



AUDITOR'S COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE
AT THE CONCLUSION OF THE AUDIT

To the Board of Education
Unified School District No. 500
Kansas City, Kansas

We have audited the financial statements of the Unified School District No. 500 (the District), Kansas City, Kansas for the year ended June 30, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2019. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 4, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition of our retention.

Other Matters

We were engaged to report on regulatory required supplementary information which accompanies the financial statements. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting policies used by the District as described in Note 1 to the financial statements, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction of Use

This information is intended solely for the use of the board of education and management of Unified School District No. 500, and is not intended to be, and should not be, used by anyone other than these specified parties.

Mig Houser: Company PA

Certified Public Accountants

December 4, 2019
Lawrence, KS

UNIFIED SCHOOL DISTRICT NO. 500

Kansas City, Kansas

Financial Statements

For the Year Ended June 30, 2019

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UNIFIED SCHOOL DISTRICT NO. 500
Financial Statements
For the Year Ended June 30, 2019

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Unified School District No. 500
Kansas City, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 500, Kansas City, Kansas (the District), as of and for the year ended June 30, 2019, and the related notes to the financial statement.

Management's Responsibility for the Financial 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 to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Emphasis of Matter

As discussed in Note 12 of the financial statements, during the year ended June 30, 2019, the District corrected errors that were discovered during the fiscal year. As a result of this change, a prior period adjustment was made to unencumbered beginning cash at June 30, 2019. Our opinion is not modified with respect to this matter.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, summary of regulatory basis receipts and disbursements-agency funds, schedule of regulatory basis receipts, expenditures and unencumbered cash-private purpose trust fund, and the schedule of regulatory basis receipts, expenditures and unencumbered cash-district activity fund (Schedules 1, 2, 3, 4 and 5 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statements. 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 not a required part of the 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 December 4, 2019, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 November 22, 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 the following link: <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.

Mig Houser: Company PA

Certified Public Accountants

Lawrence, KS
December 4, 2019

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UNIFIED SCHOOL DISTRICT NO. 500
Summary Statement of Receipts, Expenditures and Unencumbered Cash
For the Year Ended June 30, 2019

| <u>Funds</u> | Beginning Unencumbered Cash <u>Balance</u> | Prior Period <u>Adjustment</u> | <u>Receipts</u> |
|--|---|--------------------------------------|-----------------------|
| General Funds: | | | |
| General Fund | \$ - | \$ [416,182] | \$ 158,024,884 |
| Supplemental General | 3,819,449 | - | 52,370,517 |
| Special Purpose Funds: | | | |
| At Risk (K-12) | - | - | 42,081,822 |
| At Risk (4 Year Old) | - | - | 2,607,875 |
| Parent Education Program | 120,882 | - | 951,297 |
| Bilingual Education | 29,227 | [12,544] | 7,251,096 |
| Virtual Education | - | - | 574,089 |
| Capital Outlay | 1,766,596 | - | 18,501,046 |
| Food Service | 7,915,891 | - | 15,623,605 |
| Summer School | 100,000 | - | 14,559 |
| Special Education | 6,364,272 | - | 25,147,721 |
| Coop Special Education | 7,883,405 | - | 19,638,893 |
| Gifts and Grants | 16,275,579 | 12,545 | 5,942,517 |
| Vocational Education | - | [6,000] | 2,724,727 |
| Employees' Retirement | - | - | 5,968 |
| KPERs Special Retirement Contribution | - | - | 12,778,772 |
| Federal Funds | [999,128] | 212,073 | 22,850,234 |
| Contingency Reserve | 20,566,048 | - | - |
| Student Materials Revolving | 181,752 | - | 242,097 |
| Public Library Board | 13,593,934 | - | 11,510,569 |
| Public Library Board Employee Benefits | 1,069,365 | - | 1,158,806 |
| District Activity | 72,945 | - | 99,321 |
| Bond and Interest Fund: | | | |
| Bond and Interest | 6,752,654 | - | 27,226,763 |
| Capital Project Fund: | | | |
| Capital Projects | 215,820,782 | - | 2,821,424 |
| Business Fund: | | | |
| School Workers' Compensation Reserve | 5,536,281 | - | 2,020,267 |
| Fiduciary Fund: | | | |
| Private Purpose Trust Fund: | | | |
| Virginia Schinkle Scholarship | 15,390 | - | - |
| Total Reporting Entity (Excluding Agency Funds) | <u>\$ 306,885,324</u> | <u>\$ [210,108]</u> | <u>\$ 432,168,869</u> |

| <u>Expenditures</u> | <u>Ending Unencumbered Cash Balance</u> | <u>Add Encumbrances and Accounts Payable</u> | <u>Ending Cash Balance</u> |
|-----------------------|---|--|--------------------------------|
| \$ 157,478,023 | \$ 130,679 | \$ 11,836,566 | \$ 11,967,245 |
| 50,209,933 | 5,980,033 | 4,308,414 | 10,288,447 |
| 38,289,883 | 3,791,939 | 2,884,873 | 6,676,812 |
| 2,461,431 | 146,444 | 250,785 | 397,229 |
| 1,016,164 | 56,015 | 26,389 | 82,404 |
| 7,267,779 | - | 372,675 | 372,675 |
| 573,994 | 95 | 15,434 | 15,529 |
| 17,060,135 | 3,207,507 | 27,400,746 | 30,608,253 |
| 17,744,166 | 5,795,330 | 1,733,745 | 7,529,075 |
| 87,511 | 27,048 | - | 27,048 |
| 25,650,754 | 5,861,239 | 1,253,678 | 7,114,917 |
| 17,131,186 | 10,391,112 | 1,259,056 | 11,650,168 |
| 6,480,289 | 15,750,352 | 516,536 | 16,266,888 |
| 2,606,012 | 112,715 | 262,563 | 375,278 |
| - | 5,968 | - | 5,968 |
| 12,778,772 | - | - | - |
| 22,092,279 | [29,100] | 807,763 | 778,663 |
| 5,783,925 | 14,782,123 | 140,265 | 14,922,388 |
| 201,699 | 222,150 | 7,441 | 229,591 |
| 9,386,393 | 15,718,110 | 125,308 | 15,843,418 |
| 1,112,394 | 1,115,777 | - | 1,115,777 |
| 117,969 | 54,297 | 18,825 | 73,122 |
| 30,383,859 | 3,595,558 | - | 3,595,558 |
| 88,792,170 | 129,850,036 | - | 129,850,036 |
| 1,386,464 | 6,170,084 | 147,978 | 6,318,062 |
| <u>7,848</u> | <u>7,542</u> | <u>-</u> | <u>7,542</u> |
| <u>\$ 516,101,032</u> | <u>\$ 222,743,053</u> | <u>\$ 53,369,040</u> | <u>\$ 276,112,093</u> |

COMPOSITION OF CASH:

| | |
|---|-----------------------|
| UMB Bank | |
| Checking | \$ 1,161,963 |
| Treasury Note | 16,271,937 |
| Community First Bank | |
| Certificates of Deposit | 245,000 |
| Commerce | |
| Checking | 44,314,605 |
| Certificates of Deposit | 62,955,000 |
| Treasury Note | 19,384,688 |
| Security Bank | |
| Certificates of Deposit | 8,000,000 |
| U.S. Government and Agency Obligations | <u>130,518,894</u> |
| Cash Balance | 282,852,087 |
| Less: Agency Funds per Statement 3 | <u>[6,739,994]</u> |
| Total Reporting Entity (Excluding Agency Funds) | <u>\$ 276,112,093</u> |

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

UNIFIED SCHOOL DISTRICT NO. 500
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 1 - Summary of Significant Accounting Policies

Reporting Entity

Unified School District No. 500 (the District) is a municipal corporation governed by an elected seven-member board. These financial statements include all the accounts for which the District is considered to be financially accountable. The District has no related municipal entities.

Reimbursed Expenses

Expenditures in the amount of \$487,702 are classified as reimbursed expenses in the General Fund. The purpose of these expenditures is payments for goods and services in which fees are collected and such expenditures are exempt from the budget law under K.S.A. 79-2934.

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

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

Basis of Accounting

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

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

Regulatory Basis Fund Types

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

UNIFIED SCHOOL DISTRICT NO. 500
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 1 - Summary of Significant Accounting Policies (Continued)

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

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

Special Purpose Fund - used to account for the proceeds of specific tax levies and other specific regulatory basis 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.

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

Business Fund – fund financed in whole or in part by fees charged to users of the goods or services.

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

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

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), and bond and interest 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 of the proposed budget and notice of public hearing on the budget on or before August 5th.
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 basis 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 District did not amend the budget.

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 statutory basis of accounting, in which, regulatory basis receipts are recognized when cash is received and expenditures include disbursements, 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. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

UNIFIED SCHOOL DISTRICT NO. 500
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 1 - Summary of Significant Accounting Policies (Continued)

Budgetary Information (Continued)

A legal operating budget is not required for the following special purpose funds: Contingency Reserve, Student Materials Revolving and the District Activity 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.

Actual exceeded budgeted expenditures in the Coop Special Education Fund and the Federal Fund, which is a violation of K.S.A. 79-2935.

NOTE 2 – Deposits and Investments

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

Investments. K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices. As of June 30, 2019, the District held U.S. Government and Agency Obligations in the amount of \$166,175,519.

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

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District has no designated "peak periods". All deposits were legally secured at June 30, 2019.

At June 30, 2019, the District's carrying amount of deposits was \$116,676,568 and the bank balance was \$76,314,477. The bank balance was held by four banks resulting in a concentration of credit risk. Of the bank balance, \$995,000 was covered by federal depository insurance and the remaining bank balance of \$75,319,477 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

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

Substance receipt in transit. The District received \$11,557,917 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. 500
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 3 – Operating Leases

The District has entered into an operating lease agreement for copy machines, beginning August 2018, and ending August 2022. The payments made on this operating lease for the year ended June 30, 2019 totaled \$246,336. The following are the lease amounts for the remainder of the agreement:

| Year Ending | |
|----------------|-------------------|
| 6/30/2020 | \$ 246,336 |
| 6/30/2021 | 246,336 |
| 6/30/2022 | 246,336 |
| Total | <u>\$ 739,008</u> |

NOTE 4 - Long-Term Debt

Following is a detailed listing of the District long-term debt:

| Debt Issue | Date Issued | Maturity Date | Original Amount | Outstanding Amount | Interest Rate |
|--------------------------------------|----------------|------------------|-----------------------|-----------------------|------------------|
| General Obligation Bonds | | | | | |
| Series 2005 | 2/1/2005 | 9/1/2020 | \$ 18,120,000 | \$ 9,135,000 | 5.20 to 5.25% |
| Series 2010 | 10/13/2010 | 9/1/2021 | 6,160,000 | 6,160,000 | 2.75 to 5.00% |
| Series 2012 | 3/1/2012 | 9/1/2021 | 53,455,000 | 7,770,000 | 0.37 to 2.67% |
| Series 2016-A | 12/20/2016 | 9/1/2047 | 227,000,000 | 227,000,000 | 4.00 to 5.50% |
| | | | <u>\$ 304,735,000</u> | <u>\$ 250,065,000</u> | |
| Certificates of Participation | | | | | |
| Series 2005 | 12/22/2005 | 12/22/2020 | \$ 1,500,000 | \$ 1,500,000 | 1.67% |
| Series 2009 | 10/15/2009 | 9/1/2025 | 15,125,000 | 15,125,000 | 2.15% |
| Series 2011 | 7/1/2011 | 7/1/2027 | 5,465,000 | 5,465,000 | 5.29% |
| | | | <u>\$ 22,090,000</u> | <u>\$ 22,090,000</u> | |

The District is subject to statutes of the State of Kansas which limit the bonded debt outstanding to 14% of the assessed valuation. The District's statutory limit for such bonded indebtedness is approximately \$108 million at June 30, 2019. The District has received authorization from the State of Kansas to exceed this limit.

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

| Debt Issue | Beginning Principal Outstanding | Additions/ Restatement | Reduction | Ending Principal Outstanding | Interest Paid |
|--------------------------------------|---------------------------------------|---------------------------|----------------------|------------------------------------|----------------------|
| General Obligation Bonds | | | | | |
| 2005 Refunding | \$ 11,690,000 | \$ - | \$ 2,555,000 | \$ 9,135,000 | \$ 546,656 |
| 2010 Refunding | 6,160,000 | - | - | 6,160,000 | 229,463 |
| 2012 Refunding | 14,470,000 | - | 6,700,000 | 7,770,000 | 229,265 |
| 2016-A Improvement | 227,000,000 | - | - | 227,000,000 | 11,337,806 |
| 2016-B Refunding | 8,695,000 | - | 8,695,000 | - | 89,124 |
| Certificates of Participation | | | | | |
| 2005 Series | 1,500,000 | - | - | 1,500,000 | - |
| 2009 Series | 15,125,000 | - | - | 15,125,000 | 325,188 |
| 2011 Series | 5,465,000 | - | - | 5,465,000 | 288,935 |
| Total | <u>\$ 290,105,000</u> | <u>\$ -</u> | <u>\$ 17,950,000</u> | <u>\$ 272,155,000</u> | <u>\$ 13,046,436</u> |

UNIFIED SCHOOL DISTRICT NO. 500
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 4 - Long-Term Debt (Continued)

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

| Year Ended June 30, | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|------------------------|-----------------------|-----------------------|-----------------------|
| 2020 | \$ 9,705,000 | \$ 12,066,652 | \$ 21,771,652 |
| 2021 | 10,205,000 | 11,684,487 | 21,889,487 |
| 2022 | 3,155,000 | 11,392,438 | 14,547,438 |
| 2023 | 3,835,000 | 11,241,931 | 15,076,931 |
| 2024 | 4,120,000 | 11,043,056 | 15,163,056 |
| 2025 - 2029 | 25,470,000 | 51,688,531 | 77,158,531 |
| 2030 - 2034 | 35,215,000 | 44,297,481 | 79,512,481 |
| 2035 - 2039 | 46,215,000 | 35,717,816 | 81,932,816 |
| 2040 - 2044 | 59,395,000 | 22,599,481 | 81,994,481 |
| 2045 - 2048 | <u>52,750,000</u> | <u>5,973,825</u> | <u>58,723,825</u> |
| Total | <u>\$ 250,065,000</u> | <u>\$ 217,705,698</u> | <u>\$ 467,770,698</u> |

Annual debt service requirements to maturity for the Certificates of Participation are as follows:

| Year Ended June 30, | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|------------------------|----------------------|---------------------|----------------------|
| 2020 | \$ - | \$ 639,172 | \$ 639,172 |
| 2021 | 1,500,000 | 639,172 | 2,139,172 |
| 2022 | - | 614,122 | 614,122 |
| 2023 | - | 614,122 | 614,122 |
| 2024 | - | 614,122 | 614,122 |
| 2025 - 2028 | <u>20,590,000</u> | <u>1,499,052</u> | <u>22,089,052</u> |
| Total | <u>\$ 22,090,000</u> | <u>\$ 4,619,763</u> | <u>\$ 26,709,763</u> |

UNIFIED SCHOOL DISTRICT NO. 500
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 5 - Compensated Absences

Under terms of the District's personnel policy, District employees working twelve months per year receive vacation pay in varying amounts. In the event of termination, an employee is paid for accumulated vacation days, depending on the employee's length of service and/or position with the District.

Sick leave benefits are extended to all employees for whom deductions are made for the District's retirement plans. Annual benefits are allowed at the rate of 10 to 14 days per year, depending upon the number of days per year the employee works. Payment of accumulated sick leave is made in the following circumstances:

1. Upon resignation provided that the employee has completed thirty (30) years of service in the District or twenty (20) years of service and attained the age of fifty-five (55). Any individual initially employed by the District after 7/31/96 is not eligible.
2. Upon retirement or death. Any individual initially employed by the District after 7/31/96 is not eligible.

Seventy-five percent of the accumulated sick leave shall be paid, not to exceed 144 days. The amount of leave is dependent on the length of the employee's service to the District.

The District records an expense for vacation days and sick leave when paid. Utilization of accumulated vacation and sick leave by employees in future years is not expected to have a material impact on District expenditures in any one year. The District has not quantified the compensated absences for purposes of this disclosure.

NOTE 6 - Defined Benefit Pension Plan

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

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

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

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

UNIFIED SCHOOL DISTRICT NO. 500
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 6 – Defined Benefit Pension Plan (Continued)

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

Contributions (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 District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled \$12,778,772 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 \$224,276,190. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018. The District’s proportion of the net pension liability was based on the ratio of the District’s contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2018. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

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

NOTE 7 – Early Separation Liability

The District also has a plan which covers District employees who voluntarily take early retirement. An employee is eligible for early retirement if the teacher was under contract with the District on or before August 1, 1996, on the year that separation is to begin the employee must be at least 55 years old and not more than 61 years old, and the employee must have completed twenty-five years of contracted experience with at least seventeen years with USD 500 and have retired from KPERS.

The benefits from this plan are computed using a formula based upon the employees’ experience factor and the employees’ final total annual salary. The employees approved for the early separation benefits will be paid not more than one hundred sixty-eight semi-monthly payments with payments beginning on July 15 of the year separation begins and ending in the month in which the employee dies or becomes sixty-two years old, whichever occurs first. The cost of this plan in the fiscal year ended June 30, 2019, was \$1,072,958. Future payments are estimated as follows:

| Year <u>Ended</u> | |
|----------------------|---------------------|
| 2019-20 | \$ 1,139,832 |
| 2020-21 | 1,001,592 |
| 2021-22 | 844,833 |
| 2022-23 | 436,075 |
| 2023-24 | 285,043 |
| 2024-25 | 86,626 |
| 2025-26 | 14,214 |
| Total | <u>\$ 3,808,215</u> |

UNIFIED SCHOOL DISTRICT NO. 500
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 7 – Early Separation Liability (Continued)

The District also pays for the single monthly premium in the current health insurance plan for classified staff that meet early separation requirements. The cost of this plan for the year is estimated to be \$393,120.

NOTE 8 - Risk Management

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

Workers' Compensation. The District has established a self insurance retention program in order to deal with workers compensation claims. Claims in excess of the self insured retention amount are covered through a third party limited coverage policy. The District is self insured with a \$250,000 retention and statutory limit of coverage.

Liabilities below do not include an amount for claims that have been incurred but not reported (IBNRs). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. Actual payment of claims and judgments is reported in the School Workers' Compensation Reserve Fund. Changes in the balance of claims liabilities are as follows:

| | |
|---|---------------------|
| Incurred claims from inception | \$ 27,520,764 |
| Claim payments and adjustments from inception | <u>[26,663,023]</u> |
| Unpaid claims, June 30, 2019 | <u>\$ 857,741</u> |

NOTE 9 – Contingencies

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

The District is a defendant in various lawsuits. The outcome of these lawsuits is not presently determinable. However, in the opinion of management, the resolution of these matters will not likely have a material adverse effect on the financial condition of the District.

NOTE 10 – Post-Employment Benefits

As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. Employees who retire with twenty or more years of service are allowed to stay on the District's health insurance and the District pays for single full coverage until the retiree reaches Medicare eligibility age. While other retirees pay the full amount of the applicable premium, conceptually, the District is subsidizing the retirees because each participant is charged a level premium regardless of age. However, the cost of this subsidy has not been quantified in 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.

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

UNIFIED SCHOOL DISTRICT NO. 500
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 11 – Transfers

Transfers were as follows:

| <u>From</u> | <u>To</u> | <u>Amount</u> | <u>Statutory Authority</u> |
|----------------------|-----------------------------|----------------------|----------------------------|
| General | At Risk (4 year old) | \$ 2,607,875 | K.S.A. 72-6478 |
| General | AT Risk (K-12) | 28,331,601 | K.S.A. 72-6478 |
| General | Bilingual Education | 4,527,964 | K.S.A. 72-6478 |
| General | Virtual Education | 574,089 | K.S.A. 72-6478 |
| General | Parent Education Program | 41,288 | K.S.A. 72-6478 |
| General | Special Education | 25,147,721 | K.S.A. 72-6478 |
| General | Vocational Education | 2,396,975 | K.S.A. 72-6478 |
| General | Coop Special Education | 724,386 | K.S.A. 72-6478 |
| General | Work Comp - Special Reserve | 1,915,000 | K.S.A. 72-6478 |
| Supplemental General | AT Risk (K-12) | 13,628,971 | K.S.A. 72-6478 |
| Supplemental General | Bilingual Education | 2,078,692 | K.S.A. 72-6478 |
| Capital Projects | Capital Outlay | 5,000,000 | Bond Agreement |
| Capital Projects | Bond and Interest | 2,600,000 | Bond Agreement |
| Contingency Reserve | Supplemental General | 4,000,000 | K.S.A. 72-6478 |
| Special Education | Coop Special Education | 4,532,497 | K.S.A. 72-978(h) |
| | | <u>\$ 98,107,059</u> | |

NOTE 12 – Prior Period Adjustment

The District corrected errors that occurred during the implementation of the general ledger software. As a result of this change, a prior period adjustment was made to unencumbered cash at June 30, 2019 as follows:

| | <u>General Fund</u> | <u>Bilingual Education Fund</u> | <u>Gifts and Grants Fund</u> | <u>Vocational Education Fund</u> | <u>Federal Funds</u> |
|--|---------------------|---------------------------------|------------------------------|----------------------------------|----------------------|
| Unencumbered Cash, Beginning | \$ - | \$ 29,227 | \$ 16,275,579 | \$ - | \$ [999,128] |
| Prior Period Adjustment | <u>[416,182]</u> | <u>[12,544]</u> | <u>12,545</u> | <u>[6,000]</u> | <u>212,073</u> |
| Unencumbered Cash, Beginning, Restated | <u>\$ [416,182]</u> | <u>\$ 16,683</u> | <u>\$ 16,288,124</u> | <u>\$ [6,000]</u> | <u>\$ [787,055]</u> |

UNIFIED SCHOOL DISTRICT NO. 500
 Summary of Expenditures - Actual and Budget
 (Budgeted Funds Only)
 For the Year Ended June 30, 2019

| <u>Funds</u> | <u>Certified Budget</u> | <u>Adjustment to Comply with Legal Max Budget</u> | <u>Adjustment for Qualifying Budget Credits</u> | <u>Total Budget for Comparison</u> | <u>Expenditures Chargeable to Current Year</u> | <u>Variance- Over (Under)</u> |
|--|-----------------------------|---|---|--|--|---------------------------------------|
| Governmental Type Funds: | | | | | | |
| General Funds: | | | | | | |
| General Fund | \$ 160,265,200 | \$ [3,274,879] | \$ 487,702 | \$ 157,478,023 | \$ 157,478,023 | \$ - |
| Supplemental General | 51,314,913 | [1,104,980] | - | 50,209,933 | 50,209,933 | - |
| Special Purpose Funds: | | | | | | |
| At Risk (K-12) | 41,115,214 | - | - | 41,115,214 | 38,289,883 | 2,825,331 |
| At Risk (4 Year Old) | 2,461,431 | - | - | 2,461,431 | 2,461,431 | - |
| Parent Education Program | 1,199,574 | - | - | 1,199,574 | 1,016,164 | 183,410 |
| Bilingual Education | 7,937,720 | - | - | 7,937,720 | 7,267,779 | 669,941 |
| Virtual Education | 827,750 | - | - | 827,750 | 573,994 | 253,756 |
| Capital Outlay | 19,927,940 | - | - | 19,927,940 | 17,060,135 | 2,867,805 |
| Food Service | 18,934,981 | - | - | 18,934,981 | 17,744,166 | 1,190,815 |
| Summer School | 100,000 | - | - | 100,000 | 87,511 | 12,489 |
| Special Education | 30,145,725 | - | - | 30,145,725 | 25,650,754 | 4,494,971 |
| Coop Special Education | 17,036,343 | - | - | 17,036,343 | 17,131,186 | [94,843] |
| Gifts and Grants | 12,402,456 | - | - | 12,402,456 | 6,480,289 | 5,922,167 |
| Vocational Education | 2,612,012 | - | - | 2,612,012 | 2,606,012 | 6,000 |
| Employees' Retirement | - | - | - | - | - | - |
| KPERS Special Retirement Contribution | 27,038,579 | - | - | 27,038,579 | 12,778,772 | 14,259,807 |
| Federal Funds | 21,524,697 | - | - | 21,524,697 | 22,092,279 | [567,582] |
| Public Library Board | 11,246,265 | - | - | 11,246,265 | 9,386,393 | 1,859,872 |
| Public Library Board Employee Benefits | 1,339,470 | - | - | 1,339,470 | 1,112,394 | 227,076 |
| Bond and Interest Fund: | | | | | | |
| Bond and Interest | 30,384,314 | - | - | 30,384,314 | 30,383,859 | 455 |

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Receipts and Expenditures - Actual and Budget
General Fund
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 Positive [Negative] |
|--|--------------------------------|--------------------|-----------------------|------------------------------------|
| | | <u>Actual</u> | <u>Budget</u> | |
| Receipts | | | | |
| State Aid: | | | | |
| Equalization aid | \$ 138,083,331 | \$ 141,506,209 | \$ 145,868,244 | \$ [4,362,035] |
| Special education aid | 14,631,445 | 15,484,112 | 14,396,956 | 1,087,156 |
| Miscellaneous | - | 546,861 | - | 546,861 |
| Reimbursed expenses | <u>560,428</u> | <u>487,702</u> | <u>-</u> | <u>487,702</u> |
| Total Receipts | <u>153,275,204</u> | <u>158,024,884</u> | <u>\$ 160,265,200</u> | <u>\$ [2,240,316]</u> |
| Expenditures | | | | |
| Instruction | 5,131,919 | 18,290,075 | \$ 17,366,945 | \$ [923,130] |
| Student support services | 1,697,620 | 2,007,345 | 2,076,268 | 68,923 |
| Instructional support | 6,571,197 | 9,818,997 | 10,684,572 | 865,575 |
| General administration | 1,061,382 | 1,148,268 | 928,724 | [219,544] |
| School administration | 12,237,495 | 12,523,587 | 12,326,770 | [196,817] |
| Central services | 16,812,187 | 9,348,852 | 11,656,607 | 2,307,755 |
| Operations and maintenance | 27,157,413 | 29,153,456 | 28,325,312 | [828,144] |
| Transportation | 6,748,045 | 8,920,544 | 8,043,233 | [877,311] |
| Food service operations | 66,355 | - | - | - |
| Transfers out | 75,791,591 | 66,266,899 | 68,856,769 | 2,589,870 |
| Adjustment to comply with legal max budget | - | - | [3,274,879] | [3,274,879] |
| Adjustment for qualifying budget credits | <u>-</u> | <u>-</u> | <u>487,702</u> | <u>487,702</u> |
| Total Expenditures | <u>153,275,204</u> | <u>157,478,023</u> | <u>\$ 157,478,023</u> | <u>\$ -</u> |
| Receipts Over [Under] Expenditures | <u>-</u> | <u>546,861</u> | | |
| Unencumbered Cash, Beginning | - | - | | |
| Prior Period Adjustment | <u>-</u> | <u>[416,182]</u> | | |
| Unencumbered Cash, Beginning, Restated | <u>-</u> | <u>[416,182]</u> | | |
| Unencumbered Cash, Ending | <u>\$ -</u> | <u>\$ 130,679</u> | | |

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Receipts and Expenditures - Actual and Budget
Supplemental General Fund
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 Positive [Negative] |
|--|--------------------------------|---------------------|----------------------|------------------------------------|
| | | <u>Actual</u> | <u>Budget</u> | |
| Receipts | | | | |
| Taxes and Shared Revenues: | | | | |
| Ad valorem property taxes | \$ 8,581,531 | \$ 10,003,935 | \$ 11,090,890 | \$ [1,086,955] |
| Delinquent tax | 584,590 | 466,123 | 287,188 | 178,935 |
| Motor vehicle tax | 1,325,202 | 1,337,969 | 944,114 | 393,855 |
| Revenue in lieu of taxes | 116,361 | 130,163 | - | 130,163 |
| Supplemental state aid | 35,665,398 | 36,432,327 | 37,234,101 | [801,774] |
| Transfer in | <u>1,012,500</u> | <u>4,000,000</u> | - | <u>4,000,000</u> |
| Total Receipts | <u>47,285,582</u> | <u>52,370,517</u> | <u>\$ 49,556,293</u> | <u>\$ 2,814,224</u> |
| Expenditures | | | | |
| Instruction | 36,751,752 | 28,805,189 | \$ 32,271,454 | \$ 3,466,265 |
| Student support services | 3,732,193 | 4,545,828 | 4,443,888 | [101,940] |
| Instructional support | 4,083,315 | 672,151 | 799,788 | 127,637 |
| School administration | 31,527 | 44,690 | 13,969 | [30,721] |
| Central services | 373,091 | - | 470,404 | 470,404 |
| Operations and maintenance | 313,291 | 434,412 | - | [434,412] |
| Transportation | - | - | 276,291 | 276,291 |
| Transfers out | 5,341,831 | 15,707,663 | 13,039,119 | [2,668,544] |
| Adjustment to comply with legal max budget | - | - | <u>[1,104,980]</u> | <u>[1,104,980]</u> |
| Total Expenditures | <u>50,627,000</u> | <u>50,209,933</u> | <u>\$ 50,209,933</u> | <u>\$ -</u> |
| Receipts Over [Under] Expenditures | [3,341,418] | 2,160,584 | | |
| Unencumbered Cash, Beginning | <u>7,160,867</u> | <u>3,819,449</u> | | |
| Unencumbered Cash, Ending | <u>\$ 3,819,449</u> | <u>\$ 5,980,033</u> | | |

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Receipts and Expenditures - Actual and Budget
At Risk (K-12) Fund
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 Positive [Negative] |
|------------------------------------|--------------------------------|---------------------|----------------------|------------------------------------|
| | | <u>Actual</u> | <u>Budget</u> | |
| Receipts | | | | |
| Transfers in | \$ 41,022,234 | \$ 41,960,572 | \$ 41,115,214 | \$ 845,358 |
| Intergovernmental | - | 121,250 | - | 121,250 |
| Total Receipts | <u>41,022,234</u> | <u>42,081,822</u> | <u>\$ 41,115,214</u> | <u>\$ 966,608</u> |
| Expenditures | | | | |
| Instruction | 39,230,374 | 35,923,592 | \$ 38,757,469 | \$ 2,833,877 |
| Student support services | 1,160,329 | 1,364,811 | 330,657 | [1,034,154] |
| Instruction support | 2,821 | 4,750 | 2,023,518 | 2,018,768 |
| School administration | 262,277 | 240,517 | 3,570 | [236,947] |
| Central services | 12,281 | 63,533 | - | [63,533] |
| Transportation | <u>354,152</u> | <u>692,680</u> | - | <u>[692,680]</u> |
| Total Expenditures | <u>41,022,234</u> | <u>38,289,883</u> | <u>\$ 41,115,214</u> | <u>\$ 2,825,331</u> |
| Receipts Over [Under] Expenditures | - | 3,791,939 | | |
| Unencumbered Cash, Beginning | - | - | | |
| Unencumbered Cash, Ending | <u>\$ -</u> | <u>\$ 3,791,939</u> | | |

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Receipts and Expenditures - Actual and Budget
At Risk (4 Year Old) Fund
Regulatory Basis
For the Year Ended June 30, 2019
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

| | Prior Year Actual | Current Year | | Variance Positive [Negative] |
|------------------------------------|-------------------------|-------------------|---------------------|------------------------------------|
| | | Actual | Budget | |
| Receipts | | | | |
| Transfers in | \$ 2,272,834 | \$ 2,607,875 | \$ 2,461,431 | \$ 146,444 |
| Total Receipts | <u>2,272,834</u> | <u>2,607,875</u> | <u>\$ 2,461,431</u> | <u>\$ 146,444</u> |
| Expenditures | | | | |
| Instruction | 1,059,606 | 1,156,653 | \$ 1,336,382 | \$ 179,729 |
| Student support services | 79,201 | 62,905 | 211,371 | 148,466 |
| Instructional support | 239,673 | 195,415 | 142,963 | [52,452] |
| School administration | 405,452 | 353,657 | 300,715 | [52,942] |
| Central services | 251 | 60,864 | - | [60,864] |
| Operations and maintenance | 3,749 | 7,511 | - | [7,511] |
| Transportation | 484,902 | 624,426 | 470,000 | [154,426] |
| Total Expenditures | <u>2,272,834</u> | <u>2,461,431</u> | <u>\$ 2,461,431</u> | <u>\$ -</u> |
| Receipts Over [Under] Expenditures | - | 146,444 | | |
| Unencumbered Cash, Beginning | <u>-</u> | <u>-</u> | | |
| Unencumbered Cash, Ending | <u>\$ -</u> | <u>\$ 146,444</u> | | |

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Receipts and Expenditures - Actual and Budget
Parent Education Program Fund
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 Positive [Negative] |
|------------------------------------|--------------------------------|------------------|---------------------|------------------------------------|
| | | <u>Actual</u> | <u>Budget</u> | |
| Receipts | | | | |
| State aid | \$ 861,457 | \$ 851,687 | \$ 564,259 | \$ 287,428 |
| Local source | 77,224 | 58,322 | 436,716 | [378,394] |
| Transfers in | <u>128,599</u> | <u>41,288</u> | <u>128,599</u> | <u>[87,311]</u> |
| Total Receipts | <u>1,067,280</u> | <u>951,297</u> | <u>\$ 1,129,574</u> | <u>\$ [178,277]</u> |
| Expenditures | | | | |
| Student support services | <u>953,312</u> | <u>1,016,164</u> | <u>\$ 1,199,574</u> | <u>\$ 183,410</u> |
| Total Expenditures | <u>953,312</u> | <u>1,016,164</u> | <u>\$ 1,199,574</u> | <u>\$ 183,410</u> |
| Receipts Over [Under] Expenditures | 113,968 | [64,867] | | |
| Unencumbered Cash, Beginning | <u>6,914</u> | <u>120,882</u> | | |
| Unencumbered Cash, Ending | <u>\$ 120,882</u> | <u>\$ 56,015</u> | | |

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Receipts and Expenditures - Actual and Budget
Bilingual Education Fund
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 Positive [Negative] |
|--|--------------------------------|------------------|---------------------|------------------------------------|
| | | <u>Actual</u> | <u>Budget</u> | |
| Receipts | | | | |
| Federal aid | \$ 592,373 | \$ 644,440 | \$ 708,691 | \$ [64,251] |
| Transfers in | <u>6,688,792</u> | <u>6,606,656</u> | <u>7,199,801</u> | <u>[593,145]</u> |
| Total Receipts | <u>7,281,165</u> | <u>7,251,096</u> | <u>\$ 7,908,492</u> | <u>\$ [657,396]</u> |
| Expenditures | | | | |
| Instruction | 6,276,880 | 6,311,815 | \$ 6,921,895 | \$ 610,080 |
| Student support services | 225,228 | 258,177 | 239,753 | [18,424] |
| Instructional support | 691,387 | 633,752 | 701,072 | 67,320 |
| Transportation | <u>58,443</u> | <u>64,035</u> | <u>75,000</u> | <u>10,965</u> |
| Total Expenditures | <u>7,251,938</u> | <u>7,267,779</u> | <u>\$ 7,937,720</u> | <u>\$ 669,941</u> |
| Receipts Over [Under] Expenditures | <u>29,227</u> | <u>[16,683]</u> | | |
| Unencumbered Cash, Beginning | - | 29,227 | | |
| Prior Period Adjustment | <u>-</u> | <u>[12,544]</u> | | |
| Unencumbered Cash, Beginning, Restated | <u>-</u> | <u>16,683</u> | | |
| Unencumbered Cash, Ending | <u>\$ 29,227</u> | <u>\$ -</u> | | |

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Receipts and Expenditures - Actual and Budget
Virtual Education Fund
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 Positive [Negative] |
|------------------------------------|--------------------------------|----------------|-------------------|------------------------------------|
| | | <u>Actual</u> | <u>Budget</u> | |
| Receipts | | | | |
| Transfers in | \$ 443,644 | \$ 574,089 | \$ 827,750 | \$ [253,661] |
| Total Receipts | <u>443,644</u> | <u>574,089</u> | <u>\$ 827,750</u> | <u>\$ [253,661]</u> |
| Expenditures | | | | |
| Instruction | <u>443,644</u> | <u>573,994</u> | <u>\$ 827,750</u> | <u>\$ 253,756</u> |
| Total Expenditures | <u>443,644</u> | <u>573,994</u> | <u>\$ 827,750</u> | <u>\$ 253,756</u> |
| Receipts Over [Under] Expenditures | - | 95 | | |
| Unencumbered Cash, Beginning | <u>-</u> | <u>-</u> | | |
| Unencumbered Cash, Ending | <u>\$ -</u> | <u>\$ 95</u> | | |

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Receipts and Expenditures - Actual and Budget
Capital Outlay Fund
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 Positive [Negative] |
|--|--------------------------------|---------------------|----------------------|------------------------------------|
| | | <u>Actual</u> | <u>Budget</u> | |
| Receipts | | | | |
| Taxes and Shared Revenues: | | | | |
| Ad valorem property taxes | \$ 5,074,586 | \$ 5,888,158 | \$ 5,633,897 | \$ 254,261 |
| Delinquent tax | 257,775 | 222,068 | 169,774 | 52,294 |
| Motor vehicle tax | 786,059 | 792,685 | 559,310 | 233,375 |
| Revenue in lieu of taxes | 68,796 | 76,636 | - | 76,636 |
| State aid | 3,809,729 | 4,116,645 | 4,181,441 | [64,796] |
| Interest on idle funds | 1,076,458 | 2,292,986 | 500,000 | 1,792,986 |
| Miscellaneous | 254,553 | 111,868 | 5,000,000 | [4,888,132] |
| Transfers in | - | 5,000,000 | - | 5,000,000 |
| Total Receipts | <u>11,327,956</u> | <u>18,501,046</u> | <u>\$ 16,044,422</u> | <u>\$ 2,456,624</u> |
| Expenditures | | | | |
| Instruction | 925,920 | 637,823 | \$ 201,700 | \$ [436,123] |
| Instructional support services | 104,736 | 19,349 | 67,000 | 47,651 |
| Central services | 1,586,280 | 1,093,683 | 2,083,700 | 990,017 |
| Operations and maintenance | 6,621,240 | 4,536,332 | 5,354,566 | 818,234 |
| Debt service | 1,483,286 | 1,563,640 | 1,450,000 | [113,640] |
| Facility acquisition and construction services | 212,481 | 9,209,308 | 10,770,974 | 1,561,666 |
| Total Expenditures | <u>10,933,943</u> | <u>17,060,135</u> | <u>\$ 19,927,940</u> | <u>\$ 2,867,805</u> |
| Receipts Over [Under] Expenditures | 394,013 | 1,440,911 | | |
| Unencumbered Cash, Beginning | <u>1,372,583</u> | <u>1,766,596</u> | | |
| Unencumbered Cash, Ending | <u>\$ 1,766,596</u> | <u>\$ 3,207,507</u> | | |

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Receipts and Expenditures - Actual and Budget
Food Service Fund
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 Positive [Negative] |
|------------------------------------|--------------------------------|---------------------|----------------------|------------------------------------|
| | | <u>Actual</u> | <u>Budget</u> | |
| Receipts | | | | |
| Federal aid | \$ 14,798,166 | \$ 15,200,228 | \$ 14,311,461 | \$ 888,767 |
| State aid | 145,392 | 146,120 | 119,668 | 26,452 |
| Charges for services | 295,203 | 238,215 | 948,128 | [709,913] |
| Miscellaneous | 105,626 | 14,118 | - | 14,118 |
| Interest on idle funds | <u>11,701</u> | <u>24,924</u> | <u>-</u> | <u>24,924</u> |
| Total Receipts | <u>15,356,088</u> | <u>15,623,605</u> | <u>\$ 15,379,257</u> | <u>\$ 244,348</u> |
| Expenditures | | | | |
| Operations and maintenance | - | - | \$ 84,000 | \$ 84,000 |
| Food service operation | <u>13,985,289</u> | <u>17,744,166</u> | <u>18,850,981</u> | <u>1,106,815</u> |
| Total Expenditures | <u>13,985,289</u> | <u>17,744,166</u> | <u>\$ 18,934,981</u> | <u>\$ 1,190,815</u> |
| Receipts Over [Under] Expenditures | 1,370,799 | [2,120,561] | | |
| Unencumbered Cash, Beginning | <u>6,545,092</u> | <u>7,915,891</u> | | |
| Unencumbered Cash, Ending | <u>\$ 7,915,891</u> | <u>\$ 5,795,330</u> | | |

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Receipts and Expenditures - Actual and Budget
Summer School Fund
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 Positive [Negative] |
|------------------------------------|--------------------------------|------------------|-------------------|------------------------------------|
| | | <u>Actual</u> | <u>Budget</u> | |
| Receipts | | | | |
| Charges for services | \$ 22,696 | \$ 14,559 | \$ - | \$ 14,559 |
| Transfers in | <u>39,107</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Receipts | <u>61,803</u> | <u>14,559</u> | <u>\$ -</u> | <u>\$ 14,559</u> |
| Expenditures | | | | |
| Instruction | 50,535 | 87,511 | \$ 87,000 | \$ [511] |
| School administration | <u>11,268</u> | <u>-</u> | <u>13,000</u> | <u>13,000</u> |
| Total Expenditures | <u>61,803</u> | <u>87,511</u> | <u>\$ 100,000</u> | <u>\$ 12,489</u> |
| Receipts Over [Under] Expenditures | - | [72,952] | | |
| Unencumbered Cash, Beginning | <u>100,000</u> | <u>100,000</u> | | |
| Unencumbered Cash, Ending | <u>\$ 100,000</u> | <u>\$ 27,048</u> | | |

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Receipts and Expenditures - Actual and Budget
Special Education Fund
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 Positive [Negative] |
|------------------------------------|--------------------------------|---------------------|----------------------|------------------------------------|
| | | <u>Actual</u> | <u>Budget</u> | |
| Receipts | | | | |
| Local source | \$ 142,603 | \$ - | \$ - | \$ - |
| Federal aid | 87,396 | - | - | - |
| Transfers in | <u>22,972,251</u> | <u>25,147,721</u> | <u>24,895,650</u> | <u>252,071</u> |
| Total Receipts | <u>23,202,250</u> | <u>25,147,721</u> | <u>\$ 24,895,650</u> | <u>\$ 252,071</u> |
| Expenditures | | | | |
| Instruction | 19,236,435 | 20,773,294 | \$ 26,953,520 | \$ 6,180,226 |
| Student support services | 87,925 | 3,218 | - | [3,218] |
| Instruction support | 15,276 | 66,872 | 192,205 | 125,333 |
| School administration | 22,429 | 40,428 | - | [40,428] |
| Student transportation services | 451,735 | 234,445 | 3,000,000 | 2,765,555 |
| Transfers out | <u>4,020,042</u> | <u>4,532,497</u> | <u>-</u> | <u>[4,532,497]</u> |
| Total Expenditures | <u>23,833,842</u> | <u>25,650,754</u> | <u>\$ 30,145,725</u> | <u>\$ 4,494,971</u> |
| Receipts Over [Under] Expenditures | [631,592] | [503,033] | | |
| Unencumbered Cash, Beginning | <u>6,995,864</u> | <u>6,364,272</u> | | |
| Unencumbered Cash, Ending | <u>\$ 6,364,272</u> | <u>\$ 5,861,239</u> | | |

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Receipts and Expenditures - Actual and Budget
Coop Special Education Fund
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 Positive [Negative] |
|--------------------------------------|--------------------------------|----------------------|----------------------|------------------------------------|
| | | <u>Actual</u> | <u>Budget</u> | |
| Receipts | | | | |
| Local - other district contributions | \$ 3,327,784 | \$ 3,296,984 | \$ 4,000,000 | \$ [703,016] |
| Federal aid | 6,580,267 | 6,884,771 | 8,756,444 | [1,871,673] |
| Local sources | 100,355 | 3,937 | - | 3,937 |
| Medicaid | 3,367,105 | 4,184,539 | - | 4,184,539 |
| Miscellaneous | 1,008 | 11,779 | - | 11,779 |
| Transfers in | <u>5,348,202</u> | <u>5,256,883</u> | <u>-</u> | <u>5,256,883</u> |
| Total Receipts | <u>18,724,721</u> | <u>19,638,893</u> | <u>\$ 12,756,444</u> | <u>\$ 6,882,449</u> |
| Expenditures | | | | |
| Instruction | 6,771,477 | 6,468,585 | \$ 7,156,028 | \$ 687,443 |
| Student support services | 8,139,506 | 8,043,841 | 7,157,369 | [886,472] |
| Instructional support | 2,462,448 | 2,495,504 | 2,599,486 | 103,982 |
| School administration | 99,777 | 105,007 | 104,966 | [41] |
| Operations and maintenance | 18,333 | 18,249 | 18,494 | 245 |
| Transportation | <u>244</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Expenditures | <u>17,491,785</u> | <u>17,131,186</u> | <u>\$ 17,036,343</u> | <u>\$ [94,843]</u> |
| Receipts Over [Under] Expenditures | 1,232,936 | 2,507,707 | | |
| Unencumbered Cash, Beginning | <u>6,650,469</u> | <u>7,883,405</u> | | |
| Unencumbered Cash, Ending | <u>\$ 7,883,405</u> | <u>\$ 10,391,112</u> | | |

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Receipts and Expenditures - Actual and Budget
Gifts and Grants Fund
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 Positive [Negative] |
|--|--------------------------------|----------------------|----------------------|------------------------------------|
| | | <u>Actual</u> | <u>Budget</u> | |
| Receipts | | | | |
| Federal aid | \$ 153,739 | \$ 102,731 | \$ - | \$ 102,731 |
| State aid | 1,366,555 | 3,096,051 | 1,266,366 | 1,829,685 |
| Contributions and donations | 1,916,085 | 1,287,099 | - | 1,287,099 |
| User charges and fees | 266,547 | 300,657 | - | 300,657 |
| Miscellaneous | <u>1,209,262</u> | <u>1,155,979</u> | - | <u>1,155,979</u> |
| Total Receipts | <u>4,912,188</u> | <u>5,942,517</u> | <u>\$ 1,266,366</u> | <u>\$ 4,676,151</u> |
| Expenditures | | | | |
| Instruction | 2,578,794 | 3,099,305 | \$ 3,591,000 | \$ 491,695 |
| Student support services | 107,159 | 977,993 | 1,411,456 | 433,463 |
| Instructional support | 1,429,798 | 1,656,048 | 385,000 | [1,271,048] |
| General administration | - | - | 500,000 | 500,000 |
| School administration | 131,159 | 266,400 | 165,000 | [101,400] |
| Central services | - | - | 1,000,000 | 1,000,000 |
| Operations and maintenance | 24,178 | 223,500 | - | [223,500] |
| Architectural and engineering services | - | - | 5,000,000 | 5,000,000 |
| Transportation | <u>110,691</u> | <u>257,043</u> | <u>350,000</u> | <u>92,957</u> |
| Total Expenditures | <u>4,381,779</u> | <u>6,480,289</u> | <u>\$ 12,402,456</u> | <u>\$ 5,922,167</u> |
| Receipts Over [Under] Expenditures | <u>530,409</u> | <u>[537,772]</u> | | |
| Unencumbered Cash, Beginning | 15,745,170 | 16,275,579 | | |
| Prior Period Adjustment | - | <u>12,545</u> | | |
| Unencumbered Cash, Beginning, Restated | <u>15,745,170</u> | <u>16,288,124</u> | | |
| Unencumbered Cash, Ending | <u>\$ 16,275,579</u> | <u>\$ 15,750,352</u> | | |

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Receipts and Expenditures - Actual and Budget
Vocational Education Fund
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 Positive [Negative] |
|--|--------------------------------|-------------------|---------------------|------------------------------------|
| | | <u>Actual</u> | <u>Budget</u> | |
| Receipts | | | | |
| Transfers in | \$ 2,237,800 | \$ 2,396,975 | \$ 2,267,443 | \$ 129,532 |
| State aid | 34,661 | 10,601 | 33,510 | [22,909] |
| Federal aid | <u>334,791</u> | <u>317,151</u> | <u>311,059</u> | <u>6,092</u> |
| Total Receipts | <u>2,607,252</u> | <u>2,724,727</u> | <u>\$ 2,612,012</u> | <u>\$ 112,715</u> |
| Expenditures | | | | |
| Instruction | 2,487,775 | 2,470,005 | \$ 2,611,312 | \$ 141,307 |
| Instructional support | <u>129,026</u> | <u>136,007</u> | <u>700</u> | <u>[135,307]</u> |
| Total Expenditures | <u>2,616,801</u> | <u>2,606,012</u> | <u>\$ 2,612,012</u> | <u>\$ 6,000</u> |
| Receipts Over [Under] Expenditures | <u>[9,549]</u> | <u>118,715</u> | | |
| Unencumbered Cash, Beginning | 6,288 | - | | |
| Prior Period Adjustment | <u>3,261</u> | <u>[6,000]</u> | | |
| Unencumbered Cash, Beginning, Restated | <u>9,549</u> | <u>[6,000]</u> | | |
| Unencumbered Cash, Ending | <u>\$ -</u> | <u>\$ 112,715</u> | | |

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Receipts and Expenditures - Actual and Budget
Employees' Retirement Fund
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 Positive [Negative] |
|------------------------------------|--------------------------------|-----------------|---------------|------------------------------------|
| | | <u>Actual</u> | <u>Budget</u> | |
| Receipts | | | | |
| Taxes and Shared Revenues: | | | | |
| Delinquent tax | \$ 7,991 | \$ 5,959 | \$ - | \$ 5,959 |
| Motor vehicle tax | - | 9 | - | 9 |
| Total Receipts | <u>7,991</u> | <u>5,968</u> | <u>\$ -</u> | <u>\$ 5,968</u> |
| Expenditures | | | | |
| Fringe benefits | <u>141,103</u> | - | \$ - | \$ - |
| Total Expenditures | <u>141,103</u> | - | <u>\$ -</u> | <u>\$ -</u> |
| Receipts Over [Under] Expenditures | [133,112] | 5,968 | | |
| Unencumbered Cash, Beginning | <u>133,112</u> | - | | |
| Unencumbered Cash, Ending | <u>\$ -</u> | <u>\$ 5,968</u> | | |

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Receipts and Expenditures - Actual and Budget
KPERs Special Retirement Contribution Fund
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 Positive [Negative] |
|------------------------------------|--------------------------------|-------------------|----------------------|------------------------------------|
| | | <u>Actual</u> | <u>Budget</u> | |
| Receipts | | | | |
| State aid | \$ 20,276,400 | \$ 12,778,772 | \$ 27,038,579 | \$ [14,259,807] |
| Total Receipts | <u>20,276,400</u> | <u>12,778,772</u> | <u>\$ 27,038,579</u> | <u>\$ [14,259,807]</u> |
| Expenditures | | | | |
| Employee benefits | 20,276,400 | 12,778,772 | \$ 27,038,579 | \$ 14,259,807 |
| Total Expenditures | <u>20,276,400</u> | <u>12,778,772</u> | <u>\$ 27,038,579</u> | <u>\$ 14,259,807</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. 500
Schedule of Receipts and Expenditures - Actual and Budget
Federal Funds
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 Positive [Negative] |
|------------------------------------|--------------------------------|--------------------|----------------------|------------------------------------|
| | | <u>Actual</u> | <u>Budget</u> | |
| Receipts | | | | |
| Federal aid | \$ 24,211,413 | \$ 22,850,234 | \$ 22,718,211 | \$ 132,023 |
| Total Receipts | <u>24,211,413</u> | <u>22,850,234</u> | <u>\$ 22,718,211</u> | <u>\$ 132,023</u> |
| Expenditures | | | | |
| Instruction | 12,399,224 | 12,340,525 | \$ 12,865,682 | \$ 525,157 |
| Student support services | 4,654,864 | 4,204,500 | 4,208,603 | 4,103 |
| Instructional support | 4,610,504 | 3,760,947 | 4,272,667 | 511,720 |
| General administration | 362,295 | 212 | - | [212] |
| School administration | 476,946 | 697,613 | 20,456 | [677,157] |
| Operations and maintenance | 247,326 | 149,249 | 10,596 | [138,653] |
| Transportation | - | - | 146,693 | 146,693 |
| Food service operations | 586,301 | 245,624 | - | [245,624] |
| Capital outlay | <u>1,063,414</u> | <u>693,609</u> | - | <u>[693,609]</u> |
| Total Expenditures | <u>24,400,874</u> | <u>22,092,279</u> | <u>\$ 21,524,697</u> | <u>\$ [567,582]</u> |
| Receipts Over [Under] Expenditures | [189,461] | 757,955 | | |
| Unencumbered Cash, Beginning | [1,307,634] | [999,128] | | |
| Prior Period Adjustment | <u>497,967</u> | <u>212,073</u> | | |
| Unencumbered Cash, Ending | <u>\$ [999,128]</u> | <u>\$ [29,100]</u> | | |

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Receipts and Expenditures - Actual Only
Contingency Reserve Fund *
Regulatory Basis
For the Years Ended June 30, 2019 and 2018

| | Prior Year <u>Actual</u> | Current Year <u>Actual</u> |
|------------------------------------|--------------------------------|----------------------------------|
| Receipts | | |
| Transfers in | \$ 4,000,000 | \$ - |
| Total Receipts | <u>4,000,000</u> | <u>-</u> |
| Expenditures | | |
| Transfers out | 1,012,500 | 4,000,000 |
| Student support services | <u>-</u> | <u>1,783,925</u> |
| Total Expenditures | <u>1,012,500</u> | <u>5,783,925</u> |
| Receipts Over [Under] Expenditures | 2,987,500 | [5,783,925] |
| Unencumbered Cash, Beginning | <u>17,578,548</u> | <u>20,566,048</u> |
| Unencumbered Cash, Ending | <u>\$ 20,566,048</u> | <u>\$ 14,782,123</u> |

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Receipts and Expenditures - Actual Only
Student Materials Revolving Fund *
Regulatory Basis
For the Years Ended June 30, 2019 and 2018

| | Prior Year <u>Actual</u> | Current Year <u>Actual</u> |
|--|--------------------------------|----------------------------------|
| Receipts | | |
| Charges for services | \$ 213,065 | \$ 221,595 |
| Miscellaneous revenues | <u>28,733</u> | <u>20,502</u> |
| Total Receipts | <u>241,798</u> | <u>242,097</u> |
| Expenditures | | |
| Instruction | <u>413,508</u> | <u>201,699</u> |
| Total Expenditures | <u>413,508</u> | <u>201,699</u> |
| Receipts Over [Under] Expenditures | [171,710] | 40,398 |
| Unencumbered Cash, Beginning | <u>353,462</u> | <u>181,752</u> |
| Unencumbered Cash, Ending | <u>\$ 181,752</u> | <u>\$ 222,150</u> |

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Receipts and Expenditures - Actual and Budget
Public Library Board Fund
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 Positive [Negative] |
|------------------------------------|--------------------------------|----------------------|----------------------|------------------------------------|
| | | <u>Actual</u> | <u>Budget</u> | |
| Receipts | | | | |
| Taxes and Shared Revenue: | | | | |
| Ad valorem property taxes | \$ 6,159,471 | \$ 7,178,711 | \$ 6,838,820 | \$ 339,891 |
| Delinquent tax | 303,918 | 262,845 | 206,096 | 56,749 |
| Motor vehicle tax | 949,834 | 959,329 | 676,917 | 282,412 |
| Revenue in lieu of taxes | 83,501 | 93,396 | - | 93,396 |
| Other revenue from a local source | 2,701,290 | 2,870,360 | - | 2,870,360 |
| Interest | 35,402 | 74,771 | - | 74,771 |
| Donations | 28,585 | 21,350 | - | 21,350 |
| Other | 45,997 | 49,807 | - | 49,807 |
| Total Receipts | <u>10,307,998</u> | <u>11,510,569</u> | <u>\$ 7,721,833</u> | <u>\$ 3,788,736</u> |
| Expenditures | | | | |
| Community service operations | 7,363,313 | 8,929,973 | \$ 11,246,265 | \$ 2,316,292 |
| Operations and maintenance | <u>186,633</u> | <u>456,420</u> | - | [456,420] |
| Total Expenditures | <u>7,549,946</u> | <u>9,386,393</u> | <u>\$ 11,246,265</u> | <u>\$ 1,859,872</u> |
| Receipts Over [Under] Expenditures | 2,758,052 | 2,124,176 | | |
| Unencumbered Cash, Beginning | <u>10,835,882</u> | <u>13,593,934</u> | | |
| Unencumbered Cash, Ending | <u>\$ 13,593,934</u> | <u>\$ 15,718,110</u> | | |

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Receipts and Expenditures - Actual and Budget
Public Library Board Employee Benefits Fund
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 Positive [Negative] |
|------------------------------------|--------------------------------|---------------------|---------------------|------------------------------------|
| | | <u>Actual</u> | <u>Budget</u> | |
| Receipts | | | | |
| Taxes and Shared Revenue: | | | | |
| Ad valorem property taxes | \$ 839,876 | \$ 978,504 | \$ 932,184 | \$ 46,320 |
| Delinquent tax | 42,773 | 36,769 | 28,103 | 8,666 |
| Motor vehicle tax | 129,500 | 130,802 | 92,324 | 38,478 |
| Revenue in lieu of taxes | <u>11,386</u> | <u>12,731</u> | <u>-</u> | <u>12,731</u> |
| Total Receipts | <u>1,023,535</u> | <u>1,158,806</u> | <u>\$ 1,052,611</u> | <u>\$ 106,195</u> |
| Expenditures | | | | |
| Community service operations | <u>1,038,331</u> | <u>1,112,394</u> | <u>\$ 1,339,470</u> | <u>\$ 227,076</u> |
| Total Expenditures | <u>1,038,331</u> | <u>1,112,394</u> | <u>\$ 1,339,470</u> | <u>\$ 227,076</u> |
| Receipts Over [Under] Expenditures | [14,796] | 46,412 | | |
| Unencumbered Cash, Beginning | <u>1,084,161</u> | <u>1,069,365</u> | | |
| Unencumbered Cash, Ending | <u>\$ 1,069,365</u> | <u>\$ 1,115,777</u> | | |

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Receipts and Expenditures - Actual and Budget
Bond and Interest Fund
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 Positive [Negative] |
|------------------------------------|--------------------------------|---------------------|----------------------|------------------------------------|
| | | <u>Actual</u> | <u>Budget</u> | |
| Receipts | | | | |
| Taxes and Shared Revenue: | | | | |
| Ad valorem property taxes | \$ 4,983,575 | \$ 5,808,151 | \$ 5,533,136 | \$ 275,015 |
| Delinquent tax | 244,858 | 212,238 | 166,749 | 45,489 |
| Motor vehicle tax | 768,570 | 776,215 | 547,739 | 228,476 |
| Revenue in lieu of taxes | 67,560 | 75,565 | - | 75,565 |
| Transfer in | - | 2,600,000 | 6,116,000 | [3,516,000] |
| State aid | <u>12,606,960</u> | <u>17,754,594</u> | <u>17,825,522</u> | <u>[70,928]</u> |
| Total Receipts | <u>18,671,523</u> | <u>27,226,763</u> | <u>\$ 30,189,146</u> | <u>\$ [2,962,383]</u> |
| Expenditures | | | | |
| Bond principal | 8,845,000 | 17,950,000 | \$ 17,950,000 | \$ - |
| Interest | <u>15,037,236</u> | <u>12,433,859</u> | <u>12,434,314</u> | <u>455</u> |
| Total Expenditures | <u>23,882,236</u> | <u>30,383,859</u> | <u>\$ 30,384,314</u> | <u>\$ 455</u> |
| Receipts Over [Under] Expenditures | [5,210,713] | [3,157,096] | | |
| Unencumbered Cash, Beginning | <u>11,963,367</u> | <u>6,752,654</u> | | |
| Unencumbered Cash, Ending | <u>\$ 6,752,654</u> | <u>\$ 3,595,558</u> | | |

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Receipts and Expenditures - Actual Only
Capital Projects Fund*
Regulatory Basis
For the Year Ended June 30, 2019 and 2018

| | Prior Year <u>Actual</u> | Current Year <u>Actual</u> |
|------------------------------------|--------------------------------|----------------------------------|
| Receipts | | |
| Investment income | \$ 2,710,148 | \$ 2,818,946 |
| Miscellaneous | <u>-</u> | <u>2,478</u> |
| Total Receipts | <u>2,710,148</u> | <u>2,821,424</u> |
| Expenditures | | |
| Capital outlay | 29,793,048 | 81,192,170 |
| Transfer out | <u>-</u> | <u>7,600,000</u> |
| Total Expenditures | <u>29,793,048</u> | <u>88,792,170</u> |
| Receipts Over [Under] Expenditures | [27,082,900] | [85,970,746] |
| Unencumbered Cash, Beginning | <u>242,903,682</u> | <u>215,820,782</u> |
| Unencumbered Cash, Ending | <u>\$ 215,820,782</u> | <u>\$ 129,850,036</u> |

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Receipts and Expenditures - Actual Only
School Workers' Compensation Reserve Fund *
Regulatory Basis
For the Years Ended June 30, 2019 and 2018

| | Prior Year <u>Actual</u> | Current Year <u>Actual</u> |
|------------------------------------|--------------------------------|----------------------------------|
| Receipts | | |
| Investment income | \$ 38,387 | \$ 99,695 |
| Transfer in | - | 1,915,000 |
| Miscellaneous | - | 5,572 |
| Total Receipts | <u>38,387</u> | <u>2,020,267</u> |
| Expenditures | | |
| General administration | <u>964,579</u> | <u>1,386,464</u> |
| Total Expenditures | <u>964,579</u> | <u>1,386,464</u> |
| Receipts Over [Under] Expenditures | [926,192] | 633,803 |
| Unencumbered Cash, Beginning | <u>6,462,473</u> | <u>5,536,281</u> |
| Unencumbered Cash, Ending | <u>\$ 5,536,281</u> | <u>\$ 6,170,084</u> |

* This fund is not required to be budgeted.

SCHEDULE 3

UNIFIED SCHOOL DISTRICT NO. 500
 Agency Funds
 Summary of Receipts and Disbursements
 Regulatory Basis
 For the Year Ended June 30, 2019

| <u>FUNDS</u> | <u>Beginning Cash Balance</u> | <u>Receipts</u> | <u>Disbursements</u> | <u>Ending Cash Balance</u> |
|--------------------------|-----------------------------------|---------------------|----------------------|--------------------------------|
| High Schools | | | | |
| Clubs and Societies | \$ 482,310 | \$ 861,003 | \$ 827,693 | \$ 515,620 |
| Total High Schools | <u>482,310</u> | <u>861,003</u> | <u>827,693</u> | <u>515,620</u> |
| District | | | | |
| QZAB Escrow | 668,857 | 1,650 | 1,650 | 668,857 |
| Healthcare Reserve | <u>4,863,592</u> | <u>604,817</u> | <u>548,200</u> | <u>4,920,209</u> |
| Total District | <u>5,532,449</u> | <u>606,467</u> | <u>549,850</u> | <u>5,589,066</u> |
| Middle Schools | | | | |
| Clubs and Societies | <u>264,152</u> | <u>422,151</u> | <u>346,354</u> | <u>339,949</u> |
| Total Middle Schools | <u>264,152</u> | <u>422,151</u> | <u>346,354</u> | <u>339,949</u> |
| Elementary Schools | | | | |
| Clubs and Societies | <u>243,878</u> | <u>266,292</u> | <u>214,811</u> | <u>295,359</u> |
| Total Elementary Schools | <u>243,878</u> | <u>266,292</u> | <u>214,811</u> | <u>295,359</u> |
| Total Agency Funds | <u>\$ 6,522,789</u> | <u>\$ 2,155,913</u> | <u>\$ 1,938,708</u> | <u>\$ 6,739,994</u> |

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500
 Schedule of Receipts, Expenditures, and Unencumbered Cash
 Private Purpose Trust Fund
 Regulatory Basis
 For the Year Ended June 30, 2019

| <u>FUNDS</u> | Beginning Cash <u>Balance</u> | <u>Receipts</u> | <u>Disbursements</u> | Ending Unencumbered Cash <u>Balance</u> | Outstanding Encumbrances and Accounts Payable | Ending Cash <u>Balance</u> |
|------------------------------------|-------------------------------------|-----------------|----------------------|--|--|----------------------------------|
| Virginia Schinkle Scholarship Fund | \$ 15,390 | \$ - | \$ 7,848 | \$ 7,542 | \$ - | \$ 7,542 |

See independent auditor's report on the financial statements.

SCHEDULE 5

UNIFIED SCHOOL DISTRICT NO. 500
 Schedule of Receipts, Expenditures, and Unencumbered Cash
 District Activity Fund
 Regulatory Basis
 For the Year Ended June 30, 2019

| <u>FUNDS</u> | Beginning Unencumbered <u>Cash Balance</u> | Prior Year Cancelled <u>Encumbrances</u> | <u>Receipts</u> | <u>Expenditures</u> | Ending Unencumbered <u>Cash Balance</u> | Add Encumbrances and Accounts <u>Payable</u> | Ending <u>Cash Balance</u> |
|------------------------|--|--|-----------------|---------------------|---|---|-------------------------------|
| District Activity Fund | \$ 72,945 | \$ - | \$ 99,321 | \$ 117,969 | \$ 54,297 | \$ 18,825 | \$ 73,122 |

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

| Federal Grantor/Pass-Through Grantor/Program Title | Federal CFDA Number | Restated Beginning Unencumbered Cash | Receipts | Expenditures | Ending Unencumbered Cash |
|---|---------------------------|---|---------------|---------------|--------------------------------|
| <u>U.S. Department of Education</u> | | | | | |
| Passed Through Kansas State Department of Education | | | | | |
| Special Education (IDEA) Cluster | | | | | |
| Special Education Grants to States | 84.027 | \$ 3,171,576 | \$ 5,937,773 | \$ 4,637,130 | \$ 4,472,219 |
| Special Education Preschool Grants | 84.173 | - | 217,075 | 217,075 | - |
| Total Special Education (IDEA) Cluster | | 3,171,576 | 6,154,848 | 4,854,205 | 4,472,219 |
| Title I Grants to Local Educational Agencies | 84.010 | 153,452 | 12,123,763 | 12,829,010 | [551,795] |
| Migrant Education State Grant Program | 84.011 | 102,480 | 722,700 | 670,373 | 154,807 |
| Vocational Education Basic Grants to States | 84.048 | 91,480 | 317,151 | 214,658 | 193,973 |
| Education for Homeless Children and Youth | 84.196 | 1,739 | 91,350 | 102,915 | [9,826] |
| Twenty First Century Community Learning Centers | 84.287 | [18,431] | 225,000 | 214,282 | [7,713] |
| English Language Acquisition Grant | 84.365 | 113,041 | 644,440 | 734,320 | 23,161 |
| Improving Teacher Quality State Grants | 84.367 | - | 1,261,704 | 1,261,800 | [96] |
| Section 1003 (g) | 84.377 | 283,507 | - | - | 283,507 |
| Student Support Academic Enrichment | 84.424 | 1,231 | 385,402 | 384,350 | 2,283 |
| Hurricanes Harvey, Irma and Maria | 84.938 | - | 121,250 | 121,250 | - |
| Total Passed Through Kansas State Department of Education | | 3,900,075 | 22,047,608 | 21,387,163 | 4,560,520 |
| Total U.S. Department of Education | | 3,900,075 | 22,047,608 | 21,387,163 | 4,560,520 |
| Corporation for National and Community Service | | | | | |
| Passed Through Kansas State Department of Education | | | | | |
| AmeriCorps State and National | 94.006 | [74,696] | 129,374 | 133,289 | [78,611] |
| Training and Technical Assistance | 94.009 | - | 1,313 | 1,313 | - |
| Total Corporation for National and Community Service | | [74,696] | 130,687 | 134,602 | [78,611] |
| <u>U.S. Department of Health and Human Services</u> | | | | | |
| Head Start | 93.600 | [1,944,311] | 7,911,191 | 6,498,436 | [531,556] |
| Passed Through Kansas State Department of Education | | | | | |
| TANF Cluster: | | | | | |
| TANF Pre K pilot | 93.558 | [175,154] | 597,382 | 559,254 | [137,026] |
| Total TANF Cluster | | [175,154] | 597,382 | 559,254 | [137,026] |
| Youth Risk Behavior Survey | 93.938 | - | 2,000 | - | 2,000 |
| Cooperative Agreements to Promote Adolescent Health | 93.079 | 3,473 | - | 1,730 | 1,743 |
| Total U.S. Department of Health and Human Services | | [2,115,992] | 8,510,573 | 7,059,420 | [664,839] |
| <u>U.S. Department of Agriculture</u> | | | | | |
| Passed Through Kansas State Department of Education | | | | | |
| Child Nutrition Cluster | | | | | |
| School Breakfast Program | 10.553 | - | 4,418,736 | 4,418,736 | - |
| National School Lunch Program | 10.555 | - | 9,773,106 | 9,773,106 | - |
| Summer Food Service Program for Children | 10.559 | - | 187,304 | 187,304 | - |
| Total Child Nutrition Cluster | | - | 14,379,146 | 14,379,146 | - |
| Team Nutrition Training | 10.574 | - | 200 | 200 | - |
| Child and Adult Care Food Program | 10.558 | - | 364,122 | 364,122 | - |
| Fresh Fruits & Vegetables | 10.582 | - | 456,960 | 456,960 | - |
| Total U.S. Department of Agriculture | | - | 15,200,428 | 15,200,428 | - |
| Total | | \$ 1,709,387 | \$ 45,889,296 | \$ 43,781,613 | \$ 3,817,070 |

The notes to the schedule of expenditures of federal awards are an integral part of this schedule.

UNIFIED SCHOOL DISTRICT NO. 500
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

1. Organization

Unified School District No. 500, Kansas City, Kansas, (the District), is the recipient of several federal awards. All federal awards received directly from federal agencies as well as those awards that are passed through other government agencies, are included on the schedule of Expenditures of Federal Awards.

2. Basis of Presentation

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

3. Local Government Contributions

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

4. Additional Audits

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

5. Outstanding Loans

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

6. Pass Through Numbers

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

UNIFIED SCHOOL DISTRICT NO. 500
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2019

Section I - Summary of Auditor's Results

Financial Statements

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

Internal control over financial reporting:

Material weakness(es) identified? ___ Yes X No

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

Noncompliance material to financial statements noted? ___ Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? ___ Yes X No

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

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

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

Identification of major programs:

| <u>CFDA Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
|--|--|
| 84.027, 84.173 10.553, 10.555, 10.559 | Special Education Cluster Child Nutrition Cluster |

Dollar threshold used to distinguish between type A and type B programs: \$1,313,448

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

UNIFIED SCHOOL DISTRICT NO. 500
Schedule of Findings and Questioned Costs
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. 500
Kansas City, 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, the financial statements of the Unified School District No. 500, (the District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated December 4, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

However, we noted certain other minor control deficiencies that we reported to management of the District in a separate letter dated December 4, 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, KS
December 4, 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. 500
Kansas City, Kansas

Report on Compliance for Each Major Federal Program

We have audited the compliance of the Unified School District No. 500, (the District) with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2019. The District's major federal financial programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

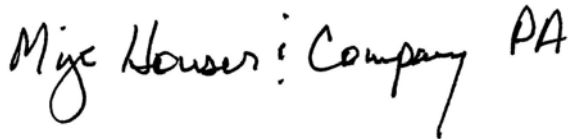
Report on Internal Control Over Compliance

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

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

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

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

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

Certified Public Accountants

Lawrence, KS
December 4, 2019