

UNIFIED SCHOOL DISTRICT NO. 379

Clay Center, Kansas

Financial Statements

For the Year Ended June 30, 2019

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UNIFIED SCHOOL DISTRICT NO. 379
 Clay Center, Kansas
 Financial Statements
 For the Year Ended June 30, 2019

Table of Contents

	<u>Page Number</u>
INTRODUCTORY SECTION	
Table of Contents	i - ii
FINANCIAL STATEMENTS SECTION	
Independent Auditor's Report	1 - 2
Summary Statement of Receipts, Expenditures and Unencumbered Cash	3
Notes to the Financial Statements	4 - 10
REGULATORY REQUIRED SUPPLEMENTARY INFORMATION	
SCHEDULE 1	
Summary of Expenditures - Actual and Budget	11
SCHEDULE 2	
Schedule of Receipts and Expenditures - Actual and Budget or Actual Only	
General Fund	12
Supplemental General Fund	13
At Risk (K-12) Fund	14
Bilingual Education Fund	15
Virtual Education Fund	16
Capital Outlay Fund	17
Driver Training Fund	18
Extraordinary School Program Fund	19
Contingency Reserve Fund	20
Food Service Fund	21
Professional Development Fund	22
Parent Education Fund	23
Special Education Fund	24
Career and Postsecondary Education Fund	25
Special Education Cooperative Fund	26
KPERs Retirement Contribution Fund	27
Textbook Rental Fund	28
Gifts and Grants Fund	29
Grants Fund	30
Bond and Interest Fund	31
SCHEDULE 3	
Summary of Receipts and Disbursements	32 - 33
Agency Funds	
SCHEDULE 4	
Schedule of Receipts, Expenditures and Unencumbered Cash	34
District Activity Funds	

UNIFIED SCHOOL DISTRICT NO. 379
Clay Center, Kansas
Financial Statements
For the Year Ended June 30, 2019

Table of Contents
(Continued)

	<u>Page Number</u>
GOVERNMENTAL AUDIT SECTION	
Schedule of Expenditures of Federal Awards	35
Notes to the Schedule of Expenditures of Federal Awards	36
Schedule of Findings and Questioned Costs	37 - 38
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"	39 - 40
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	41 - 42



INDEPENDENT AUDITOR'S REPORT

Board of Education
Unified School District No. 379
Clay Center, Kansas

Report on the Financial Statements

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 379, Clay Center, Kansas, (the District), as of and for the year ended June 30, 2019 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Unmodified Opinion on Regulatory Basis of Accounting

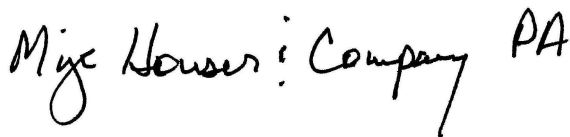
In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the District as of June 30, 2019, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions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

Report on Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 24, 2019, on our consideration of the District’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District’s internal control over financial reporting and compliance.

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

Certified Public Accountants

July 24, 2019
Lawrence, KS

UNIFIED SCHOOL DISTRICT NO. 379
 Summary Statement of Receipts, Expenditures and Unencumbered Cash
 Regulatory Basis
 For the Year Ended June 30, 2019

<u>Funds</u>	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
General Funds:							
General	\$ -	\$ -	\$ 9,038,874	\$ 9,038,874	\$ -	\$ 104,959	\$ 104,959
Supplemental General	-	-	3,095,437	2,866,708	228,729	8,187	236,916
Special Purpose Funds:							
At Risk (K-12)	201,191	-	860,000	800,000	261,191	-	261,191
Bilingual Education	9,258	-	-	3,143	6,115	-	6,115
Virtual Education	49,413	-	85,000	82,916	51,497	-	51,497
Capital Outlay	578,060	-	1,000,303	718,003	860,360	38,257	898,617
Driver Training	49,151	-	12,028	6,196	54,983	-	54,983
Extraordinary School Program	-	-	8,031	8,031	-	-	-
Contingency Reserve	309,707	-	-	-	309,707	-	309,707
Food Service	179,390	-	737,292	734,540	182,142	-	182,142
Professional Development	88,268	-	34,308	65,696	56,880	-	56,880
Parent Education	8,266	-	93,702	90,463	11,505	2,391	13,896
Special Education	709,140	-	1,916,342	1,865,050	760,432	-	760,432
Career and Postsecondary Education	160,547	-	598,612	596,263	162,896	12,539	175,435
Special Education Cooperative	472,208	-	5,067,074	4,999,614	539,668	25,201	564,869
KPERs Retirement Contribution	-	-	1,087,078	1,087,078	-	-	-
Textbook Rental	236,325	-	67,205	45,257	258,273	12,502	270,775
Gifts and Grants	30,698	-	61,587	61,385	30,900	18,033	48,933
Grants	4,641	-	407,575	398,774	13,442	15,725	29,167
District Activity	41,366	-	144,550	142,205	43,711	-	43,711
Bond and Interest Fund:							
Bond and Interest	662,379	-	877,994	780,528	759,845	-	759,845
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 3,790,008</u>	<u>\$ -</u>	<u>\$ 25,192,992</u>	<u>\$ 24,390,724</u>	<u>\$ 4,592,276</u>	<u>\$ 237,794</u>	<u>\$ 4,830,070</u>

Composition of Cash

Union State Bank	Checking	\$ 4,866,676
	Total Union State Bank	<u>4,866,676</u>
United Bank & Trust	Checking	81,634
	Total United Bank & Trust	<u>81,634</u>
Farmers & Merchants Bank	Checking	31,233
	Total Farmers & Merchants Bank	<u>31,233</u>
	Total Cash	4,979,543
	Less Agency Funds per Schedule 3	<u>[149,473]</u>
	Total Reporting Entity (Excluding Agency Funds)	<u>\$ 4,830,070</u>

UNIFIED SCHOOL DISTRICT NO. 379
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 1 - Summary of Significant Accounting Policies

Municipal Financial Reporting Entity

Unified School District No. 379 (the District) is a municipal corporation governed by an elected seven-member board. These financial statements include all the accounts for which the District is considered to be financially accountable. The District had no related municipal entities.

Reimbursed Expenses

Expenditures in the amount of \$52,179 are classified as reimbursed expenses in the General Fund. The purpose of these expenditures is payments for goods and services in which fees are collected and such expenditures are exempt from the budget law under K.S.A. 79-2934.

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

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

Basis of Accounting

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

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

Regulatory Basis Fund Types

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

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

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

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

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

UNIFIED SCHOOL DISTRICT NO. 379
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 1 - Summary of Significant Accounting Policies (Continued)

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 notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The budget for the year ended June 30, 2019 was not amended.

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

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

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

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

UNIFIED SCHOOL DISTRICT NO. 379
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 2 - Deposits and Investments

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

Investments. K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices. As of June 30, 2019, the District held no such investments.

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, except during designated "peak periods" when required coverage is 50%. The District has no designated "peak periods". All deposits were legally secured at June 30, 2019.

At June 30, 2019, the District's carrying amount of deposits was \$4,979,543 and the bank balance was \$5,762,432. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$368,823 was covered by federal depository insurance and the balance of \$5,393,609 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.

NOTE 3 - In-Substance Receipt in Transit

The District received \$535,549 subsequent to June 30, 2019 and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2019.

NOTE 4 - Long-term Debt

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

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

<u>Issue</u>	<u>Date Issued</u>	<u>Date of Final Maturity</u>	<u>Interest Rates</u>	<u>Original Amount</u>	<u>Balance June 30, 2019</u>
Paid for by revenues:					
General Obligation Bonds					
Series 2005-A Refunding	12/15/2005	2020	3.50 - 4.250%	\$ 3,795,000	\$ 520,000
Series 2015-A	4/1/2015	2031	2.00 - 3.00%	7,600,000	7,480,000
				<u>\$ 11,395,000</u>	<u>\$ 8,000,000</u>

UNIFIED SCHOOL DISTRICT NO. 379
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 4 - Long-term Debt (Continued)

Annual debt service requirements to maturity for the general obligation bonds are as follows:

General Obligation Bonds			
Year	Principal Due	Interest Due	Total Due
2020	\$ 585,000	\$ 199,980	\$ 784,980
2021	600,000	183,450	783,450
2022	615,000	171,300	786,300
2023	625,000	158,900	783,900
2024	635,000	146,300	781,300
2025-2029	3,425,000	480,463	3,905,463
2030-2031	1,515,000	45,825	1,560,825
Total	\$ 8,000,000	\$ 1,386,218	\$ 9,386,218

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

Type of Issue	Beginning Principal Outstanding	Additions to Principal	Reductions of Principal	Ending Principal Balance	Interest Paid
Paid for by revenues:					
General Obligation Bonds					
Series 2005-A Refunding	\$ 1,025,000	\$ -	\$ 505,000	\$ 520,000	\$ 29,228
Series 2015-A	7,535,000	-	55,000	7,480,000	191,300
Totals	\$ 8,560,000	\$ -	\$ 560,000	\$ 8,000,000	\$ 220,528

NOTE 5 - Capital Leases

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

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

Capital Leases	Beginning Principal Outstanding	Additions to Principal	Reductions of Principal	Ending Principal Balance	Interest Paid
Computers	\$ 223,786	\$ -	\$ 87,530	\$ 136,256	\$ 4,222
Building Carts	-	116,850	30,424	86,426	808
Totals	\$ 223,786	\$ 116,850	\$ 117,954	\$ 222,682	\$ 5,030

Annual debt service requirements to maturity for capital leases are as follows:

Capital Leases			
Year	Principal Due	Interest Due	Total Due
2020	\$ 116,823	\$ 6,160	\$ 122,983
2021	75,871	3,333	79,204
2022	29,988	1,244	31,232
Total	\$ 222,682	\$ 10,737	\$ 233,419

UNIFIED SCHOOL DISTRICT NO. 379
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 6 - Defined Benefit Pension Plan

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

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

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

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

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

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 \$1,087,078 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 \$15,116,938. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2018. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

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

UNIFIED SCHOOL DISTRICT NO. 379
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 7 - Interfund Transactions

Transfers were as follows:

<u>From</u>	<u>To</u>	<u>Regulatory Authority</u>	<u>Amount</u>
General	At Risk (K-12)	K.S.A. 72-6478	\$ 580,000
General	Capital Outlay	K.S.A. 72-6478	100,677
General	Parent Education	K.S.A. 72-6478	28,810
General	Food Service	K.S.A. 72-6478	41,409
General	Special Education	K.S.A. 72-6478	1,310,008
General	Professional Development	K.S.A. 72-6478	30,000
General	Career and Postsecondary Education	K.S.A. 72-6478	175,447
Supplemental General	At Risk (K-12)	K.S.A. 72-6478	280,000
Supplemental General	Food Service	K.S.A. 72-6478	25,000
Supplemental General	Special Education	K.S.A. 72-6478	600,000
Supplemental General	Career and Postsecondary Education	K.S.A. 72-6478	410,000
Supplemental General	Virtual Education	K.S.A. 72-6478	85,000
Special Education	Special Education Cooperative	K.S.A. 72-978(h)	<u>1,730,782</u>
Total			<u>\$5,397,133</u>

NOTE 8 - Compensated Absences

Classified personnel employed on a twelve month full-time status are eligible for a paid two week vacation. Vacation days may not be carried over from one fiscal year to another.

Payment for accumulated unused sick leave to a maximum of 60 days will be made upon retirement, death, or reduction in force. Payment will be based on the total number of full years of service in USD No. 379, less the number of prior years of service for which payment has been made. The rate of payment will be determined by the daily rate in effect at the time of retirement. The total number of full years of service and the reimbursement schedule is as follows:

<u>Number of Full Year of Service</u>	<u>Rate of Payment (Percentage of Daily Base Pay Rate)</u>
0 - 3	0%
4 - 9	15%
10 - 19	20%
20 - 29	25%
30 +	30%

The District has not recorded or computed this liability.

UNIFIED SCHOOL DISTRICT NO. 379
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 9 - Termination Benefits

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

NOTE 10 - Risk Management

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

NOTE 11 - Commitments and Contingencies

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

NOTE 12 - Related Party Transactions

During the year ended June 30, 2019, the District paid \$17,983 for fuel and \$24,950 for heating and air services to companies owned by District board members.

NOTE 13 - Other Post Employment Benefits

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

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

NOTE 14 – Death and Disability Other Post Employment Benefits

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

UNIFIED SCHOOL DISTRICT NO. 379
 Summary of Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2019

<u>Funds</u>	<u>Certified Budget</u>	Adjustment to Comply with Legal Maximum <u>Budget</u>	Adjustment for Qualifying <u>Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	Variance Positive [Negative]
General Funds:						
General Fund	\$ 9,469,653	\$ [482,958]	\$ 52,179	\$ 9,038,874	\$ 9,038,874	\$ -
Supplemental General	3,006,787	[140,079]	-	2,866,708	2,866,708	-
Special Purpose Funds:						
At Risk (K-12)	801,191	-	-	801,191	800,000	1,191
Bilingual Education	10,258	-	-	10,258	3,143	7,115
Virtual Education	134,713	-	-	134,713	82,916	51,797
Capital Outlay	1,242,562	-	-	1,242,562	718,003	524,559
Driver Training	46,400	-	-	46,400	6,196	40,204
Extraordinary School Program	15,000	-	-	15,000	8,031	6,969
Food Service	872,500	-	-	872,500	734,540	137,960
Professional Development	103,300	-	-	103,300	65,696	37,604
Parent Education	91,500	-	-	91,500	90,463	1,037
Special Education	2,155,400	-	-	2,155,400	1,865,050	290,350
Career and Postsecondary Education	721,847	-	-	721,847	596,263	125,584
Special Education Cooperative	5,807,155	-	-	5,807,155	4,999,614	807,541
KPERs Retirement Contribution	1,790,901	-	-	1,790,901	1,087,078	703,823
Gifts and Grants	48,000	-	-	48,000	61,385	[13,385]
Grants	369,244	-	-	369,244	398,774	[29,530]
Debt Service Fund:						
Bond and Interest	780,528	-	-	780,528	780,528	-

UNIFIED SCHOOL DISTRICT NO. 379
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Over <u>[Under]</u>
Receipts			
Federal aid	\$ 20,225	\$ -	\$ 20,225
State aid	8,966,470	9,469,653	[503,183]
Reimbursements	<u>52,179</u>	<u>-</u>	<u>52,179</u>
Total Receipts	<u>9,038,874</u>	<u>\$ 9,469,653</u>	<u>\$ [430,779]</u>
Expenditures			
Instruction	3,329,169	\$ 3,938,521	\$ 609,352
Student support services	303,221	357,000	53,779
Instructional support services	367,133	314,500	[52,633]
General administration	306,691	267,000	[39,691]
School administration	885,942	896,000	10,058
Other support services - business and administration	155,813	152,100	[3,713]
Operations and maintenance	965,799	980,700	14,901
Student transportation services	458,755	563,120	104,365
Transfers	2,266,351	2,000,712	[265,639]
Adjustment to Comply with Legal Maximum Budget	-	[482,958]	[482,958]
Adjustment for Qualifying Budget Credits	<u>-</u>	<u>52,179</u>	<u>52,179</u>
Total Expenditures	<u>9,038,874</u>	<u>\$ 9,038,874</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	-		
Unencumbered Cash, Beginning	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 379
Supplemental General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
Ad valorem taxes	\$ 1,634,249	\$ 1,491,593	\$ 142,656
Delinquent taxes	23,967	13,583	10,384
Motor vehicle taxes	155,229	156,976	[1,747]
State aid	<u>1,281,992</u>	<u>1,344,635</u>	<u>[62,643]</u>
Total Receipts	<u>3,095,437</u>	<u>\$ 3,006,787</u>	<u>\$ 88,650</u>
Expenditures			
Instruction	1,061,460	\$ 757,887	\$ [303,573]
Student support services	100,000	100,000	-
Instructional support services	9,589	5,000	[4,589]
General administration	54,647	184,000	129,353
School administration	48,913	61,500	12,587
Other support services - business and administration	-	83,300	83,300
Operations and maintenance	192,099	94,100	[97,999]
Transfers	1,400,000	1,721,000	321,000
Adjustment to Comply with Legal Maximum Budget	<u>-</u>	<u>[140,079]</u>	<u>[140,079]</u>
Total Expenditures	<u>2,866,708</u>	<u>\$ 2,866,708</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	228,729		
Unencumbered Cash, Beginning	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 228,729</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 379
At Risk (K-12) Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
Transfers	\$ 860,000	\$ 600,000	\$ 260,000
Total Receipts	<u>860,000</u>	<u>\$ 600,000</u>	<u>\$ 260,000</u>
Expenditures			
Instruction	<u>800,000</u>	\$ 801,191	\$ 1,191
Total Expenditures	<u>800,000</u>	<u>\$ 801,191</u>	<u>\$ 1,191</u>
Total Expenditures	60,000		
Receipts Over [Under] Expenditures	<u>201,191</u>		
Unencumbered Cash, Ending	<u>\$ 261,191</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 379
Bilingual Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
Transfers	\$ -	\$ 1,000	\$ [1,000]
Total Receipts	<u>-</u>	<u>\$ 1,000</u>	<u>\$ [1,000]</u>
Expenditures			
Instruction	3,143	\$ 10,258	\$ 7,115
Total Expenditures	<u>3,143</u>	<u>\$ 10,258</u>	<u>\$ 7,115</u>
Receipts Over [Under] Expenditures	[3,143]		
Unencumbered Cash, Beginning	<u>9,258</u>		
Unencumbered Cash, Ending	<u>\$ 6,115</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 379
Virtual Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
Transfers	\$ 85,000	\$ 85,000	\$ -
Reimbursements	<u>-</u>	<u>300</u>	<u>[300]</u>
Total Receipts	<u>85,000</u>	<u>\$ 85,300</u>	<u>\$ [300]</u>
 Expenditures			
Instruction	<u>82,916</u>	<u>\$ 134,713</u>	<u>\$ 51,797</u>
Total Expenditures	<u>82,916</u>	<u>\$ 134,713</u>	<u>\$ 51,797</u>
 Receipts Over [Under] Expenditures	 2,084		
 Unencumbered Cash, Beginning	 <u>49,413</u>		
 Unencumbered Cash, Ending	 <u>\$ 51,497</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 379
Capital Outlay Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
Ad valorem taxes	\$ 499,227	\$ 461,845	\$ 37,382
Delinquent taxes	5,446	5,716	[270]
Motor vehicle taxes	46,789	46,985	[196]
Federal aid	19,016	-	19,016
State aid	146,914	149,956	[3,042]
Miscellaneous	153,487	-	153,487
Investment income	28,747	-	28,747
Transfers	<u>100,677</u>	<u>-</u>	<u>100,677</u>
Total Receipts	<u>1,000,303</u>	<u>\$ 664,502</u>	<u>\$ 335,801</u>
Expenditures			
Instruction	13,226	\$ 100,000	\$ 86,774
General administration	435	25,000	24,565
Operations and maintenance	360,589	452,290	91,701
Student transportation services	184,681	167,420	[17,261]
Facility acquisition and construction services	<u>159,072</u>	<u>497,852</u>	<u>338,780</u>
Total Expenditures	<u>718,003</u>	<u>\$ 1,242,562</u>	<u>\$ 524,559</u>
Receipts Over [Under] Expenditures	282,300		
Unencumbered Cash, Beginning	<u>578,060</u>		
Unencumbered Cash, Ending	<u>\$ 860,360</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 379
Driver Training Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
State aid	\$ 3,528	\$ 3,900	\$ [372]
Charges for services	<u>8,500</u>	<u>8,000</u>	<u>500</u>
Total Receipts	<u>12,028</u>	<u>\$ 11,900</u>	<u>\$ 128</u>
 Expenditures			
Instruction	6,023	\$ 25,700	\$ 19,677
Operations and maintenance	<u>173</u>	<u>20,700</u>	<u>20,527</u>
Total Expenditures	<u>6,196</u>	<u>\$ 46,400</u>	<u>\$ 40,204</u>
 Receipts Over [Under] Expenditures	5,832		
 Unencumbered Cash, Beginning	<u>49,151</u>		
 Unencumbered Cash, Ending	<u>\$ 54,983</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 379
Extraordinary School Program Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
Miscellaneous	\$ 8,031	\$ 15,000	\$ [6,969]
Total Receipts	<u>8,031</u>	<u>\$ 15,000</u>	<u>\$ [6,969]</u>
Expenditures			
Instruction	7,876	\$ 15,000	\$ 7,124
School administration	<u>155</u>	<u>-</u>	<u>[155]</u>
Total Expenditures	<u>8,031</u>	<u>\$ 15,000</u>	<u>\$ 6,969</u>
Receipts Over [Under] Expenditures	-		
Unencumbered Cash, Beginning	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 379
Contingency Reserve Fund*
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended June 30, 2019

Receipts	
Transfers	\$ -
Total Receipts	<u>-</u>
Expenditures	
Transfers	-
Total Expenditures	<u>-</u>
Receipts Over [Under] Expenditures	-
Unencumbered Cash, Beginning	<u>309,707</u>
Unencumbered Cash, Ending	<u>\$ 309,707</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 379
Food Service Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
Federal aid	\$ 374,064	\$ 369,206	\$ 4,858
State aid	6,380	6,000	380
Charges for services	290,100	272,770	17,330
Investment income	339	-	339
Transfers	<u>66,409</u>	<u>85,000</u>	<u>[18,591]</u>
Total Receipts	<u>737,292</u>	<u>\$ 732,976</u>	<u>\$ 4,316</u>
Expenditures			
Food service operation	734,540	\$ 42,500	\$ [692,040]
Operations and maintenance	<u>-</u>	<u>830,000</u>	<u>830,000</u>
Total Expenditures	<u>734,540</u>	<u>\$ 872,500</u>	<u>\$ 137,960</u>
Receipts Over [Under] Expenditures	2,752		
Unencumbered Cash, Beginning	<u>179,390</u>		
Unencumbered Cash, Ending	<u>\$ 182,142</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 379
 Professional Development Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
Transfers	\$ 30,000	\$ 40,000	\$ [10,000]
State aid	4,178	7,500	[3,322]
Miscellaneous	<u>130</u>	<u>-</u>	<u>130</u>
Total Receipts	<u>34,308</u>	<u>\$ 47,500</u>	<u>\$ [13,192]</u>
Expenditures			
Instruction	54,649	\$ -	\$ [54,649]
Instructional support services	<u>11,047</u>	<u>103,300</u>	<u>92,253</u>
Total Expenditures	<u>65,696</u>	<u>\$ 103,300</u>	<u>\$ 37,604</u>
Receipts Over [Under] Expenditures	[31,388]		
Unencumbered Cash, Beginning	<u>88,268</u>		
Unencumbered Cash, Ending	<u>\$ 56,880</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 379
Parent Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
State aid	\$ 60,202	\$ 59,231	\$ 971
Miscellaneous	4,690	4,690	-
Transfers	<u>28,810</u>	<u>29,000</u>	<u>[190]</u>
Total Receipts	<u>93,702</u>	<u>\$ 92,921</u>	<u>\$ 781</u>
Expenditures			
Student support services	88,306	\$ 89,500	\$ 1,194
Instructional support services	<u>2,157</u>	<u>2,000</u>	<u>[157]</u>
Total Expenditures	<u>90,463</u>	<u>\$ 91,500</u>	<u>\$ 1,037</u>
Receipts Over [Under] Expenditures	3,239		
Unencumbered Cash, Beginning	<u>8,266</u>		
Unencumbered Cash, Ending	<u>\$ 11,505</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 379
Special Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
Transfers	\$ 1,910,008	\$ 2,231,712	\$ [321,704]
Federal aid	5,954	-	5,954
Miscellaneous	<u>380</u>	-	<u>380</u>
Total Receipts	<u>1,916,342</u>	<u>\$ 2,231,712</u>	<u>\$ [315,370]</u>
Expenditures			
Instruction	7,749	\$ 1,300	\$ [6,449]
Instructional support services	-	25,000	25,000
Student transportation services	126,519	129,100	2,581
Transfers	<u>1,730,782</u>	<u>2,000,000</u>	<u>269,218</u>
Total Expenditures	<u>1,865,050</u>	<u>\$ 2,155,400</u>	<u>\$ 290,350</u>
Receipts Over [Under] Expenditures	51,292		
Unencumbered Cash, Beginning	<u>709,140</u>		
Unencumbered Cash, Ending	<u>\$ 760,432</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 379
Career and Postsecondary Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
Federal aid	\$ 2,000	\$ 7,300	\$ [5,300]
Miscellaneous	11,165	4,000	7,165
Transfers	<u>585,447</u>	<u>600,000</u>	<u>[14,553]</u>
Total Receipts	<u>598,612</u>	<u>\$ 611,300</u>	<u>\$ [12,688]</u>
Expenditures			
Instruction	588,722	\$ 670,847	\$ 82,125
Instructional support services	<u>7,541</u>	<u>51,000</u>	<u>43,459</u>
Total Expenditures	<u>596,263</u>	<u>\$ 721,847</u>	<u>\$ 125,584</u>
Receipts Over [Under] Expenditures	2,349		
Unencumbered Cash, Beginning	<u>160,547</u>		
Unencumbered Cash, Ending	<u>\$ 162,896</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 379
Special Education Cooperative Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
Federal aid	\$ 582,359	\$ 635,730	\$ [53,371]
State aid and contributions	2,527,301	2,827,286	[299,985]
Reimbursements	211,578	150,000	61,578
Miscellaneous	15,054	2,000	13,054
Transfers	<u>1,730,782</u>	<u>2,081,585</u>	<u>[350,803]</u>
Total Receipts	<u>5,067,074</u>	<u>\$ 5,696,601</u>	<u>\$ [629,527]</u>
Expenditures			
Instruction	3,629,138	\$ 4,267,000	\$ 637,862
Student support services	1,006,919	1,066,000	59,081
Instructional support services	110,705	128,000	17,295
General administration	228,245	284,500	56,255
School administration	-	15,000	15,000
Operations and maintenance	24,607	31,655	7,048
Student transportation services	<u>-</u>	<u>15,000</u>	<u>15,000</u>
Total Expenditures	<u>4,999,614</u>	<u>\$ 5,807,155</u>	<u>\$ 807,541</u>
Receipts Over [Under] Expenditures	67,460		
Unencumbered Cash, Beginning	<u>472,208</u>		
Unencumbered Cash, Ending	<u>\$ 539,668</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 379
KPERs Retirement Contribution Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
State aid	\$ 1,087,078	\$ 1,790,901	\$ [703,823]
Total Receipts	<u>1,087,078</u>	<u>\$ 1,790,901</u>	<u>\$ [703,823]</u>
Expenditures			
Instruction	750,084	\$ 1,254,856	\$ 504,772
Student support services	101,555	179,956	78,401
Instructional support services	25,460	48,730	23,270
General administration	32,612	51,076	18,464
School administration	65,225	103,053	37,828
Other support services	10,871	15,362	4,491
Operations and maintenance	43,483	71,156	27,673
Student transportation services	28,894	31,815	2,921
Food service	28,894	34,897	6,003
Total Expenditures	<u>1,087,078</u>	<u>\$ 1,790,901</u>	<u>\$ 703,823</u>
Receipts Over [Under] Expenditures	-		
Unencumbered Cash, Beginning	-		
Unencumbered Cash, Ending	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 379
Textbook Rental Fund*
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended June 30, 2019

Receipts	
Charges for services	\$ 67,205
Total Receipts	<u>67,205</u>
Expenditures	
Instruction	<u>45,257</u>
Total Expenditures	<u>45,257</u>
Receipts Over [Under] Expenditures	21,948
Unencumbered Cash, Beginning	<u>236,325</u>
Unencumbered Cash, Ending	<u>\$ 258,273</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 379
 Gifts and Grants Fund
 Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
Miscellaneous	\$ 61,587	\$ 65,000	\$ [3,413]
Total Receipts	<u>61,587</u>	<u>\$ 65,000</u>	<u>\$ [3,413]</u>
Expenditures			
Instruction	53,924	\$ 42,000	\$ [11,924]
Instructional support services	7,401	6,000	[1,401]
Operations and maintenance	60	-	[60]
Total Expenditures	<u>61,385</u>	<u>\$ 48,000</u>	<u>\$ [13,385]</u>
Receipts Over [Under] Expenditures	202		
Unencumbered Cash, Beginning	<u>30,698</u>		
Unencumbered Cash, Ending	<u>\$ 30,900</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 379
Grant Funds
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2019

	<u>Title I</u>	Title II-A Teacher <u>Quality</u>	<u>ECSE</u>
Receipts			
Federal aid	\$ 193,237	\$ 47,033	\$ 29,423
Other local receipts	<u>-</u>	<u>-</u>	<u>-</u>
Total Receipts	<u>193,237</u>	<u>47,033</u>	<u>29,423</u>
Expenditures			
Instruction	193,237	47,033	29,423
Student support services	-	-	-
Instructional support services	-	-	-
General administration	-	-	-
School administration	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>193,237</u>	<u>47,033</u>	<u>29,423</u>
Receipts Over [Under] Expenditures	-	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Title VI-B</u>	<u>Title IV Student Support</u>	<u>Title IV Project Lead</u>	<u>Total Actual</u>	<u>Budget</u>	<u>Variance Positive [Negative]</u>
\$ 26,142	\$ 18,214	\$ 75,000	\$ 389,049	\$ 364,603	\$ 24,446
-	-	18,526	18,526	-	18,526
<u>26,142</u>	<u>18,214</u>	<u>93,526</u>	<u>407,575</u>	<u>\$ 364,603</u>	<u>\$ 42,972</u>
7,948	18,214	77,929	373,784	\$ 353,244	\$ [20,540]
16,886	-	6,796	23,682	15,000	[8,682]
-	-	-	-	500	500
-	-	-	-	500	500
1,308	-	-	1,308	-	[1,308]
<u>26,142</u>	<u>18,214</u>	<u>84,725</u>	<u>398,774</u>	<u>\$ 369,244</u>	<u>\$ [29,530]</u>
-	-	8,801	8,801		
-	-	4,641	4,641		
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,442</u>	<u>\$ 13,442</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 379
Bond and Interest Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2019

	<u>Actual</u>	<u>Budget</u>	Variance Positive [Negative]
Receipts			
Ad valorem taxes	\$ 599,781	\$ 558,807	\$ 40,974
Delinquent taxes	6,443	3,453	2,990
Motor vehicle taxes	37,611	39,837	[2,226]
State aid	<u>234,159</u>	<u>234,159</u>	-
Total Receipts	<u>877,994</u>	<u>\$ 836,256</u>	<u>\$ 41,738</u>
Expenditures			
Interest	220,528	\$ 220,528	\$ -
Principal	<u>560,000</u>	<u>560,000</u>	-
Total Expenditures	<u>780,528</u>	<u>\$ 780,528</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	97,466		
Unencumbered Cash, Beginning	<u>662,379</u>		
Unencumbered Cash, Ending	<u>\$ 759,845</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 379
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2019

FUND	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
ELEMENTARY SCHOOLS				
Lincoln Elementary				
Student fundraiser	\$ 267	\$ 559	\$ 489	\$ 337
Library book	1,850	1,882	1,148	2,584
Watch D.O.G.S.	-	711	453	258
Petty cash	500	80	80	500
Total Lincoln Elementary	<u>2,617</u>	<u>3,232</u>	<u>2,170</u>	<u>3,679</u>
Garfield Elementary				
Book fair	400	997	996	401
Student Incentives	22	-	-	22
Miscellaneous	132	204	248	88
Watch D.O.G.S.	129	290	386	33
Petty cash	500	150	150	500
Total Garfield Elementary	<u>1,183</u>	<u>1,641</u>	<u>1,780</u>	<u>1,044</u>
TOTAL ELEMENTARY SCHOOL ACTIVITY FUNDS	<u>3,800</u>	<u>4,873</u>	<u>3,950</u>	<u>4,723</u>
MIDDLE SCHOOL FUNDS				
Clay Center Community Middle School				
Student council	3,884	3,465	3,478	3,871
Library	227	52	136	143
Yearbook	1,332	4,296	4,787	841
Literacy	42	1,686	1,688	40
Petty cash	750	849	849	750
Sales tax	692	2,845	2,873	664
Student incentive	347	1,621	1,792	176
Mentor program	434	3,745	3,863	316
Total Clay Center Community Middle School	<u>7,708</u>	<u>18,559</u>	<u>19,466</u>	<u>6,801</u>
Wakefield School				
Cheerleaders	5,801	9,843	10,427	5,217
Jr. High cheerleaders	98	-	-	98
Boys basketball	-	3,927	3,326	601
Class of 2019	1,285	16	1,301	-
Class of 2020	994	2,600	2,323	1,271
Class of 2021	937	769	-	1,706
Class of 2022	-	338	-	338
Book fair	35	1,925	1,883	77
Drama	30	-	-	30
Watch D.O.G.S.	1,003	1,066	1,013	1,056
Envirothon	932	-	-	932
Miscellaneous	67	30	52	45
Music	81	933	966	48
P.L.A.Y.S.	398	-	-	398
Cross country	13	-	-	13
National honor society	1	286	287	-
Petty cash	1,250	1,670	1,670	1,250
Photo club	327	-	-	327
Quiz bowl	143	-	-	143
SADD	829	-	155	674
Yearbook	1,567	3,626	3,266	1,927
Renaissance	1,265	1,291	784	1,772
FCA	7	-	-	7
Library	650	437	406	681
STUCO	6,216	8,838	8,357	6,697
Volleyball	-	240	240	-
Spanish club	65	-	-	65
Shop	449	7	245	211
Track	376	-	-	376
Sales tax	13	2,364	2,371	6
Total Wakefield School	<u>24,832</u>	<u>40,206</u>	<u>39,072</u>	<u>25,966</u>
TOTAL MIDDLE SCHOOL ACTIVITY FUNDS	<u>32,540</u>	<u>58,765</u>	<u>58,538</u>	<u>32,767</u>

UNIFIED SCHOOL DISTRICT NO. 379
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2019

<u>FUND</u>	Beginning Cash <u>Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	Ending Cash <u>Balance</u>
HIGH SCHOOL FUNDS				
Clay Center Community High School				
ACT	\$ 1,229	\$ 960	\$ 1,804	\$ 385
Art society	438	43	168	313
Class of 2019	1,701	-	1,701	-
Class of 2020	-	7,290	6,186	1,104
Class of 2021	715	529	-	1,244
Class of 2022	-	616	-	616
Drama club	1,246	11,587	12,055	778
FBLA	150	-	-	150
FFA	4,055	44,008	37,408	10,655
FCCLA	1,379	180	451	1,108
Envirothon	4,656	512	181	4,987
Cheerleaders	-	8,030	6,626	1,404
National Honor Society	209	890	439	660
Stardusters	5,212	14,049	16,161	3,100
Student council	1,525	5,394	5,364	1,555
SADD	601	-	-	601
Renaissance	1,130	3,423	4,292	261
Yearbook	14,784	6,476	8,998	12,262
Library	1,605	169	318	1,456
Petty cash	750	2,984	2,984	750
Tiger prints	3,463	12,371	13,596	2,238
Humanities	842	-	-	842
TNT	2,916	355	351	2,920
Sales tax	2,519	8,461	10,820	160
Total Clay Center Community High School	<u>51,125</u>	<u>128,327</u>	<u>129,903</u>	<u>49,549</u>
TOTAL HIGH SCHOOL ACTIVITY FUNDS	<u>51,125</u>	<u>128,327</u>	<u>129,903</u>	<u>49,549</u>
OTHER AGENCY FUNDS				
Payroll Clearing Fund	<u>60,643</u>	<u>2,102</u>	<u>311</u>	<u>62,434</u>
TOTAL OTHER AGENCY FUNDS	<u>60,643</u>	<u>2,102</u>	<u>311</u>	<u>62,434</u>
TOTAL AGENCY FUNDS	<u>\$ 148,108</u>	<u>\$ 194,067</u>	<u>\$ 192,702</u>	<u>\$ 149,473</u>

SCHEDULE 4

UNIFIED SCHOOL DISTRICT NO. 379
 District Activity Funds
 Schedule of Receipts, Expenditures and Unencumbered Cash
 Regulatory Basis
 For the Year Ended June 30, 2019

	<u>Beginning Unencumbered Cash Balance</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add Outstanding Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
District Activity Funds						
Clay Center Community High School Gate Receipts	\$ 26,951	\$ 100,864	\$ 95,727	\$ 32,088	\$ -	\$ 32,088
Clay Center Community Middle School Gate Receipts	7,367	25,341	26,352	6,356	-	6,356
Wakefield School Gate Receipts	<u>7,048</u>	<u>18,345</u>	<u>20,126</u>	<u>5,267</u>	<u>-</u>	<u>5,267</u>
Total District Activity Funds	<u>\$ 41,366</u>	<u>\$ 144,550</u>	<u>\$ 142,205</u>	<u>\$ 43,711</u>	<u>\$ -</u>	<u>\$ 43,711</u>

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 379
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Beginning Unencumbered Cash</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash</u>
<u>U.S. Department of Education</u>					
Direct U.S. Department of Education					
Impact Aid (P.L. 81-874)	84.041	\$ -	\$ 45,195	\$ 45,195	\$ -
Total Direct U.S. Department of Education		-	45,195	45,195	-
Passed Through State Department of Education:					
Special Education (IDEA) Cluster					
Title VI - Special Education	84.027	-	606,307	606,307	-
Special Education - Preschool Grants	84.173	-	29,423	29,423	-
Subtotal Special Education (IDEA) Cluster		-	635,730	635,730	-
Title I	84.010	-	193,237	193,237	-
Vocational Education - Carl Perkins	84.048	-	2,000	2,000	-
Title IV Project Lead	84.287	-	75,000	75,000	-
Title II-A Teacher Quality	84.367	-	47,033	47,033	-
Title IVA Student Support & Academic Enrichment	84.424A	-	18,214	18,214	-
Total Passed Through State Department of Education		-	971,214	971,214	-
Total Department of Education		-	1,016,409	1,016,409	-
<u>U.S. Department Health and Human Services</u>					
Passed Through State Department of Education:					
Coop Agreements to Promote Adolescent Health	93.079	-	314	314	-
Total Department of Health and Human Services		-	314	314	-
<u>U.S. Department of Agriculture</u>					
Passed Through State Department of Education:					
Child Nutrition Cluster					
Breakfast	10.553	-	95,004	95,004	-
National School Lunch Program	10.555	-	278,740	278,740	-
Subtotal Child Nutrition Cluster		-	373,744	373,744	-
Cash for Commodities	10.558	-	2,194	2,194	-
Team Nutrition Training Grant	10.574	-	320	320	-
Total Department of Agriculture		-	376,258	376,258	-
Total		\$ -	\$ 1,392,981	\$ 1,392,981	\$ -

The accompanying notes are an integral part of this schedule.

UNIFIED SCHOOL DISTRICT NO. 379
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

1. Organization

Unified School District No. 379, Clay Center, Kansas, (the District), is the recipient of several federal awards. All federal awards received directly from federal agencies, as well as those awards that are passed through other government agencies, are included on the schedule of Expenditures of Federal Awards.

2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the District, and is presented on the Kansas regulatory basis of accounting which includes cash disbursements, accounts payable and encumbrances. The information presented in this schedule is in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements. The District elected not to use the 10% de minimis indirect cost rate.

3. Local Government Contributions

Local cost sharing is required by certain federal grants. The amount of cost sharing varies with each program. Only the federal share of expenditures is presented in the Schedule of Expenditures of Federal Awards.

4. Additional Audits

Grantor agencies reserve the right to conduct additional audits of the District's grant programs for economy and efficiency and program results that may result in disallowed costs to the District. However, management does not believe such audits would result in any disallowed costs that would be material to the District's financial position at June 30, 2019.

5. Outstanding Loans

The District did not have any outstanding loans under any federal grants at June 30, 2019.

6. Pass Through Numbers

Pass through numbers have not been assigned to pass through grants on the schedule of expenditures of federal awards.

UNIFIED SCHOOL DISTRICT NO. 379
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2019

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified (Regulatory Basis)
Adverse (GAAP)

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes X No

Significant deficiency (ies) identified that are not considered to be material weaknesses? _____ Yes X None reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____ Yes X No

Significant deficiency (ies) identified that are not considered to be material weaknesses? _____ Yes X None reported

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

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance _____ Yes X No

Identification of major programs:

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

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

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

UNIFIED SCHOOL DISTRICT NO. 379
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2019

Section II - Financial Statement Findings

None Noted

Section III - Federal Award Findings and Questioned Costs

None Noted

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

Board of Education
Unified School District No. 379
Clay Center, Kansas

We have audited, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*, the financial statements of the Unified School District No. 379, (the District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated July 24, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Compliance and Other Matters

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

However, we noted certain other matters that we reported to management of the District in a separate letter dated July 24, 2019.

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.

Mize Houser & Company PA

Certified Public Accountants

July 24, 2019
Lawrence, KS



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

Board of Education
Unified School District No. 379
Clay Center, Kansas

Report on Compliance for Each Major Federal Program

We have audited the compliance of the Unified School District No. 379, (the District) with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2019. The District's major federal financial programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

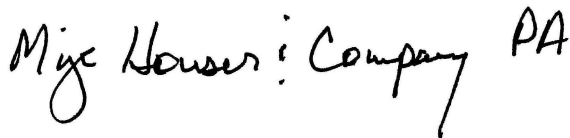
Report on Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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

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

Certified Public Accountants

July 24, 2019
Lawrence, KS

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