



Certified Public Accountants

**AUBURN-WASHBURN
UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS**

FINANCIAL STATEMENT
REGULATORY BASIS
YEAR ENDED JUNE 30, 2019

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

FINANCIAL STATEMENT
REGULATORY BASIS

Year Ended June 30, 2019

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AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

FINANCIAL STATEMENT
REGULATORY BASIS

Year Ended June 30, 2019

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INDEPENDENT AUDITORS' REPORT

Board of Education
Auburn-Washburn Unified School District No. 437

Report on the Financial Statement

We have audited the accompanying summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Auburn-Washburn Unified School District No. 437 (the District) 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 (KMAAG) as described in Note 2; 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 a financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and applicable provisions of the KMAAG. Those standards require that 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 the auditors' 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.

An Independently Owned Member, RSM US Alliance

RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International.

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 2 of the financial statement, the financial statement is prepared by the District on the basis of the financial reporting provisions of the KMAAG, 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 2 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 KMAAG described in Note 2.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The schedules listed under supplementary information in the accompanying table of contents, including the schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulation* (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 KMAAG. 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 2.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated February 10, 2020 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

BT&Co., P.A.

February 10, 2020
Topeka, Kansas

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

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

<u>FUNDS</u>	Beginning Unencumbered Cash Balance, as Previously Stated	Prior Period Adjustment	Beginning Unencumbered Cash Balance, as Restated	Prior Year Canceled Encumbrances
General fund	\$ -	\$ -	\$ -	\$ 36
Supplemental general fund	226,062	-	226,062	-
Special purpose funds:				
Capital outlay	4,780,019	-	4,780,019	-
Driver education	98,837	-	98,837	-
Food service	783,865	-	783,865	-
Special education	4,114,303	-	4,114,303	-
Vocational education	136,532	-	136,532	-
Professional development	77,099	-	77,099	-
Parent education	58,331	-	58,331	-
KPERS special retirement contribution	-	-	-	-
Summer school	40,095	-	40,095	-
Gifts and grants	16,388	-	16,388	-
Bilingual	38,273	-	38,273	-
At-risk (4 year old)	39,049	-	39,049	-
At-risk (K-12)	417,225	-	417,225	-
Virtual education	11,531	-	11,531	-
Federal grant funds	103,536	-	103,536	-
Textbook rental	1,357,744	-	1,357,744	-
Contingency reserve	2,606,098	-	2,606,098	-
Gate receipts	34,617	-	34,617	-
High school projects	2,172	-	2,172	-
District activity funds	181,147	60,997	242,144	-
Bond and interest fund	6,310,424	-	6,310,424	-
Total reporting entity (excluding agency funds)	<u>\$ 21,433,347</u>	<u>\$ 60,997</u>	<u>\$ 21,494,344</u>	<u>\$ 36</u>
Composition of cash:				
Checking accounts				
Petty cash funds				
Municipal investment pool				
Certificates of deposit				
Activity funds - checking accounts				
Total cash				
Agency funds per Schedule 3				
Total reporting entity (excluding agency funds)				

See accompanying notes to financial statement.

Cash Receipts	Expenditures	Transfers	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
\$ 39,129,367	\$ 39,129,367	\$ -	\$ 36	\$ 1,972,678	\$ 1,972,714
12,370,092	12,364,954	-	231,200	-	231,200
5,910,579	5,932,027	-	4,758,571	2,536,499	7,295,070
34,215	22,363	-	110,689	-	110,689
2,928,706	2,953,485	-	759,086	100,859	859,945
12,937,525	12,464,283	-	4,587,545	564,950	5,152,495
599,833	581,966	-	154,399	22,200	176,599
63,690	63,000	-	77,789	1,232	79,021
152,409	152,395	-	58,345	13,456	71,801
2,594,584	2,594,584	-	-	-	-
-	-	-	40,095	-	40,095
115,225	129,845	-	1,768	29,140	30,908
113,000	107,109	-	44,164	6,521	50,685
158,000	148,139	-	48,910	13,029	61,939
3,256,325	3,231,047	-	442,503	202,716	645,219
27,000	27,108	-	11,423	-	11,423
759,461	874,571	-	(11,574)	75,826	64,252
588,110	1,062,391	-	883,463	793,441	1,676,904
70,000	70,000	-	2,606,098	-	2,606,098
134,707	139,419	1,063	30,968	-	30,968
689	1,816	(78)	967	-	967
865,389	824,979	(4,209)	278,345	-	278,345
6,048,856	5,946,208	-	6,413,072	-	6,413,072
<u>\$ 88,857,762</u>	<u>\$ 88,821,056</u>	<u>\$ (3,224)</u>	<u>\$ 21,527,862</u>	<u>\$ 6,332,547</u>	<u>\$ 27,860,409</u>
					\$ 17,553,381
					800
					6,995,948
					3,000,000
					<u>1,153,337</u>
					28,703,466
					<u>(843,057)</u>
					<u>\$ 27,860,409</u>

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

NOTES TO FINANCIAL STATEMENT

June 30, 2019

1 - Municipal Financial Reporting Entity

Auburn-Washburn Unified School District No. 437 (the District) is a municipal corporation governed by an elected seven-member board. This financial statement includes all of the accounts for which the District is considered to be financially accountable. The District has no related municipal entities.

2 - Summary of Significant Accounting Policies

(a) Fund Descriptions

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 regulatory basis fund types comprise the financial activities of the District for the year ended June 30, 2019:

GOVERNMENTAL FUNDS

General Fund and Supplemental General Fund are used to account for the general operations of the District and are used to account for all unrestricted resources except those required to be accounted for in other funds.

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

Bond and Interest Fund is used to account for the accumulation of resources for and the payment of interest, principal, and related costs of long-term debt.

FIDUCIARY FUNDS

Agency Funds are used to account for assets held by the District as an agent for individuals, private organizations, other governmental units, and/or other funds. Agency funds are custodial in nature and do not involve measurement of operations.

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

NOTES TO FINANCIAL STATEMENT
(Continued)

2 - Summary of Significant Accounting Policies (Continued)

(b) 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 account 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 accounting principles generally accepted in the United States of America and allowing the District to use the regulatory basis of accounting.

(c) Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, supplemental general fund, special purpose funds (unless specifically exempted by statute), and the bond and interest fund. 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 revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time.

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

NOTES TO FINANCIAL STATEMENT
(Continued)

2 - Summary of Significant Accounting Policies (Continued)

(c) Budgetary Information (Continued)

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each budgeted 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 budget expenditure authority lapses at year-end.

A legal operating budget is not required for agency funds or the following special purpose funds:

Textbook Rental, Contingency Reserve, Gate Receipts, High School Projects, and District Activity Funds.

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

All budgets must be filed with the County Clerk by August 25th. The County Clerk must calculate the final tax levy rates necessary to finance the budget subject to any legal limitations. After all budgets have been received and tax rates calculated, the County Clerk certifies the tax roll to the County Treasurer, who prepares tax statements and receives payment.

These taxes become a lien against all property on November 1st. Taxpayers have the option of paying in full or in two installments. The delinquency dates are December 20th and May 10th. Delinquent taxes are assessed interest at 12% per annum. This interest is retained by the County.

Taxes levied to finance the budget are made available to the District after January 1st and are distributed by the County Treasurer approximately every month and a half. At least 50% of the taxes levied are available in January. Delinquent tax collections are distributed throughout the year.

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

NOTES TO FINANCIAL STATEMENT
(Continued)

2 - Summary of Significant Accounting Policies (Continued)

(d) Annual Personal and Sick Leave Benefits

Under the terms of the District's personnel policy, District employees are granted annual personal and sick leave in varying amounts depending on whether the employee is hourly or contracted.

(e) Inventories and Prepaid Expenses

Inventories and prepaid expenses which benefit future periods are recorded as an expenditure during the year of purchase.

(f) Use of Estimates

The preparation of a financial statement in compliance with the regulatory basis requires management to make estimates and assumptions that affect the reported amounts of encumbrances at the date of the financial statement and the reported amounts of expenditures during the reporting period. Actual results could differ from those estimates.

3 - Deposits and Investments

As of June 30, 2019, the District had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity</u>	<u>Rating</u>
Kansas Municipal Investment Pool	\$ 6,995,948	Less than 1 year	Not rated

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.

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

NOTES TO FINANCIAL STATEMENT
(Continued)

3 - Deposits and Investments (Continued)

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.

Interest rate risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Concentration of credit risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The District's investments were composed entirely of deposits with the Kansas Municipal Investment Pool during and as of the fiscal year ended June 30, 2019.

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. Kansas 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.

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

At June 30, 2019, the District had invested \$ 6,995,948 in the State's municipal investment pool. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in the direct obligations of, or obligations that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

NOTES TO FINANCIAL STATEMENT
(Continued)

4 - In-Substance Receipt in Transit

The District received \$ 2,366,560 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.

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

NOTES TO FINANCIAL STATEMENT
(Continued)

5 - Long-Term Debt

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

Issue	Interest Rate	Date of Issue	Original Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
General obligation bonds:										
Series 2007	4.00 - 4.25%	12/13/07	\$ 15,000,000	09/01/28	\$ 2,100,000	\$ -	\$ (620,000)	\$ -	\$ 1,480,000	\$ 74,125
Series 2008	4.00%	12/01/09	10,000,000	09/01/29	850,000	-	(400,000)	-	450,000	26,000
Series 2009	3.50 - 3.85%	04/01/09	20,000,000	09/01/30	2,825,000	-	(910,000)	-	1,915,000	87,758
Series 2010	2.80 - 3.875%	05/01/10	12,950,000	09/01/31	2,555,000	-	(585,000)	-	1,970,000	80,400
Series 2011	3.00 - 5.00%	06/07/11	16,465,000	09/01/32	4,735,000	-	(1,115,000)	-	3,620,000	187,757
Series 2013	2.00 - 3.50%	03/05/13	9,990,000	09/01/30	9,565,000	-	(100,000)	-	9,465,000	310,900
Series 2014	3.00 - 4.00%	08/01/14	9,520,000	09/01/30	9,200,000	-	(50,000)	-	9,150,000	361,050
Series 2015	1.25 - 4.00%	02/25/15	8,265,000	09/01/28	8,235,000	-	(10,000)	-	8,225,000	310,038
Series 2016	1.50 - 4.00%	01/14/16	8,770,000	09/01/32	8,605,000	-	(20,000)	-	8,585,000	324,155
Series 2017	3.00 - 4.00%	03/13/17	9,390,000	09/01/31	9,320,000	-	(75,000)	-	9,245,000	299,025
Total contractual indebtedness					57,990,000	-	(3,885,000)	-	54,105,000	2,061,208
Early retirement benefits					2,346,821	-	-	(899,773)	1,447,048	-
Total long-term debt					<u>\$ 60,336,821</u>	<u>\$ -</u>	<u>\$ (3,885,000)</u>	<u>\$ (899,773)</u>	<u>\$ 55,552,048</u>	<u>\$ 2,061,208</u>

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

NOTES TO FINANCIAL STATEMENT
(Continued)

5 - Long-Term Debt (Continued)

Principal and interest maturities of the District's general obligation bonds are as follows:

Year Ended June 30,	Principal	Interest
2020	\$ 4,125,000	\$ 1,900,276
2021	4,335,000	1,728,856
2022	3,685,000	1,578,826
2023	3,815,000	1,451,044
2024	4,050,000	1,306,138
2025-2029	24,875,000	3,999,204
2030-2033	9,220,000	454,752
	\$ 54,105,000	\$ 12,419,096

Defeased Debt

The District has defeased certain general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for future debt service payments on the old bonds. Accordingly, the trust account's assets and the liabilities for the defeased bonds are not included in the District's financial statement. At June 30, 2019, \$ 25,650,000 of the bonds that are considered defeased remain outstanding.

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 S. Kansas Avenue, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

NOTES TO FINANCIAL STATEMENT
(Continued)

6 - Defined Benefit Pension Plan (Continued)

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 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), the 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 \$ 4,541,633 for the year ended June 30, 2019.

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

NOTES TO FINANCIAL STATEMENT
(Continued)

6 - Defined Benefit Pension Plan (Continued)

Net Pension Liability

At June 30, 2019, the District's proportionate share of the collective net pension liability reported by KPERS was \$ 51,733,131. 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 publicly available on the website at www.kpers.org or can be obtained as described above.

7 - Other Post-Employment Benefits

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

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

NOTES TO FINANCIAL STATEMENT
(Continued)

8 - Early Retirement Benefits

The District has a plan which covers certified personnel who voluntarily take early retirement. A certified employee is eligible for early retirement if such employee is a full-time employee of the District, is not less than fifty-five years of age and not more than sixty-two years of age, and has ten or more continuous years of service with the District. The benefits from this plan are computed using a formula based on salary, age, and years of service, and are payable monthly.

The early retirement benefit maturities are as follows:

Year Ended June 30,	
2020	\$ 839,816
2021	437,793
2022	109,959
2023	28,413
2024	9,684
2025-2027	<u>21,383</u>
Total	<u><u>\$ 1,447,048</u></u>

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

NOTES TO FINANCIAL STATEMENT
(Continued)

9 - Operating Leases

The District has operating leases for buses. As of June 30, 2019, future annual minimum lease payments are as follows:

Year Ended June 30,	
2020	\$ 333,933
2021	46,455
2022	127,500

Lease expense for the current year was \$ 100,665.

10 - Interfund Transfers

The District made the following interfund transfers during fiscal year 2019. The transfers were approved by the Board of Education.

From	To	Statutory Authority	Amount
General fund	Professional development fund	K.S.A. 72-6428	\$ 52,000
General fund	Special education fund	K.S.A. 72-6428	7,698,567
General fund	Vocational education fund	K.S.A. 72-6428	10,009
General fund	Food service fund	K.S.A. 72-6428	21,806
General fund	Parent educational fund	K.S.A. 72-6428	52,200
General fund	Bilingual fund	K.S.A. 72-6428	78,000
General fund	At-risk fund (4 year old)	K.S.A. 72-6428	148,000
General fund	At-risk fund (K-12)	K.S.A. 72-6428	2,250,000
General fund	Contingency reserves fund	K.S.A. 72-6428	70,000
Supplemental general fund	Virtual education fund	K.S.A. 72-6433	27,000
Supplemental general fund	Special education fund	K.S.A. 72-6433	3,575,000
Supplemental general fund	Vocational education fund	K.S.A. 72-6433	554,000
Supplemental general fund	Bilingual fund	K.S.A. 72-6433	35,000
Supplemental general fund	At-risk fund (K-12)	K.S.A. 72-6433	1,000,000
Contingency reserves fund	Supplemental general fund	K.S.A. 12-2615	70,000

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

NOTES TO FINANCIAL STATEMENT
(Continued)

11 - 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; injuries to employees; and natural disasters for which the District carries commercial insurance. Settled claims have not exceeded commercial coverage in any of the three preceding years. There have not been significant reductions in coverage from prior years.

12 - Statutory Compliance

The District expended monies in excess of the approved budget for the gifts and grants fund in the amount of \$ 81,745. In addition, the federal grant funds incurred expenditures in excess of available cash.

SUPPLEMENTARY INFORMATION

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

SUMMARY OF EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
Year Ended June 30, 2019

<u>FUNDS</u>	<u>Certified Budget</u>	<u>Adjustment to Comply with Legal Max</u>
General fund	\$ 39,394,035	\$ (348,515)
Supplemental general fund	12,364,954	-
Special purpose funds:		
Capital outlay	7,839,510	-
Driver education	37,000	-
Food service	3,206,500	-
Special education	12,680,000	-
Vocational education	636,000	-
Professional development	63,000	-
Parent education	163,000	-
KPERs special retirement contribution	6,259,008	-
Summer school	25,000	-
Gifts and grants	48,100	-
Bilingual	123,000	-
At-risk (4 year old)	158,000	-
At-risk (K-12)	3,457,000	-
Virtual education	40,000	-
Federal grant funds	910,300	-
Bond and interest fund	5,948,000	-
	<u>\$ 93,352,407</u>	<u>\$ (348,515)</u>
Totals	<u>\$ 93,352,407</u>	<u>\$ (348,515)</u>

Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
\$ 83,847	\$ 39,129,367	\$ 39,129,367	\$ -
-	12,364,954	12,364,954	-
-	7,839,510	5,932,027	(1,907,483)
-	37,000	22,363	(14,637)
-	3,206,500	2,953,485	(253,015)
-	12,680,000	12,464,283	(215,717)
-	636,000	581,966	(54,034)
-	63,000	63,000	-
-	163,000	152,395	(10,605)
-	6,259,008	2,594,584	(3,664,424)
-	25,000	-	(25,000)
-	48,100	129,845	81,745
-	123,000	107,109	(15,891)
-	158,000	148,139	(9,861)
-	3,457,000	3,231,047	(225,953)
-	40,000	27,108	(12,892)
-	910,300	874,571	(35,729)
-	5,948,000	5,946,208	(1,792)
<u>\$ 83,847</u>	<u>\$ 93,087,739</u>	<u>\$ 86,722,451</u>	

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

GENERAL FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS

Year Ended June 30, 2019

	Budget	Actual	Variance Over (Under)
Cash receipts:			
State equalization aid	\$ 32,461,367	\$ 32,430,500	\$ (30,867)
State special education fund	6,932,668	6,615,020	(317,648)
Reimbursed expenses	-	77,034	77,034
Other	-	6,813	6,813
Total cash receipts	<u>\$ 39,394,035</u>	<u>39,129,367</u>	<u>\$ (264,668)</u>
Expenditures, encumbrances, and transfers:			
Instruction	\$ 15,021,235	14,397,010	\$ (624,225)
Support services	2,391,600	2,347,662	(43,938)
Administration	5,490,800	3,401,963	(2,088,837)
Operation and maintenance	5,064,000	4,976,251	(87,749)
Transportation	1,690,400	1,695,427	5,027
Other supplemental services	-	1,783,245	1,783,245
Community service operations	-	147,227	147,227
Transfers to other funds	9,736,000	10,380,582	644,582
Adjustment to comply with legal max	(348,515)		348,515
Adjustment for qualifying budget credits	83,847		(83,847)
Total expenditures, encumbrances, and transfers	<u>\$ 39,129,367</u>	<u>39,129,367</u>	<u>\$ -</u>
Cash receipts over expenditures, encumbrances, and transfers		-	
Unencumbered cash, beginning		-	
Prior year canceled encumbrances		<u>36</u>	
Unencumbered cash, ending		<u>\$ 36</u>	

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

SUPPLEMENTAL GENERAL FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)

Year Ended June 30, 2019

	Budget	Actual	Variance Over (Under)
Cash receipts and transfers:			
Ad valorem tax in process	\$ 142,545	\$ 78,553	\$ (63,992)
Ad valorem current tax	6,630,697	6,892,439	261,742
Ad valorem delinquent tax	17,746	43,942	26,196
In lieu of taxes	-	4,968	4,968
Motor vehicle tax	868,768	809,131	(59,637)
Recreational vehicle tax	6,374	6,569	195
Commercial vehicle tax	22,615	14,343	(8,272)
Supplemental state aid	4,450,147	4,450,147	-
Transfers from contingency reserve fund	-	70,000	70,000
Total cash receipts and transfers	<u>\$ 12,138,892</u>	<u>12,370,092</u>	<u>\$ 231,200</u>
Expenditures and transfers:			
Instruction	\$ 7,200,954	7,173,954	\$ (27,000)
Transfers to other funds	5,164,000	5,191,000	27,000
Total expenditures and transfers	<u>\$ 12,364,954</u>	<u>12,364,954</u>	<u>\$ -</u>
Cash receipts and transfers over expenditures and transfers		5,138	
Unencumbered cash, beginning		<u>226,062</u>	
Unencumbered cash, ending		<u>\$ 231,200</u>	

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

CAPITAL OUTLAY FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS

(Continued)

Year Ended June 30, 2019

	Budget	Actual	Variance Over (Under)
Cash receipts:			
Ad valorem tax in process	\$ 77,116	\$ 42,427	\$ (34,689)
Ad valorem current tax	3,917,081	4,006,456	89,375
Ad valorem delinquent tax	9,595	21,802	12,207
In lieu of taxes	-	2,877	2,877
Motor vehicle tax	476,782	444,051	(32,731)
Recreational vehicle tax	3,498	3,603	105
Commercial vehicle tax	12,412	7,787	(4,625)
State aid	953,364	953,437	73
Interest on idle funds	180,000	395,581	215,581
Other	38,000	32,558	(5,442)
	\$ 5,667,848	5,910,579	\$ 242,731
Expenditures and encumbrances:			
Land acquisition and improvement	\$ 1,612,264	1,255,641	\$ (356,623)
Building improvements	3,213,250	1,982,996	(1,230,254)
Operations and maintenance	-	1,523	1,523
Property and equipment	3,013,996	2,691,867	(322,129)
	\$ 7,839,510	5,932,027	\$ (1,907,483)
Cash receipts under expenditures and encumbrances		(21,448)	
Unencumbered cash, beginning		4,780,019	
Unencumbered cash, ending		\$ 4,758,571	

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

DRIVER EDUCATION FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)

Year Ended June 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Cash receipts:			
State aid	\$ 12,350	\$ 13,965	\$ 1,615
Local revenues	21,500	20,250	(1,250)
Total cash receipts	<u>\$ 33,850</u>	<u>34,215</u>	<u>\$ 365</u>
Expenditures:			
Instruction	\$ 36,800	22,363	\$ (14,437)
Miscellaneous	200	-	(200)
Total expenditures	<u>\$ 37,000</u>	<u>22,363</u>	<u>\$ (14,637)</u>
Cash receipts over expenditures		11,852	
Unencumbered cash, beginning		<u>98,837</u>	
Unencumbered cash, ending		<u>\$ 110,689</u>	

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

FOOD SERVICE FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)

Year Ended June 30, 2019

	Budget	Actual	Variance Over (Under)
Cash receipts and transfers:			
State aid	\$ 25,973	\$ 30,800	\$ 4,827
Federal aid	1,309,958	1,333,378	23,420
Interest on idle funds	4,000	4,713	713
Receipts, student	1,105,670	1,104,658	(1,012)
Nonreimbursed sales	372,872	429,759	56,887
Miscellaneous	-	3,592	3,592
Transfers from general fund	-	21,806	21,806
	\$ 2,818,473	2,928,706	\$ 110,233
Expenditures and encumbrances:			
Operation and maintenance	\$ 12,000	20,227	\$ 8,227
Food service	3,194,500	2,933,258	(261,242)
	\$ 3,206,500	2,953,485	\$ (253,015)
Cash receipts and transfers under expenditures and encumbrances		(24,779)	
Unencumbered cash, beginning		783,865	
Unencumbered cash, ending		\$ 759,086	

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

SPECIAL EDUCATION FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)

Year Ended June 30, 2019

	Budget	Actual	Variance Over (Under)
Cash receipts and transfers:			
State aid	\$ 3,000	\$ -	\$ (3,000)
Federal aid	1,192,000	1,190,039	(1,961)
Medicaid	440,000	472,005	32,005
Local revenues	-	1,914	1,914
Transfers from general fund	7,075,000	7,698,567	623,567
Transfers from supplemental general fund	3,575,000	3,575,000	-
	<u>\$ 12,285,000</u>	<u>12,937,525</u>	<u>\$ 652,525</u>
Expenditures and encumbrances:			
Instruction	\$ 9,326,100	9,149,827	\$ (176,273)
Transportation	871,300	854,361	(16,939)
Support services	1,954,800	1,944,535	(10,265)
General administration	371,000	363,790	(7,210)
School administration	156,800	151,770	(5,030)
	<u>\$ 12,680,000</u>	<u>12,464,283</u>	<u>\$ (215,717)</u>
Cash receipts and transfers over expenditures and encumbrances		473,242	
Unencumbered cash, beginning		<u>4,114,303</u>	
Unencumbered cash, ending		<u>\$ 4,587,545</u>	

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

VOCATIONAL EDUCATION FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)

Year Ended June 30, 2019

	Budget	Actual	Variance Over (Under)
Cash receipts and transfers:			
Federal aid	\$ 33,766	\$ 33,766	\$ -
State aid	1,652	2,058	406
Transfers from general fund	-	10,009	10,009
Transfers from supplemental general fund	554,000	554,000	-
	\$ 589,418	599,833	\$ 10,415
Expenditures and encumbrances:			
Instruction	\$ 621,900	571,665	\$ (50,235)
Support services	14,100	10,301	(3,799)
	\$ 636,000	581,966	\$ (54,034)
Cash receipts and transfers over expenditures and encumbrances		17,867	
Unencumbered cash, beginning		136,532	
Unencumbered cash, ending		\$ 154,399	

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

PROFESSIONAL DEVELOPMENT FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)

Year Ended June 30, 2019

	Budget	Actual	Variance Over (Under)
Cash receipts and transfers:			
State aid	\$ 9,200	\$ 11,690	\$ 2,490
Transfers from general fund	35,000	52,000	17,000
Total cash receipts and transfers	\$ 44,200	63,690	\$ 19,490
Expenditures and encumbrances:			
Support services	\$ 63,000	63,000	\$ -
Cash receipts and transfers over expenditures and encumbrances		690	
Unencumbered cash, beginning		77,099	
Unencumbered cash, ending		\$ 77,789	

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

PARENT EDUCATION FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)

Year Ended June 30, 2019

	Budget	Actual	Variance Over (Under)
Cash receipts and transfers:			
State aid	\$ 98,592	\$ 100,209	\$ 1,617
Transfers from general fund	52,200	52,200	-
Total cash receipts and transfers	\$ 150,792	152,409	\$ 1,617
Expenditures and encumbrances:			
Support services	\$ 163,000	152,395	\$ (10,605)
Cash receipts and transfers over expenditures and encumbrances		14	
Unencumbered cash, beginning		58,331	
Unencumbered cash, ending		\$ 58,345	

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

KPERS SPECIAL RETIREMENT CONTRIBUTION FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)

Year Ended June 30, 2019

	Budget	Actual	Variance Over (Under)
Receipts:			
KPERS	\$ 6,259,008	\$ 2,594,584	\$ (3,664,424)
Expenditures:			
Instruction	\$ 4,190,177	1,737,842	\$ (2,452,335)
Support services	619,801	257,802	(361,999)
General administration	110,331	45,891	(64,440)
School administration	408,115	169,753	(238,362)
Other supplemental services	166,025	69,057	(96,968)
Operations and maintenance	332,157	138,158	(193,999)
Transportation	237,840	95,154	(142,686)
Food service	194,562	80,927	(113,635)
Total expenditures	\$ 6,259,008	2,594,584	\$ (3,664,424)
Receipts over expenditures		-	
Unencumbered cash, beginning		-	
Unencumbered cash, ending		\$ -	

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

SUMMER SCHOOL FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)

Year Ended June 30, 2019

	Budget	Actual	Variance Over (Under)
Expenditures:			
Instruction	\$ 25,000	\$ -	\$ (25,000)
Unencumbered cash, beginning		40,095	
Unencumbered cash, ending		\$ 40,095	

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

GIFTS AND GRANTS FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)

Year Ended June 30, 2019

	Budget	Actual	Variance Over (Under)
Cash receipts:			
Other aid	\$ 10,000	\$ 43,617	\$ 33,617
Local revenues	38,000	71,608	33,608
Total cash receipts	\$ 48,000	115,225	\$ 67,225
Expenditures and encumbrances:			
Instruction	\$ 36,100	127,611	\$ 91,511
Support services	12,000	2,234	(9,766)
Total expenditures and encumbrances	\$ 48,100	129,845	\$ 81,745
Cash receipts under expenditures and encumbrances		(14,620)	
Unencumbered cash, beginning		16,388	
Unencumbered cash, ending		\$ 1,768	

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

BILINGUAL FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)

Year Ended June 30, 2019

	Budget	Actual	Variance Over (Under)
Transfers:			
Transfers from supplemental fund	\$ 30,000	\$ 35,000	\$ 5,000
Transfers from general fund	83,000	78,000	(5,000)
Total transfers	\$ 113,000	113,000	\$ -
Expenditures and encumbrances:			
Instruction	\$ 123,000	107,109	\$ (15,891)
Transfers over expenditures and encumbrances		5,891	
Unencumbered cash, beginning		38,273	
Unencumbered cash, ending		\$ 44,164	

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

AT-RISK FUND (4 YEAR OLD)

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)

Year Ended June 30, 2019

	Budget	Actual	Variance Over (Under)
Cash receipts and transfers:			
Other	\$ -	\$ 10,000	\$ 10,000
Transfers from general fund	145,800	148,000	2,200
Total cash receipts and transfers	\$ 145,800	158,000	\$ 12,200
Expenditures and encumbrances:			
Instruction	\$ 158,000	148,139	\$ (9,861)
Cash receipts and transfers over expenditures and encumbrances		9,861	
Unencumbered cash, beginning		39,049	
Unencumbered cash, ending		\$ 48,910	

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

AT-RISK FUND (K-12)

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)

Year Ended June 30, 2019

	Budget	Actual	Variance Over (Under)
Cash receipts and transfers:			
Local revenues	\$ -	\$ 6,325	\$ 6,325
Transfers from general fund	2,350,000	2,250,000	(100,000)
Transfers from supplemental general	1,000,000	1,000,000	-
Total cash receipts and transfers	\$ 3,350,000	3,256,325	\$ (93,675)
Expenditures and encumbrances:			
Instruction	\$ 2,655,800	2,443,189	\$ (212,611)
Support services	672,700	667,275	(5,425)
School administration	128,500	120,583	(7,917)
Total expenditures and encumbrances	\$ 3,457,000	3,231,047	\$ (225,953)
Cash receipts and transfers over expenditures and encumbrances		25,278	
Unencumbered cash, beginning		417,225	
Unencumbered cash, ending		\$ 442,503	

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

VIRTUAL EDUCATION

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)

Year Ended June 30, 2019

	Budget	Actual	Variance Over (Under)
Cash receipts and transfers:			
Miscellaneous	\$ 25,000	\$ -	\$ (25,000)
Transfers from supplemental general fund	5,000	27,000	22,000
Total cash receipts and transfers	\$ 30,000	27,000	\$ (3,000)
Expenditures:			
Instruction	\$ 40,000	27,108	\$ (12,892)
Cash receipts and transfers under expenditures		(108)	
Unencumbered cash, beginning		11,531	
Unencumbered cash, ending		\$ 11,423	

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

FEDERAL GRANT FUNDS

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)

Year Ended June 30, 2019

	<u>Title I</u> <u>2016-2017</u>
Cash receipts:	
Federal aid	<u>\$ -</u>
Expenditures and encumbrances:	
Instruction	51,880
Instructional support staff	-
Student support services	<u>31,088</u>
Total expenditures and encumbrances	<u>82,968</u>
Cash receipts over (under) expenditures and encumbrances	(82,968)
Unencumbered cash, beginning	<u>91,817</u>
Unencumbered cash, ending	<u><u>\$ 8,849</u></u>

(Continued)

<u>Title I 2017-2018</u>	<u>Title I 2018-2019</u>	<u>Improving Teacher Quality 2017-2018</u>	<u>Early Childhood 2018-2019</u>	<u>Title III 2017-2018</u>	<u>Improving Teacher Quality 2018-2019</u>
<u>\$ 92,674</u>	<u>\$ 421,000</u>	<u>\$ 15,425</u>	<u>\$ 43,271</u>	<u>\$ -</u>	<u>\$ 114,530</u>
75,724	393,641	21,413	43,271	3,645	35,140
-	-	2,148	-	-	74,796
<u>2,393</u>	<u>58,687</u>	<u>-</u>	<u>-</u>	<u>1,833</u>	<u>317</u>
<u>78,117</u>	<u>452,328</u>	<u>23,561</u>	<u>43,271</u>	<u>5,478</u>	<u>110,253</u>
14,557	(31,328)	(8,136)	-	(5,478)	4,277
<u>(14,557)</u>	<u>-</u>	<u>8,136</u>	<u>-</u>	<u>5,478</u>	<u>-</u>
<u>\$ -</u>	<u>\$ (31,328)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,277</u>

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

FEDERAL GRANT FUNDS

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)

Year Ended June 30, 2019

	Title III 2018-2019	Title IV 2017-2018
Cash receipts:		
Federal aid	\$ 9,540	\$ 3,665
Expenditures and encumbrances:		
Instruction	12,127	-
Instructional support staff	-	-
Student support services	67	8,225
Total expenditures and encumbrances	12,194	8,225
Cash receipts over (under) expenditures and encumbrances	(2,654)	(4,560)
Unencumbered cash, beginning	-	4,560
Unencumbered cash, ending	\$ (2,654)	\$ -

(Continued)

<u>Title IV 2018-2019</u>	<u>Continuous Improvement 2014-2015</u>	<u>Continuous Improvement 2018-2019</u>	<u>Total Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
\$ 19,290	\$ -	\$ 40,066	\$ 759,461	\$ 823,000	\$ (63,539)
5,658	-	2,349	644,848	\$ 764,400	\$ (119,552)
-	-	33,946	110,890	128,900	(18,010)
16,223	-	-	118,833	17,000	101,833
21,881	-	36,295	874,571	\$ 910,300	\$ (35,729)
(2,591)	-	3,771	(115,110)		
-	8,102	-	103,536		
\$ (2,591)	\$ 8,102	\$ 3,771	\$ (11,574)		

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

BOND AND INTEREST FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)

Year Ended June 30, 2019

	Budget	Actual	Variance Over (Under)
Cash receipts:			
Ad valorem tax in process	\$ 81,063	\$ 44,470	\$ (36,593)
Ad valorem current tax	4,039,534	4,116,639	77,105
Ad valorem delinquent tax	10,076	26,552	16,476
In lieu of taxes	-	2,968	2,968
Motor vehicle tax	513,853	478,485	(35,368)
Recreational vehicle tax	3,770	3,877	107
Commercial vehicle tax	13,377	8,237	(5,140)
State aid	1,367,628	1,367,628	-
Total cash receipts	\$ 6,029,301	6,048,856	\$ 19,555
Expenditures:			
Principal	\$ 3,885,000	3,885,000	\$ -
Interest expense	2,061,208	2,061,208	-
Miscellaneous	1,792	-	(1,792)
Total expenditures	\$ 5,948,000	5,946,208	\$ (1,792)
Cash receipts over expenditures		102,648	
Unencumbered cash, beginning		6,310,424	
Unencumbered cash, ending		\$ 6,413,072	

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

TEXTBOOK RENTAL FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES
REGULATORY BASIS
(Continued)

Year Ended June 30, 2019

Cash receipts:	
Fees	<u>\$ 588,110</u>
Expenditures and encumbrances:	
Instruction	1,050,070
Student support services	<u>12,321</u>
Total expenditures and encumbrances	<u>1,062,391</u>
Cash receipts under expenditures and encumbrances	(474,281)
Unencumbered cash, beginning	<u>1,357,744</u>
Unencumbered cash, ending	<u><u>\$ 883,463</u></u>

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

CONTINGENCY RESERVE FUND

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES
REGULATORY BASIS
(Continued)

Year Ended June 30, 2019

Transfers in:		
Transfer from general fund	\$	70,000
Transfers out:		
Transfer to supplemental general fund		<u>70,000</u>
Net transfers		-
Unencumbered cash, beginning		<u>2,606,098</u>
Unencumbered cash, ending	\$	<u><u>2,606,098</u></u>

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

GATE RECEIPTS

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES
REGULATORY BASIS
(Continued)

Year Ended June 30, 2019

Funds	Balance, July 1	Cash Receipts	Cash Disbursements	Transfers	Balance, June 30
Gate receipts:					
Washburn Rural High School	\$ 34,617	\$ 134,707	\$ 139,419	\$ 1,063	\$ 30,968

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

HIGH SCHOOL PROJECTS

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES
REGULATORY BASIS
(Continued)

Year Ended June 30, 2019

Funds	Balance, July 1	Cash Receipts	Cash Disbursements	Transfers	Balance, June 30
High school projects:					
Library authors	\$ 2,172	\$ 689	\$ 1,816	\$ (78)	\$ 967

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

STUDENT ORGANIZATION FUNDS

SUMMARY OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS

Year Ended June 30, 2019

Funds	Balance, July 1, as Restated	Cash Receipts	Cash Disbursements	Transfers	Balance, June 30
Washburn Rural High:					
15-16 FG intro to ind	\$ 516	\$ -	\$ -	\$ -	\$ 516
16-17 FG video capture	37	-	-	-	37
16-17 FG sensory too.	46	-	-	-	46
16-17 FG remote multi.	50	-	-	-	50
16-17 FG embrace tec.	870	-	-	(19)	851
16-17 FG 2017 blue prin.	34	-	34	-	-
17-18 FG young adult ch	104	-	104	-	-
17-18 FG reading manip.	57	-	57	-	-
17-18 FG blue print art	28	-	28	-	-
17-18 FG lets get physical	1	-	-	-	1
17-18 FG enhancing flim.	1,262	-	-	-	1,262
17-18 hantis in PE	1	-	-	-	1
17-18 FG lights camera	(19)	-	-	19	-
17-18 FG balances & boxes	10	-	-	-	10
18-19 FG breakout EDU bo	-	800	800	-	-
18-19 FG environmental science	-	800	781	-	19
18-19 FG freshman five	-	1,000	907	-	93
18-19 FG growing in shoe	-	250	76	-	174
18-19 FG methodology	-	1,864	1,836	-	28
18-19 FG music audio/visual	-	2,836	2,836	-	-
18-19 FG spikeball in PE	-	1,000	1,000	-	-
21st century class	81	203	-	-	284
Adopt a family	(7)	267	807	2,506	1,959
Advisory/mentoring	80	-	-	-	80
Agriculture	247	-	-	-	247
Alternative education	659	1,446	1,139	-	966
American literature festival	27	-	27	-	-
AP coordinator	4,796	39,884	37,630	188	7,238
Art club	16	-	-	-	16
Art enrollment	-	2,296	2,346	50	-
Art fundraiser activity	147	-	113	-	34
Assistance for students	7,415	1,285	773	2	7,929
Band activity	61,292	80,593	45,397	-	96,488
Band enrollment	-	828	828	-	-
Band instrument rental	-	45	45	-	-
Baseball fundraiser	13,397	9,063	13,336	(4)	9,120
Basketball activity	2,232	2,963	3,710	(1)	1,484
Beginning photography	27,291	3,708	450	-	30,549
Subtotal forward	\$ 120,670	\$ 151,131	\$ 115,060	\$ 2,741	\$ 159,482

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

STUDENT ORGANIZATION FUNDS

SUMMARY OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS
(Continued)

Year Ended June 30, 2019

Funds	Balance, July 1, as Restated	Cash Receipts	Cash Disbursements	Transfers	Balance, June 30
Washburn Rural High:					
Subtotal forward	\$ 120,670	\$ 151,131	\$ 115,060	\$ 2,741	\$ 159,482
Biggest bluzer	4	-	-	-	4
Black student union	-	44	428	400	16
Blues café	-	330	330	-	-
Blue streak	317	900	1,130	76	163
Bowling fundraiser	1,491	3,896	2,886	-	2,501
Boys golf activity	3,479	8,460	11,442	-	497
Boys soccer activity	765	16,375	13,175	(300)	3,665
Business concurrent enrollment	277	-	-	900	1,177
Car club	848	-	-	-	848
Centennial committee	22,909	6,650	7,000	-	22,559
Cheerleaders activity	2,602	54,107	40,097	(3)	16,609
Chess club	48	67	72	-	43
Chimes	183,424	52,739	49,981	804	186,986
Circle of friends	456	2,641	2,876	-	221
Class of 2017	252	-	-	(252)	-
Class of 2018	1,409	-	-	(1)	1,408
Class of 2019	3,864	38	2,639	-	1,263
Class of 2020	501	12,257	10,091	800	3,467
Class of 2021	1,230	715	421	-	1,524
Class of 2022	-	1,450	-	-	1,450
Communications	5,432	-	2,317	3,600	6,715
Communications enrollment	-	2,910	2,940	30	-
Construction pathways	239	273	115	-	397
Cross country	2,189	-	704	-	1,485
Cultural heritage activity	2	-	-	-	2
Debate enrollment	-	580	540	-	40
Debate/forensics (DAFA) activity	1,934	31,149	23,264	1,993	11,812
DECA	1,229	3,000	2,877	-	1,352
Donations by staff/groups	55	-	-	-	55
FCA	417	34	155	-	296
FCCLA	87	-	-	38	125
FFA	774	5,721	4,400	(62)	2,033
Football activity	6,983	14,747	17,156	1,997	6,571
Foreign exchange activity	60	-	-	-	60
Forensic enrollment	-	360	320	-	40
Foundations	156	-	-	-	156
Subtotal forward	\$ 364,103	\$ 370,574	\$ 312,416	\$ 12,761	\$ 435,022

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

STUDENT ORGANIZATION FUNDS

SUMMARY OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS
(Continued)

Year Ended June 30, 2019

Funds	Balance, July 1, as Restated	Cash Receipts	Cash Disbursements	Transfers	Balance, June 30
Washburn Rural High:					
Subtotal forward	\$ 364,103	\$ 370,574	\$ 312,416	\$ 12,761	\$ 435,022
General concurrent enrollment	50,299	50,200	28,480	(22,923)	49,096
Girls golf	(306)	3,567	3,261	-	-
Girls soccer donation	1,878	7,089	7,898	(600)	469
Girls tennis	750	-	506	100	344
GSA	362	-	-	-	362
HAWN scholarship	50,997	-	-	-	50,997
Health club	246	-	4	-	242
Home ec fees	-	2,430	2,475	45	-
Howbert scholarship	4,274	2,295	1,000	50	5,619
IB activity account	1,581	2,409	1,956	(500)	1,534
IB junior class	241	-	-	-	241
IB rental/registration	-	688	688	-	-
IB scholarship	-	-	500	500	-
Industrial arts enrollment fees	-	420	450	30	-
Interact	922	-	-	-	922
Intramurals	2,714	5,790	8,496	-	8
JROTC-Air Force	8,917	29,828	27,114	58	11,689
Kenneth Forsyth scholarship	-	1,605	-	-	1,605
KSHSAA music festival	9,178	3,862	12,656	190	574
Lady blues	2,183	1,659	2,054	(634)	1,154
Language arts enrollment	14,373	-	13,410	5,000	5,963
Liberty in North Korea	131	-	131	-	-
Library authors district	4,395	1,191	156	-	5,430
Literary club/oracle	302	-	-	-	302
Literary festival	27	-	-	-	27
Literary magazine	300	-	-	-	300
Marketplace	893	43	130	-	806
Math money	8,212	-	684	-	7,528
Math concurrent enrollment	2,763	-	700	2,000	4,063
Math club	50	170	156	-	64
Memorial scholarships	17,502	-	2,300	(674)	14,528
Mens tennis	3,127	859	953	(2,144)	889
Model UN	20	-	20	674	674
National Arts Honors	1	-	-	-	1
National Honor Society	726	912	1,358	(2)	278
OOD transportation fee	-	200	200	-	-
Orchestra activity	2,447	4,167	4,794	-	1,820
PE uniform	-	1,876	1,823	6	59
Pom pon activity	1,372	17,708	17,903	(7)	1,170
Powerlifting fundraiser	918	1,142	546	-	1,514
Subtotal forward	\$ 555,898	\$ 510,684	\$ 455,218	\$ (6,070)	\$ 605,294

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

STUDENT ORGANIZATION FUNDS

SUMMARY OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS
(Continued)

Year Ended June 30, 2019

Funds	Balance, July 1, as Restated	Cash Receipts	Cash Disbursements	Transfers	Balance, June 30
Washburn Rural High:					
Subtotal forward	\$ 555,898	\$ 510,684	\$ 455,218	\$ (6,070)	\$ 605,294
Renaissance	1,744	5,951	11,579	4,610	726
Robotics	30	1,000	758	-	272
S.A.D.D.	217	-	-	(6)	211
Scholar bowl	778	90	287	(1)	580
Scholarship funds	978	-	-	-	978
School improvement	7,111	12,468	15,604	(100)	3,875
Science enrollment	-	722	747	35	10
Science olympiad	19	100	157	150	112
Social committee	418	-	200	-	218
Social science enrollment	1,534	-	1,521	2,200	2,213
Softball activity	9,900	8,464	4,742	-	13,622
Spanish club	121	-	-	-	121
Spirit club	960	-	-	-	960
ST concession activity	10,874	3,424	1,482	160	12,976
STUCO activity	14,275	15,511	13,153	(937)	15,696
Supply shack	7,080	11,940	8,977	150	10,193
Swimming activity	2,281	-	110	-	2,171
Swimming - boys	2,960	-	385	-	2,575
Textbook rental	-	11,202	11,681	479	-
Thespians	470	4,590	3,838	136	1,358
Track activity	12,185	2,745	5,183	4	9,751
UNICEF club	282	-	-	-	282
Unified sports	2,910	2,634	2,262	-	3,282
Video production club	127	-	-	-	127
Vo-ag projects	-	708	708	-	-
Vocal music	9,174	117,589	120,586	593	6,770
Volleyball	2,778	5,234	5,771	632	2,873
Winter play production	7,090	29,600	20,610	(149)	15,931
Wood projects	-	1,173	1,173	-	-
Woods enrollment fees	-	316	316	-	-
World cultures club	466	-	48	-	418
Wrestling fundraiser	2,396	16,474	15,340	(2,604)	926
WRHS crime stoppers	335	-	259	-	76
Young democrats	520	84	143	-	461
Young republicans	273	-	-	-	273
Subtotal Washburn Rural High	656,184	762,703	702,838	(718)	715,331
Washburn Rural High Bank	\$ 46,828	\$ 174,528	\$ 152,802	\$ -	\$ 68,554

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

STUDENT ORGANIZATION FUNDS

SUMMARY OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS
(Continued)

Year Ended June 30, 2019

Funds	Balance, July 1, as Restated	Cash Receipts	Cash Disbursements	Transfers	Balance, June 30
Washburn Rural Middle:					
7th boys basketball	\$ 237	\$ 1,718	\$ 1,772	\$ -	\$ 183
7th girls basketball	19	-	-	-	19
8th boys basketball	53	52	49	-	56
8th girls basketball	1	60	44	-	17
Band activity	22	25,291	25,106	-	207
Box tops rebates	395	93	-	-	488
Challenge course	10,641	1,349	150	-	11,840
Chamber theater	1,559	-	-	-	1,559
Circle of friends	606	-	69	-	537
Cross country running	13	353	176	-	190
Football	1,633	1,280	534	-	2,379
Mass production	2,760	418	1,028	20	2,170
Orchestra	391	12,024	11,064	(16)	1,335
Red Cross babysitting	209	321	440	-	90
SFA	-	369	369	-	-
Spirit squad	440	4,903	5,217	-	126
STUCO	3,793	5,009	5,665	-	3,137
Tennis	367	1,634	1,723	-	278
Track	747	372	154	-	965
Vocal music activity	625	11,013	9,304	16	2,350
Volleyball activity	258	4,656	328	-	4,586
Wrestling	378	-	-	-	378
WaRu walk run	-	3,845	2,353	-	1,492
Yearbook	2,560	16,484	16,644	330	2,730
Subtotal Washburn Rural Middle	27,707	91,244	82,189	350	37,112
Pauline South Intermediate:					
Angel fund	887	1,250	1,610	(26)	501
Music department	132	10	35	-	107
Skating parties	18	152	71	-	99
Subtotal Pauline South Intermediate	\$ 1,037	\$ 1,412	\$ 1,716	\$ (26)	\$ 707

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

STUDENT ORGANIZATION FUNDS

SUMMARY OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS
(Continued)

Year Ended June 30, 2019

Funds	Balance, July 1, as Restated	Cash Receipts	Cash Disbursements	Transfers	Balance, June 30
Wanamaker Elementary:					
Fourth grade activity	\$ 50	\$ -	\$ -	\$ -	\$ 50
Friday activity	4	-	-	-	4
Student activity	2,332	3,394	4,280	-	1,446
Student council	2,482	2,040	1,640	-	2,882
Subtotal Wanamaker Elementary	4,868	5,434	5,920	-	4,382
Indian Hills Elementary:					
Student council	303	260	63	-	500
Jay Shideler Elementary:					
Snack shack	584	1,014	1,207	-	391
Student council	1,060	-	-	-	1,060
Student store activity	777	614	804	-	587
Subtotal Jay Shideler Elementary	2,421	1,628	2,011	-	2,038
Auburn Elementary:					
Healthy kids grant	27	-	-	-	27
Sixth grade fundraiser	4	-	-	-	4
Student council	1,007	669	682	-	994
Subtotal Auburn Elementary	1,038	669	682	-	1,025
Farley Elementary:					
Activity fund	5,856	12,441	8,510	3,618	13,405
Social committee	289	430	716	-	3
Subtotal Farley Elementary	6,145	12,871	9,226	3,618	13,408
Total all funds	\$ 746,531	\$ 1,050,749	\$ 957,447	\$ 3,224	\$ 843,057

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

DISTRICT ACTIVITY FUNDS

SCHEDULE OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
REGULATORY BASIS

Year Ended June 30, 2019

Funds	Beginning Unencumbered Cash Balance as Restated	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Transfers	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances Accounts Payable	Ending Cash Balances
Washburn Rural High:								
12 +	\$ (596)	\$ -	\$ 609	\$ -	\$ -	\$ 13	\$ -	\$ 13
Book damages	-	-	1,314	1,440	222	96	-	96
Business fees	-	-	472	480	13	5	-	5
Fundamentals class	182	-	155	337	-	-	-	-
Health grant	4	-	5,000	5,004	-	-	-	-
Hospitality	443	-	1,375	1,704	(50)	64	-	64
Other - district money	-	-	1,343	1,424	81	-	-	-
Parking permits	2,693	-	19,672	18,122	47	4,290	-	4,290
Pay to participate	-	-	3,168	3,435	292	25	-	25
Petty cash	293	-	-	50	-	243	-	243
Postmaster	6,987	-	11,212	10,151	272	8,320	-	8,320
Summer school payments	-	-	6,275	6,050	-	225	-	225
Testing/guidance	843	-	9,086	8,678	(18)	1,233	-	1,233
Subtotal Washburn Rural High	10,849	-	59,681	56,875	859	14,514	-	14,514
Washburn Rural High Bank	60,997	-	291,641	278,896	-	73,742	-	73,742
Washburn Rural Middle:								
Activity fees	30	-	1,025	1,055	-	-	-	-
Applied arts	259	-	450	-	(440)	269	-	269
Art club	41	-	-	-	-	41	-	41
Art fees	2	-	176	176	-	2	-	2
Athletics	17,863	-	25,170	16,216	(20)	26,797	-	26,797
Book fair	409	-	-	32	-	377	-	377
Book rental fees	125	-	5,126	5,251	-	-	-	-
Champions	470	-	1,716	1,808	85	463	-	463
Lost music	-	-	2	2	-	-	-	-
CKS/State	-	-	4,766	-	-	4,766	-	4,766
Comets	389	-	1,591	1,318	70	732	-	732
Concessions	10,883	-	15,698	23,492	(1,796)	1,293	-	1,293
Damaged and lost books	-	-	229	229	-	-	-	-
District food service	-	-	-	504	504	-	-	-
District other	-	-	13	13	-	-	-	-
District printing	-	-	-	187	187	-	-	-
District transportation	-	-	250	610	360	-	-	-
Subtotal forward	\$ 30,471	\$ -	\$ 56,212	\$ 50,893	\$ (1,050)	\$ 34,740	\$ -	\$ 34,740

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

DISTRICT ACTIVITY FUNDS

SCHEDULE OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
REGULATORY BASIS
(Continued)

Year Ended June 30, 2019

Funds	Beginning Unencumbered Cash Balance as Restated	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Transfers	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances Accounts Payable	Ending Cash Balances
Subtotal forward	\$ 30,471	\$ -	\$ 56,212	\$ 50,893	\$ (1,050)	\$ 34,740	\$ -	\$ 34,740
Eclipse	115	-	415	369	100	261	-	261
FACS	7	-	486	486	-	7	-	7
Falcon feather	649	-	238	398	-	489	-	489
Foreign language fees	2	-	60	62	-	-	-	-
Foundation	232	-	4,156	4,361	-	27	-	27
Gym fees	205	-	7,706	7,631	-	280	-	280
Industrial arts	2	-	322	324	-	-	-	-
Instrument rental fees	5	-	3,221	3,199	-	27	-	27
Lost library books	-	-	102	102	-	-	-	-
Make a difference	752	-	475	841	41	427	-	427
Newspaper	-	-	35	35	-	-	-	-
Other	1,600	-	-	-	-	1,600	-	1,600
Pictures	2,111	-	2,060	2,025	(360)	1,786	-	1,786
Planner and agenda fees	-	-	65	65	-	-	-	-
Postage	-	-	-	15	15	-	-	-
Principal emergency	8,455	-	4,204	4,586	1,500	9,573	-	9,573
PTO special project	1,827	-	30	705	-	1,152	-	1,152
School activities	2,181	-	-	200	-	1,981	-	1,981
School play	1,810	-	2,857	4,590	-	77	-	77
SFA activities	-	-	-	-	-	-	-	-
Summer fitness camp	4,061	-	3,447	2,378	-	5,130	-	5,130
Sunshine	213	-	865	1,241	247	84	-	84
SWAT	226	-	1,161	1,249	88	226	-	226
Teacher funds	9,267	-	5,334	4,272	803	11,132	-	11,132
Team - all stars	502	-	1,434	1,500	96	532	-	532
The heat	5	-	1,408	1,359	250	304	-	304
The wave	557	-	1,245	1,531	58	329	-	329
WRMS PD	4,253	-	-	2,620	-	1,633	-	1,633
Vending sales	8,385	-	5,630	9,065	(2,236)	2,714	-	2,714
Voyagers	360	-	1,148	1,086	100	522	-	522
WERC	228	-	653	633	(2)	246	-	246
Subtotal Washburn Rural Middle	\$ 78,481	\$ -	\$ 104,969	\$ 107,821	\$ (350)	\$ 75,279	\$ -	\$ 75,279

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

DISTRICT ACTIVITY FUNDS

SCHEDULE OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
REGULATORY BASIS
(Continued)

Year Ended June 30, 2019

Funds	Beginning Unencumbered Cash Balance as Restated	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Transfers	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances Accounts Payable	Ending Cash Balances
Pauline South Intermediate:								
Book fair	\$ 683	\$ -	\$ 1,899	\$ 2,089	\$ (15)	\$ 478	\$ -	\$ 478
Book rental	-	-	1,639	1,639	-	-	-	-
Box tops	8	-	520	397	-	131	-	131
Foundation grants	(49)	-	900	397	-	454	-	454
Hospitality	129	-	2,569	1,303	(941)	454	-	454
Instrument reeds	124	-	86	86	-	124	-	124
Instrument rental	391	-	3,203	2,499	(676)	419	-	419
Lost books	-	-	267	267	-	-	-	-
Major saver/scholar dollar	-	-	1,031	665	(113)	253	-	253
Pictures	18	-	620	612	-	26	-	26
PTO - principal	450	-	3,029	2,599	(623)	257	-	257
School supplies	1,881	-	4,592	2,359	903	5,017	-	5,017
Field trips	-	-	391	1,006	615	-	-	-
Yearbook	12	-	1,497	1,419	43	133	-	133
Subtotal Pauline South Intermediate	3,647	-	22,243	17,337	(807)	7,746	-	7,746
Pauline Central Elementary:								
Book fair	4,616	-	1,387	1,645	-	4,358	-	4,358
Committee	135	-	675	808	-	2	-	2
Foundation	-	-	1,841	1,841	-	-	-	-
Health room	13	-	-	-	-	13	-	13
Hospitality	1,660	-	1,050	752	-	1,958	-	1,958
Library books	-	-	149	149	-	-	-	-
McDonald's	-	-	850	-	-	850	-	850
Petty cash	100	-	100	100	-	100	-	100
Pictures	227	-	-	-	-	227	-	227
Principal's discretionary fund	544	-	501	254	-	791	-	791
School activity	8,183	-	5,034	3,488	-	9,729	-	9,729
Textbook	-	-	6,698	6,723	25	-	-	-
Subtotal forward	\$ 15,478	\$ -	\$ 18,285	\$ 15,760	\$ 25	\$ 18,028	\$ -	\$ 18,028

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

DISTRICT ACTIVITY FUNDS

SCHEDULE OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
REGULATORY BASIS
(Continued)

Year Ended June 30, 2019

Funds	Beginning Unencumbered Cash Balance as Restated	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Transfers	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances Accounts Payable	Ending Cash Balances
Subtotal forward	\$ 15,478	\$ -	\$ 18,285	\$ 15,760	\$ 25	\$ 18,028	\$ -	\$ 18,028
Visiting author	549	-	250	-	-	799	-	799
Yearbook	2,023	-	1,485	1,144	-	2,364	-	2,364
Subtotal Pauline Central Elementary	18,050	-	20,020	16,904	25	21,191	-	21,191
Wanamaker Elementary:								
Book fair	2,322	-	1,858	1,129	-	3,051	-	3,051
Foundation	-	-	4,350	4,248	-	102	-	102
Instrument rental	-	-	1,320	1,320	-	-	-	-
Lost library book	-	-	57	57	-	-	-	-
Lost textbooks	-	-	68	68	-	-	-	-
Pre-school fees	-	-	3,000	3,000	-	-	-	-
Public fund	1,390	-	3,080	4,407	-	63	-	63
Sales tax	5	-	154	145	-	14	-	14
Social	924	-	670	804	-	790	-	790
Textbook	-	-	6,815	6,715	(100)	-	-	-
Transportation	-	-	50	50	-	-	-	-
Transportation/OOD	-	-	-	100	100	-	-	-
Yearbook	1,757	-	2,205	1,794	-	2,168	-	2,168
Subtotal Wanamaker Elementary	6,398	-	23,627	23,837	-	6,188	-	6,188
Auburn Elementary:								
AW foundation grants	136	-	2,530	2,543	-	123	-	123
Book fair	361	-	3,799	3,930	-	230	-	230
CheckRite	11	-	-	-	-	11	-	11
Instrument rental	-	-	2,230	2,190	-	40	-	40
Library fines	-	-	69	69	-	-	-	-
Outdoor education area	161	-	-	-	-	161	-	161
Pictures	838	-	-	-	-	838	-	838
School activity	11,293	-	249	2,238	-	9,304	-	9,304
Textbook fines	-	-	13	13	-	-	-	-
Textbook rental	-	-	6,006	6,006	-	-	-	-
Topeka Community Foundation	1,686	-	24,420	6,608	-	19,498	-	19,498
Tutor	339	-	-	-	-	339	-	339
Yearbook	404	-	2,224	186	-	2,442	-	2,442
Subtotal Auburn Elementary	\$ 15,229	\$ -	\$ 41,540	\$ 23,783	\$ -	\$ 32,986	\$ -	\$ 32,986

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

DISTRICT ACTIVITY FUNDS

SCHEDULE OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
REGULATORY BASIS
(Continued)

Year Ended June 30, 2019

Funds	Beginning Unencumbered Cash Balance as Restated	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Transfers	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances Accounts Payable	Ending Cash Balances
Indian Hills Elementary:								
FD money	\$ 15	\$ -	\$ -	\$ -	\$ -	\$ 15	\$ -	\$ 15
Flowers	4	-	-	-	-	4	-	4
Grants and gifts	780	-	-	-	-	780	-	780
Instrument rental	-	-	720	720	-	-	-	-
Library	2,985	-	11,652	13,620	-	1,017	-	1,017
Lost books	27	-	189	215	-	1	-	1
Pictures	991	-	-	-	-	991	-	991
Pre-school tuition	-	-	25	25	-	-	-	-
Sales tax	29	-	-	-	-	29	-	29
School activity	13,507	-	16,833	14,355	-	15,985	-	15,985
Textbook	-	-	3,571	3,571	-	-	-	-
Yearbook	2,929	-	-	-	-	2,929	-	2,929
Subtotal Indian Hills Elementary	21,267	-	32,990	32,506	-	21,751	-	21,751
Jay Shideler Elementary:								
Author	50	-	210	240	-	20	-	20
Book fair	2,178	-	5,368	5,166	-	2,380	-	2,380
Book rental	125	-	3,077	3,202	-	-	-	-
Consumables	999	-	-	-	-	999	-	999
Foundation grant money	-	-	3,845	3,845	-	-	-	-
Hospitality	71	-	520	521	-	70	-	70
Incentives	1,000	-	-	-	-	1,000	-	1,000
Instrument rental	-	-	427	421	-	6	-	6
JS cares	125	-	290	310	-	105	-	105
K-3 science funds	314	-	-	-	-	314	-	314
Lost books	31	-	38	69	-	-	-	-
OOD transportation	-	-	100	100	-	-	-	-
Pictures	5	-	1,458	760	-	703	-	703
Principal's office	44	-	-	-	-	44	-	44
School activity	5,969	-	4,772	5,285	-	5,456	-	5,456
School kits	495	-	1,935	460	-	1,970	-	1,970
Skating parties	1,440	-	199	-	-	1,639	-	1,639
Subtotal forward	\$ 12,846	\$ -	\$ 22,239	\$ 20,379	\$ -	\$ 14,706	\$ -	\$ 14,706

(Continued)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

DISTRICT ACTIVITY FUNDS

SCHEDULE OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
REGULATORY BASIS
(Continued)

Year Ended June 30, 2019

Funds	Beginning Unencumbered Cash Balance as Restated	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Transfers	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances Accounts Payable	Ending Cash Balances
Subtotal forward	\$ 12,846	\$ -	\$ 22,239	\$ 20,379	\$ -	\$ 14,706	\$ -	\$ 14,706
Student field trips	1,507	-	1,003	1,025	-	1,485	-	1,485
Super sports day	379	-	428	200	-	607	-	607
Yearbook	5,522	-	2,026	3,384	-	4,164	-	4,164
Subtotal Jay Shideler Elementary	20,254	-	25,696	24,988	-	20,962	-	20,962
Farley Elementary:								
Book fair	589	-	6,478	6,762	-	305	-	305
Damaged/lost library books	-	-	227	227	-	-	-	-
Donations	200	-	-	-	-	200	-	200
Early childhood fee	-	-	4,360	4,360	-	-	-	-
Grants	3,618	-	2,460	1,463	(3,618)	997	-	997
Instrument rent	-	-	1,863	1,863	-	-	-	-
Sales tax	484	-	142	122	-	504	-	504
Student council	942	-	2,593	1,871	-	1,664	-	1,664
Textbook rental	-	-	8,787	8,787	-	-	-	-
Yearbook	1,059	-	-	756	-	303	-	303
Subtotal Farley Elementary	6,892	-	26,910	26,211	(3,618)	3,973	-	3,973
Student deposits for lunches:								
Washburn Rural High	-	-	71,511	70,374	(1,126)	11	-	11
Washburn Rural Middle	31	-	23,331	23,360	-	2	-	2
Pauline South Intermediate	-	-	8,476	9,309	833	-	-	-
Pauline Central Elementary	-	-	12,828	12,803	(25)	-	-	-
Wanamaker Elementary	-	-	21,107	21,107	-	-	-	-
Auburn Elementary	-	-	19,877	19,877	-	-	-	-
Indian Hills Elementary	-	-	22,361	22,361	-	-	-	-
Jay Shideler Elementary	49	-	20,902	20,951	-	-	-	-
Farley Elementary	-	-	15,679	15,679	-	-	-	-
Total student deposits for lunches	80	-	216,072	215,821	(318)	13	-	13
Total all funds	\$ 242,144	\$ -	\$ 865,389	\$ 824,979	\$ (4,209)	\$ 278,345	\$ -	\$ 278,345

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/Program Title	CFDA Number	Amount of Grant Awards
<u>United States Department of Agriculture:</u>		
Passed through Kansas State Department of Education:		
Child Nutrition Cluster:		
School Breakfast Program FY 2018	10.553	\$ 18,328
School Breakfast Program FY 2019	10.553	223,500
National School Lunch Program FY 2018	10.555	90,171
National School Lunch Program FY 2019	10.555	963,512
Summer Food Service Program for Children FY 2018	10.559	31,360
Total Child Nutrition Cluster		
Team Nutrition Family Fun, Food, and Fitness	10.574	200
Food Service Administrative Expenses	10.560	1,050
Fresh Fruits and Vegetables	10.582	6,507
Total United States Department of Agriculture		
<u>United States Department of Education:</u>		
Passed through Kansas State Department of Education:		
Special Education Cluster (IDEA):		
Special Education - Grants to States FY 2019	84.027	1,190,039
Special Education - Grants to States - Disc FY 2019	84.027	40,066
Special Education - Preschool Grants FY 2019	84.173	43,271
Total Special Education Cluster (IDEA)		
Title I, Grants to Local Education Agencies FY 2017	84.010	548,617
Title I, Grants to Local Education Agencies FY 2018	84.010	524,076
Title I, Grants to Local Education Agencies FY 2019	84.010	494,539
Career and Technical Education - Basic Grants to States (Perkins IV) FY 2019	84.048	33,766
Title III, English Language Acquisition Grant FY 2018	84.365	14,787
Title III, English Language Acquisition Grant FY 2019	84.365	12,716
Title II, Improving Teacher Quality FY 2018	84.367	142,825
Title II, Improving Teacher Quality FY 2019	84.367	114,530
Title II, Improving Teacher Quality - KEEN Student Education	84.367	100
Student Support and Academic Enrichment FY 2018	84.424	14,685
Student Support and Academic Enrichment FY 2019	84.424	32,146
Total United States Department of Education		
<u>United States Department of Health and Human Services:</u>		
Passed through Kansas State Department of Education:		
Youth Risk Behavior Survey FY 2018	93.079	314
Total United States Department of Health and Human Services		
Total federal awards		

See accompanying notes to schedule of expenditures of federal awards.

<u>Unencumbered Cash Balance July 1, 2018</u>	<u>Amount Received</u>	<u>Disbursements, Accounts Payable, and Encumbrances</u>	<u>Transfers</u>	<u>Prior Year Canceled Encumbrances</u>	<u>Unencumbered Cash Balance June 30, 2019</u>
\$ -	\$ 18,328	\$ 18,328	\$ -	\$ -	\$ -
-	223,500	223,500	-	-	-
-	90,171	90,171	-	-	-
-	963,512	963,512	-	-	-
-	31,360	31,360	-	-	-
-	1,326,871	1,326,871	-	-	-
-	200	200	-	-	-
-	1,050	1,050	-	-	-
-	6,507	6,507	-	-	-
-	1,334,628	1,334,628	-	-	-
-	1,190,039	1,190,039	-	-	-
-	40,066	36,295	-	-	3,771
-	43,271	43,271	-	-	-
-	1,273,376	1,269,605	-	-	3,771
91,817	-	82,968	-	-	8,849
(14,557)	92,674	78,117	-	-	-
-	421,000	452,328	-	-	(31,328)
-	33,766	33,766	-	-	-
5,478	-	5,478	-	-	-
-	9,540	12,194	-	-	(2,654)
8,136	15,425	23,561	-	-	-
-	114,530	110,253	-	-	4,277
-	100	100	-	-	-
4,560	3,665	8,225	-	-	-
-	19,290	21,881	-	-	(2,591)
95,434	1,983,366	2,098,476	-	-	(19,676)
-	314	314	-	-	-
-	314	314	-	-	-
\$ 95,434	\$ 3,318,308	\$ 3,433,418	\$ -	\$ -	\$ (19,676)

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS

June 30, 2019

1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Auburn-Washburn Unified School District No. 437 (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). Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of, the financial statement. 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 of the District.

2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the regulatory basis of accounting, as described in Note 2 to the District's financial statement.

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

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2019

Section I - Summary of Auditors' Results

Financial Statement

Type of report issued on whether the financial statement audited was prepared in accordance with GAAP:	Adverse
Type of auditors' report issued on the basis of accounting used by the District:	Unmodified – Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified:	None
Significant deficiencies identified that are not considered to be material weaknesses:	Finding 2019-001
Noncompliance material to financial statement noted:	None

Federal Awards

Type of auditors' report issued on compliance for major programs:	Unmodified
Internal control over major programs:	
Material weaknesses identified	None
Significant deficiencies identified that are not considered to be material weaknesses:	None reported
Any audit findings that are required to be reported in accordance with Section 2 CFR 200.516(a):	None

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section I - Summary of Auditors' Results (Continued)

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
10.553, 10.555, and 10.559 84.027 and 84.173	Child Nutrition Cluster Special Education Cluster (IDEA)
Dollar threshold used to distinguish between Type A and Type B programs:	\$ 750,000
Auditee qualified as a low-risk auditee:	No

Section II - Financial Statement Findings

Finding 2019-001 – Significant Deficiency

Condition – The District's high school operates a student-run bank in coordination with a local bank. The District was not aware that the related bank account for this purpose, held at the local bank, was opened in the District's name. As a result, the cash balance, receipts, and disbursements related to the student-run bank account was not captured in the District's accounting software and subjected to the accounting policies of the District.

Criteria – The financial statement is the responsibility of management. As such, the District's internal control over cash receipts and disbursements should identify all bank accounts and banking activity on a consistent basis so that they may be properly recorded in the financial statement.

Cause – The student-run bank was opened in 2004. At the time, there was a lack of clarity regarding the legal status of the bank. Consequently, District administration was not aware that the bank should be included in the District's financial activity and statements.

Effect – The District's financial statement did not include the cash activity from the student-run bank.

Recommendation – We recommend that the District implement procedures to gather the information needed for this account so that the cash activity can be captured in the financial statement and subjected to the accounting policies of the District.

AUBURN-WASHBURN UNIFIED SCHOOL DISTRICT NO. 437
TOPEKA, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section II - Financial Statement Findings (Continued)

Finding 2019-001 – Significant Deficiency (Continued)

Management's Response and Corrective Action Plan (Unaudited) – Management has met with high school administrators responsible for bank oversight, as well as bank personnel, to account for all of the WRHS Bank's financial activity for the 2018-19 fiscal year. Additionally, we have reviewed the District policy and procedures with high school staff in charge of the student-run-bank so that proper procedures can be implemented. This will include developing procedures to review financial reports and reconciliations at the end of each month.

Contact Name – Bruce Stiles, Treasurer

Expected Completion Date – June 30, 2020

Section III – Federal Award Findings and Questioned Costs

No matters reported



Certified Public Accountants

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

Board of Education
Auburn-Washburn Unified School District No. 437:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of the Auburn-Washburn Unified School District No. 437 (the District) which comprises the summary statement of regulatory basis receipts, expenditures, and unencumbered cash for the year ended June 30, 2019, and the related notes to the financial statement and have issued our report thereon dated February 10, 2020. Our report contained an adverse opinion because the financial statement was presented using accounting practices prescribed or permitted by the State of Kansas.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, 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 opinion on the financial statement, 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 control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial 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.

An Independently Owned Member, RSM US Alliance

RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International.

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 and 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 a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as Finding 2019-001, that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statement is 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*.

District's Response to Findings

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statement 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 result of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BT&Co., P.A.

February 10, 2020
Topeka, Kansas



Certified Public Accountants

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL
CONTROL OVER COMPLIANCE**

Board of Education
Auburn-Washburn Unified School District No. 437:

Report on Compliance for Each Major Federal Program

We have audited Auburn-Washburn Unified School District No. 437's (the District'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 the District's major federal programs for the year ended June 30, 2019. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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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

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 a 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.

BT&Co, P.A.

February 10, 2020
Topeka, Kansas