

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

FINANCIAL STATEMENT
WITH
REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2019
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

UNIFIED SCHOOL DISTRICT NO. 458

Basehor, Kansas

FINANCIAL STATEMENT
WITH
REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2019
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

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Independent Auditor's Report

To the Board of Education
Unified School District No. 458
Basehor, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 458, Basehor, Kansas, as of and for the year ended June 30, 2019 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 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 the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the *Kansas Municipal Audit and Accounting Guide*. 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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

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

As described in Note 2 of the financial statement, the financial statement is prepared by Unified School District No. 458 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 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 Unified School District No. 458, as of June 30, 2019 or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of Unified School District No. 458, 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 2.

Other Matters

Supplementary Information

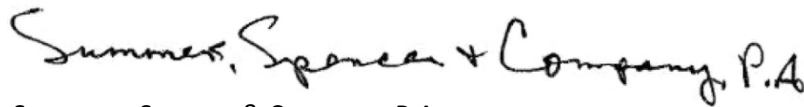
Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures - actual and budget, individual fund schedules of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

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of Unified School District No. 458, Basehor, Kansas as of and for the year ended June 30, 2018 (not presented herein), and have issued our report thereon dated December 4, 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/chieffinancial-officer/municipal-services>. The 2018 actual column (2018 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget for the year ended June 30, 2019 (Schedule 2 as listed in the table

of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2018 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2018 basic financial statement. The 2018 comparative information was subjected to the auditing procedures applied in the audit of the 2018 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2018 basic financial statement or to the 2018 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2018 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended June 30, 2018, on the basis of accounting described in Note 2.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 19, 2020 on our consideration of Unified School District No. 458's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Unified School District No. 458'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 Unified School District No. 458's internal control over financial reporting and compliance.



Summers, Spencer & Company, P.A.
Topeka, Kansas
March 13, 2020

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

Statement 1

Summary Statement of Receipts, Expenditures, and Unencumbered Cash (Regulatory Basis)
For the Year Ended June 30, 2019

Fund	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
General Funds							
General	\$ -	\$ -	\$ 16,001,144	\$ 16,000,698	\$ 446	\$ 5,736	\$ 6,182
Supplemental General	106,384	-	4,871,549	4,676,002	301,931	16,701	318,632
Special Purpose Funds							
At Risk (K-12)	-	-	720,952	720,952	-	-	-
Bilingual Education	40	-	50,500	27,826	22,714	-	22,714
Virtual Education	2,637	-	650,000	594,394	58,243	170	58,413
Capital Outlay	1,566,227	-	1,814,417	1,769,149	1,611,495	1,495	1,612,990
Food Service	204,042	-	972,675	946,461	230,256	-	230,256
Professional Development	85,468	-	172,401	134,145	123,724	1,242	124,966
Parent Education	15,475	-	82,716	74,167	24,024	3,122	27,146
Special Education	547,161	-	4,015,179	4,018,107	544,233	19,470	563,703
Special Education Cooperative	43,874	-	7,023,573	7,064,972	2,475	16,908	19,383
Career and Postsecondary Education	27,929	-	698,243	684,550	41,622	-	41,622
KPERS Special Retirement	-	-	1,548,144	1,548,144	-	-	-
Gifts and Grants	-	-	326	-	326	-	326
Contingency Reserve	799,998	-	-	-	799,998	-	799,998
Textbook and Student Material Revolving	117,508	-	338,166	230,249	225,425	2,684	228,109
Title I	-	-	104,810	104,810	-	-	-
Title II-A	-	-	34,717	34,717	-	-	-
Title IV 21st Century	-	-	14,733	14,733	-	-	-
District Activity Funds	150,312	-	802,259	835,699	116,872	-	116,872

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

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

Statement 1

Summary Statement of Receipts, Expenditures, and Unencumbered Cash (Regulatory Basis)
For the Year Ended June 30, 2019

Fund	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Bond and Interest Funds							
Bond and Interest	\$ 4,588,246	\$ -	\$ 6,399,199	\$ 5,251,089	\$ 5,736,356	\$ -	\$ 5,736,356
Special Assessment	18,286	-	19,536	19,444	18,378	-	18,378
Capital Project Fund							
Bond Construction	73,330	-	10	58,001	15,339	36,189	51,527
Bond Construction II	<u>-</u>	<u>-</u>	<u>56,755,537</u>	<u>1,976,758</u>	<u>54,778,779</u>	<u>1,585,484</u>	<u>56,364,263</u>
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 8,346,917</u>	<u>\$ -</u>	<u>\$ 103,090,786</u>	<u>\$ 46,785,067</u>	<u>\$ 64,652,635</u>	<u>\$ 1,689,201</u>	<u>\$ 66,341,836</u>
Composition of Cash:							
					Checking and Saving Accounts		\$ 66,534,310
					Agency Funds per Schedule 3		<u>(192,473)</u>
					Total Reporting Entity (Excluding Agency Funds)		<u>\$ 66,341,837</u>

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

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

NOTES TO THE FINANCIAL STATEMENT
For the Year Ended June 30, 2019

Note 1 – Reporting entity

Unified School District No. 458 (the District) is a municipal corporation governed by a citizen elected seven-member Board of Education.

Note 2 – Summary of significant account policies

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

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

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

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

Special Purpose Fund - Used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Projects and tax levies for long-term debt) that are intended for a specified purpose.

Bond and Interest Fund – Used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of 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.

Agency Fund – Used to report assets held by the municipality in a purely custodial capacity.

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

Note 3 – Budgetary information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

UNIFIED SCHOOL DISTRICT NO. 458
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NOTES TO THE FINANCIAL STATEMENT
For the Year Ended June 30, 2019

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 a 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. There were no budget amendments for this year.

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

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

A legal operating budget is not required for capital project funds and the following special purpose funds:

Gifts and Grants Fund	Title I Fund	Textbook and Student Material Revolving Fund
Contingency Reserve Fund	Title II-A Fund	
District Activity Funds	Title IV 21st Century Fund	

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

Note 4 – Deposits and investments

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

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposits with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District invested proceeds of the Refunding and Improvement Series 2015 Bonds in the investments above pursuant to K.S.A. 10-131 which allows additional investment authority of bond proceeds. The District has no investment policy that would further limit its investment choices. The rating of the District's investment is noted above.

UNIFIED SCHOOL DISTRICT NO. 458
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NOTES TO THE FINANCIAL STATEMENT
For the Year Ended June 30, 2019

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

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

Deposits. At June 30, 2019, the District's carrying amount of deposits was \$66,534,310 and the bank balance was \$64,324,494. Of this balance, \$53,713,736 was held in bond escrow and the remainder was held by two banks resulting in a concentration of credit risk. Federal depository insurance covered \$500,000 of the bank balance and \$10,110,758 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

Note 5 – In-substance receipt in transit

The District received \$884,114 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. Of this receipt, \$764,904 was for General Fund State Aid and \$119,210 for Supplemental General Fund State Aid.

Note 6 – Capital projects

Capital project authorizations with approved change orders compared with expenditures from inception are as follows:

	Expenditures to Date	Project Authorization
2018 Bond Construction Projects consisting of Construction of two elementary schools, early childhood education center, and renovations to existing facilities	\$ 2,034,759	\$ 57,100,000

UNIFIED SCHOOL DISTRICT NO. 458
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NOTES TO THE FINANCIAL STATEMENT
For the Year Ended June 30, 2019

Note 7 – Interfund transfers

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General Fund	At Risk Fund (K-12)	K.S.A. 72-6428	\$ 525,977
General Fund	Special Education Fund	K.S.A. 72-6428	2,507,303
General Fund	Food Service Fund	K.S.A. 72-6428	25,831
General Fund	Bilingual Education Fund	K.S.A. 72-6428	40,500
General Fund	Career and Post Secondary Education Fund	K.S.A. 72-6428	666,503
General Fund	Virtual Education Fund	K.S.A. 72-6428	484,443
General Fund	Professional Development Fund	K.S.A. 72-6428	80,000
General Fund	Student Material Revolving Fund	K.S.A. 72-6428	200,000
Supplemental General Fund	At Risk Fund (K-12)	K.S.A. 72-6433	194,975
Supplemental General Fund	Parent Education Fund	K.S.A. 72-6433	40,000
Supplemental General Fund	Special Education Fund	K.S.A. 72-6433	1,500,000
Supplemental General Fund	Career and Post Secondary Education Fund	K.S.A. 72-6433	25,000
Supplemental General Fund	Virtual Education Fund	K.S.A. 72-6433	165,557
Supplemental General Fund	Professional Development Fund	K.S.A. 72-6433	75,000
Supplemental General Fund	Bilingual Education Fund	K.S.A. 72-6433	10,000

Note 8 – Defined benefit pension plan

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

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERs member-employee contribution rates. KPERs has multiple benefit structures and contribution rates depending on whether the employee is a KPERs 1, KPERs 2, or KPERs 3 member. KPERs 1 members are active and contributing members hired before July 1, 2009. KPERs 2 members were first employed in a covered position on or after July 1, 2009, and KPERs 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERs member-employee contribution rate 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 (not including the 1% contribution rate for 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.

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NOTES TO THE FINANCIAL STATEMENT
For the Year Ended June 30, 2019

Per 2017 Senate Substitute for House Bill 2052, Section 37(a), state general fund employer contributions to KPERS were decrease by \$64,130,234 for the fiscal year ended June 30, 2017. Section 43(17) of the bill also stipulated that repayments for 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 contribution to KEPRS 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 \$1,548,144 for the year ended June 30, 2019.

Net Pension Liability. At June 30, 2019, the District’s proportionate share of the net pension liability reported by KPERS was \$20,335,596. 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. 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 9 – Compensated absences

The District provides sick leave for certified and classified personnel. Certified employees earn sick leave at the rate of ten days of leave each school year, or eleven days each year after five years of service with the District. Once a professional employee has accrued 90 sick days, they may opt to sell back any of their unused leave at \$50 per day, for up to 11 days. Classified employee earn sick leave at the rate of one day per month. After five years of continual service, the employee will receive one additional day.

Vacation leave is provided to classified employees with 12 month contracts based on years of continual employment, up to a maximum accumulation of 40 days. Leave is earned at the following rates:

Years of Service	Vacation Days Earned Per Year
0-5 Years	10 days
6 Years	11 days
7 Years	12 days
8 Years	13 days
9 Years	14 days
10 Years and Over	15 days

UNIFIED SCHOOL DISTRICT NO. 458
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NOTES TO THE FINANCIAL STATEMENT
For the Year Ended June 30, 2019

Note 10 – Termination benefits

The Board of Education implemented and has since terminated an early retirement program. Certain employees who were employed by the District during the period when retirement benefits were provided and are still employed by the District may still receive retirement benefits of the program through the year 2022. Early retirement benefits paid during the year ended June 30, 2019 were \$58,415. Annuity payments were also provided under the District's former retirement program in the amount of \$43,911 for the year ended June 30, 2019. All employees eligible for the benefits are required to have provided 15 years of service to the District and qualify for KPERS retirement benefits.

If certified employees are eligible for KPERS retirement and leave employment of the District, they will be entitled to compensation for accumulated sick leave at the rate of \$100 per day, up to a maximum of 120 days. Classified employees will receive payment, for up to 45 days of the 90-day maximum accumulated sick leave upon retirement from the District, at their regular daily rate of pay. The employee must have a minimum of 15 years of accumulated employment with the District and qualify for KPERS retirement. The District did not have an accumulated sick leave payout upon retirement for the year ended June 30, 2019.

Note 11 – Special education cooperative

The District entered into a cooperative agreement with Unified School District No. 464 Tonganoxie to provide special education services. The cooperative was formed pursuant to K.S.A. 72-968 *et. seq.* and Unified School District No. 458 is the sponsoring district.

The sponsoring district applies for all federal aid and each participating district applies for state aid for special education services. Each district is financially responsible for the salary and wages of their own employees associated with special education services and both districts share in the administrative and overhead costs agreed upon from the approved budget.

Note 12 – Prior year defeasance of debt

In prior years, certain general obligation bonds were defeased by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payment on the old bonds. Accordingly, the liability for the defeased bonds and the trust account assets are not included on the financial statement, related notes, or required supplementary information.

Note 13 – Subsequent events

The District's management has evaluated events and transactions occurring after June 30, 2019 through March 13, 2020. The aforementioned date represents the date the financial statement was available to be issued.

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

NOTES TO THE FINANCIAL STATEMENT
For the Year Ended June 30, 2019

Note 14 – Long-term debt

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

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds									
Series 2007	4.25 to 5.00%	3/1/2008	\$ 15,000,000.00	9/1/2028	\$ 510,000	\$ -	\$ 510,000	\$ -	\$ 109,193
Series 2008A	3.75 to 5.10%	11/1/2008	10,000,000.00	9/1/2019	350,000	-	350,000	-	17,333
Series 2009A	2.50 to 5.25%	2/25/2009	10,000,000.00	9/1/2024	1,240,000	-	350,000	890,000	116,931
Series 2009C	3.00 to 5.00%	12/23/2009	4,900,000.00	9/1/2026	510,000	-	250,000	260,000	103,800
Series 2012	2.00 to 3.50%	12/20/2012	9,250,000.00	9/1/2029	8,635,000	-	115,000	8,520,000	257,350
Series 2013	2.00 to 3.50%	3/21/2013	9,995,000.00	9/1/2030	9,420,000	-	130,000	9,290,000	285,750
Series 2014	2.00 to 3.50%	6/19/2014	9,745,000.00	9/1/2027	9,350,000	-	90,000	9,260,000	297,800
Series 2015	2.00 to 5.00%	6/4/2015	19,615,000.00	9/1/2030	16,000,000	-	1,500,000	14,500,000	700,200
Series 2016A	2.00 to 4.00%	1/6/2016	4,355,000.00	9/1/2028	4,305,000	-	-	4,305,000	166,200
Series 2016B	2.00 to 3.00%	6/29/2016	4,445,000.00	9/1/2026	4,445,000	-	-	4,445,000	111,450
Series 2018	3.00 to 5.00%	12/4/2018	51,560,000.00	9/1/2039	-	51,560,000	-	51,560,000	-
Total General Obligation Bonds					<u>54,765,000</u>	<u>51,560,000</u>	<u>3,295,000</u>	<u>103,030,000</u>	<u>2,166,007</u>
City of Basehor Assessment									
Special Assessment	2.00%	7/21/2012	241,023	7/1/2032	239,188	-	15,074	224,114	4,370
Capital Leases Payable									
Cert. of Participation 2012	2.00%	4/3/2012	695,000	7/1/2019	85,000	-	85,000	-	1,700
Apple Computers	2.15%	6/18/2015	754,458	3/5/2019	96,655	-	96,655	-	2,078
Total Capital Leases Payable					<u>181,655</u>	<u>-</u>	<u>181,655</u>	<u>-</u>	<u>3,778</u>
Total Contractual Indebtedness					<u>\$ 55,185,843</u>	<u>\$ 51,560,000</u>	<u>\$ 3,491,729</u>	<u>\$ 103,254,114</u>	<u>\$ 2,174,155</u>

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

NOTES TO THE FINANCIAL STATEMENT
For the Year Ended June 30, 2019

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

	2020	2021	2022	2023	2024	2025-2029	2030-2034	2035-2039	2040	Total
Principal:										
General Obligation Bonds										
Series 2009A	\$ 415,000	\$ 475,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 890,000
Series 2009C	260,000	-	-	-	-	-	-	-	-	260,000
Series 2012	120,000	120,000	125,000	125,000	130,000	5,325,000	2,575,000	-	-	8,520,000
Series 2013	135,000	610,000	620,000	695,000	735,000	5,715,000	780,000	-	-	9,290,000
Series 2014	90,000	830,000	945,000	1,075,000	1,215,000	5,105,000	-	-	-	9,260,000
Series 2015	1,385,000	1,280,000	1,265,000	1,105,000	1,005,000	1,705,000	6,755,000	-	-	14,500,000
Series 2016A	600,000	-	-	-	-	1,515,000	2,190,000	-	-	4,305,000
Series 2016B	425,000	300,000	810,000	880,000	915,000	1,115,000	-	-	-	4,445,000
Series 2018	-	-	175,000	180,000	235,000	1,385,000	14,725,000	28,320,000	6,540,000	51,560,000
City of Basehor Assessment										
Special Assessment	15,360	15,652	15,950	16,253	16,562	87,650	56,687	-	-	224,114
Total Principal	3,445,360	3,630,652	3,955,950	4,076,253	4,251,562	21,952,650	27,081,687	28,320,000	6,540,000	103,254,114
Interest:										
General Obligation Bonds										
Series 2009A	104,419	48,578	-	-	-	-	-	-	-	152,997
Series 2009C	49,556	-	-	-	-	-	-	-	-	49,556
Series 2012	255,000	252,600	250,150	247,650	244,450	1,038,038	45,063	-	-	2,332,950
Series 2013	282,425	271,250	252,800	233,075	211,625	473,400	20,563	-	-	1,745,138
Series 2014	295,100	281,300	254,675	224,375	190,025	415,250	-	-	-	1,660,725
Series 2015	628,075	561,450	497,825	438,575	385,825	1,532,425	335,475	-	-	4,379,650
Series 2016A	157,200	148,200	148,200	148,200	148,200	441,300	43,800	-	-	1,235,100
Series 2016B	107,200	99,950	88,850	67,550	40,625	33,050	-	-	-	437,225
Series 2018	3,147,811	2,535,150	2,532,525	2,527,200	2,520,975	12,445,225	11,139,600	5,313,250	163,500	42,325,236
City of Basehor Assessment										
Special Assessment	4,258	3,966	3,669	3,366	3,057	10,444	2,168	-	-	30,928
Total Interest	5,031,044	4,202,444	4,028,694	3,889,991	3,744,782	16,389,131	11,586,668	5,313,250	163,500	54,349,504
Total Principal and Interest	\$ 8,476,404	\$ 7,833,096	\$ 7,984,644	\$ 7,966,244	\$ 7,996,344	\$ 38,341,781	\$ 38,668,355	\$ 33,633,250	\$ 6,703,500	\$ 157,603,618

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

REGULATORY – REQUIRED
SUPPLEMENTARY INFORMATION
June 30, 2019

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

Schedule 1

Summary of Expenditures – Actual and Budget (Regulatory Basis)
For the Year Ended June 30, 2019

Fund	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
General Funds						
General	\$ 17,139,098	\$ (1,688,037)	\$ 550,083	\$ 16,001,144	\$ 16,000,698	\$ (446)
Supplemental General	5,183,679	(507,677)	-	4,676,002	4,676,002	-
Special Purpose Funds						
At Risk (K-12)	790,000	-	-	790,000	720,952	(69,048)
Bilingual Education	50,540	-	-	50,540	27,826	(22,714)
Virtual Education	652,636	-	-	652,636	594,394	(58,242)
Capital Outlay	2,188,924	-	-	2,188,924	1,769,149	(419,775)
Food Service	1,240,986	-	-	1,240,986	946,461	(294,525)
Professional Development	184,843	-	-	184,843	134,145	(50,698)
Parent Education	106,071	-	-	106,071	74,167	(31,904)
Special Education	6,088,224	-	-	6,088,224	4,018,106	(2,070,118)
Special Education Cooperative	7,392,640	-	-	7,392,640	7,064,972	(327,668)
Career and Post Secondary Education	702,929	-	-	702,929	684,550	(18,379)
KPERS Special Retirement	2,389,479	-	-	2,389,479	1,548,144	(841,335)
Bond and Interest Funds						
Bond and Interest	5,256,090	-	-	5,256,090	5,251,089	(5,001)
Special Assessment	19,619	-	-	19,619	19,444	(175)

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

Schedule 2

General Fund
Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)
For the Year Ended June 30, 2019
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	Current Year			Variance Over (Under)
	Prior Year Actual	Actual	Budget	
Receipts				
Taxes and Shared Revenue:				
Mineral Tax	\$ 1	\$ 1	\$ -	\$ 1
State Aid:				
General State Aid	12,267,419	12,943,757	13,098,035	(154,278)
Special Education Services Aid	2,063,390	2,507,303	4,041,063	(1,533,760)
Reimbursements and Other	452,720	550,083	-	550,083
Total Receipts	<u>14,783,530</u>	<u>16,001,144</u>	<u>\$ 17,139,098</u>	<u>\$ (1,137,954)</u>
Expenditures				
Instruction	6,868,713	7,026,681	\$ 7,172,376	\$ (145,695)
Student Support Services	502,156	563,411	529,154	34,257
Instructional Support Staff	370,167	317,615	334,180	(16,565)
General Administration	323,851	363,169	396,876	(33,707)
School Administration	1,196,075	1,224,911	1,262,971	(38,060)
Central Services	337,278	505,519	357,960	147,559
Operations and Maintenance	1,317,489	1,315,500	1,245,018	70,482
Transportation	174,254	153,335	192,000	(38,665)
Operating Transfers	3,693,547	4,530,557	5,648,563	(1,118,006)
Adjustment to Comply with Legal Max	-	-	(1,688,037)	1,688,037
Legal General Fund Budget	14,783,530	16,000,698	15,451,061	549,637
Adjustment for Qualifying Budget Credits	-	-	550,083	(550,083)
Total Expenditures	<u>14,783,530</u>	<u>16,000,698</u>	<u>\$ 16,001,144</u>	<u>\$ (446)</u>
Receipts Over (Under) Expenditures	-	446		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 446</u>		

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

Schedule 2

Supplemental General Fund
Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)
For the Year Ended June 30, 2019
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Taxes and shared Revenue:				
Ad Valorem Property Tax	\$ 2,126,074	\$ 2,100,861	\$ 1,985,953	\$ 114,908
Delinquent Tax	34,286	45,886	22,098	23,788
Motor Vehicle Tax	301,257	248,029	324,771	(76,742)
RV Tax	5,115	4,868	5,460	(592)
Commercial Vehicle Tax	5,953	9,990	9,806	184
State Aid:				
Supplemental General State Aid	<u>1,966,602</u>	<u>2,461,915</u>	<u>2,729,207</u>	<u>(267,292)</u>
Total Receipts	<u>4,439,287</u>	<u>4,871,549</u>	<u>\$ 5,077,295</u>	<u>\$ (205,746)</u>
Expenditures				
Instruction	768,861	806,241	\$ 1,133,273	\$ (327,032)
Student Support Services	31,401	28,450	32,971	(4,521)
Instructional Support Services	26,888	28,645	28,232	413
General Administration	11,045	17,865	12,540	5,325
School Administration	60,289	74,040	63,303	10,737
Central Services	7,690	20,795	8,074	12,721
Operations and Maintenance	941,144	936,852	842,286	94,566
Vehicle Operating Services	643,652	752,582	650,000	102,582
Operating Transfers	1,957,600	2,010,532	2,413,000	(402,468)
Adjustment to Comply with Legal Max	-	-	(507,677)	507,677
Legal General Fund Budget	<u>4,448,570</u>	<u>4,676,002</u>	<u>4,676,002</u>	-
Adjustment for Qualifying Budget Credits	-	-	-	-
Total Expenditures	<u>4,448,570</u>	<u>4,676,002</u>	<u>\$ 4,676,002</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	(9,283)	195,547		
Unencumbered Cash, Beginning	<u>115,667</u>	<u>106,384</u>		
Unencumbered Cash, Ending	<u>\$ 106,384</u>	<u>\$ 301,931</u>		

**UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas**

Schedule 2

**At Risk Fund (K-12)
Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)
For the Year Ended June 30, 2019
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)**

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Operating Transfers	\$ 706,709	\$ 720,952	\$ 790,000	\$ (69,048)
Expenditures				
Instruction	706,709	720,952	\$ 790,000	\$ (69,048)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ -		

**UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas**

Schedule 2

**Bilingual Education Fund
Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)
For the Year Ended June 30, 2019
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)**

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Operating Transfers	\$ 43,400	\$ 50,500	\$ 50,500	\$ -
Expenditures				
Instruction	43,360	27,826	\$ 50,540	\$ (22,714)
Receipts Over (Under) Expenditures	40	22,674		
Unencumbered Cash, Beginning	-	40		
Unencumbered Cash, Ending	\$ 40	\$ 22,714		

**UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas**

Schedule 2

**Virtual Education Fund
Schedule of Receipts and Expenditures (Regulatory Basis)
For the Year Ended June 30, 2019
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)**

	Current Year			Variance Over (Under)
	Prior Year Actual	Actual	Budget	
Receipts				
Operating Transfers	\$ 597,174	\$ 650,000	\$ 650,000	\$ -
Expenditures				
Instruction	395,735	390,484	\$ 444,533	\$ (54,049)
School Administration	199,302	203,910	208,103	(4,193)
Total Expenditures	595,037	594,394	\$ 652,636	\$ (58,242)
Receipts Over (Under) Expenditures	2,137	55,606		
Unencumbered Cash, Beginning	500	2,637		
Unencumbered Cash, Ending	\$ 2,637	\$ 58,243		

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

Schedule 2

Capital Outlay Fund
Schedule of Receipts and Expenditures (Regulatory Basis)
For the Year Ended June 30, 2019
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Taxes and shared Revenue:				
Ad Valorem Property Tax	\$ 888,379	\$ 995,232	\$ 959,654	\$ 35,578
Delinquent	18,131	29,785	9,072	20,713
Motor Vehicle Tax	171,428	161,075	133,276	27,799
RV Tax	2,912	3,172	2,240	932
Commercial Vehicle Tax	4,151	4,456	4,024	432
State Aid	389,545	418,425	419,168	(743)
Interest on Idle Funds	125,309	202,272	-	202,272
Total Receipts	<u>1,599,855</u>	<u>1,814,417</u>	<u>\$ 1,527,434</u>	<u>\$ 286,983</u>
Expenditures				
Instruction	741,576	964,408	\$ 1,100,000	\$ (135,592)
Instructional Support Staff	7,581	-	-	-
Operations & Maintenance	15,264	79,451	-	79,451
Site Improvement	660,203	638,131	1,000,000	(361,869)
Debt Service:				
Commission & Postage	549	459	549	(90)
Interest	3,475	1,700	3,375	(1,675)
Principal	90,000	85,000	85,000	-
Total Expenditures	<u>1,518,648</u>	<u>1,769,149</u>	<u>\$ 2,188,924</u>	<u>\$ (419,775)</u>
Receipts Over (Under) Expenditures	81,207	45,268		
Unencumbered Cash, Beginning	<u>1,485,020</u>	<u>1,566,227</u>		
Unencumbered Cash, Ending	<u>\$ 1,566,227</u>	<u>\$ 1,611,495</u>		

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

Schedule 2

Food Service Fund
Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)
For the Year Ended June 30, 2019
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
State Aid:				
Food Service Aid	\$ 8,615	\$ 8,317	\$ 8,200	\$ 117
Federal Aid:				
Food Service Aid	260,647	245,527	351,494	(105,967)
Team Nutrition Training Grant	325	280	-	280
Local Receipts	662,135	692,720	652,250	40,470
Operating Transfers	<u>1,574</u>	<u>25,831</u>	<u>15,000</u>	<u>10,831</u>
Total Receipts	<u>933,296</u>	<u>972,675</u>	<u>\$ 1,026,944</u>	<u>\$ (54,269)</u>
Expenditures				
Operations and Maintenance	1,571	28,722	\$ 2,000	\$ 26,722.00
Food Service Operation	<u>906,725</u>	<u>917,739</u>	<u>1,238,986</u>	<u>(321,247)</u>
Total Expenditures	<u>908,296</u>	<u>946,461</u>	<u>\$ 1,240,986</u>	<u>\$ (294,525)</u>
Receipts Over (Under) Expenditures	25,000	26,214		
Unencumbered Cash, Beginning	<u>179,042</u>	<u>204,042</u>		
Unencumbered Cash, Ending	<u>\$ 204,042</u>	<u>\$ 230,256</u>		

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

Schedule 2

Professional Development Fund
Schedule of Receipts and Expenditures (Regulatory Basis)
For the Year Ended June 30, 2019
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
State Aid:				
Professional Development Aid	\$ 9,799	\$ 17,401	\$ 9,375	\$ 8,026
Operating Transfers	<u>83,169</u>	<u>155,000</u>	<u>100,000</u>	<u>55,000</u>
	<u>92,968</u>	<u>172,401</u>	<u>\$ 109,375</u>	<u>\$ 63,026</u>
Expenditures				
Instructional Support Staff	<u>54,589</u>	<u>134,145</u>	<u>\$ 184,843</u>	<u>\$ (50,698)</u>
Receipts Over (Under) Expenditures	38,379	38,256		
Unencumbered Cash, Beginning	<u>47,089</u>	<u>85,468</u>		
Unencumbered Cash, Ending	<u>\$ 85,468</u>	<u>\$ 123,724</u>		

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

Schedule 2

Parent Education Fund
Schedule of Receipts and Expenditures (Regulatory Basis)
For the Year Ended June 30, 2019
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	Current Year			Variance Over (Under)
	Prior Year Actual	Actual	Budget	
Receipts				
State Aid:				
Parent Education Program	\$ 40,596	\$ 42,716	\$ 40,596	\$ 2,120
Other	-	-	10,000	(10,000)
Operating Transfers	<u>30,000</u>	<u>40,000</u>	<u>40,000</u>	<u>-</u>
Total Receipts	<u>70,596</u>	<u>82,716</u>	<u>\$ 90,596</u>	<u>\$ (7,880)</u>
Expenditures				
Instructional Support Staff	<u>67,675</u>	<u>74,167</u>	<u>\$ 106,071</u>	<u>\$ (31,904)</u>
Receipts Over (Under) Expenditures	2,921	8,549		
Unencumbered Cash, Beginning	<u>12,554</u>	<u>15,475</u>		
Unencumbered Cash, Ending	<u>\$ 15,475</u>	<u>\$ 24,024</u>		

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

Schedule 2

Special Education Fund
Schedule of Receipts and Expenditures (Regulatory Basis)
For the Year Ended June 30, 2019
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
State Aid:				
Special Education Aid	\$ 12,731	\$ 7,876	\$ -	\$ 7,876
Operating Transfers	<u>3,376,121</u>	<u>4,007,303</u>	<u>5,541,063</u>	<u>(1,533,760)</u>
Total Receipts	<u>3,388,852</u>	<u>4,015,179</u>	<u>\$ 5,541,063</u>	<u>\$ (1,525,884)</u>
Expenditures				
Instruction	2,773,708	3,239,793	4,779,872	\$ (1,540,079)
Vehicle Operating Services	<u>518,204</u>	<u>778,313</u>	<u>1,308,352</u>	<u>(530,039)</u>
Total Expenditures	<u>3,291,912</u>	<u>4,018,106</u>	<u>\$ 6,088,224</u>	<u>\$ (2,070,118)</u>
Receipts Over (Under) Expenditures	96,940	(2,927)		
Unencumbered Cash, Beginning	<u>450,221</u>	<u>547,161</u>		
Unencumbered Cash, Ending	<u>\$ 547,161</u>	<u>\$ 544,234</u>		

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

Schedule 2

Special Education Cooperative Fund
Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)
For the Year Ended June 30, 2019
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Federal Aid:				
Special Education Grants to States	\$ 2,560,782	\$ 2,637,690	\$ 1,110,154	\$ 1,527,536
Special Education Preschool Grants	17,493	17,283	17,283	-
Medicaid	174,621	185,844	175,000	10,844
Payments from Cooperative Members	2,112,999	2,435,600	5,746,370	(3,310,770)
State Aid Flow Through from Members	1,252,134	1,723,004	-	1,723,004
Other Revenue from Local Sources	<u>28,306</u>	<u>24,152</u>	<u>300,000</u>	<u>(275,848)</u>
Total Receipts	<u>6,146,335</u>	<u>7,023,573</u>	<u>\$ 7,348,807</u>	<u>\$ (325,234)</u>
Expenditures				
Instruction	4,287,668	4,982,990	\$ 5,140,313	\$ (157,323)
Student Support Services	1,757,574	1,734,412	1,880,279	(145,867)
General Administration	298,558	295,608	315,952	(20,344)
Central Services	34,982	35,886	36,846	(960)
Operations & Maintenance	<u>14,655</u>	<u>16,076</u>	<u>19,250</u>	<u>(3,174)</u>
Total Expenditures	<u>6,393,437</u>	<u>7,064,972</u>	<u>\$ 7,392,640</u>	<u>\$ (327,668)</u>
Receipts Over (Under) Expenditures	(247,102)	(41,399)		
Unencumbered Cash, Beginning	<u>290,976</u>	<u>43,874</u>		
Unencumbered Cash, Ending	<u>\$ 43,874</u>	<u>\$ 2,475</u>		

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

Schedule 2

Career and Post Secondary Education Fund
Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)
For the Year Ended June 30, 2019
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	Current Year			Variance Over (Under)
	Prior Year Actual	Actual	Budget	
Receipts				
State Aid:				
CTE Transportation	\$ -	\$ 6,740	\$ -	\$ 6,740
Operating Transfers	613,000	691,503	675,000	16,503
Miscellaneous	88	-	-	-
	<u>613,088</u>	<u>698,243</u>	<u>\$ 675,000</u>	<u>\$ 23,243</u>
Expenditures				
Instruction	<u>610,378</u>	<u>684,550</u>	<u>\$ 702,929</u>	<u>\$ (18,379)</u>
Receipts Over (Under) Expenditures	2,710	13,693		
Unencumbered Cash, Beginning	<u>25,219</u>	<u>27,929</u>		
Unencumbered Cash, Ending	<u>\$ 27,929</u>	<u>\$ 41,622</u>		

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

Schedule 2

KPERS Special Retirement Fund
Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)
For the Year Ended June 30, 2019
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

		Current Year		
	Prior Year	Actual	Budget	Variance
	Actual	Actual	Budget	Over (Under)
Receipts				
State Aid:				
KPERS Employer Contributions	<u>\$ 1,710,436</u>	<u>\$ 1,548,144</u>	<u>\$ 2,389,479</u>	<u>\$ (841,335)</u>
Expenditures				
Contributions to KPERS	<u>1,710,436</u>	<u>1,548,144</u>	<u>\$ 2,389,479</u>	<u>\$ (841,335)</u>
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

Schedule 2

Gifts and Grants Fund
Schedule of Receipts and Expenditures (Regulatory Basis)
For the Year Ended June 30, 2019
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	Prior Year Actual	Current Year Actual
Receipts		
Grants and Donations	\$ -	\$ 326
Expenditures		
Grant Expenditures	-	-
Receipts Over (Under) Expenditures	-	326
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ 326

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

Schedule 2

Contingency Reserve Fund
Schedule of Receipts and Expenditures (Regulatory Basis)
For the Year Ended June 30, 2019
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	Prior Year Actual	Current Year Actual
Receipts		
Operating Transfers	\$ -	\$ -
Expenditures		
Instruction	-	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	799,998	799,998
Unencumbered Cash, Ending	<u>\$ 799,998</u>	<u>\$ 799,998</u>

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

Schedule 2

Textbook and Student Material Revolving Fund
Schedule of Receipts and Expenditures (Regulatory Basis)
For the Year Ended June 30, 2019
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	Prior Year Actual	Current Year Actual
Receipts		
Fees and Other	\$ 79,273	\$ 138,166
Operating Transfers	<u>200,000</u>	<u>200,000</u>
	<u>279,273</u>	<u>338,166</u>
 Expenditures		
Materials and Supplies	<u>285,371</u>	<u>230,249</u>
Receipts Over (Under) Expenditures	(6,098)	107,917
Unencumbered Cash, Beginning	<u>123,606</u>	<u>117,508</u>
Unencumbered Cash, Ending	<u><u>\$ 117,508</u></u>	<u><u>\$ 225,425</u></u>

**UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas**

Schedule 2

**Title I Fund
Schedule of Receipts and Expenditures (Regulatory Basis)
For the Year Ended June 30, 2019
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)**

	Prior Year Actual	Current Year Actual
	<u> </u>	<u> </u>
Receipts		
Federal Aid:		
Title I Grants to Local Education Agencies	\$ 115,697	\$ 104,810
	<u> </u>	<u> </u>
Expenditures		
Instruction	<u>115,697</u>	<u>104,810</u>
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

Schedule 2

Title II-A Fund
Schedule of Receipts and Expenditures (Regulatory Basis)
For the Year Ended June 30, 2019
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid:		
Improving Teacher Quality - State Grants	\$ 35,457	\$ 34,717
Expenditures		
Instruction	35,457	34,717
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

Schedule 2

Title IV 21st Century Fund
Schedule of Receipts and Expenditures (Regulatory Basis)
For the Year Ended June 30, 2019
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	Prior Year Actual	Current Year Actual
Receipts		
State Aid:		
State of KS 21st Century	\$ -	\$ 14,733
Expenditures		
Instruction	-	14,733
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

Schedule 2

Bond and Interest Fund
Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)
For the Year Ended June 30, 2019
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	Current Year			Variance Over (Under)
	Prior Year Actual	Actual	Budget	
Receipts				
Taxes and shared Revenue:				
Ad Valorem Property Tax	\$ 2,946,735	\$ 3,610,759	\$ 3,485,062	\$ 125,697.00
Delinquent	52,823	86,634	30,270	56,364
Motor Vehicle Tax	490,907	470,522	444,827	25,695
RV Tax	8,339	9,258	7,478	1,780
Commercial Vehicle Tax	11,711	14,469	13,432	1,037
Interest on Idle Funds	-	-	-	-
State Aid:				
School District Capital Improvement	<u>2,364,153</u>	<u>2,207,557</u>	<u>2,207,557</u>	-
Total Receipts	<u><u>5,874,668</u></u>	<u><u>6,399,199</u></u>	<u><u>\$ 6,188,626</u></u>	<u><u>\$ 210,573</u></u>
Expenditures				
Bond Principal	3,480,000	3,295,000	\$ 3,295,000	\$ -
Bond Interest	<u>2,083,490</u>	<u>1,956,089</u>	<u>1,961,090</u>	<u>(5,001)</u>
Total Expenditures	<u><u>5,563,490</u></u>	<u><u>5,251,089</u></u>	<u><u>\$ 5,256,090</u></u>	<u><u>\$ (5,001)</u></u>
Receipts Over (Under) Expenditures	311,178	1,148,110		
Unencumbered Cash, Beginning	<u>4,277,068</u>	<u>4,588,246</u>		
Unencumbered Cash, Ending	<u><u>\$ 4,588,246</u></u>	<u><u>\$ 5,736,356</u></u>		

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

Schedule 2

Special Assessment Fund
Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)
For the Year Ended June 30, 2019
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Taxes and shared Revenue:				
Ad Valorem Property Tax	\$ 16,318	\$ 16,569	\$ 16,026	\$ 543
Delinquent	414	470	167	303
Motor Vehicle Tax	2,817	2,369	2,445	(76)
RV Tax	48	50	42	8
Commercial Vehicle Tax	63	80	73	7
Total Receipts	<u>19,660</u>	<u>19,536</u>	<u>\$ 18,753</u>	<u>\$ 785</u>
Expenditures				
Principal	14,793	19,444	\$ 19,619	\$ (175)
Interest	4,826	-	-	-
Total Expenditures	<u>19,619</u>	<u>19,444</u>	<u>\$ 19,619</u>	<u>\$ (175)</u>
Receipts Over (Under) Expenditures	41	92		
Unencumbered Cash, Beginning	<u>18,245</u>	<u>18,286</u>		
Unencumbered Cash, Ending	<u>\$ 18,286</u>	<u>\$ 18,378</u>		

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

Schedule 2

Bond Construction Fund
Schedule of Receipts and Expenditures (Regulatory Basis)
For the Year Ended June 30, 2019
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	Prior Year Actual	Current Year Actual
Receipts		
Other	<u>\$ 4,038</u>	<u>\$ 10</u>
Expenditures		
Construction and Improvements	<u>1,077,747</u>	<u>58,001</u>
Receipts Over (Under) Expenditures	(1,073,709)	(57,991)
Unencumbered Cash, Beginning	<u>988,610</u>	<u>73,330</u>
Prior Year Cancelled Encumbrances	<u>158,429</u>	<u>-</u>
Unencumbered Cash, Ending	<u>\$ 73,330</u>	<u>\$ 15,339</u>

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

Schedule 2

Bond Construction II Fund
Schedule of Receipts and Expenditures (Regulatory Basis)
For the Year Ended June 30, 2019
(With Comparative Actual Totals for the Prior Year Ended June 30, 2018)

	Prior Year Actual	Current Year Actual
Receipts		
Bond Proceeds	\$ -	\$ 56,755,537
Expenditures		
Construction and Improvements	-	1,976,758
Receipts Over (Under) Expenditures	-	54,778,779
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ 54,778,779

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

Schedule 3

Agency Funds
Summary of Receipts and Disbursements – Regulatory Basis
For the Year Ended June 30, 2019

Student Organization Funds	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Basehor-Linwood High School				
Band	\$ 7,464	\$ 27,209	\$ 34,001	\$ 672
Bass Fishing	-	5,885	4,981	904
BLEF Grant	-	10	10	-
Cheerleaders	675	17,211	15,992	1,894
Choir Grant	1,147	-	1,147	-
Chorus	58	16,529	13,242	3,345
Freshman Class	-	2,020	2,020	-
Sophomore Class	1,850	1,804	1,634	2,020
Junior Class	2,692	11,097	11,215	2,574
Senior Class	6,709	13,903	15,511	5,101
Colorguard	63	1,703	892	874
Counseling	274	8,677	8,703	248
Dance Squad	739	15,059	14,167	1,631
Diversity	-	205	205	-
FBLA	139	1,090	291	938
FCCLA	2,131	3,680	5,366	445
Forensics	4,942	2,740	2,034	5,648
French Club	389	-	9	380
Green House	4,205	253	1,165	3,293
International Club	11	659	670	-
JAG	1,501	1,820	786	2,535
Language Arts Club	335	140	127	348
Leadership	709	469	970	208
National Honor Society	663	1,040	1,133	570
Photo Club	30	-	-	30
Principals Advisory	18,929	23,901	26,972	15,858
Rebel	-	27	-	27
Robotics	-	7,368	6,689	679
SADD	751	-	28	723
School Store	4,374	18,942	16,851	6,465
Scholars Bowl	156	-	35	121
Science Club	35	603	102	536
Science Olympiad	1,504	-	1,177	327
Social Studies Club	530	30	560	-
Spirit Club	145	-	-	145
Strings	-	1,432	1,378	54
Student Council	7,127	2,627	1,697	8,057
VICA	330	4,317	2,867	1,780
Theater	7,807	8,551	6,645	9,713
Subtotal Basehor-Linwood High School	<u>78,417</u>	<u>201,001</u>	<u>201,272</u>	<u>78,143</u>

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

Schedule 3

Agency Funds
Summary of Receipts and Disbursements – Regulatory Basis
For the Year Ended June 30, 2019

Student Organization Funds	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Basehor-Linwood Middle School				
BLEF Grant	\$ 3,748	\$ 2,911	\$ 2,732	\$ 3,927
Cheerleading	469	4,617	3,703	1,383
Dance Squad	968	6,054	6,620	402
Hardship	496	-	-	496
Heartland Grant	787	2,020	228	2,579
Library	661	122	13	770
Pop Machine	936	3,455	3,422	969
Student Council	20,354	55,510	58,991	16,873
Yearbook/Journal	-	10,333	10,333	-
Subtotal Basehor-Linwood Middle School	<u>28,418</u>	<u>85,022</u>	<u>86,042</u>	<u>27,399</u>
Basehor Intermediate School				
BLEF Grant	-	804	504	300
O.W.L.S.	57	-	-	57
Principal Advisory	19,169	32,017	18,533	32,653
School Shirts	1,459	1,549	1,124	1,884
Social Committee	441	620	678	383
Student Council	1,568	1,407	1,214	1,761
Technology	151	-	-	151
Wreaths Across	-	591	591	-
Subtotal Basehor Intermediate School	<u>22,844</u>	<u>36,988</u>	<u>22,644</u>	<u>37,189</u>
Basehor Grade School				
Principal's Activities	24,668	15,045	13,561	26,152
OWLS	-	150	-	150
Social Committee	146	570	495	221
Stuco Store	1,042	1,242	591	1,693
Subtotal Basehor Grade School	<u>25,856</u>	<u>17,007</u>	<u>14,647</u>	<u>28,216</u>

**UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas**

Schedule 3

**Agency Funds
Summary of Receipts and Disbursements – Regulatory Basis
For the Year Ended June 30, 2019**

Student Organization Funds	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Glenwood Ridge Grade School				
1st Grade	\$ 72	\$ 666	\$ 583	\$ 155
2nd Grade	304	1,290	1,167	427
3rd Grade	110	1,465	984	591
4th Grade	765	1,292	1,196	861
5th Grade	53	-	-	53
BLEF Grant	772	1,119	1,120	771
Kindergarten	804	1,131	1,212	723
O.W.L.S.	348	-	71	277
Library	2,215	3,935	3,716	2,434
Principals Advisory	4,779	5,703	5,235	5,247
Social/Flower Fund	1,041	643	1,070	614
Stuco	1,629	2,580	2,797	1,412
Student Hardship Grant	394	-	86	308
Student Planner	3,187	900	571	3,516
Subtotal Glenwood Ridge Grade School	<u>16,473</u>	<u>20,724</u>	<u>19,808</u>	<u>17,389</u>
Linwood Grade School				
Accelerated Reader	47	-	43	4
BLEF Grant	471	1,118	1,206	383
Library	85	50	-	135
Principals Advisory	3,800	9,379	9,789	3,390
Special Speakers	43	-	43	-
Student Recognition	236	650	701	185
Student Council	159	362	482	39
Subtotal Linwood Grade School	<u>4,841</u>	<u>11,559</u>	<u>12,264</u>	<u>4,136</u>
Total Agency Funds	<u>\$ 176,847</u>	<u>\$ 372,301</u>	<u>\$ 356,677</u>	<u>\$ 192,473</u>

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

Schedule 4

District Activity Funds
Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)
For the Year Ended June 30, 2019

District Activity Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Current Year Ending Cash Balance
Gate Receipts						
Basehor-Linwood High School	\$ 89,726	\$ 269,017	\$ 305,503	\$ 53,240	\$ -	\$ 53,240
Basehor-Linwood Middle School	1,298	14,012	14,074	1,236	-	1,236
Total Athletics and Other	<u>91,024</u>	<u>283,029</u>	<u>319,577</u>	<u>54,476</u>	-	<u>54,476</u>
School Projects						
Basehor-Linwood High School	21,970	33,418	30,173	25,215	-	25,215
Basehor-Linwood Middle School	-	10,333	10,333	-	-	-
Basehor Intermediate School	12,397	18,454	18,967	11,884	-	11,884
Basehor Grade School	12,022	13,388	17,001	8,409	-	8,409
Glenwood Ridge Grade School	6,009	4,484	3,404	7,089	-	7,089
Linwood Elementary School	6,161	23,011	21,270	7,902	-	7,902
Total School Projects	<u>58,559</u>	<u>103,088</u>	<u>101,148</u>	<u>60,499</u>	-	<u>60,499</u>
Revolving Funds	<u>729</u>	<u>416,142</u>	<u>414,974</u>	<u>1,897</u>	-	<u>1,897</u>
Total District Activity Funds	<u>\$ 150,312</u>	<u>\$ 802,259</u>	<u>\$ 835,699</u>	<u>\$ 116,872</u>	<u>\$ -</u>	<u>\$ 116,872</u>

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas
SINGLE AUDIT SECTION
For the Year Ended June 30, 2019

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

To the Board of Education
Unified School District No. 458
Basehor, Kansas

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, and the *Kansas Municipal Audit and Accounting Guide*, the financial statements of Unified School District No. 458 (District) as of and for the year ended June 30, 2019, and the related notes to the financial statement, which collectively comprise the District's basic financial statement, and have issued our report thereon dated March 13, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Unified School District No. 458's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statement, but not for internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Unified School District No. 458's internal control.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2019-001 that we consider to be a significant deficiency

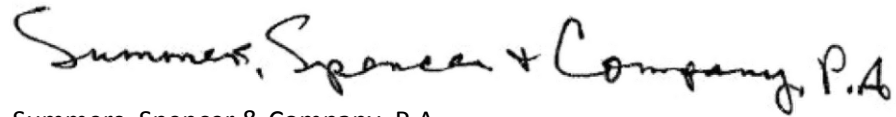
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Unified School District No. 458's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions

of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

A handwritten signature in black ink that reads "Summers, Spencer & Company, P.A." The signature is written in a cursive, flowing style.

Summers, Spencer & Company, P.A.

Topeka, Kansas

March 13, 2020

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

To the Board of Education
Unified School District No. 458
Basehor, Kansas

Report on Compliance for Each Major Federal Program

We have audited Unified School District No. 458's compliance with the types of compliance requirements described in *OMB Compliance Supplement* that could have a direct and material effect on each of Unified School District No. 458's major federal programs for the year ended June 30, 2019. Unified School District No. 458's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Unified School District No. 458's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Unified School District No. 458's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on Unified School District No. 458's compliance.

Opinion on Each Major Federal Program

In our opinion, Unified School District No. 458 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control over Compliance

Management of Unified School District No. 458 is responsible for establishing and maintaining effective internal control over compliance with the types of requirements referred to above. In planning and performing our audit of compliance, we considered Unified School District No. 458'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 Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Unified School District No. 458 internal control over compliance.

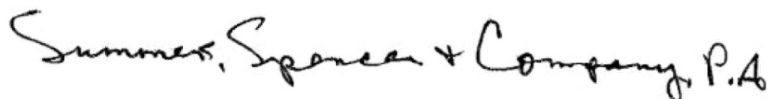
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of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

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

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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statement of Unified School District No. 458 as of and for the year then ended June 30, 2019, and have issued our report thereon dated March 13, 2020, which contained an unmodified opinion on this financial statement. Our audit was conducted for the purpose of forming an opinion on the financial statement as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the 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 State of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statement as a whole.



Summers, Spencer & Company, P.A.
Topeka, Kansas
March 13, 2020

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

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

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on the financial statement of Unified School District No. 458 which are prepared on the regulatory basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.
2. One significant deficiency disclosed during the audit of the financial statement is reported in the Schedule of Findings and Questioned Costs. The deficiency disclosed was not considered to be a material weakness.
3. No instances of noncompliance material to the financial statement of Unified School District No. 458 were disclosed during the audit.
4. The auditor's report on compliance for the major federal award programs for Unified School District No. 458 expresses an unmodified opinion on all major programs.
5. There were no audit findings relative to the major federal award programs that are required to be reported in accordance with the 2 CFR 200.516 (a).
6. The following programs were tested as major programs during the period under audit:
 - Special Education Cluster
 - 84.027 Special Education Grants to States
 - 84.173 Special Education Preschool Grants
7. The dollar threshold used to distinguish between Type A and Type B programs, as prescribed by the Uniform Guidance, was \$750,000
8. Unified School District No. 458 did not qualify to be a low-risk auditee under the Uniform Guidance

FINANCIAL STATEMENT FINDINGS

2019-001 Significant Deficiency

Condition: Our firm has been asked to prepare the financial statement, related notes, regulatory-required supplementary information, and the schedule of expenditures of federal awards for Unified School District No. 458; however, our firm cannot be considered part of the internal control structure of the District in regard to the preparation of the financial statement, related notes, regulatory-required supplementary information, and the schedule of expenditures of federal awards.

Criteria: Unified School District No. 458 prepares its financial statement in accordance with accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, in accordance with the Uniform Guidance.

**UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas**

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

Effect: We consider this condition related to the preparation of the financial statement, related notes, regulatory-required supplementary information, and the schedule of expenditures of federal awards to be a significant deficiency under the standards established by the American Institute of Certified Public Accountants.

Cause: District Personnel do have the skills, knowledge, and experience to process all financial transactions and the ability to issue the internal financial statements needed to provide appropriate budget and operating information to the District governing body on an as needed basis. However, the District relies on auditor assistance to prepare the necessary documents in the prescribed formats.

Recommendation: To strengthen internal control over financial statement preparation, we recommend obtaining a current copy of the *Kansas Municipal Audit and Accounting Guide*, and for District personnel to stay current on knowledge concerning the regulatory basis of accounting as prescribed by the *Kansas Municipal Audit and Accounting Guide*.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

**UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas**

**VIEWS OF RESPONSIBLE OFFICIALS AND CORRECTIVE ACTION PLAN
For the Year Ended June 30, 2019**

Corrective Action Plan: The District will continue to stay informed of the reporting requirements in the current *Kansas Municipal Audit and Accounting Guide*. The District will also review the financial statement and continue to have input as to what gets reported in the related notes to the financial statement.

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

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

Finding Number: 2018-001

Summary: The District maintains financial records which accurately report revenues and expenditures throughout the year and prepares year end adjusting entries necessary to prepare the financial statement in accordance with accounting practices prescribed or permitted by the State of Kansas and the schedule of expenditures of federal awards in accordance with the Uniform Guidance. However the District relies on our assistance to prepare the financial statement, related notes, regulatory-required supplementary information, and the schedule of expenditures of federal awards.

Status: The District selected a person with skills, knowledge, and experience to review the financial statement, related notes, regulatory-required supplementary information, and the schedule of expenditures of federal awards. Input was given by the District concerning the content and amounts of these documents.

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas
SUPPLEMENTAL INFORMATION
For the Year Ended June 30, 2019

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

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

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Grantor and Number</i>	<i>Federal Expenditures</i>
Child Nutrition Cluster-Cluster			
United States Department of Agriculture			
School Breakfast Program	10.553	KSDE 10.553	\$ 34,296
Total School Breakfast Program			<u>34,296</u>
National School Lunch Program	10.555	KSDE 10.555	171,613
National School Lunch Program	10.555	KSDE 10.555	39,617
Total National School Lunch Program			<u>211,230</u>
Total United States Department of Agriculture			<u>245,526</u>
Total Child Nutrition Cluster-Cluster			245,526
Special Education Cluster (IDEA)-Cluster			
Department of Education			
Special Education_Grants to States	84.027	KSDE H027A180031	743,544
Total Special Education_Grants to States			<u>743,544</u>
Special Education_Preschool Grants	84.173	KSDE H173A180034	17,536
Total Special Education_Preschool Grants			<u>17,536</u>
Total Department of Education			<u>761,080</u>
Total Special Education Cluster (IDEA)-Cluster			761,080
Other Programs			
Corporation for National and Community Service			
State Commissions	94.003	KSDE FY1919CAHKS001	1,181
Total State Commissions			<u>1,181</u>
Total Corporation for National and Community Service			1,181
Department of Education			
Title I Grants to Local Educational Agencies	84.010	KSDE S010A180016	104,810
Total Title I Grants to Local Educational Agencies			<u>104,810</u>
Career and Technical Education -- Basic Grants to States	84.048	KSDE V048A170016	2,000
Total Career and Technical Education -- Basic Grants to States			<u>2,000</u>
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	KSDE S367A180015	34,717
Total Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)			<u>34,717</u>
Grants for State Assessments and Related Activities	84.369	KSDE S369A170017	350
Total Grants for State Assessments and Related Activities			<u>350</u>
Student Support and Academic Enrichment Program	84.424	KSDE S424A180017	14,733
Total Student Support and Academic Enrichment Program			<u>14,733</u>
Hurricane Education Recovery	84.938	KSDE S938C180026	4,250
Total Hurricane Education Recovery			<u>4,250</u>
Total Department of Education			<u>160,860</u>

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

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

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Grantor and Number</i>	<i>Federal Expenditures</i>
<i>Department of Health and Human Services</i>			
Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance	93.079	KSDE FY175U87PS004138-05	\$ 157
Total Cooperative Agreements to Promote Adolescent Health through School-Based HIV/STD Prevention and School-Based Surveillance			157
Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems	93.938	KSDE FY18NU87PS004319-01	1,000
Total Cooperative Agreements to Support Comprehensive School Health Programs to Prevent the Spread of HIV and Other Important Health Problems			1,000
<i>Total Department of Health and Human Services</i>			1,157
<i>United States Department of Agriculture</i>			
Team Nutrition Grants	10.574	KSDE 2017	280
Total Team Nutrition Grants			280
<i>Total United States Department of Agriculture</i>			280
Total Other Programs			163,478
Total Expenditures of Federal Awards			\$ 1,170,084

UNIFIED SCHOOL DISTRICT NO. 458
Basehor, Kansas

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2019

Note 1 – Basis of Accounting

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Unified School District No. 458 and is presented on the regulatory basis of accounting. The information in this schedule is presented in accordance with the requirement 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 this schedule may differ from amounts presented in or used in the preparation of the basic financial statement.

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

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

Note 2 – Indirect Costs

Unified School District No. 458 did not elect to use the 10% de minimis cost rate.