

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-19

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL
REGULATORY BASIS
For The Year Ended June 30, 2019

DISTRICT ACTIVITY FUNDS

	<u>Actual</u>
RECEIPTS	<u>\$ 115,328</u>
EXPENDITURES	<u>118,671</u>
Receipts Over (Under) Expenditures	(3,343)
UNENCUMBERED CASH, July 1, 2018	20,457
Prior Year Cancelled Encumbrance	<u>18</u>
UNENCUMBERED CASH, June 30, 2019	<u><u>\$ 17,132</u></u>

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-20

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL AND BUDGET
REGULATORY BASIS
For The Year Ended June 30, 2019

BOND & INTEREST FUND

	<u>Actual</u>	<u>Budget</u>	Variance Over (Under)
RECEIPTS			
General Property Taxes			
Ad Valorem Taxes			
Tax in Process	\$ 6,844	\$ 4,823	\$ 2,021
Current Tax	200,740	195,321	5,419
Delinquent Tax	2,114	3,232	(1,118)
Motor Vehicle Tax	20,902	20,326	576
Recreational Vehicle Tax	312	260	52
Commercial Vehicle Tax	1,284	1,415	(131)
Rental Excise Tax	6	-	6
State Aid	179,152	179,152	-
Total Receipts	<u>411,354</u>	<u>\$ 404,529</u>	<u>\$ 6,825</u>
EXPENDITURES			
Principal	220,000	\$ 220,000	\$ -
Interest	187,163	187,163	-
Total Expenditures	<u>407,163</u>	<u>\$ 407,163</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	4,191		
UNENCUMBERED CASH, July 1, 2018	<u>582,320</u>		
UNENCUMBERED CASH, June 30, 2019	<u>\$ 586,511</u>		

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-21

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL
REGULATORY BASIS
For The Year Ended June 30, 2019

DONALD WADE SCHOLARSHIP FUND

	<u>Actual</u>
RECEIPTS	
Interest on Idle Funds	<u>\$ 16</u>
EXPENDITURES	
Scholarship	<u> 309</u>
Receipts Over (Under) Expenditures	(293)
UNENCUMBERED CASH, July 1, 2018	<u> 4,271</u>
UNENCUMBERED CASH, June 30, 2019	<u><u>\$ 3,978</u></u>

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-22

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL
REGULATORY BASIS
For The Year Ended June 30, 2019

CHERYL LAAS MEMORIAL FUND

	<u>Actual</u>
RECEIPTS	
Interest on Idle Funds	<u>\$ 25</u>
EXPENDITURES	
Scholarship	<u> 500</u>
Receipts Over (Under) Expenditures	(475)
UNENCUMBERED CASH, July 1, 2018	<u> 5,073</u>
UNENCUMBERED CASH, June 30, 2019	<u><u>\$ 4,598</u></u>

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-23

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL
REGULATORY BASIS
For The Year Ended June 30, 2019

NICOLE BARLEEN SCHOLARSHIP FUND

	<u>Actual</u>
RECEIPTS	
Interest on Idle Funds	\$ 120
Donations	<u>1,000</u>
Total Receipts	<u>1,120</u>
EXPENDITURES	
Scholarship	<u>1,000</u>
Receipts Over (Under) Expenditures	120
UNENCUMBERED CASH, July 1, 2018	<u>27,652</u>
UNENCUMBERED CASH, June 30, 2019	<u><u>\$ 27,772</u></u>

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-24

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL
REGULATORY BASIS
For The Year Ended June 30, 2019

DOUG MOORE SCHOLARSHIP FUND

	<u>Actual</u>
RECEIPTS	
Greater Salina Community Foundation	<u>\$ 459</u>
EXPENDITURES	
Scholarship	<u> 709</u>
Receipts Over (Under) Expenditures	(250)
UNENCUMBERED CASH, July 1, 2018	<u> 250</u>
UNENCUMBERED CASH, June 30, 2019	<u><u> -</u></u>

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-25

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL
REGULATORY BASIS
For The Year Ended June 30, 2019

FLOYD HULL SCHOLARSHIP FUND

	<u>Actual</u>
RECEIPTS	<u>\$ -</u>
EXPENDITURES	
Scholarship	<u>317</u>
Receipts Over (Under) Expenditures	(317)
UNENCUMBERED CASH, July 1, 2018	<u>317</u>
UNENCUMBERED CASH, June 30, 2019	<u><u>\$ -</u></u>

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-26

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL
REGULATORY BASIS
For The Year Ended June 30, 2019

LARRY HAMEL SCHOLARSHIP FUND

	<u>Actual</u>
RECEIPTS	
Donations	<u>\$ 349</u>
EXPENDITURES	
Scholarship	<u>1,000</u>
Receipts Over (Under) Expenditures	(651)
UNENCUMBERED CASH, July 1, 2018	<u>651</u>
UNENCUMBERED CASH, June 30, 2019	<u><u>\$ -</u></u>

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-27

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL
REGULATORY BASIS
For The Year Ended June 30, 2019

CHAD MCDANIEL SCHOLARSHIP

	<u>Actual</u>
RECEIPTS	<u>\$ -</u>
EXPENDITURES	
Scholarship	<u>1,252</u>
Receipts Over (Under) Expenditures	(1,252)
UNENCUMBERED CASH, July 1, 2018	<u>1,252</u>
UNENCUMBERED CASH, June 30, 2019	<u><u>\$ -</u></u>

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 2-28

SCHEDULE OF RECEIPTS AND EXPENDITURES-ACTUAL
REGULATORY BASIS
For The Year Ended June 30, 2019

TREVOR GENNETTE SCHOLARSHIP

	<u>Actual</u>
RECEIPTS	
Greater Salina Community Foundation	<u>\$ 616</u>
EXPENDITURES	
Scholarship	<u> 590</u>
Receipts Over (Under) Expenditures	26
UNENCUMBERED CASH, July 1, 2018	<u> 500</u>
UNENCUMBERED CASH, June 30, 2019	<u><u> 526</u></u>

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 3

SUMMARY OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS
For The Year Ended June 30, 2019

AGENCY FUNDS

FUND	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Student Activity Funds	\$ 146,969	\$ 183,771	\$ 170,039	\$ 160,701
Payroll Hold-Backs USD 333	42,036	46,305	42,310	46,031
Payroll Hold-Backs LCNCK	39,568	58,974	49,749	48,793
Student Activity Sales Tax	707	8,959	8,851	815
Total	<u>\$ 229,280</u>	<u>\$ 298,009</u>	<u>\$ 270,949</u>	<u>\$ 256,340</u>

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 4

SCHEDULE OF RECEIPTS, EXPENDITURES & UNENCUMBERED CASH
REGULATORY BASIS
For The Year Ended June 30, 2019

DISTRICT ACTIVITY FUNDS

Fund	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Athletics	\$ 1,022	\$ 18	\$ 76,181	\$ 75,470	\$ 1,751	\$ -	\$ 1,751
Drama	1,509	-	6,288	4,745	3,052	100	3,152
Music Festival	2,199	-	-	-	2,199	-	2,199
Business Production	102	-	-	-	102	-	102
Cat Scratch Productions	122	-	1,028	875	275	-	275
Athletics Concession	7,610	-	8,269	11,550	4,329	871	5,200
Renaissance	4,825	-	8,978	11,190	2,613	1,138	3,751
Student Activity Fee	3,068	-	14,584	14,841	2,811	-	2,811
Total District Activity Funds	\$ 20,457	\$ 18	\$ 115,328	\$ 118,671	\$ 17,132	\$ 2,109	\$ 19,241

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 5
Page 1 of 2

SCHEDULE OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS
For The Year Ended June 30, 2019

STUDENT ACTIVITY FUNDS

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
High School Student Council	\$ 1,702	\$ 5,371	\$ 4,780	\$ 2,293
Junior High Student Council	2,556	1,933	1,272	3,217
Con Global Action Team	500	-	-	500
Chess Club	1,510	1,369	2,112	767
National Honor Society	235	-	-	235
Scholar Bowl	1,008	1,124	966	1,166
Football & Weight Club	1,620	3,245	4,767	98
Art Club	480	-	-	480
Cheerleaders	5,159	12,394	15,955	1,598
Dance Squad	961	5,753	5,528	1,186
National Forensic League	278	889	1,109	58
Friends of Rachel	3,094	2,591	1,535	4,150
F.B.L.A.	111	1,095	818	388
Junior High Band	677	-	200	477
High School Band	2,498	570	672	2,396
F.C.C.L.A.	1,101	455	1,420	136
F.F.A.	24,046	26,906	28,724	22,228
F.F.A. Fruit	27,006	35,345	33,496	28,855
F.F.A. Scholarship	2,105	-	1,470	635
Skills USA	86	-	-	86
F.C.A.	7,161	-	100	7,061
Junior High Vocal Music	876	-	-	876
High School Vocal Music	22,780	16,438	8,201	31,017
Softball Club	696	-	-	696
Baseball Club	59	6,091	5,747	403
Volleyball Club	813	-	784	29
Golf Club	139	-	48	91
Tennis Club	56	729	715	70
Drama Club	3,343	1,200	1,200	3,343
Science Club	2,632	212	209	2,635
Foreign Language Club	485	339	344	480
Track Club	390	-	294	96
S.A.D.D.	99	6,647	6,327	419
Wrestling Club	643	13,266	3,335	10,574
Girls Basketball	165	765	823	107
Boys Basketball	13	368	368	13
Football Team	208	2,362	2,567	3
CMS Friends of Rachel	361	1,631	1,036	956

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 5
Page 2 of 2

SCHEDULE OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS
For The Year Ended June 30, 2019

STUDENT ACTIVITY FUNDS (Cont.)

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Class of 2019	\$ 932	\$ 355	\$ -	\$ 1,287
Class of 2020	6,167	2,650	4,445	4,372
Class of 2021	2,205	2,452	917	3,740
Class of 2022	528	2,813	1,273	2,068
Class of 2023	-	415	-	415
Class of 2024	-	435	-	435
Class of 2025	1,792	-	-	1,792
Life Skills	-	424	-	424
J.A.G.	815	792	988	619
Clay Shooting	16,878	24,347	25,494	15,731
Total Student Organization Funds	\$ 146,969	\$ 183,771	\$ 170,039	\$ 160,701

UNIFIED SCHOOL DISTRICT NO. 333
SINGLE AUDIT SECTION
FOR THE YEAR ENDED JUNE 30, 2019



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

February 10, 2020

Board of Education

Unified School District No. 333

Concordia, Kansas 66901

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*, the financial statement of Unified School District No. 333, as of and for the year ended June 30, 2019, and the related notes to the financial statement, which collectively comprise Unified School District No. 333's basic financial statement and have issued our report thereon dated February 10, 2020. Our report on the financial statement disclosed that, as described in Note 1 to the financial statements, the Unified School District No. 333 prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Unified School District No. 333's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Unified School District No. 333's internal control. Accordingly, we do not express an opinion on the effectiveness of Unified School District No. 333's internal control.

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

Board of Education
Unified School District No. 333
February 10, 2020
Page Two

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies (2019-001, 2019-002).

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Unified School District No. 333's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also noted certain other matters that we reported to management of Unified School District No. 333 in a separate letter dated February 10, 2020.

Unified School District No. 333's Response to Findings

Unified School District No. 333's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Unified School District No. 333's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Respectfully submitted,

Mapes & Miller LLP
Certified Public Accountants

February 10, 2020
Phillipsburg, Kansas



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

February 10, 2020

Board of Education

Unified School District No. 333

Concordia, Kansas 66901

Report on Compliance for Each Major Federal Program

We have audited Unified School District No. 333's compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of Unified School District No. 333's major federal programs for the year ended June 30, 2019. Unified School District No. 333's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Unified School District No. 333's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Unified School District No. 333's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Unified School District No. 333's compliance.

Opinion on Each Major Federal Program

In our opinion, Unified School District No. 333 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of Unified School District No. 333 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Unified School District No. 333's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Unified School District No. 333's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

Mapes & Miller LLP
Certified Public Accountants

February 10, 2020
Phillipsburg, Kansas

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 6

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ending June 30, 2019

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Unencumbered Cash July 1, 2018</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Federal Unencumbered Cash June 30, 2019</u>
<u>U.S. Department of Education</u>						
Passed through Kansas Department of Education (KSDE)						
Special Education Cluster (IDEA)						
Special Education-Grants to States	84.027	DO 333	\$ -	\$ 636,149	\$ 636,149	\$ -
Special Education-Preschool Grants	84.173	DO 333	-	44,648	44,648	-
Total Special Education Cluster (IDEA)			-	680,797	680,797	-
Title I Grants to Local Educational Agencies	84.010	DO 333	-	177,014	177,014	-
Title II-A Improving Teacher Quality State Grants	84.367	DO 333	-	32,715	32,715	-
Student Support & Academic Enrichment Program	84.424	DO 333	-	17,615	17,615	-
Total U.S. Department of Education			-	908,141	908,141	-
<u>U.S. Department of Agriculture</u>						
Passed through Kansas Department of Education (KSDE)						
Child Nutrition Cluster						
School Breakfast Program	10.553	DO 333	-	85,215	85,215	-
National School Lunch Program	10.555	DO 333	-	323,429	323,429	-
Summer Food Service Program	10.559	DO 333	-	32,035	32,035	-
Total Child Nutrition Cluster			-	440,679	440,679	-
State Administrative Expenses for Child Nutrition	10.560	DO 333	-	150	150	-
Total U.S. Department of Agriculture			-	440,829	440,829	-
<u>U.S. Department of Health & Human Services</u>						
Passed through Kansas Department of Health & Human Services						
Temporary Assistance for Needy Families	93.558	DO 333	-	105,400	104,013	1,387
Total Expenditures of Federal Awards			\$ -	\$ 1,454,370	\$ 1,452,983	\$ 1,387

The accompanying notes are an integral part of this schedule.

UNIFIED SCHOOL DISTRICT NO. 333
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Unified School District No. 333, Concordia, Kansas (the District), under programs of the federal government for the year ended June 30, 2019. The information in the Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the District. The Schedule is presented using a regulatory basis of accounting prescribed by the Kansas Municipal Audit and Accounting Guide (as described in Note 1 to the financial statement), which is the same basis of accounting as the financial statement accompanying this schedule.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the regulatory basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect Cost Rate

The District has not elected to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

4. Sub-recipients

No federal awards were passed-through to sub-recipients.

5. Contingencies

The District receives funds under various federal grant programs and such awards are to be expended in accordance with provisions of the various grants. Compliance with the grants is subject to audit by various government agencies which may impose sanctions in the event of non-compliance. Management believes that they have complied with all aspects of the various grant provisions and the results of adjustments, if any, relating to such audits would not have any material financial impact.

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

Schedule 7
Page 1 of 3

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended June 30, 2019

SECTION 1 – SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued:

In accordance with Generally Accepted Accounting Principles Adverse

In accordance with the regulatory basis of accounting described in Note 1 Unmodified

Internal control over financial reporting:

- Material weaknesses identified? Yes No
- Significant deficiencies identified? Yes None reported
- Noncompliance material to financial statements noted? Yes No

FEDERAL AWARDS

Internal control over major programs:

- Material weaknesses identified? Yes No
- Significant deficiencies identified? Yes None reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516 (a)? Yes No

The programs tested as major programs were:

CFDA NUMBER

NAME OF FEDERAL PROGRAM

84.027
84.173

Special Education Cluster:
Special Education – Grants to States
Special Education – Preschool Grants

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

Auditee qualified as low-risk auditee? Yes No

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

SECTION 2 – FINDINGS – FINANCIAL STATEMENT AUDIT

INTERNAL CONTROL

2019-001 Segregation of duties

Condition: The limited staff size does not provide for adequate segregating of duties.

Criteria: Segregation of duties should be maintained to strengthen internal control over accounting and compliance functions.

Effect: Lack of segregation of duties increases the risk of errors and noncompliance occurring and not being detected in a timely manner.

Cause: Because the entity is small, management does not feel it is feasible to hire more staff.

Recommendations: Duties of key financial and compliance personnel should be evaluated to determine if duties could be segregated.

Views of Responsible Officials and Planned Corrective Actions: We concur with the recommendation. However, the size of the entity does not make it practical to have sufficient number of employees to achieve the optimum level of internal control.

2019-002 Financial Statement Preparation

Condition: Management does not have the qualifications and training necessary to prepare the financial statements, including the related footnote disclosures, in accordance with the reporting and formatting requirements of the Kansas Municipal Audit and Accounting Guide.

Criteria: Management must have controls over the preparation of the financial statements, including footnote disclosures, which would prevent or detect an omission/misstatement in the financial statements in accordance with the basis of accounting adopted.

Effect: The District lacks internal controls over the preparation of the financial statements, note disclosures, and regulatory required supplemental information. The control deficiency allows for omission/misstatements in the financial statements including footnotes that may not be prevented, detected, or corrected.

Cause: There are no procedures in place that require management to obtain the necessary qualifications and training. The Business Office Manager/Treasurer for the District is new to the position and has not been able to attend training.

Recommendations: Management would need to attend training classes to educate on proper and complete preparation of the financial statements and footnote disclosures and to be aware of all of the current accounting standards by purchasing annual accounting subscriptions. We recommend that management continue to increase their knowledge of financial reporting.

UNIFIED SCHOOL DISTRICT NO. 333
Concordia, Kansas

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

SECTION 2 – FINDINGS – FINANCIAL STATEMENT AUDIT

INTERNAL CONTROL (Cont.)

2019-002 Financial Statement Preparation (Cont.)

Views of Responsible Officials and Planned Corrective Actions: The District has evaluated the benefit of establishing internal controls over the preparation of financial statements, including note disclosures, and determined that it is best for the District to have its external auditors prepare the financial statements. The board does review the draft of the financial statements, including note disclosures, prior to approving.

SECTION 3 – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

U.S. DEPARTMENT OF EDUCATION

Special Education Cluster - CFDA No. 84.027 and 84.173. No reportable findings or questioned costs for the year ended June 30, 2019.

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Concordia, Kansas

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2019

Financial Statement Audit Findings

INTERNAL CONTROL

2018-001 Segregation of duties

Condition: The limited staff size does not provide for adequate segregating of duties.

Recommendations: Duties of key financial and compliance personnel should be evaluated to determine if duties could be segregated.

Current Status: The District was unable to correct this finding due to the small size of the staff.

2018-002 Financial Statement Preparation

Condition: Management does not have the qualifications and training necessary to prepare the financial statements, including the related footnote disclosures, in accordance with the reporting and formatting requirements of the Kansas Municipal Audit and Accounting Guide.

Recommendations: Management would need to attend training classes to educate on proper and complete preparation of the financial statements and footnote disclosures and to be aware of all of the current accounting standards by purchasing annual accounting subscriptions. We recommend that management continue to increase their knowledge of financial reporting.

Current Status: The District hired a new Business Office Manager/Treasurer and the new Business Office Manager/Treasurer has not attended any training.

Federal Award Findings

U.S. DEPARTMENT OF EDUCATION

Special Education Cluster – CFDA No. 84.027 and 84.173
No prior year reportable findings.