

**UNIFIED SCHOOL DISTRICT NO. 491**

**Eudora, Kansas**

**Financial Statements**

**For the Year Ended June 30, 2019**

UNIFIED SCHOOL DISTRICT NO. 491  
 Financial Statements  
 For the Year Ended June 30, 2019

Table of Contents

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

UNIFIED SCHOOL DISTRICT NO. 491  
Financial Statements  
For the Year Ended June 30, 2019

Table of Contents  
(Continued)

	<u>Page Number</u>
SCHEDULE 4	
Schedule of Receipts, Expenditures and Unencumbered Cash District Activity Funds	35
GOVERNMENTAL AUDIT SECTION	
Schedule of Expenditures of Federal Awards	36
Notes to the Schedule of Expenditures of Federal Awards	37
Schedule of Findings and Questioned Costs	38 - 39
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"	40 - 41
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	42 - 43



## **INDEPENDENT AUDITOR'S REPORT**

Board of Education  
Unified School District No. 491  
Eudora, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the Unified School District No. 491 (the District), Eudora, 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 Statements*

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

### *Auditor's Responsibility*

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

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

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

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

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

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

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*Adverse Opinion on U.S. Generally Accepted Accounting Principles*

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

*Unmodified Opinion on Regulatory Basis of Accounting*

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

*Other Matters – Supplementary Information*

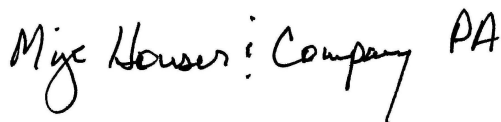
Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory receipts and expenditures-actual and budget, summary of regulatory receipts and disbursements-agency funds, and the schedule of regulatory receipts, expenditures and unencumbered cash-district activity funds (Schedules 1, 2, 3, and 4 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statements, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. 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 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 financial statement or to the 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 financial statement as a whole, on the basis of accounting described in Note 1.

*Other Reporting Required by Government Auditing Standards*

In accordance with “Government Auditing Standards,” we have also issued our report dated September 30, 2019, on our consideration of the District’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District’s internal control over financial reporting and compliance.

*Other Matters*

The 2018 Actual column presented in the individual fund financial schedules of regulatory basis receipts and expenditures—actual and budget (Schedule 2 as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2018 basic financial statement upon which we rendered an unmodified opinion dated September 18, 2018. 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: <http://da.ks.gov/ar/muniserv>. 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 statements. The 2018 comparative information was subjected to auditing procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2018 basic financial statements 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 presented in all material respects in relation to the 2018 basic financial statements as a whole, on the basis of accounting described in Note 1.



Certified Public Accountants  
Lawrence, Kansas

October 29, 2019

UNIFIED SCHOOL DISTRICT NO. 491  
 Summary Statement of Receipts, Expenditures and Unencumbered Cash  
 Regulatory Basis  
 For the Year Ended June 30, 2019

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
General Funds:							
General	\$ -	\$ -	\$ 10,636,353	\$ 10,636,353	\$ -	\$ -	\$ -
Supplemental General	-	-	3,337,790	3,311,721	26,069	-	26,069
Special Purpose Funds:							
At Risk (K-12)	-	-	666,057	666,057	-	-	-
Bilingual Education	-	-	4,847	4,847	-	-	-
Virtual Education	-	-	66,487	66,487	-	-	-
Capital Outlay	707,041	-	1,169,980	1,319,941	557,080	-	557,080
Driver Training	1,850	-	14,703	15,139	1,414	-	1,414
Food Service	208,013	-	831,320	824,959	214,374	-	214,374
Professional Development	-	-	23,182	23,182	-	-	-
Parent Education	-	-	13,600	13,600	-	-	-
Special Education	-	-	3,062,804	3,062,804	-	-	-
Vocational Education	-	-	595,373	595,373	-	-	-
Gifts and Grants	[1,858]	-	217,093	212,479	2,756	-	2,756
KPERs Special Retirement Contribution	-	-	948,356	948,356	-	-	-
Federal Grant	-	-	967,165	967,165	-	-	-
Contingency Reserve	110,207	-	-	-	110,207	-	110,207
Textbook and Student Material Revolving	28,247	-	174,945	184,110	19,082	-	19,082
District Activity	9,808	-	138,198	126,933	21,073	-	21,073
Bond and Interest Funds:							
Bond and Interest #1	4,167,673	-	4,383,886	3,784,833	4,766,726	-	4,766,726
<b>Total</b>	<b>\$ 5,230,981</b>	<b>\$ -</b>	<b>\$ 27,252,139</b>	<b>\$ 26,764,339</b>	<b>\$ 5,718,781</b>	<b>\$ -</b>	<b>\$ 5,718,781</b>

Composition of Cash:		
	Kaw Valley State Bank	
	Checking Accounts	\$ 2,536,400
	Money Market	377,845
	Central Bank of the Midwest	
	Money Market	<u>3,105,050</u>
	Cash Balance	6,019,295
	Less: Agency Funds per Schedule 3	<u>[300,514]</u>
	<b>Total Reporting Entity (Excluding Agency Funds)</b>	<b>\$ 5,718,781</b>

UNIFIED SCHOOL DISTRICT NO. 491  
Notes to the Financial Statements  
For the Year Ended June 30, 2019

NOTE 1 – Summary of Significant Accounting Policies

Municipal Financial Reporting Entity

Unified School District No. 491 (the District) is a municipal corporation governed by an elected seven-member board.

The District receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. However, the District is not included in any other governmental reporting entity, since Board members are elected by the public and have decision-making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters. In addition, there are no related municipal entities that are included in the District's reporting entity.

Basis of Accounting

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

The 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.

Regulatory Basis Fund Types

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

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

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

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

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

UNIFIED SCHOOL DISTRICT NO. 491  
Notes to the Financial Statements  
For the Year Ended June 30, 2019

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Budgetary Information

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

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

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

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

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

A legal operating budget is not required for capital project funds, agency funds, and the following special purpose funds: Textbook and Student Material Revolving, Contingency Reserve, and District Activities.

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.

Expenditures in the amount of \$202,074, \$7,228 and \$122,785 are classified as reimbursed expenses in the General Fund, Supplemental General Fund and Special Education Fund, respectively. The purpose of these expenditures is payments for goods and services in which fees are collected and such expenditures are exempt from the budget law under K.S.A. 79-2934.

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

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



UNIFIED SCHOOL DISTRICT NO. 491  
Notes to the Financial Statements  
For the Year Ended June 30, 2019

NOTE 2 – Deposits and Investments

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

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

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

*Custodial credit risk – deposits.* Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District's designated "peak periods" are from January 1 through February 28, April 16 through April 17, May 1 through May 15, and June 15 through July 10 at Kaw Valley Bank, and January 20 through February 13, May 1 through May 18, and June 5 through July 31 at Central Bank of the Midwest. All deposits were legally secured at June 30, 2019.

At June 30, 2019, the District's carrying amount of deposits was \$6,019,295 and the bank balance was \$6,243,284. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$500,000 was covered by federal depository insurance and \$5,469,729 was collateralized with securities held by the pledging financial institutions' agents in the District's name. The remaining amount of \$273,555 was unsecured at June 30, 2019. However, the unsecured amount was during one of the District's designated peak periods and the bank balance was secured in excess of the statutorily required coverage of 50% during a peak period.

NOTE 3 – In-Substance Receipt in Transit

The District received \$496,327 in General State Aid and \$179,453 in Supplemental General State Aid subsequent to June 30, 2019 and as required by K.S.A. 72-6466, the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2019.

UNIFIED SCHOOL DISTRICT NO. 491  
Notes to the Financial Statements  
For the Year Ended June 30, 2019

NOTE 4 – Long-Term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2019:

	Beginning Principal <u>Outstanding</u>	Additions to <u>Principal</u>	Reductions of <u>Principal</u>	Ending Principal <u>Outstanding</u>	Interest <u>Paid</u>
General Obligation Bonds:					
Series 2009-A	\$ 410,000	\$ -	\$ 185,000	\$ 225,000	\$ 12,238
Series 2009-B	800,000	-	100,000	700,000	38,325
Series 2009-C	5,500,000	-	-	5,500,000	364,375
Series 2010-A	7,495,000	-	825,000	6,670,000	318,234
Series 2011-A	6,655,000	-	-	6,655,000	330,600
Series 2012	3,745,000	-	-	3,745,000	88,993
Series 2014	2,220,000	-	610,000	1,610,000	66,600
Series 2016	<u>31,715,000</u>	<u>-</u>	<u>-</u>	<u>31,715,000</u>	<u>840,469</u>
Total General Obligation Bonds	<u>58,540,000</u>	<u>-</u>	<u>1,720,000</u>	<u>56,820,000</u>	<u>2,059,833</u>
Capital Leases:					
TAC Energy Conservation Program	374,948	-	183,045	191,903	18,878
Konica Minolta Copiers	<u>101,376</u>	<u>-</u>	<u>33,792</u>	<u>67,584</u>	<u>-</u>
Total Capital Leases	<u>476,324</u>	<u>-</u>	<u>216,837</u>	<u>259,487</u>	<u>18,878</u>
Total Long Term Debt	<u>\$ 59,016,324</u>	<u>\$ -</u>	<u>\$ 1,936,837</u>	<u>\$ 57,079,487</u>	<u>\$ 2,078,710</u>

*General Obligation Bonds.* The following is a detailed listing of the District's general obligation bonds:

	Interest <u>Rates</u>	Date of <u>Issue</u>	Amount of <u>Issue</u>	Current Balance <u>Outstanding</u>	Date of Final <u>Maturity</u>
General Obligation Bonds:					
Series 2009-A	3.00 to 5.50%	4/1/2009	\$ 11,250,000	\$ 225,000	9/1/2029
Series 2009-B	3.00 to 5.25%	8/1/2009	5,490,000	700,000	9/1/2025
Series 2009-C	6.625%	8/1/2009	5,500,000	5,500,000	9/1/2029
Series 2010-A	2.00 to 5.50%	2/1/2010	13,875,000	6,670,000	9/1/2029
Series 2011-A	4.00 to 5.00%	3/1/2011	6,655,000	6,655,000	9/1/2029
Series 2012	2.00 to 2.50%	6/5/2012	6,495,000	3,745,000	9/1/2022
Series 2014	3.000%	8/15/2014	2,220,000	2,220,000	9/1/2019
Series 2016	1.75 to 3.00%	9/5/2016	<u>32,330,000</u>	<u>31,105,000</u>	9/1/2034
			<u>\$ 83,815,000</u>	<u>\$ 56,820,000</u>	

UNIFIED SCHOOL DISTRICT NO. 491  
Notes to the Financial Statements  
For the Year Ended June 30, 2019

NOTE 4 – Long-Term Debt (Continued)

On April 1, 2009, the District issued \$11,250,000 in Series 2009-A General Obligation Bonds, with original maturity dates of September 1, 2014 through September 1, 2029, and interest rates from 3% to 5.5%. The purpose of the Series 2009A bonds is to pay for District improvements. Interest on the Series 2009A Bonds is due semi-annually on March 1 and September 1.

On August 1, 2009, the District issued \$5,490,000 in Series 2009-B General Obligation Refunding and School Building Bonds, with maturity dates of September 1, 2011 through September 1, 2025, and interest rates from 3% to 5.25%. The purpose of the Series 2009-B Bonds was to pay in full the Series 2007 General Obligation Temporary Notes and to pay in full the outstanding bonds for the Series 2001 General Obligation Bonds. Interest on the Series 2009-B Bonds is paid semi-annually on March 1 and September 1.

On August 1, 2009, the District issued \$5,500,000 in Series 2009-C General Obligation School Building Bonds (Build America Bonds), with a maturity date of September 1, 2029 and an interest rate of 6.625%. The purpose of the Series 2009-C Bonds is to pay for District improvements. Interest on the Series 2009-C Bonds is paid semi-annually on March 1 and September 1. The American Recovery and Reinvestment Act of 2009 created the Build America Bond program which allows the District to receive a direct federal subsidy equal to 35% of their interest costs.

On February 1, 2010, the District issued \$13,875,000 in Series 2010-A General Obligation Refunding and School Building Bonds, with maturity dates of September 1, 2012 through September 1, 2029 and interest rates from 2% to 5.5%. The purpose of the Series 2010-A Bonds was to pay in full the outstanding bonds for the Series 2001 General Obligation Bonds and to pay in full the outstanding bonds for the Series 2003 General Obligation Bonds. Interest on the Series 2010-A Bonds is paid semi-annually on March 1 and September 1.

On March 1, 2011, the District issued \$6,655,000 in Series 2011-A General Obligation Refunding and School Building Bonds, with maturity dates of September 1, 2020 through September 1, 2029 and interest rates from 4% to 5%. The purpose of the Series 2011-A Bonds was to pay in full the Series 2009-1 General Obligation Temporary Notes and to pay in full the outstanding bonds for the Series 2003 General Obligation Bonds. Interest on the Series 2011-A Bonds is paid semi-annually on March 1 and September 1.

On June 5, 2012, the District issued \$6,495,000 in Series 2012 General Obligation Refunding Bonds, with maturity dates of September 1, 2014 through September 1, 2022 and interest rates of 2% to 2.5%. The purpose of the Series 2012 Bonds was to pay in full the remaining outstanding bonds for the Series 2003 General Obligation Bonds. Interest on the Series 2012 Bonds is paid semi-annually on March 1 and September 1.

On August 15, 2014, the District issued \$2,220,000 in Series 2014 General Obligation Refunding Bonds, with a maturity date of September 1, 2019 and an interest rate of 3.00%. The purpose of the Series 2014 Bonds is to partially pay the outstanding bonds for the Series 2008-A and Series 2012 General Obligation Bonds. Interest on the Series 2014 Bonds is paid semi-annually on March 1 and September 1.

On September 8, 2016, the District issued \$32,330,000 in Series 2016 General Obligation Refunding Bonds, with a maturity date of September 1, 2034 and interest rates of 1.75% to 3.00%. The purpose of the Series 2016 Bonds is to partially pay the outstanding bonds for the Series 2008-A, Series 2009-A, Series 2009-B and Series 2010-A General Obligation Bonds. Interest on the Series 2016 Bonds is paid semi-annually on March 1 and September 1.

At June 30, 2018, the remaining principal balance of outstanding debt issues previously defeased is \$18,020,000.

UNIFIED SCHOOL DISTRICT NO. 491  
Notes to the Financial Statements  
For the Year Ended June 30, 2019

NOTE 4 – Long-Term Debt (Continued)

The following are the annual debt service requirements to maturity for the above long-term debt:

Year Ended <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 4,560,000	\$ 1,840,356	\$ 6,400,356
2021	2,155,000	1,730,635	3,885,635
2022	2,305,000	1,661,450	3,966,450
2023	2,365,000	1,594,337	3,959,337
2024	2,440,000	1,530,456	3,970,456
2025 - 2029	19,650,000	5,778,737	25,428,737
2030 - 2034	19,415,000	1,930,740	21,345,740
2035	<u>3,930,000</u>	<u>58,950</u>	<u>3,988,950</u>
 Total	 <u>\$ 56,820,000</u>	 <u>\$ 16,125,660</u>	 <u>\$ 72,945,660</u>

Legal Debt Margin – The District is subject to the municipal finance laws of the State of Kansas which limits the net bonded debt (exclusive of revenue bonds and special assessment bonds) the District may have outstanding to 14% of the assessed value of all tangible taxable property within the District, as certified to the County Clerk on the preceding August 25. The District obtained permission from the Kansas State Board of Education to issue bonds in excess of its statutory limit.

*Capital Leases.* The District has entered into a long-term agreement for energy conservation programs with TAC Americas, Inc. The agreement provides for the installation of TAC Vista Energy Management Systems in the District’s schools for the purpose of increasing efficiency and decreasing energy costs. The agreement calls for payments in November of each year with the last payment scheduled for November 1, 2019.

On June 29, 2016, the District entered into an agreement to lease-purchase 15 copiers for District-wide usage. The agreement calls for monthly payments with the last payment scheduled for June 2021.

The following is the annual debt service requirement to maturity for the long-term lease agreements:

Year Ended <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 226,007	\$ 5,787	\$ 231,795
2021	<u>33,480</u>	<u>-</u>	<u>33,480</u>
 Total	 <u>\$ 259,487</u>	 <u>\$ 5,787</u>	 <u>\$ 265,275</u>

UNIFIED SCHOOL DISTRICT NO. 491  
Notes to the Financial Statements  
For the Year Ended June 30, 2019

NOTE 5 – Interfund Transfers

Transfers for the year ended June 30, 2019, are approved by the Board of Education and are as follows:

From	To	Amount	Regulatory Authority
General Fund	Special Education Fund	\$ 1,893,091	K.S.A. 72-6478
Supplemental General Fund	Virtual Education Fund	66,487	K.S.A. 72-6478
Supplemental General Fund	Bilingual Education Fund	4,847	K.S.A. 72-6478
Supplemental General Fund	Parent Education Fund	13,600	K.S.A. 72-6478
Supplemental General Fund	Special Education Fund	1,034,858	K.S.A. 72-6478
Supplemental General Fund	Vocational Education Fund	265,160	K.S.A. 72-6478
Supplemental General Fund	Driver Training Fund	7,500	K.S.A. 72-6478
Supplemental General Fund	Professional Development Fund	23,182	K.S.A. 72-6478
Supplemental General Fund	At Risk (K-12) Fund	666,057	K.S.A. 72-6478
		<u>\$ 3,974,782</u>	

NOTE 6 – Defined Benefit Pension Plan

*Plan Description.* The District participates in the Kansas Public Employees Retirement System (KPERs), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.* Kansas law establishes and amends benefit provisions. KPERs issues a publicly available financial report that includes financial statements and required supplementary information. KPERs' financial statements are included in its Comprehensive Annual Financial Report, which can be found on the KPERs website at [www.kpers.org](http://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 establishes the KPERs member-employee contribution rates. KPERs has multiple benefit structures and contribution rates depending on whether the employee is a KPERs 1, KPERs 2 or KPERs 3 member. KPERs 1 members are active and contributing members hired before July 1, 2009. KPERs 2 members were first employed in a covered position on or after July 1, 2009 and KPERs 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERs member-employee contribution rate of 6% of covered salary for KPERs 1, KPERs 2 and KPERs 3 members. Member contribution rates are withheld by their employer and paid to KPERs according to provisions of Section 414(h) of the Internal Revenue Code.

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

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

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

UNIFIED SCHOOL DISTRICT NO. 491  
Notes to the Financial Statements  
For the Year Ended June 30, 2019

NOTE 6 – Defined Benefit Pension Plan (Continued)

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 employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled \$948,356 for the year ended June 30, 2019.

*Net Pension Liability.* At June 30, 2019, the District's proportionate share of the collective net pension liability reported by KPERS was \$12,927,722. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2018. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

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

NOTE 7 – Compensated Absences

The District's policies regarding vacation pay permit full-time classified employees to accumulate vacation days as follows:

<u>Years of Service</u>	<u>Days per Year</u>
1 – 5	12
6 – 10	15
11 – 15	18
16 or more	21

Unused vacation to be carried over at the end of the year may not exceed 10 days. The total possible accumulation of unused vacation is 31 days.

The District's leave policies are as follows:

**Classified Employees** – Classified employees earn leave at the rate of one day for each month of service. Employees with 35 or more days of accumulated leave may, at their option, be paid for unused current leave days at the rate of \$20 per day and will be paid at the conclusion of each school year.

Classified employees terminating their employment will be paid based on their ending daily rate for each day of adjusted accumulated leave, but only to the limit of accumulation their job allows.

**Certified Personnel** – A teacher with at least 15 years of experience within U.S.D. No. 491 will receive payment for all accumulated leave days at \$75 per day upon leaving the District's employment.

Each teacher shall have the option of receiving payment for unused current leave or the teacher may transfer one or more days of the unused leave to his or her personal leave account. Payment for unused leave shall be \$50 per day.

The estimated unused compensated absences at June 30, 2019 is \$305,545.

UNIFIED SCHOOL DISTRICT NO. 491  
Notes to the Financial Statements  
For the Year Ended June 30, 2019

NOTE 8 – Commitments and Contingencies

The District receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursements of funds received under these programs generally require 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 the financial statements of the District as of June 30, 2019.

NOTE 9 – Risk Management

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

NOTE 10 – Other Long-Term Obligations from Operations

*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 this financial statement.

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

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

NOTE 11 – Statutory Violation

Actual exceeded budgeted expenditures in the Gifts and Grants and the Bond and Interest #1 Fund, which is a violation of K.S.A. 79-2935.

NOTE 12 – Related Party Transactions

A Board of Education member's wife is the executive director of a District-related Foundation. The Foundation receives a portion of its funding from the District.

UNIFIED SCHOOL DISTRICT NO. 491  
Summary of Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2019

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustment to Comply with Legal Max</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year Budget</u>	<u>Variance Over [Under]</u>
General Funds:						
General	\$ 10,754,103	\$ [319,824]	\$ 202,074	\$ 10,636,353	\$ 10,636,353	\$ -
Supplemental General	3,402,744	[98,251]	7,228	3,311,721	3,311,721	-
Special Purpose Funds:						
At Risk (K-12)	800,000	-	-	800,000	666,057	133,943
Bilingual Education	7,500	-	-	7,500	4,847	2,653
Virtual Education	119,135	-	-	119,135	66,487	52,648
Capital Outlay	1,565,000	-	-	1,565,000	1,319,941	245,059
Driver Training	19,200	-	-	19,200	15,139	4,061
Food Service	1,326,000	-	-	1,326,000	824,959	501,041
Professional Development	24,750	-	-	24,750	23,182	1,568
Parent Education	14,000	-	-	14,000	13,600	400
Special Education	3,078,508	-	122,785	3,201,293	3,062,804	138,489
Vocational Education	607,075	-	-	607,075	595,373	11,702
Gifts and Grants	120,185	-	-	120,185	212,479	[92,294]
KPERs Special Retirement Contribution	1,480,469	-	-	1,480,469	948,356	532,113
Federal Grant	967,165	-	-	967,165	967,165	-
Debt Service Funds:						
Bond and Interest #1	3,779,835	-	-	3,779,835	3,784,833	[4,998]



UNIFIED SCHOOL DISTRICT NO. 491  
General Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2019  
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
<b>Receipts</b>				
General state aid	\$ 8,246,890	\$ 8,541,188	\$ 8,787,642	\$ [246,454]
Special education state aid	1,771,616	1,893,091	1,966,461	[73,370]
Miscellaneous	2,799	-	-	-
Reimbursements	203,891	202,074	-	202,074
<b>Total Receipts</b>	<u>10,225,196</u>	<u>10,636,353</u>	<u>\$ 10,754,103</u>	<u>\$ [117,750]</u>
<b>Expenditures</b>				
Instruction	5,159,070	5,430,152	\$ 5,262,350	\$ [167,802]
Student support services	451,630	457,825	464,408	6,583
Instructional support staff	291,849	266,678	300,700	34,022
General administration	346,113	350,331	267,600	[82,731]
School administration	556,871	631,456	563,324	[68,132]
Central services	255,715	229,057	264,000	34,943
Operations and maintenance	1,065,042	1,017,593	1,079,500	61,907
Transportation	327,290	360,170	466,625	106,455
Transfers out	1,771,616	1,893,091	2,085,596	192,505
Adjustments to comply with legal max	-	-	[319,824]	[319,824]
Adjustments for qualifying budget credits	-	-	202,074	202,074
<b>Total Expenditures</b>	<u>10,225,196</u>	<u>10,636,353</u>	<u>\$ 10,636,353</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	-	-	-	-
Unencumbered Cash, Beginning	-	-	-	-
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>	-	-

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 491  
Supplemental General Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2019  
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Over <u>[Under]</u>
		<u>Actual</u>	<u>Budget</u>	
<b>Receipts</b>				
Taxes and Shared Revenues:				
Ad valorem taxes	\$ 803,419	\$ 872,216	\$ 911,000	\$ [38,784]
Delinquent taxes	13,701	9,735	12,305	[2,570]
Motor vehicle taxes	122,923	104,634	101,446	3,188
Recreational vehicle taxes	2,597	2,379	1,906	473
Big truck taxes	4,597	1,251	3,236	[1,985]
Miscellaneous	50,104	25,480	-	25,480
State aid	2,135,335	2,314,867	2,382,942	[68,075]
Reimbursements	22,818	7,228	-	7,228
<b>Total Receipts</b>	<u>3,155,494</u>	<u>3,337,790</u>	<u>\$ 3,412,835</u>	<u>\$ [75,045]</u>
<b>Expenditures</b>				
Instruction	629,822	615,423	\$ 666,000	\$ 50,577
Student support services	26,120	19,728	200,000	180,272
Instructional support staff	200,859	378,293	46,296	[331,997]
General administration	44,530	89,639	51,000	[38,639]
School administration	-	-	106,200	106,200
Central services	24,752	16,599	-	[16,599]
Operations and maintenance	102,106	110,348	35,000	[75,348]
Capital outlay	146,419	-	-	-
Transfers out	2,127,305	2,081,691	2,298,248	216,557
Adjustments to comply with legal max	-	-	[98,251]	[98,251]
Adjustments for qualifying budget credits	-	-	7,228	7,228
<b>Total Expenditures</b>	<u>3,301,913</u>	<u>3,311,721</u>	<u>\$ 3,311,721</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	[146,419]	26,069		
Unencumbered Cash, Beginning	<u>146,419</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 26,069</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 491  
At Risk (K-12) Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2019  
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Transfers in	\$ 781,708	\$ 666,057	\$ 800,000	\$ [133,943]
Total Receipts	<u>781,708</u>	<u>666,057</u>	<u>\$ 800,000</u>	<u>\$ [133,943]</u>
Expenditures				
Instruction	<u>781,708</u>	<u>666,057</u>	<u>\$ 800,000</u>	<u>\$ 133,943</u>
Total Expenditures	<u>781,708</u>	<u>666,057</u>	<u>\$ 800,000</u>	<u>\$ 133,943</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 491  
Bilingual Education Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2019  
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Transfers in	\$ 5,303	\$ 4,847	\$ 7,500	\$ [2,653]
Total Receipts	<u>5,303</u>	<u>4,847</u>	<u>\$ 7,500</u>	<u>\$ [2,653]</u>
Expenditures				
Instruction	<u>5,303</u>	<u>4,847</u>	\$ 7,500	\$ 2,653
Total Expenditures	<u>5,303</u>	<u>4,847</u>	<u>\$ 7,500</u>	<u>\$ 2,653</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 491  
Virtual Education Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2019  
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Transfers in	\$ 77,624	\$ 66,487	\$ 119,135	\$ [52,648]
Total Receipts	<u>77,624</u>	<u>66,487</u>	<u>\$ 119,135</u>	<u>\$ [52,648]</u>
Expenditures				
Instruction	-	-	\$ 119,135	\$ 119,135
School administration	<u>77,624</u>	<u>66,487</u>	-	<u>[66,487]</u>
Total Expenditures	<u>77,624</u>	<u>66,487</u>	<u>\$ 119,135</u>	<u>\$ 52,648</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 491  
Capital Outlay Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2019  
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
<b>Receipts</b>				
Taxes and Shared Revenues:				
Ad valorem property tax	\$ 455,339	\$ 512,692	\$ 502,976	\$ 9,716
Delinquent tax	6,028	5,503	6,929	[1,426]
Motor vehicle tax	91,035	78,523	61,437	17,086
Recreational vehicle tax	1,444	1,415	1,154	261
Big truck tax	2,551	2,512	1,960	552
Capital outlay state aid	313,007	342,385	342,438	[53]
Miscellaneous	-	226,950	100,000	126,950
Investment income	5,375	-	5,400	[5,400]
<b>Total Receipts</b>	<u>874,779</u>	<u>1,169,980</u>	<u>\$ 1,022,294</u>	<u>\$ 147,686</u>
<b>Expenditures</b>				
Instruction	117,003	43,222	\$ 120,000	\$ 76,778
Instructional support staff	187,056	350,944	200,000	[150,944]
School administration	26,329	271	40,000	39,729
Operations and maintenance	-	-	75,000	75,000
Transportation	88,460	138,723	300,000	161,277
Facilities acquisition and construction	310,740	786,781	310,000	[476,781]
Building improvements	-	-	520,000	520,000
<b>Total Expenditures</b>	<u>729,588</u>	<u>1,319,941</u>	<u>\$ 1,565,000</u>	<u>\$ 245,059</u>
Receipts Over [Under] Expenditures	145,191	[149,961]		
Unencumbered Cash, Beginning	<u>561,850</u>	<u>707,041</u>		
Unencumbered Cash, Ending	<u>\$ 707,041</u>	<u>\$ 557,080</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 491  
Driver Training Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2019  
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
State aid	\$ 7,296	\$ 7,203	\$ 7,800	\$ [597]
Miscellaneous	-	-	15,000	[15,000]
Transfers in	-	7,500	-	7,500
Total Receipts	<u>7,296</u>	<u>14,703</u>	<u>\$ 22,800</u>	<u>\$ [8,097]</u>
Expenditures				
Instruction	12,617	14,417	\$ 14,000	\$ [417]
Vehicle operating and maintenance	-	722	5,200	4,478
Total Expenditures	<u>12,617</u>	<u>15,139</u>	<u>\$ 19,200</u>	<u>\$ 4,061</u>
Receipts Over [Under] Expenditures	[5,321]	[436]		
Unencumbered Cash, Beginning	<u>7,171</u>	<u>1,850</u>		
Unencumbered Cash, Ending	<u>\$ 1,850</u>	<u>\$ 1,414</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 491  
Food Service Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2019  
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Federal aid	\$ 368,378	\$ 364,597	\$ 811,981	\$ [447,384]
State aid	9,027	13,061	7,770	5,291
Charges for services	421,354	442,206	490,748	[48,542]
Miscellaneous	8,938	11,456	25,000	[13,544]
Total Receipts	<u>807,697</u>	<u>831,320</u>	<u>\$ 1,335,499</u>	<u>\$ [504,179]</u>
Expenditures				
Operation and maintenance	83,273	82,017	\$ 330,000	\$ 247,983
Food service operation	714,825	742,942	996,000	253,058
Total Expenditures	<u>798,098</u>	<u>824,959</u>	<u>\$ 1,326,000</u>	<u>\$ 501,041</u>
Receipts Over [Under] Expenditures	9,599	6,361		
Unencumbered Cash, Beginning	<u>198,414</u>	<u>208,013</u>		
Unencumbered Cash, Ending	<u>\$ 208,013</u>	<u>\$ 214,374</u>		

See independent auditor's report on the financial statements.



UNIFIED SCHOOL DISTRICT NO. 491  
Professional Development Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2019  
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Miscellaneous	\$ 255	\$ -	\$ 4,750	\$ [4,750]
Transfers in	-	23,182	20,000	3,182
Total Receipts	<u>255</u>	<u>23,182</u>	<u>\$ 24,750</u>	<u>\$ [1,568]</u>
Expenditures				
Instructional support services	255	23,182	\$ 24,750	\$ 1,568
Total Expenditures	<u>255</u>	<u>23,182</u>	<u>\$ 24,750</u>	<u>\$ 1,568</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 491  
Parent Education Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2019  
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Transfers in	\$ 13,000	\$ 13,600	\$ 14,000	\$ [400]
Total Receipts	<u>13,000</u>	<u>13,600</u>	<u>\$ 14,000</u>	<u>\$ [400]</u>
Expenditures				
Student support services	<u>13,000</u>	<u>13,600</u>	<u>\$ 14,000</u>	<u>\$ 400</u>
Total Expenditures	<u>13,000</u>	<u>13,600</u>	<u>\$ 14,000</u>	<u>\$ 400</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 491  
Special Education Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2019  
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Miscellaneous	\$ -	\$ -	\$ 100,000	\$ [100,000]
Federal aid	12,070	12,070	-	12,070
Reimbursements	85,586	122,785	-	122,785
Transfers in	<u>2,741,749</u>	<u>2,927,949</u>	<u>3,043,209</u>	<u>[115,260]</u>
Total Receipts	<u>2,839,405</u>	<u>3,062,804</u>	<u>\$ 3,143,209</u>	<u>\$ [80,405]</u>
Expenditures				
Instruction	2,772,663	2,992,530	\$ 3,004,769	\$ 12,239
Transportation	66,742	70,274	73,739	3,465
Adjustments for qualifying budget credits	-	-	122,785	122,785
Total Expenditures	<u>2,839,405</u>	<u>3,062,804</u>	<u>\$ 3,201,293</u>	<u>\$ 138,489</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

UNIFIED SCHOOL DISTRICT NO. 491  
Vocational Education Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2019  
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Federal aid	\$ 4,743	\$ 9,239	\$ -	\$ 9,239
Tuition	205,344	205,344	205,344	-
Miscellaneous	91,757	115,630	60,000	55,630
Transfers in	<u>279,537</u>	<u>265,160</u>	<u>380,000</u>	<u>[114,840]</u>
Total Receipts	<u>581,381</u>	<u>595,373</u>	<u>\$ 645,344</u>	<u>\$ [49,971]</u>
Expenditures				
Instruction	475,994	483,873	\$ 496,475	\$ 12,602
Instructional support staff	-	5,002	-	[5,002]
School administration	54,805	54,046	56,600	2,554
Operations and maintenance	<u>50,582</u>	<u>52,452</u>	<u>54,000</u>	<u>1,548</u>
Total Expenditures	<u>581,381</u>	<u>595,373</u>	<u>\$ 607,075</u>	<u>\$ 11,702</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 491  
 Gifts and Grants Fund  
 Schedule of Receipts and Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Year Ended June 30, 2019  
 (With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Miscellaneous	\$ 140,069	\$ 217,093	\$ 120,000	\$ 97,093
Total Receipts	<u>140,069</u>	<u>217,093</u>	<u>\$ 120,000</u>	<u>\$ 97,093</u>
Expenditures				
Instruction	91,147	94,251	\$ 88,101	\$ [6,150]
Student support services	-	8,602	7,084	[1,518]
Instructional support staff	24,134	11,650	-	[11,650]
General administration	1,872	7,312	-	[7,312]
Operations and maintenance	-	65,000	-	[65,000]
Food service operations	<u>22,733</u>	<u>25,664</u>	<u>25,000</u>	<u>[664]</u>
Total Expenditures	<u>139,886</u>	<u>212,479</u>	<u>\$ 120,185</u>	<u>\$ [92,294]</u>
Receipts Over [Under] Expenditures	183	4,614		
Unencumbered Cash, Beginning	<u>[2,041]</u>	<u>[1,858]</u>		
Unencumbered Cash, Ending	<u>\$ [1,858]</u>	<u>\$ 2,756</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 491  
KPERs Special Retirement Contribution Fund  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2019  
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
KPERs state aid	\$ 1,099,739	\$ 948,356	\$ 1,480,469	\$ [532,113]
Total Receipts	<u>1,099,739</u>	<u>948,356</u>	<u>\$ 1,480,469</u>	<u>\$ [532,113]</u>
Expenditures				
Instruction	694,006	689,563	\$ 1,076,469	\$ 386,906
Student support services	80,809	72,385	113,000	40,615
Instructional support services	47,535	23,701	37,000	13,299
General administration	42,781	16,655	26,000	9,345
School administration	42,781	46,122	72,000	25,878
Central services	47,535	21,139	33,000	11,861
Other support services	47,535	-	-	-
Operations and maintenance	41,355	23,701	37,000	13,299
Food service	23,767	25,623	40,000	14,377
Transportation	31,635	29,467	46,000	16,533
Total Expenditures	<u>1,099,739</u>	<u>948,356</u>	<u>\$ 1,480,469</u>	<u>\$ 532,113</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 491  
Federal Grant Funds  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2019

	<u>Title I</u>	<u>Title I Migrant</u>	<u>Other Grants</u>	<u>Actual</u>	<u>Budget</u>	Variance Over <u>[Under]</u>
Receipts						
Federal aid	\$ 193,099	\$ 738,253	\$ 35,813	\$ 967,165	\$ 967,165	\$ -
Total Receipts	<u>193,099</u>	<u>738,253</u>	<u>35,813</u>	<u>967,165</u>	<u>\$ 967,165</u>	<u>\$ -</u>
Expenditures						
Instruction	193,099	-	35,813	228,912	\$ 222,092	\$ [6,820]
Student support services	-	717,464	-	717,464	724,023	6,559
General administration	<u>-</u>	<u>20,789</u>	<u>-</u>	<u>20,789</u>	<u>21,050</u>	<u>261</u>
Total Expenditures	<u>193,099</u>	<u>738,253</u>	<u>35,813</u>	<u>967,165</u>	<u>\$ 967,165</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	-	-	-	-		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		

UNIFIED SCHOOL DISTRICT NO. 491  
Contingency Reserve Fund \*  
Schedule of Receipts and Expenditures - Actual  
Regulatory Basis  
For the Year Ended June 30, 2019 and 2018

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Transfers in	\$ -	\$ -
Total Receipts	<u>-</u>	<u>-</u>
Expenditures		
Transfers out	-	-
Total Expenditures	<u>-</u>	<u>-</u>
Receipts Over [Under] Expenditures	-	-
Unencumbered Cash, Beginning	<u>110,207</u>	<u>110,207</u>
Unencumbered Cash, Ending	<u>\$ 110,207</u>	<u>\$ 110,207</u>

\* This fund is not required to be budgeted.



UNIFIED SCHOOL DISTRICT NO. 491  
Textbook and Student Material Revolving Fund \*  
Schedule of Receipts and Expenditures - Actual  
Regulatory Basis  
For the Year Ended June 30, 2019 and 2018

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Miscellaneous	\$ 177,371	\$ 174,945
Total Receipts	<u>177,371</u>	<u>174,945</u>
Expenditures		
Instruction	172,421	168,001
Instructional support staff	<u>12,912</u>	<u>16,109</u>
Total Expenditures	<u>185,333</u>	<u>184,110</u>
Receipts Over [Under] Expenditures	[7,962]	[9,165]
Unencumbered Cash, Beginning	<u>36,209</u>	<u>28,247</u>
Unencumbered Cash, Ending	<u>\$ 28,247</u>	<u>\$ 19,082</u>

\* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 491  
Bond and Interest Fund #1  
Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis  
For the Year Ended June 30, 2019  
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	\$ 1,869,512	\$ 1,918,150	\$ 1,849,966	\$ 68,184
Delinquent taxes	25,209	20,954	27,220	[6,266]
Motor vehicle taxes	232,689	238,929	231,963	6,966
Recreational vehicle taxes	5,290	5,370	4,359	1,011
Big truck taxes	2,853	2,900	7,400	[4,500]
State aid	2,356,732	2,077,706	2,342,984	[265,278]
Federal tax credit	118,923	119,873	118,922	951
Miscellaneous	-	4	-	4
Total Receipts	<u>4,611,208</u>	<u>4,383,886</u>	<u>\$ 4,582,814</u>	<u>\$ [198,928]</u>
Expenditures				
Principal	1,675,000	1,720,000	\$ 1,720,000	\$ -
Interest and other bond charges	<u>2,112,114</u>	<u>2,064,833</u>	<u>2,059,835</u>	<u>[4,998]</u>
Total Expenditures	<u>3,787,114</u>	<u>3,784,833</u>	<u>\$ 3,779,835</u>	<u>\$ [4,998]</u>
Receipts Over [Under] Expenditures	824,094	599,053		
Unencumbered Cash, Beginning	<u>3,343,579</u>	<u>4,167,673</u>		
Unencumbered Cash, Ending	<u>\$ 4,167,673</u>	<u>\$ 4,766,726</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 491  
Agency Funds  
Summary of Receipts and Disbursements  
Regulatory Basis  
For the Year Ended June 30, 2019

<u>FUND</u>	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Eudora Elementary School:				
Library	\$ 173	\$ 8,882	\$ 7,332	\$ 1,723
Art	1,112	5,196	4,403	1,905
Drama club	2,691	696	338	3,049
Care fund	-	545	-	545
PBIS	300	-	189	111
Principal's council	8,382	14,276	13,095	9,563
Polar express	363	1,094	986	471
Music	298	692	388	602
Newspaper	18	-	-	18
Deffenbaugh	24	-	-	24
Science fair	175	149	155	169
Pepsi	945	74	-	1,019
Preschool	-	16	-	16
Total Eudora Elementary Activity Funds	<u>14,481</u>	<u>31,620</u>	<u>26,886</u>	<u>19,215</u>
Eudora Middle School				
Pepsi	307	307	166	448
Pep club	63	65	-	128
Cardinal ambassadors	-	500	-	500
Cardinal club	3,078	525	1,816	1,787
Cardinal fit	-	150	-	150
Student council	8,641	1,416	5,321	4,736
Science club	-	817	97	720
Reading club	4,115	2,215	1,982	4,348
PBS	667	3,371	930	3,108
KAY club	151	-	-	151
Vocal music	7,589	2,977	7,023	3,543
Box tops for education	780	163	30	913
Dance club	81	-	23	58
Track	101	661	372	390
Yearbook	2,181	2,751	1,199	3,733
FBLA	608	789	465	932
Garden club	605	-	-	605
Cross country	631	450	253	828
Conditioning	2,518	1,772	2,377	1,913
Football	247	555	431	371
Girls basketball	-	186	-	186
Enrichment program	600	200	425	375
Drama club	358	94	206	246
Total Eudora Middle School Activity Funds	<u>33,321</u>	<u>19,964</u>	<u>23,116</u>	<u>30,169</u>
Eudora High School				
Activity 101	2,292	5,869	7,285	876
Art	1,000	1,000	976	1,024
Band club	4,050	18,933	20,448	2,535
Banners donations	690	13,733	12,904	1,519
Baseball club	1,396	1,163	1,291	1,268
Boys basketball club	3,731	11,062	9,130	5,663
Caleb Ostronic fund	-	20	-	20
Cheer and dance festival	1,169	4,775	4,837	1,107
Cheerleader	3,213	11,589	9,527	5,275
Chess club	110	-	-	110
Choir	280	17,450	6,108	11,622
Class of 2018	25,951	-	25,951	-
Class of 2019	6,232	50,275	25,132	31,375
Class of 2020	2,324	4,813	1,690	5,447
Class of 2021	275	3,452	-	3,727
Class of 2022	-	2,258	-	2,258
Concessions	8,028	23,303	20,810	10,521
Courtesy club	232	288	120	400
Cross country	1,388	226	554	1,060
Cycling club	-	325	-	325
Subtotal Eudora High School Activity Funds	<u>62,361</u>	<u>170,534</u>	<u>146,763</u>	<u>86,132</u>

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 491  
Agency Funds  
Summary of Receipts and Disbursements  
Regulatory Basis  
For the Year Ended June 30, 2019

<u>FUND</u>	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Eudora High School				
Dance team	\$ 960	\$ 7,659	\$ 6,913	\$ 1,706
Drama club	1,523	-	-	1,523
Economics class	177	330	-	507
Environmental club	318	-	-	318
F.B.L.A.	3,896	9,846	12,161	1,581
F.C.A.	589	144	-	733
F.F.A.	6,454	20,768	23,026	4,196
Football	892	14,736	5,749	9,879
Garden	103	-	-	103
Girls basketball	1,915	7,031	6,831	2,115
Grant - raytheon math hero	49	-	-	49
International club	326	631	488	469
KSHSAA Music Festival	1,081	-	-	1,081
Library fund	891	42	-	933
Life skills class	936	65	166	835
Mental health committee	200	-	-	200
Newspaper	556	-	-	556
NHS	546	287	619	214
Physics club	521	-	-	521
Play & musical	7,102	4,347	8,208	3,241
Project Splichal	2,507	-	-	2,507
SADD	4,984	1,159	1,718	4,425
Scholars bowl	806	1,103	803	1,106
Scholarships	10,905	18,700	10,935	18,670
Science Department	500	-	-	500
Science Olympiad	2,501	4,375	4,168	2,708
Senior advisory committee	2,502	2,362	1,833	3,031
SkillsUSA: Auto collision	12,342	24,947	26,808	10,481
SkillsUSA: Culinary arts	5,660	17,766	10,679	12,747
SkillsUSA: Drafting	824	1,776	449	2,151
SkillsUSA: Health careers	3,856	5,950	6,253	3,553
SkillsUSA: Visual arts	13,399	-	8,721	4,678
SkillsUSA: Industrial tech	41	11,636	9,144	2,533
SkillsUSA: Yearbook	32,211	10,640	6,853	35,998
SOAR	280	-	280	-
Soccer - Boys	1,875	4,596	5,327	1,144
Soccer - Girls	7,169	9,768	11,268	5,669
Softball	3,240	9,445	8,215	4,470
Student council	2,202	4,704	4,435	2,471
Summer conditioning	3,384	3,651	2,888	4,147
Testing fees	299	3,343	3,324	318
Textbook	431	568	407	592
Track	817	624	83	1,358
Travel Club (formerly Close-Up club)	242	-	-	242
Video club	2,543	5,105	4,632	3,016
Volleyball	676	2,446	2,503	619
Volleyball - Dig Pink	2,845	1,673	1,204	3,314
Wrestling	366	4,896	3,559	1,703
Total Eudora High School Activity Funds	<u>210,803</u>	<u>387,653</u>	<u>347,413</u>	<u>251,043</u>

UNIFIED SCHOOL DISTRICT NO. 491  
Agency Funds  
Summary of Receipts and Disbursements  
Regulatory Basis  
For the Year Ended June 30, 2019

	<u>FUND</u>	Beginning Cash <u>Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	Ending Cash <u>Balance</u>
Total All School Activity Funds		\$ 258,605	\$ 439,237	\$ 397,415	\$ 300,427
Payroll Clearing		<u>534</u>	<u>43,041</u>	<u>43,488</u>	<u>87</u>
Total Agency Funds		<u>\$ 259,139</u>	<u>\$ 482,278</u>	<u>\$ 440,903</u>	<u>\$ 300,514</u>

UNIFIED SCHOOL DISTRICT NO. 491  
 District Activity Funds  
 Schedule of Receipts, Expenditures and Unencumbered Cash  
 Regulatory Basis  
 For the Year Ended June 30, 2019

<u>FUND</u>	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
<u>District activity funds:</u>							
Eudora High School							
Revolving gate entry	\$ -	\$ -	\$ 46,838	\$ 46,838	\$ -	\$ -	\$ -
Driver's education	9,808	-	11,400	200	21,008	-	21,008
Users fees	-	-	31,602	31,537	65	-	65
Sales tax	-	-	9,283	9,283	-	-	-
Total Eudora High School	<u>9,808</u>	<u>-</u>	<u>99,123</u>	<u>87,858</u>	<u>21,073</u>	<u>-</u>	<u>21,073</u>
Eudora Middle School							
Revolving gate entry	-	-	11,075	11,075	-	-	-
Users fees	-	-	11,561	11,561	-	-	-
Sales tax	-	-	2,071	2,071	-	-	-
Total Eudora Middle School	<u>-</u>	<u>-</u>	<u>24,707</u>	<u>24,707</u>	<u>-</u>	<u>-</u>	<u>-</u>
Eudora Elementary School							
User fees	-	-	13,335	13,335	-	-	-
Sales tax	-	-	1,033	1,033	-	-	-
Total Eudora Elementary School	<u>-</u>	<u>-</u>	<u>14,368</u>	<u>14,368</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total All Schools	<u>\$ 9,808</u>	<u>\$ -</u>	<u>\$ 138,198</u>	<u>\$ 126,933</u>	<u>\$ 21,073</u>	<u>\$ -</u>	<u>\$ 21,073</u>

UNIFIED SCHOOL DISTRICT NO. 491  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Beginning Unencumbered Cash	Receipts	Expenditures	Ending Unencumbered Cash
<u>U.S. Department of Education</u>					
Passed Through State Department of Education:					
Title I Grants to Local Educational Agencies	84.010	\$ -	\$ 175,620	\$ 175,620	\$ -
Title I Migrant	84.011	-	738,253	738,253	-
Career and Technical Education - Basic Grants to States	84.048	-	1,000	1,000	-
Improving Teacher Quality State Grants	84.367	-	35,943	35,943	-
Student Support and Academic Enrichment Program	84.424A	-	<u>17,479</u>	<u>17,479</u>	-
Total U.S. Department of Education			<u>968,295</u>	<u>968,295</u>	
<u>U.S. Department of Agriculture</u>					
Passed Through State Department of Education:					
Child Nutrition Cluster:					
School Breakfast Program	10.553	-	66,966	66,966	-
National School Lunch Program	10.555	-	<u>297,631</u>	<u>297,631</u>	-
Total Child Nutrition Cluster		-	<u>364,597</u>	<u>364,597</u>	-
Total U.S. Department of Agriculture			<u>364,597</u>	<u>364,597</u>	
Total Expenditures of Federal Awards			<u>\$ 1,332,892</u>	<u>\$ 1,332,892</u>	

The accompanying notes are an integral part of this schedule.

UNIFIED SCHOOL DISTRICT NO. 491  
Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2019

1. Organization

Unified School District No. 491, Eudora, Kansas, is the recipient of several federal awards. All federal awards received directly from federal agencies, as well as those awards that are passed through over government agencies, are included on the Schedule of Expenditures of Federal Awards.

2. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Unified School District No. 491, and is presented on the Kansas regulatory basis of accounting which includes cash disbursements, accounts payable and encumbrances. The information presented in this schedule is in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements. The District elected not to use the 10% de minimis indirect cost rate.

3. Local Government Contributions

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

4. Additional Audits

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

5. Outstanding Loans

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

6. Pass Through Numbers

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



UNIFIED SCHOOL DISTRICT NO. 491  
 Schedule of Findings and Questioned Costs  
 For the Year Ended June 30, 2019

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	<u>Unmodified (Regulatory Basis)</u> <u>Adverse (GAAP)</u>
Internal control over financial reporting:	
Material weakness(es) identified?	_____ Yes <u>  X  </u> No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	_____ Yes <u>  X  </u> None reported
Noncompliance material to financial statements noted?	_____ Yes <u>  X  </u> No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	_____ Yes <u>  X  </u> No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	_____ Yes <u>  X  </u> None reported
Type of auditor's report issued on compliance for major programs:	_____ <u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance	_____ Yes <u>  X  </u> No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.011	Title I Migrant

Dollar threshold used to distinguish between type A and type B programs:	_____ <u>\$750,000</u>
--	------------------------

Auditee qualified as low-risk auditee?	_____ Yes <u>  X  </u> No
--	---------------------------

UNIFIED SCHOOL DISTRICT NO. 491  
Schedule of Findings and Questioned Costs - Continued  
For the Year Ended June 30, 2019

Section II - Financial Statement Findings

Current Year Findings

None noted

Prior Year Findings

None noted

Section III - Federal Award Findings and Questioned Costs

Current Year Findings

None noted

Prior Year Findings

None noted

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

Board of Education  
Unified School District No. 491  
Eudora, Kansas

We have audited, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*, the financial statements of the Unified School District No. 491 (the District), Eudora, Kansas as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated October 29, 2019.

**Internal Control Over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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

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However we noted certain other matters that we reported to management of the Unified School District No. 491, Eudora, Kansas, in a separate letter dated October 29, 2019.

Purpose of this Report

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

Mike Houser: Company PA

Certified Public Accountants  
Lawrence, Kansas

October 29, 2019

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

Board of Education  
Unified School District No. 491  
Eudora, Kansas

Report on Compliance for Each Major Federal Program

We have audited the compliance of Unified School District No. 491 (the District), Eudora, Kansas, with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2019. The District's major federal financial programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

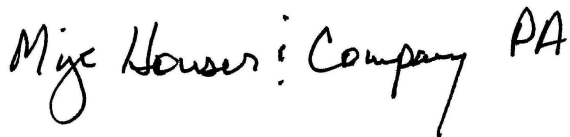
Report on Internal Control Over Compliance

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

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

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

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

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

Certified Public Accountants  
Lawrence, Kansas

October 29, 2019