

UNIFIED SCHOOL DISTRICT NO. 456
Melvern, KS

INDEPENDENT AUDITOR'S REPORT
REGULATORY BASIS FINANCIAL STATEMENTS

JUNE 30, 2019

BRUNA AUDITING SERVICES LLC
DEREK BRUNA
CERTIFIED PUBLIC ACCOUNTANT
WASHINGTON, KANSAS

Unified School District No. 456
Melvern, Kansas

Financial Statements
For the fiscal year ended June 30, 2019

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Unified School District No. 456
Melvern, Kansas 66510

I have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 456, as of and for the year ended June 30, 2019 and the related notes to the financial statement.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

As described in Note A of the financial statement, the financial statement is prepared by the Unified School District No. 456 to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note A 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 my 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 Unified School District No. 456 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 my opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the Unified School District No. 456 as of June 30, 2019, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note A.

Other Matters-Supplementary Information

My audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and expenditures-agency funds, and schedules of regulatory basis receipts, expenditures, and unencumbered cash – district activity funds, (Statements 2, 3, 4, and 5 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the Kansas Municipal Audit and Accounting Guide. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my 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 A.

I also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of Unified School District No. 456 as of and for the year ended June 30, 2018 (not presented herein), and have issued our report thereon dated December 10, 2018 which contained an unmodified opinion on the basic financial statement. The 2018 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <http://www.admin.ks.gov/offices/chief-financial-officer/municipal-services>. The 2018 actual column (2018 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget for the year ended June 30, 2019 (Statement 3 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2018 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2018 basic financial statement. The 2018 comparative information was subjected to the auditing procedures applied in the audit of the 2018 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2018 basic financial statement or to the 2018 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2018 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended June 30, 2018, on the basis of accounting described in Note A.

Bruna Auditing Services LLC



Derek Bruna, CPA
December 11, 2019

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

Fund	Statement Number	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances & A/P	STATEMENT 1
								Ending Cash Balance
General Funds:								
General Fund	3-1	\$ 0	\$ 0	\$ 2,255,465	\$ 2,255,465	\$ 0	\$ 0	\$ 0
Supplemental General	3-2	29,707	0	695,580	725,287	0	0	0
Career & Post Secondary Ed Fund	3-3	30,500	0	134,845	164,597	748	0	748
Special Education Fund	3-4	250,000	0	579,092	494,212	334,880	0	334,880
Driver Training	3-5	6,264	0	1,911	585	7,590	0	7,590
Food Service Fund	3-6	40,000	0	170,458	205,007	5,451	0	5,451
Capital Outlay Fund	3-7	402,386	0	34,806	22,095	415,097	0	415,097
Professional Development Fund	3-8	20,004	0	224	5,579	14,649	0	14,649
Gifts and Grants Fund	3-9	33,639	0	34,314	31,209	36,744	0	36,744
Kpers Retirement Fund	3-10	0	0	182,863	182,863	0	0	0
At Risk-(K 12) Fund	3-11	48,000	0	241,655	289,655	0	0	0
Contingency Reserve Fund	3-12	261,849	0	0	57,604	204,245	0	204,245
Title I	3-13	0	0	72,881	72,881	0	0	0
Textbook Rental Fund	3-14	15,003	0	2,820	2,014	15,809	0	15,809
Title VI REAP	3-15	0	0	42,210	42,210	0	0	0
Title IIA	3-16	540	0	9,024	9,024	540	0	540
Rec Commission	3-17	1,898	0	17,065	18,963	0	0	0
Virtual Education	3-18	1,925	0	0	0	1,925	0	1,925
At Risk(4 Year Old) Fund	3-19	0	0	0	0	0	0	0
Activity Fund	4	34,117	0	64,167	65,553	32,731	0	32,731
Related Municipal Entity								
Melvorn Rec Commission	5	19,491	0	24,278	19,685	24,084	0	24,084
Total Reporting Entity (Excluding Agency)		\$ 1,195,323	\$ 0	\$ 4,563,658	\$ 4,664,488	\$ 1,094,493	\$ 0	\$ 1,094,493

Composition of Cash	Investments	Money Market Accounts	Money Market Accounts Other	Certificate of Deposit	Certificate of Deposit - Other	Total Cash						
						Cash in Checking	Op Accounts-District	Op Accounts-Agency/Activity	Petty Cash	Less Agency Funds (Statement 4)	Total Cash Excluding Agency Funds	Total Cash Excluding Agency/Activity/Related Funds
						0	1,036,178	67,511	1,500	1,129,273	(34,780)	1,094,493
						0		1,500	24,084	1,037,678		

UNIFIED SCHOOL DISTRICT NO. 456
Melvern, Kansas
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

Unified School District No. 456 is a municipal Corporation established under Kansas Statute. All USDs in Kansas are required to be audited under K.S.A. 75-1122. The District is governed by an elected seven member board. The financial statements present the financial condition and results of operation of the district. The District's major operations include primary and secondary education for young people. The scope of the entity for financial reporting purposes is designed as those funds for which the District has oversight responsibility and is primarily accountable. Oversight responsibility includes budgetary authority and fiscal management responsibility. Budgetary authority is defined as authority for final approval of budgetary appropriations and revisions. Fiscal management responsibility is control of the collection and disbursement of funds.

The Kansas Municipal Audit and Accounting Guide will be referred to as KMAAG throughout the notes.

Basis of Presentation/Fund Description

In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restricts, or limitations. The following are Regulatory Basis Fund Types:

Governmental Funds

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

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

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

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

Business fund – funds financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service fund etc.)

Fiduciary Funds:

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

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

Related Municipal Entity

Recreation Commission. USD No. 456 Recreation Commission oversees recreational activities. The recreation commission operates as a separate governing body but the USD levies the taxes for the recreation commission and the recreation commission has only the powers granted by statute, K.S.A. 12-1928. The recreation commission cannot purchase real property but can acquire real property by gift.

Basis of Accounting-KMAAG Regulatory Basis of Accounting (Formerly Statutory Basis)

The KMAAG regulatory audit requirement of K.S.A. 75-1122 applies to each individual municipality as defined in K.S.A. 75-1117. The KMAAG regulatory financial reporting entity is comprised of the "municipality" as defined in K.S.A. 75-1117, as a minimum, and may also include certain separate legal entities referred to as "related municipal entities" as defined by KMAAG.

The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues 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.

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NOTES TO FINANCIAL STATEMENTS

June 30, 2019

GAAP Basis Financial Statements - Minimum Requirements. GAAP basis financial statements are financial statements prepared in accordance with "Governmental Accounting and Financial Reporting Standards" as promulgated by the Governmental Accounting Standards Board (GASB). For KMAAG purposes, if GAAP basis financial statements are presented, the basic financial statements and notes must be presented at a minimum. All other supplemental schedules are optional. However, the KMAAG mandatory note disclosures (if applicable) must still be presented even though they might not otherwise be required by GAAP to be included in the notes. KMAAG does not provide an example of GAAP financial statements.

Regulatory Basis Financial Statements - Minimum Requirements. If GAAP basis financial statements are not presented, then: 1) a GAAP waiver resolution must be passed, and 2) regulatory basis financial statements including regulatory-required supplementary information, must be presented. Regulatory basis financial statements are financial statements prepared in accordance with the guidelines of KMAAG. Such financial statements are prepared on a basis of accounting which demonstrates compliance with the cash basis and budget laws of the State of Kansas and prepared in accordance with the prescribed format established by KMAAG.

The regulatory basis financial statement consists of a single basic financial statement which is a summary statement containing all funds and related municipalities included in the financial reporting entity and demonstrating compliance with the cash basis law. The remainder of the required financial information to be presented is considered regulatory-required supplementary information which includes 1) a fund summary schedule containing all funds and showing compliance with the budget law for those funds required to be budgeted, 2) individual fund schedules for all funds except agency funds, with budget comparisons for those funds required to be budgeted, 3) a fund summary schedule, for agency funds only, showing cash balances and changes therein, and 4) special schedules unique to the municipality. Note: Regulatory-required supplementary information are the additional schedules that are required to be presented under the provisions of the Kansas Municipal Audit and Accounting Guide and are not to be considered as required supplementary information as defined by auditing standards generally accepted in the United States of America. In addition, the KMAAG mandatory note disclosures must be presented and must include all disclosures necessary for fair presentation in accordance with the KMAAG regulatory basis framework. All other schedules that may be presented are optional.

Departure from GAAP

A waiver from the requirement to prepare and audit GAAP basis financial statements is necessary *only if* the municipality decides to present regulatory basis financial statements. A waiver is not required for financial statements that are prepared in accordance with the GAAP basis framework but include certain departures from GAAP. For example, if GAAP financial statements are presented but do not include the management discussion and analysis, this would be a departure from GAAP. However, even lacking the management discussion and analysis required supplementary information, the basic financial statements may still be presented on a GAAP basis framework, thus a waiver would not be required. The District has approved a resolution that is compliance with K.S.A. 75-1120a(c) waiving the annual for application of GAAP for the year ended 6/30/18. This waiver is completed annually and allows the District to use the regulatory basis of accounting.

The basis of accounting described above results in a financial statement presentation, which shows cash receipts, cash disbursements, cash and unencumbered cash balance, and expenditures compared to budget. Balance sheets that would have shown noncash assets such as receivables, inventories, and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under generally accepted accounting principles, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year-end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. General fixed assets that account for the land, buildings, and equipment owned by the municipality are not presented in the financial statement.

Reimbursed Expenses

The purpose of these expenditures is to repay the district for amounts remitted on behalf of another party and such expenditures are exempt for the budget law under K.S.A. 79-2934. Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statements meet the following criteria: 1) the related disbursement was made in the current year on behalf of the payee, 2) the item paid for was directly identifiable as having been used by or provided to the payee, and 3) the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement. The Municipality records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as a receipt to the fund that receives the reimbursement. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements under KMAAG regulatory basis accounting.

2018 Financial Data

Amounts that are shown for 2018 in the accompanying financial statements are included where practical, only to provide a basis for comparison with 2019, and are not intended to present all information necessary for a fair presentation in accordance with generally accepted accounting principles.

Cash and Time Deposits

Cash balances from all funds are combined and invested to the extent available in certificates of deposit and other authorized investments. Earnings from these investments are allocated to designated funds. All investments are stated at cost. These liquid assets are

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shown in aggregate. K.S.A. 12-1671 and 12-1672 allow these assets to be shown in aggregate. Time deposits are carried at cost plus accrued interest. The carrying amount of deposits is separately displayed as cash and investments.

General Fixed Assets

General fixed assets purchased are recorded as expenditures at the time of purchase, except for assets acquired with federally assisted funds. Assets of the School District are not recorded in a permanent set of records.

Vouchers Payable

Vouchers payable are classified on the basis of a claim for payment resulting from legal title to property.

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds. In addition, encumbrances do constitute expenditures of a fund.

Unencumbered Cash Balance

The unencumbered cash balance is the unobligated resources of cash and time deposits of a fund.

Bonds Payable

Bonds which are outstanding at the end of the fiscal year. There are no bonds payable at fiscal year-end.

Ad Valorem Tax Revenue

The determination of assessed valuation and the collections of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County Appraiser's Office annually determines the assessed valuation and the County Clerk spreads the annual assessment on the tax rolls. One-half of the property taxes are due December 20 and distributed to the District by January 20 to help finance the current year's budget. The second half is due May 10 and distributed to the District June 5. The District Treasurer draws all available funds from the County Treasurer's Office at designated times throughout the year.

Budgetary Data

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service fund. The statutes provide for the following sequence and time table in the adoption of the annual operating budget:

- Preparation of the budget for the succeeding calendar year on or before August 1st.
- Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
- Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
- 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 increase in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least 10 days after publication the hearing may be held and the governing body may amend the budget at that time. These taxes become a lien against all property November 1st. Taxpayers have the option of paying in full or in two installments. The delinquency dates are December 20 and May 10. Delinquent taxes are assessed interest at 9% per annum. This interest is retained by the County.

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

All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditures authority) lapse at year-end.

A legal operating budget is not required for trust funds, agency funds, and the following special revenue funds: Textbooks and Student Materials, Athletic Gate Receipts and other School Agency/Activity Funds, Fee and User Charges/Clearing Accounts, Contingency Reserve, Title IV, Title IIA, Title I, and Federal Funds.

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

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Inventories and prepaid expenses which benefit future periods are recorded as an expenditures during the year of purchase. For disclosure purposes, material inventories would be reported as an asset offset by a reserve. The district had no material inventories.

The process of preparing financial statements requires the use of estimates and assumptions regarding certain types of revenues, expenditures, and fund balances. Such estimates relate primarily to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

NOTE B - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Compliance With Kansas Statutes and Other Finance Related Legal Matters

There are no noted violations with such compliance requirements. K.S.A. 12-1664 authorizes the financing from local sources for expenditures to be reimbursed by the federal government.

NOTE C- DEPOSITS AND INVESTMENTS

Deposits

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main 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. Cash balances from all funds are combined and invested to the extent available in certificates of deposits and other authorized investments. Earnings from these investments are allocated to designated funds. All investments are stated at cost.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Municipality's deposits may not be returned to it. State statutes require the Municipality's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at June 30, 2019.

At year-end the carrying amount of the district's deposits, including certificates of deposit and money market accounts was \$1,129,273. The district checking account balance was \$1,036,178. The activity/agency operating accounts had a balance of \$67,511, while petty cash was \$1500. The related municipal entity had a balance of \$24,084. Any differences between the carrying amount and the bank balance are outstanding checks and deposits in transit. Of the bank balance, \$250,000 was covered by FDIC insurance and the remaining balance was collateralized by pledged securities held under joint custody receipts issued by a third-party bank in the district's name. The third-party bank holding the pledged securities is independent of the pledging bank. The pledged securities are held under a third-party custodial agreement signed by all three parties: the district, the pledging bank, and the independent third-party banks holding the securities.

Investment Policy

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 investment choices. Funds of the district were on deposit in interest bearing accounts in banks and Certificates of Deposits issued by banks at June 30, 2019.

The cash of each of the funds of the district is pooled together so that better management of cash and investments can be practiced, resulting in greater earnings accruing to the district. Please refer to Statement 1 to review how the various funds are accruing interest.

Concentration of Credit Risk

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

Custodial Credit Risk – investments

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

NOTE D- FRINGE BENEFIT PLAN I.R.C. 125/HEALTH INSURANCE PLAN

CAFETERIA PLAN

The District has in place an IRS-IRC Section #125 "Cafeteria" Fringe Benefit Plan. The options under the plan are salary reduction options. Eligible classified employees shall be included in the Plan and will follow IRS limits and guidelines for various applicable areas. Each teacher shall

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become a participant upon electing to be a participant as set forth in said plan and shall be subject to the rules and regulations of said plan. The terms and provisions of said plan shall be subject to being changed at any time by the mutual consent of the School District and the recognized professional negotiating unit of the teachers of U.S.D. No. 456. The maximum benefit allowance per employee is \$2700/yr for the year ended June 30, 2019. The maximum for the dependent care reimbursement account is \$5000 annually. Provisions available are:

- Group Term Life Insurance (\$50,000 maximum)
- Disability Income Insurance
- Cancer Insurance
- Medical Reimbursement Accounts⁶
- Dependent Care Reimbursement Accounts
- Vision Insurance
- Dental Insurance

NOTE E- CONTINGENT LIABILITIES

The district has not computed or recorded the potential liability for sick/vacation leave that is available to all full time employees. The amount varies by position. (Please refer to the negotiated agreement for further specification.)

NOTE F- COMPENSATED ABSENCES

Vacation is provided for all 12 month employees. Employees cannot carry any vacation forward. Sick leave accumulates at the rate of 9 days per year for all employees. A maximum of 65 days of sick leave can be accumulated. Employees are reimbursed at the end of each year at \$40 per day for all days accumulated over 65 days.

NOTE G- DEFINED BENEFIT PENSION PLAN

Plan description

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

Contributions

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

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

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

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

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The School District is responsible for the employer's portion of the cost for retired District employees. The School District received and remitted amounts equal to the statutory contribution rate for the year ended June 30, 2019.

UNIFIED SCHOOL DISTRICT NO. 456

Melvern, Kansas

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

The State of Kansas contributed 13.21% of covered payroll during fiscal year 2019, excluding the Group Death & Disability Insurance rate. During fiscal year 2020, the State of Kansas will contribute 14.41% of covered payroll. The State of Kansas contribution to KPERS due for all school municipalities for the year ending June 30, 2019, was \$505,224,160. K.S.A. 74-4920(18) established deferred contributions of \$194,022,683 for a portion of the fiscal year 2019 school municipalities' contributions. The contributions will be paid in 20 annual level payments of \$19.4 million beginning in fiscal year 2020.

Net Pension Liability

At June 30, 2019, the School District's proportionate share of the collective net pension liability reported by KPERS was \$2,558,837. 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 School District's proportion of the net pension liability was based on the ratio of the School District's contributions to KPERS, relative to the total employer and nonemployer 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.

NOTE H- RISK FINANCING AND RELATED INSURANCE ISSUES

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 nature disasters. The district continues to carry insurance for all risks of loss including workers compensation. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

NOTE I- FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value amounts for cash and cash equivalents approximate carrying amounts due to the short maturities of these instruments. Financial instruments that subject the district to significant concentration and credit risk consist of cash and cash equivalents. The district places its cash in market interest rate accounts and are insured fully by FDIC coverage and pledged securities with fair market value equal to or greater than its cash and cash equivalents.

NOTE J- FIDUCIARY/TRUST TYPE FUNDS

The District does not currently have any of these funds in their financial statement FYE 6/30/19.

NOTE K- 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 local government is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements. 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.

NOTE L- IN-SUBSTANCE RECEIPT IN TRANSIT

The District received \$118,958 subsequent to June 30, 2019 and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2019.

NOTE M- LONG-TERM DEBT

The District currently has no long-term debt issued.

NOTE N- CAPITAL PROJECT COMPLIANCE

The District currently has no capital projects being undertaken.

NOTE O- LITIGATION CONTINGENCIES

The District currently has no litigation contingencies that it is involved in.

NOTE P- COMMITMENT AND CONTINGENCIES

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

UNIFIED SCHOOL DISTRICT NO. 456
Melvorn, Kansas
NOTES TO FINANCIAL STATEMENTS
June 30, 2019

NOTE Q- SUBSEQUENT EVENTS

These financial statements considered subsequent events through December 11, 2019 the date the financial statements were available to be issued.

NOTE R- RISK MANAGEMENT

The District is exposed to various risks of loss related to limited torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the district carries insurance. There have been no significant reductions in coverage from prior years and settlements have not exceeded coverage in the past three years.

UNIFIED SCHOOL DISTRICT NO. 456
 Melvern, Kansas
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2019

Note S- INTER-FUND TRANSACTIONS

Recurring annual transfers between budgetary funds for the purpose of shifting resources from the fund legally required to receive the revenue, to the fund authorized to expend the revenue, have been segregated from normal revenues and expenditures for reporting purposes are are:

FROM	TO	2018	2019
General	Special Education	320,065	400,736
General	Vocational Education	162,929	134,097
General	At Risk K-12	272,085	152,723
General	Food Service	8,077	19,973
General	Proessional Development	4,000	0
General	SCO	69,120	0
General	Contingency Reserve	30,000	0
General	KPERS	0	0
	Totals	866,276	707,529
Supplemental General	Food Service	43,381	0
Supplemental General	Driver Ed	3,000	0
Supplemental General	At Risk K-12	20,000	88,933
Supplemental General	At Risk 4 Year Old	24,036	0
Supplemental General	Textbooks	10,079	0
Supplemental General	Special Education	0	0
Supplemental General	Food Service	0	0
Supplemental General	Vocational Education	40,501	0
Supplemental General	Proessional Development	0	0
Supplemental General	Special Education	20,000	154,770
	Totals	160,997	243,703
Contingency Reserve	Supplemental General	30,000	57,604
	Grand Totals	1,057,273	1,008,836

The above transfers are included in the expenditures of the disbursing fund and included in the revenues of the receiving fund as required by the Cash Basis and Budget Laws of Kansas, and for budget comparison purposes.

UNIFIED SCHOOL DISTRICT NO. 456
 Melvern, Kansas
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2019

Note T - INTER-GOVERNMENTAL ASSISTANCE STATE

<u>Type of Aid</u>	<u>2018</u>	<u>2019</u>
General State Aid	\$ 1,574,539	1,554,266
Supplemental General State Aid	196,042	236,806
Professional Development	555	224
Mentor Teacher	990	1,000
State Safety Driver's Ed	896	5,846
State Food Service	1,311	1,235
Special Education	287,289	308,738
School District Mill Levy	401,095	325,277
Technical Ed Transportation	5,316	4,958
Extraordianry Declining Enrollment	147,667	0
School Wellness	0	0
KPERS Employer Cont.	215,390	182,863
Totals	2,831,090	2,621,213

Note T - INTER-GOVERNMENTAL ASSISTANCE FEDERAL

<u>Type of Aid</u>	<u>2018</u>	<u>2019</u>
Title I Fund	\$ 77,135	72,881
Effective Instruction	0	9,024
Youth Risk Behavior	595	157
Reserve Fund	800	0
Special Ed	1,926	0
Title II Improving Teacher Quality	9,059	0
Food Service	79,246	79,885
Totals	168,761	161,947

Federal programs in which the school district participated have specified for what purpose funds are to be expended. All funds unexpended at June 30, 2019 are restricted to federal program specified expenditures.

**REGULATORY - REQUIRED
SUPPLEMENTARY INFORMATION**

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For The Year Ended June 30, 2019

STATEMENT 2

Fund	Statement Number	Certified Budget	Adjustments To Comply With Legal Max	Adjustments For Qualifying Budget Credits	Total Budget For Comparison	Expenditures Chargeable To Current Year	Variance Over (Under)
General Funds:							
General Fund	3-1	\$ 2,326,065	\$ (137,784)	\$ 67,184	\$ 2,255,465	\$ 2,255,465	\$ 0
Supplemental General	3-2	748,456	(23,169)	0	725,287	725,287	0
Special Purpose Funds:							
Vocational Education	3-3	221,225	0	0	221,225	164,597	(56,628)
Special Education	3-4	685,967	0	0	685,967	494,212	(191,755)
Driver Training	3-5	11,547	0	0	11,547	585	(10,962)
Food Service	3-6	238,828	0	0	238,828	205,007	(33,821)
Capital Outlay	3-7	452,308	0	0	452,308	22,095	(430,213)
Professional Development	3-8	25,253	0	0	25,253	5,579	(19,674)
KPERS Retirement	3-10	281,750	0	0	281,750	182,863	(98,887)
At Risk (K-12)	3-11	310,027	0	0	310,027	289,655	(20,372)
Recreation Commission	3-17	20,000	0	0	20,000	18,963	(1,037)
Virtual Education	3-18	1,925	0	0	1,925	0	(1,925)
At Risk (4 Year Old)	3-19	0	0	0	0	0	0
TOTALS		\$ 5,323,351	\$ (160,953)	\$ 67,184	\$ 5,229,582	\$ 4,364,308	\$ (865,274)

UNIFIED SCHOOL DISTRICT NO. 456
Melvern, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET
Regulatory Basis

For The Year Ended June 30, 2019

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

STATEMENT 3-1

GENERAL FUND

	Prior Year		Current Year	
	Actual Transactions	Actual Transactions	Budget	Variance Over (Under)
Cash Receipts				
Suppl. Gen. State Aid	\$ 0	\$ 0	\$ 0	\$ 0
Reimbursements	0	0	0	0
Delinquent Tax	0	0	0	0
State Equilization Aid	1,975,634	1,879,543	2,004,822	(125,279)
Other/Transfer	287,289	308,738	0	308,738
Special Education Aid	147,666	0	321,243	(321,243)
KPERS State Aid	0	0	0	0
Interest Idle Funds	0	0	0	0
Reimbursements	37,407	67,184	0	67,184
Operating Transfers	0	0	0	0
Total Cash Receipts	<u>\$ 2,447,996</u>	<u>\$ 2,255,465</u>	<u>\$ 2,326,065</u>	<u>\$ (70,600)</u>
Expenditures				
Instruction	\$ 644,348	\$ 658,102	\$ 589,450	\$ 68,652
Student Support Services	30,300	21,382	32,400	(11,018)
Instructional Support Staff	501	1,421	1,200	221
General Administration	192,360	184,083	187,800	(3,717)
School Administration	285,455	242,918	253,900	(10,982)
Central Support Service	26,418	27,658	28,100	(442)
Operations and Maintenance	313,885	312,240	296,766	15,474
Student Transportation Services	88,454	100,132	98,318	1,814
Other Supplemental Service	0	0	0	0
Operating Transfers	866,275	707,529	700,347	7,182
Adjustment For Legal Max	0	0	0	0
Adjustment for Reimbursements	0	0	67,184	(67,184)
Total Expenditures	<u>\$ 2,447,997</u>	<u>\$ 2,255,465</u>	<u>\$ 2,255,465</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	(1)	0		
Unencumbered Cash - Beginning	<u>1</u>	<u>0</u>		
Unencumbered Cash - Ending	<u>\$ 0</u>	<u>\$ 0</u>		

UNIFIED SCHOOL DISTRICT NO. 456
Melvern, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET
Regulatory Basis

For The Year Ended June 30, 2019

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

STATEMENT 3-2

SUPPLEMENTAL GENERAL FUND

	Prior Year Actual Transactions	Current Year		
		Actual Transactions	Budget	Variance Over (Under)
Cash Receipts				
Taxes in Process	\$ 415,687	\$ 356,349	\$ 39,195	\$ 317,154
Ad Valorem	0	0	0	0
Delinquent Tax	23,541	8,417	8,253	164
Motor Vehicle Tax/16-20/Commercial	31,158	34,491	36,843	(2,352)
Recreational Vehicle Tax	994	1,912	1,245	667
Miscellaneous	0	0	0	0
State Aid	196,042	236,807	242,087	(5,280)
Reimbursement	0	0	0	0
Operating Transfers	30,000	57,604	0	57,604
Total Cash Receipts	<u>\$ 697,423</u>	<u>\$ 695,580</u>	<u>\$ 327,623</u>	<u>\$ 367,957</u>
Expenditures				
Instruction	\$ 435,810	\$ 396,443	\$ 397,629	\$ (1,186)
Student Support Service	8,982	5,910	10,300	(4,390)
General Administration	0	0	0	0
Support Service	0	0	0	0
Operation and Maintenance	64,211	79,231	57,000	22,231
Transportation	0	0	0	0
Operating Transfers	160,997	243,703	260,358	(16,655)
Adjustment For Legal Max	0	0	0	0
Total Expenditures	<u>\$ 670,000</u>	<u>\$ 725,287</u>	<u>\$ 725,287</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	27,423	(29,707)		
Unencumbered Cash - Beginning	<u>2,284</u>	<u>29,707</u>		
Unencumbered Cash - Ending	<u>\$ 29,707</u>	<u>\$ 0</u>		

UNIFIED SCHOOL DISTRICT NO. 456

Melvorn, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES

ACTUAL AND BUDGET

Regulatory Basis

For The Year Ended June 30, 2019

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

STATEMENT 3-3

VOCATIONAL ED FUND

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
State Aide	0	0	7,895	(7,895)
Operating Transfers	0	0	0	0
Micellaneous Revenues	0	748	0	748
Operating Tranfers	\$ 203,429	\$ 134,097	\$ 177,517	\$ (43,420)
Total Cash Receipts	<u>\$ 203,429</u>	<u>\$ 134,845</u>	<u>\$ 185,412</u>	<u>\$ (50,567)</u>
Expenditures				
Instruction	187,815	164,481	218,425	(53,944)
Salaries	0	0	0	0
Employee Benefits	0	0	0	0
Supplies	0	0	0	0
Other	0	0	0	0
Operations & Maintenance	114	116	2,800	(2,684)
Purchased Property Service	0	0	0	0
Supplies, Utilities	0	0	0	0
Total Expenditures	<u>\$ 187,929</u>	<u>\$ 164,597</u>	<u>\$ 221,225</u>	<u>\$ (56,628)</u>
Receipts Over (Under) Expenditures	15,500	(29,752)		
Unencumbered Cash - Beginning	<u>15,000</u>	<u>30,500</u>		
Unencumbered Cash - Ending	<u>\$ 30,500</u>	<u>\$ 748</u>		

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Melvern, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET
Regulatory Basis
For The Year Ended June 30, 2019
(With Comparative Actual Totals for Prior Year Ended June 30, 2018)

STATEMENT 3-4

SPECIAL EDUCATION FUND

	Prior Year <u>Actual</u>	Current Year		Variance Over (Under)
		<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Other Local	\$ 1,926	\$ 0	\$ 0	\$ 0
Micellaneous Revenues	19,460	23,586	0	23,586
Operating Transfers	<u>340,065</u>	<u>555,506</u>	<u>457,353</u>	<u>98,153</u>
Total Cash Receipts	<u>\$ 361,451</u>	<u>\$ 579,092</u>	<u>\$ 457,353</u>	<u>\$ 121,739</u>
Expenditures				
Instruction	\$ 462,864	\$ 490,368	\$ 657,667	\$ (167,299)
Student Support Services	1,543	2,138	10,000	(7,862)
Student Transportation Services	<u>1,743</u>	<u>1,706</u>	<u>18,300</u>	<u>(16,594)</u>
Total Expenditures	<u>\$ 466,149</u>	<u>\$ 494,212</u>	<u>\$ 685,967</u>	<u>\$ (191,755)</u>
Receipts Over (Under) Expenditures	(104,699)	84,880		
Unencumbered Cash - Beginning	<u>354,699</u>	<u>250,000</u>		
Unencumbered Cash - Ending	<u>\$ 250,000</u>	<u>\$ 334,880</u>		

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SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET
Regulatory Basis
For The Year Ended June 30, 2019
(With Comparative Actual Totals for Prior Year Ended June 30, 2018)

STATEMENT 3-5

DRIVER TRAINING FUND

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
State Aid	\$ 896	\$ 1,911	\$ 2,340	\$ (429)
Miscellaneous Revenues	56	0	0	0
Operating Tranfers	3,000	0	3,000	(3,000)
Total Cash Receipts	<u>\$ 3,952</u>	<u>\$ 1,911</u>	<u>\$ 5,340</u>	<u>\$ (3,429)</u>
Expenditures				
Operating Tranfers	\$ 0	\$ 0	\$ 0	
Instruction	3,677	327	9,673	(9,346)
Maintenance Service	31	258	1,874	(1,616)
Total Expenditures	<u>\$ 3,708</u>	<u>\$ 585</u>	<u>\$ 11,547</u>	<u>\$ (10,962)</u>
Receipts Over (Under) Expenditures	244	1,326		
Unencumbered Cash - Beginning	6,020	6,264		
Unencumbered Cash - Ending	<u>\$ 6,264</u>	<u>\$ 7,590</u>		

UNIFIED SCHOOL DISTRICT NO. 456
Melvern, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES
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Regulatory Basis

For The Year Ended June 30, 2019

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

STATEMENT 3-6

FOOD SERVICE FUND

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Federal Aid	\$ 79,246	\$ 79,885	\$ 75,734	\$ 4,151
State Aid	1,311	1,235	1,068	167
Charges for Service	37,089	31,178	62,028	(30,850)
Interest	16,351	27,485	0	27,485
Miscellaneous	13,964	10,702	10,000	702
Operating Transfers	51,459	19,973	50,000	(30,027)
Total Cash Receipts	\$ <u>199,420</u>	\$ <u>170,458</u>	\$ <u>198,830</u>	\$ <u>(28,372)</u>
Expenditures				
Food Service Operations	\$ 199,620	\$ 205,007	\$ 238,828	\$ (33,821)
Total Expenditures	\$ <u>199,620</u>	\$ <u>205,007</u>	\$ <u>238,828</u>	\$ <u>(33,821)</u>
Receipts Over (Under) Expenditures	(200)	(34,549)		
Unencumbered Cash - Beginning	<u>40,200</u>	<u>40,000</u>		
Unencumbered Cash - Ending	\$ <u>40,000</u>	\$ <u>5,451</u>		

UNIFIED SCHOOL DISTRICT NO. 456
Melvern, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET
Regulatory Basis

For The Year Ended June 30, 2019
(With Comparative Actual Totals for Prior Year Ended June 30, 2018)

STATEMENT 3-7

CAPITAL OUTLAY FUND

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Ad Valorem Tax/Prior	\$ 0	\$ 0	\$ 0	0
Delinquent Tax	74	0	0	0
Interest Income	1,910	0	0	0
Miscellaneous Revenue	39,011	34,806	0	0
Operating Transfers	69,120	0	50,000	0
Total Cash Receipts	<u>\$ 110,114</u>	<u>\$ 34,806</u>	<u>\$ 50,000</u>	<u>0</u>
Expenditures				
Instruction	\$ 32,039	\$ 0	\$ 45,000	(45,000)
Facility Acquisition and Constructions Service	55,694	0	292,308	(292,308)
General Administration	65,076	22,095	100,000	(77,905)
School Administration	0	0	15,000	(15,000)
Operations and Maintenance	0	0	0	0
Total Expenditures	<u>\$ 152,808</u>	<u>\$ 22,095</u>	<u>\$ 452,308</u>	<u>(430,213)</u>
Receipts Over (Under) Expenditures	(42,694)	12,711		
Unencumbered Cash - Beginning	<u>445,080</u>	<u>402,386</u>		
Unencumbered Cash - Ending	<u>\$ 402,386</u>	<u>\$ 415,097</u>		

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SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET
Regulatory Basis

For The Year Ended June 30, 2019
(With Comparative Actual Totals for Prior Year Ended June 30, 2018)

STATEMENT 3-8

PROFESSIONAL DEVELOPMENT FUND

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
State of Kansas	\$ 0	\$ 0	\$ 1,250	\$ (1,250)
Micellaneous Revenues	555	224	0	224
Operating Transfers	4,000	0	4,000	(4,000)
Total Cash Receipts	<u>\$ 4,555</u>	<u>\$ 224</u>	<u>\$ 5,250</u>	<u>\$ (5,026)</u>
Expenditures				
Salary	\$ 0	\$ 0	\$ 0	\$ 0
Instruction Support Staff	3,951	5,579	25,253	(19,674)
Other	0	0	0	0
Total Expenditures	<u>\$ 3,951</u>	<u>\$ 5,579</u>	<u>\$ 25,253</u>	<u>\$ (19,674)</u>
Receipts Over (Under) Expenditures	\$ 604	(5,355)		
Unencumbered Cash - Beginning	<u>19,400</u>	<u>20,004</u>		
Unencumbered Cash - Ending	<u>20,004</u>	<u>\$ 14,649</u>		

UNIFIED SCHOOL DISTRICT NO. 456

Melvorn, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES

ACTUAL AND BUDGET

Regulatory Basis

For The Year Ended June 30, 2019

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

STATEMENT 3-9

GIFTS/GRANTS FUND

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Miscellaneous	<u>21,780</u>	<u>34,314</u>	<u>0</u>	<u>34,314</u>
Total Cash Receipts	\$ <u>21,780</u>	\$ <u>34,314</u>	\$ <u>0</u>	\$ <u>34,314</u>
Expenditures				
Student Support Services	<u>2,927</u>	<u>31,209</u>	<u>0</u>	<u>31,209</u>
Total Expenditures	\$ <u>2,927</u>	\$ <u>31,209</u>	\$ <u>0</u>	\$ <u>31,209</u>
Receipts Over (Under) Expenditures	\$ 18,854	3,105		
Unencumbered Cash - Beginning	<u>14,785</u>	<u>33,639</u>		
Unencumbered Cash - Ending	<u>33,639</u>	\$ <u>36,744</u>		

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SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET
Regulatory Basis

For The Year Ended June 30, 2019
(With Comparative Actual Totals for Prior Year Ended June 30, 2018)

STATEMENT 3-10

KPERS RETIREMENT FUND

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
State Aid/Grants	\$ 215,390	\$ 182,863	\$ 281,750	\$ (98,887)
Transfers	0	0	0	0
Total Cash Receipts	\$ 215,390	\$ 182,863	\$ 281,750	\$ (98,887)
Expenditures				
Instruction	\$ 146,465	\$ 124,347	\$ 191,591	\$ (67,244)
Student Support	2,800	2,377	3,663	(1,286)
Instruction Support Staff	2,154	1,829	2,818	(989)
General Administration	17,662	14,995	23,104	(8,109)
School Administration	17,231	14,629	22,540	(7,911)
Central Services	1,077	914	1,408	(494)
Operations and Maintenance	15,077	12,800	19,722	(6,922)
Student Transportation	6,462	5,486	8,452	(2,966)
Food Service Operations	6,462	5,486	8,452	(2,966)
Total Expenditures	\$ 215,390	\$ 182,863	\$ 281,750	\$ (98,887)
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash - Beginning	0	0		
Unencumbered Cash - Ending	\$ 0	\$ 0		

UNIFIED SCHOOL DISTRICT NO. 456
Melvern, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET
Regulatory Basis
For The Year Ended June 30, 2019
(With Comparative Actual Totals for Prior Year Ended June 30, 2018)

STATEMENT 3-11

AT RISK (K-12) FUND

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Miscellaneous Revenues	\$ 800	\$ 0	\$ 0	\$ 0
Operating Transfers	292,085	241,655	0	241,655
Total Cash Receipts	<u>\$ 292,885</u>	<u>\$ 241,655</u>	<u>\$ 0</u>	<u>\$ 241,655</u>
Expenditures				
Instruction/Support	255,885	289,655	310,027	(20,372)
Operations and maintenance	0	0	0	0
Total Expenditures	<u>\$ 255,885</u>	<u>\$ 289,655</u>	<u>\$ 310,027</u>	<u>\$ (20,372)</u>
Receipts Over (Under) Expenditures	37,000	(48,000)		
Unencumbered Cash - Beginning	<u>11,000</u>	<u>48,000</u>		
Unencumbered Cash - Ending	<u>\$ 48,000</u>	<u>\$ 0</u>		

UNIFIED SCHOOL DISTRICT NO. 456

Melvorn, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES

ACTUAL AND BUDGET

Regulatory Basis

For The Year Ended June 30, 2019

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

STATEMENT 3-13

TITLE I FUND

	<u>Prior Year</u> <u>2018</u>	<u>Current Year</u> <u>2019</u>
Cash Receipts		
Federal Sources	\$ 77,135	\$ 72,881
Transfers	<u>0</u>	<u>0</u>
Total Cash Receipts	<u><u>77,135</u></u>	<u><u>72,881</u></u>
Expenditures		
Instruction	<u>77,135</u>	<u>72,881</u>
Total Expenditures	<u><u>77,135</u></u>	<u><u>72,881</u></u>
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash - Beginning	<u>0</u>	<u>0</u>
Unencumbered Cash - Ending	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

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SCHEDULE OF RECEIPTS AND EXPENDITURES
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For The Year Ended June 30, 2019
(With Comparative Actual Totals for Prior Year Ended June 30, 2018)

STATEMENT 3-14

TEXTBOOK & STUDENT MATERIAL REVOLVING FUND

	Prior Year 2018	Current Year 2019
Cash Receipts		
Transfer	\$ 2,165	\$ 0
Textbook Rental	10,079	2,820
	<u>12,244</u>	<u>2,820</u>
Total Cash Receipts	<u>12,244</u>	<u>2,820</u>
Expenditures		
Textbooks	12,495	2,014
	<u>12,495</u>	<u>2,014</u>
Total Expenditures	<u>12,495</u>	<u>2,014</u>
Receipts Over (Under) Expenditures	(251)	806
Unencumbered Cash - Beginning	15,254	15,003
Unencumbered Cash - Ending	\$ <u>15,003</u>	\$ <u>15,809</u>

UNIFIED SCHOOL DISTRICT NO. 456
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SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET
Regulatory Basis
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(With Comparative Actual Totals for Prior Year Ended June 30, 2018)

	<u>TITLE VI/REAP</u>	<u>STATEMENT 3-15</u>
	Prior Year 2018	Current Year 2019
Cash Receipts		
Federal Sources	\$ 29,409	\$ 42,210
Transfers	0	0
Total Cash Receipts	<u>29,409</u>	<u>42,210</u>
Expenditures		
Instruction	29,409	42,210
Total Expenditures	<u>29,409</u>	<u>42,210</u>
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash - Beginning	0	0
Unencumbered Cash - Ending	<u>\$ 0</u>	<u>\$ 0</u>

This is not a budgeted fund.
See Accountant's Report and Accompanying Notes

UNIFIED SCHOOL DISTRICT NO. 456
Melvern, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET
Regulatory Basis
For The Year Ended June 30, 2019
(With Comparative Actual Totals for Prior Year Ended June 30, 2018)

	<u>TITLE IIA</u>	<u>STATEMENT 3-16</u>
	Prior Year 2017	Current Year 2018
Cash Receipts		
Federal Sources	\$ 9,059	\$ 9,024
Transfers	<u>0</u>	<u>0</u>
Total Cash Receipts	<u>9,059</u>	<u>9,024</u>
Expenditures		
Instruction	<u>8,519</u>	<u>9,024</u>
Total Expenditures	<u>8,519</u>	<u>9,024</u>
Receipts Over (Under) Expenditures	540	0
Unencumbered Cash - Beginning	<u>0</u>	<u>540</u>
Unencumbered Cash - Ending	<u>\$ 540</u>	<u>\$ 540</u>

UNIFIED SCHOOL DISTRICT NO. 456
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SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET
Regulatory Basis
For The Year Ended June 30, 2019
(With Comparative Actual Totals for Prior Year Ended June 30, 2018)

STATEMENT 3-17

RECREATION COMMISSION

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Miscellaneous	<u>20,379</u>	<u>17,065</u>	<u>5,413</u>	<u>11,652</u>
Total Cash Receipts	\$ <u>20,379</u>	\$ <u>17,065</u>	\$ <u>5,413</u>	\$ <u>11,652</u>
Expenditures				
Student Support Services	<u>19,278</u>	<u>18,963</u>	<u>20,000</u>	<u>(1,037)</u>
Total Expenditures	\$ <u>19,278</u>	\$ <u>18,963</u>	\$ <u>20,000</u>	\$ <u>(1,037)</u>
Receipts Over (Under) Expenditures	\$ 1,101	(1,898)		
Unencumbered Cash - Beginning	<u>797</u>	<u>1,898</u>		
Unencumbered Cash - Ending	<u>1,898</u>	\$ <u>(0)</u>		

UNIFIED SCHOOL DISTRICT NO. 456

Melvern, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES

ACTUAL AND BUDGET

Regulatory Basis

For The Year Ended June 30, 2019

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

STATEMENT 3-18

VIRTUAL EDUCATION FUND

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Transfers	0	0	0	0
Miscellaneous	0	0	0	0
Total Cash Receipts	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures				
Professional Services	0	0	1,925	(1,925)
Total Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,925</u>	<u>\$ (1,925)</u>
Receipts Over (Under) Expenditures	\$ 0	0		
Unencumbered Cash - Beginning	1,925	1,925		
Unencumbered Cash - Ending	<u>1,925</u>	<u>\$ 1,925</u>		

UNIFIED SCHOOL DISTRICT NO. 456
Melvern, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET
Regulatory Basis
For The Year Ended June 30, 2019
(With Comparative Actual Totals for Prior Year Ended June 30, 2018)

STATEMENT 3-19

AT RISK (4 YEAR OLD) FUND

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Cash Receipts				
Federal Sources	\$ 4,006	\$ 0	\$ 0	0
Operating Transfers	20,030	0	0	0
Transfer from General	0	0	0	0
Total Cash Receipts	<u>\$ 24,036</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
Expenditures				
Instruction/Support	24,036	0	0	0
Operations and maintenance	0	0	0	0
Total Expenditures	<u>\$ 24,036</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>0</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash - Beginning	0	0		
Unencumbered Cash - Ending	<u>\$ 0</u>	<u>\$ 0</u>		

UNIFIED SCHOOL DISTRICT NO. 456
Melvern, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET
Regulatory Basis
For The Year Ended June 30, 2018

DISTRICT/SCHOOL AGENCY & ACTIVITY FUNDS

Funds:	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balances	Add Outstanding Encumbrances & A/P	STATEMENT 4	
							Ending Cash Balance	Ending Cash Balance
JH/HS Activity Funds								
Athletics	(5)	0	19,309	19,304	0	0	0	0
HS Girls Basketball	2,923	0	5,036	5,978	1,981	0	1,981	1,981
HS Football	2,188	0	5,371	5,103	2,456	0	2,456	2,456
HS Volleyball	191	0	1,654	1,734	111	0	111	111
JH Cheerleader	(7)	0	647	572	68	0	68	68
Cheerleaders	330	0	2,199	1,925	604	0	604	604
Book Rental	0	0	1,170	1,170	0	0	0	0
Library	332	0	86	68	350	0	350	350
Equipment	856	0	1,114	1,229	741	0	741	741
JH Art	97	0	0	0	97	0	97	97
Yearbook	1,952	0	1,220	116	3,056	0	3,056	3,056
Freedom Cookie Enterprises	76	0	0	0	76	0	76	76
Flower Fund	68	0	135	45	158	0	158	158
Field Trip Fund	171	0	0	60	111	0	111	111
Forensics	235	0	200	435	0	0	0	0
Lock In	0	0	568	568	0	0	0	0
Scholars Bowl	0	0	300	300	0	0	0	0
Green Schools Grant	87	0	0	0	87	0	87	87
Pencils/Copies	169	0	0	38	131	0	131	131
Petty Cash	0	0	3,518	3,518	0	0	0	0
Robotics	0	0	1,000	634	366	0	366	366
Student Services	631	0	85	233	483	0	483	483
L.L. McNabb Scholarship	3,269	0	609	1,000	2,878	0	2,878	2,878
Lawrence Lester McNabb Tech Sch.	5,500	0	0	3,500	2,000	0	2,000	2,000
Calvin Pegram Memorial Scholarship	1,065	0	0	0	1,065	0	1,065	1,065
W. Allison Scholarship	18	0	0	0	18	0	18	18
WLC FFA SCHOLARSHIP	0	0	2,215	0	2,215	0	2,215	2,215

UNIFIED SCHOOL DISTRICT NO. 456
Melvern, Kansas

Elementary School Activity Funds

Elementary Book Rental	50	0	600	650	0	0	0
Yearbook	0	0	500	500	0	0	0
Box Top	2,761	0	578	653	0	0	0
Student Activities	1,648	0	4,795	6,167	2,686	0	2,686
Petty Cash	(218)	0	3,811	3,593	276	0	276
Pop	182	0	0	0	0	0	0
Fund Raiser	8,839	0	7,388	46	136	0	136
Music	709	0	6,414	9,813	9,813	0	9,813
Subtotal Activity Funds	34,117	0	64,167	65,553	32,731	0	32,731

Agency Funds

Hot Lunch Clearing	0	0	47,159	42,109	5,050	0	5,050
JH Stuco	398	0	4,038	4,234	202	0	202
Letter Club	1,305	0	327	751	881	0	881
M Club	5,641	0	7,000	6,492	6,149	0	6,149
IHT	545	0	0	0	545	0	545
FFA	2,870	0	18,430	19,709	1,591	0	1,591
FCCLA	922	0	1,072	1,409	585	0	585
Student Council	898	0	2,148	1,879	1,167	0	1,167
Music	248	0	325	185	388	0	388
FBLA	2,424	0	7,510	8,227	1,707	0	1,707
Drama	36	0	0	0	36	0	36
FACS	655	0	65	45	675	0	675
Class of 2022	599	0	747	208	1,138	0	1,138
Class of 2017	847	0	0	0	847	0	847
Class of 2018	133	0	0	0	133	0	133
Class of 2023	0	0	1,718	1,453	265	0	265
Class of 2019	6,480	0	11,649	15,521	2,608	0	2,608
Class of 2020	2,078	0	20,595	12,290	10,383	0	10,383
Class of 2021	310	0	120	0	430	0	430
Subtotal Agency Funds	26,389	0	122,903	114,512	34,780	0	34,780

Total Activity/Agency Funds

\$	60,506	0	187,070	180,065	67,511	0	67,511
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UNIFIED SCHOOL DISTRICT NO. 456
Melvern, Kansas

SCHEDULE OF RECEIPTS AND EXPENDITURES
ACTUAL AND BUDGET

Regulatory Basis

For The Year Ended June 30, 2018

RELATED MUNICIPAL ENTITY

Funds:	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balances	Add Outstanding Encumbrances & A/P	<u>STATEMENT 5</u>
							Ending Cash Balance
Melvorn Rec Commission	19,491	0	24,278	19,685	24,084	0	24,084
Total District Trust Funds	19,491	0	24,278	19,685	24,084	0	24,084

This is not a budgeted fund.
See Accountant's Report and Accompanying Notes