

**UNIFIED SCHOOL DISTRICT #503**  
Parsons, Kansas

Independent Auditors' Reports and  
Regulatory Basis Financial Statement  
with Supplementary Information

For the Fiscal Year Ended June 30, 2019

**UNIFIED SCHOOL DISTRICT #503**  
Parsons, Kansas

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Parsons, Kansas

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**JARRED, GILMORE & PHILLIPS, PA**  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITORS' REPORT**

Board of Education  
Unified School District #503  
Parsons, Kansas

**Report on the Financial Statement**

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District #503, Parsons, Kansas, a municipality, as of and for the year ended June 30, 2019, and the related notes to the financial statement.

**Management's Responsibility for the Financial Statement**

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

**Auditors' Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District'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 District'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 statements.

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 Unified School District #503 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 Unified School District #503 as of June 30, 2019, or changes in financial position and cash flows thereof for the year then ended.

### **Unmodified Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the Unified School District #503 as of June 30, 2019, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note 1.

### **Other Matters**

#### *Supplementary Information*

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

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of Unified School District #503 as of and for the year ended June 30, 2018 (not presented herein), and have issued our report thereon dated December 19, 2018, which contained an unmodified opinion on the basic financial statement. The 2018 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <http://www.admin.ks.gov/offices/chief-financial-officer/municipal-services>. The 2018 actual column (2018 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended June 30, 2019 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2018 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the fiscal year ended June 30, 2018 basic financial statement. The fiscal year ended June 30, 2018 comparative information was subjected to the auditing procedures applied in the audit of the fiscal year ended June 30, 2018 basic financial statement and certain

additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the fiscal year ended June 30, 2018 basic financial statement or to the fiscal year ended June 30, 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 fiscal year ended June 30, 2018 comparative information is fairly stated in all material respects in relation to the fiscal year ended June 30, 2018 basic 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 16, 2019, on our consideration of the Unified School District #503's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Unified School District #503's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Unified School District #503's internal control over financial reporting and compliance.



JARRED, GILMORE & PHILLIPS, PA  
Certified Public Accountants

Chanute, Kansas  
December 16, 2019

**UNIFIED SCHOOL DISTRICT #503**  
Parsons, Kansas

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

Funds	Beginning Unencumbered Cash Balances	Prior Year Cancelled Encumbrance	Receipts	Expenditures	Ending Unencumbered Cash Balances	Plus Encumbrances and Accounts Payable	Ending Cash Balances June 30, 2019
General	\$ -	\$ -	\$ 9,549,517.86	\$ 9,549,517.86	\$ -	\$ 643,177.44	\$ 643,177.44
Supplemental General	49,658.31	-	3,017,944.94	3,031,814.00	35,789.25	89,511.66	125,300.91
Special Purpose Funds:							
4 Year Old At-Risk	86,154.02	-	40,000.00	95,644.38	30,509.64	-	30,509.64
K-12 At-Risk	200,000.00	-	1,491,640.59	1,540,140.05	151,500.54	145,124.91	296,625.45
Capital Outlay	2,186,992.70	-	387,421.00	1,494,254.21	1,080,159.49	326,149.53	1,406,309.02
Driver Training	25,449.13	-	16,217.00	8,072.88	33,593.25	7,696.98	41,290.23
Food Service	133,935.17	-	655,858.81	649,072.63	140,721.35	39,590.85	180,312.20
Special Education	376,439.64	-	2,245,294.04	2,103,717.54	518,016.14	-	518,016.14
First Robotics	11,177.00	-	-	4,068.63	7,108.37	-	7,108.37
Vocational Education	215,758.42	-	408,002.99	478,046.94	145,714.47	43,624.83	189,339.30
Virtual Education	-	-	3,500.00	3,500.00	-	-	-
Recreation Commission	-	-	322,592.57	315,700.00	6,892.57	-	6,892.57
Recreation Commission Employee Benefits	-	-	60,330.97	60,330.97	-	-	-
Early Steps to Success - Save the Children Grant	(25,573.08)	-	25,573.08	-	-	-	-
Kansas Reading Roadmap	(19,714.50)	-	101,635.03	97,718.64	(15,798.11)	13,580.05	(2,218.06)
Rural Low-Income Schools Program	-	-	25,961.00	25,961.00	-	25,961.00	25,961.00
Title I	29,402.63	-	586,429.00	615,831.63	-	22,150.99	22,150.99
Bilingual Education	-	-	9,000.00	9,000.00	-	-	-
Miscellaneous Grants	332.57	-	-	332.57	-	-	-
Gifts and Grants	9,512.46	-	323,326.00	338,323.11	(5,484.65)	10,854.12	5,369.47
KPERS Special Retirement Contributions	-	-	962,331.35	962,331.35	-	-	-
Contingency Reserve	900,000.00	-	-	-	900,000.00	-	900,000.00
Textbook Revolving	19,817.17	-	11,325.50	-	31,142.67	-	31,142.67

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

UNIFIED SCHOOL DISTRICT #503  
Parsons, Kansas

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

Funds	Beginning Unencumbered Cash Balances	Prior Year Cancelled Encumbrance	Receipts	Expenditures	Ending Unencumbered Cash Balances	Plus Encumbrances and Accounts Payable	Ending Cash Balances June 30, 2019
Special Purpose Funds: (Continued)							
Title II - Improving Teacher Quality	\$ -	\$ -	79,535.00	79,535.00	\$ -	\$ 11,163.38	\$ 11,163.38
Title IV	-	-	32,865.00	32,865.00	-	14,816.93	14,816.93
Gate Receipts	30,250.74	-	88,707.02	86,647.18	32,310.58	-	32,310.58
Special Projects	72,801.51	-	236,221.12	234,475.13	74,547.50	-	74,547.50
Bond and Interest Funds:							
Bond and Interest	1,188,321.65	-	1,858,023.44	1,850,300.00	1,196,045.09	-	1,196,045.09
Total Reporting Entity	\$ 5,490,715.54	\$ -	\$ 22,539,253.31	\$ 23,667,200.70	\$ 4,362,768.15	\$ 1,393,402.67	\$ 5,756,170.82

Composition of Cash

General Checking Account.....	\$ 5,758,288.89
Activity Checking Accounts.....	139,274.43
Total Cash	5,897,563.32
Less Agency Funds per Schedule 3	(141,392.50)
Total Reporting Entity.....	\$ 5,756,170.82

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



**UNIFIED SCHOOL DISTRICT #503**  
Parsons, Kansas

Notes to the Financial Statement  
For the Fiscal Year Ended June 30, 2019

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statement and schedules of Unified School District #503, Parsons, Kansas, have been prepared in order to show compliance with the cash basis and budget laws of the State of Kansas. The Governmental Accounting Standards Board is the principal standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies follow. Note 1 describes how the District's accounting policies differ from accounting principles generally accepted in the United States of America.

Reporting Entity

The District is a municipal corporation governed by an elected seven-member board. This financial statement present USD #503.

*Related Municipal Entities:* A related municipal entity is determined by the following criteria. Whether the District exercises oversight responsibility on financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters, scope of the public service, and significant operational or financial relationships with the District. Related municipal entities are not required to be included in the District's audit by the Kansas Municipal Audit and Accounting Guide (KMAAG). Based upon the application of this criterion, the following is a brief review of potential related entities:

*Jointly Governed Component Unit.* The financial statement and schedules include the following financial data of a jointly governed component unit. Two members of the governing body of this component unit are appointed by the USD. Other members of the governing body include two members appointed by the City of Parsons and one at-large member.

Recreation Commission - USD #503 Recreation Commission oversees recreational activities. The recreation commission can sue and be sued, but acquisition of real property by the commission must be approved by the USD. The USD levies taxes for the recreation commission. Bond issuances must be approved by the USD. The Recreation Commission funds in these financial statements only include tax levy money collected by the USD and distributed to the Commission. Financial statements are available at the Commission.

Regulatory Basis Fund Types

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.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Regulatory Basis Fund Types (Continued)

The following types of funds comprise the financial activities of the Unified School District #503, for the year ended June 30, 2019:

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

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

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

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

Basis of Presentation – Regulatory Basis of Accounting

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

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

Property Taxes

In accordance with governing state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1 of the ensuing year. Consequently, for revenue recognition purposes, taxes levied during the current year are not due and receivable until the ensuing year. At December 31 such taxes are a lien on the property.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Reimbursed Expenses

K.S.A. 79-2934 provides that reimbursed expenditures, in excess of those budgeted, should be recorded as reductions in expenditures rather than as revenues. In the financial statements and budget comparison schedules presented in this report, reimbursements and refunds are recorded as revenues. The reimbursements are recorded as cash receipts when received by the District Treasurer and are often difficult to identify the exact expenditure which they are reimbursing. In funds showing expenditures in excess of the original adopted budget, reimbursements are added to the adopted budget as budget credits for comparison with the actual expenditures.

Pension Plan

Substantially all full-time District employees are members of the State of Kansas Public Employees Retirement System which is a multi-employer state-wide pension plan. The District's policy is the State of Kansas will fund all pension costs accrued; such costs to be funded are actuarially determined annually by the State.

Budgetary Information

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

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. The District had no such amendments during the fiscal year, however, the General Fund and the Supplemental General Fund budget was decreased to the legal maximum budget based upon final enrollment numbers being lower than originally budgeted.

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

All legal annual operating budgets are prepared using the cash basis of accounting, modified further by the recording of accounts payable and encumbrances. Revenues are recognized when cash is received. Expenditures include cash disbursements, accounts payable and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments of the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end. A legal operating budget is not required for fiduciary funds and certain special purpose funds.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Budgetary Information (Continued)

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.

2. **STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

Compliance with Kansas Statutes

Statement 1 and Schedule 1 have been prepared in order to show compliance with the cash basis and budget laws of Kansas. As shown in Statement 1, the District was in apparent violation with K.S.A. 10-1113, as the District has obligated expenditures in excess of available monies in the Gifts and Grants Fund and the Kansas Reading Roadmap Fund. However, K.S.A 10-1116 provides that under certain situations, a fund can end the year with a negative unencumbered cash balance and therefore, exempt from the cash basis laws of the State of Kansas. The funds listed above met the criteria under the statutes, and therefore, are not deemed to be in violation of the Kansas cash basis law. As shown in Schedule 1, the District was in apparent compliance with Kansas budget laws.

3. **DEPOSITS AND INVESTMENTS**

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

K.S.A 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of 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. The rating of the District's investments is noted above.

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

*Custodial credit risk – deposits.* Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas District, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at June 30, 2019.

At year-end, the District's carrying amount of deposits was \$5,897,563.32 and the bank balance was \$5,978,216.24. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$390,014.72 was covered by FDIC insurance and \$5,588,201.52 was collateralized with securities held by the pledging financial institution's agents in the District's name.

**4. IN-SUBSTANCE RECEIPT IN TRANSIT**

The District received \$632,851.00 subsequent to June 30, 2019 and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2019.

**5. CAPITAL LEASE OBLIGATIONS**

The District has entered into a capital lease agreement in order to finance the acquisition of and installation of an energy management system. Payments are made of \$165,623.30 annually, including interest at 2.65%. Final maturity of the lease is January 27, 2031. Future minimum lease payments are as follows:

<u>Year Ended June 30</u>	<u>Totals</u>
2020	\$ 165,623.29
2021	165,623.29
2022	165,623.29
2023	165,623.29
2024	165,623.29
2025-2029	828,116.45
2030-2031	<u>331,246.62</u>
Total Payments from District	1,987,479.52
Less imputed interest	<u>(303,882.37)</u>
Net Present Value of Minimum	
Lease Payments	1,683,597.15
Less: Current Maturities	<u>(121,007.97)</u>
Long-Term Capital Lease Obligations	<u>\$ 1,562,589.18</u>

**6. OPERATING LEASES**

As of June 30, 2019 the District has entered into a number of operating leases for equipment. Total payments for the year ended June 30, 2019, was \$26,892.00. Under the current lease agreements, the future minimum lease rentals are as follows:

2020	\$ 25,752.00
2021	15,966.00
2022	6,840.00

**7. LONG-TERM DEBT**

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

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balances Beginning of Year	Additions/ New Debt	Reductions/ Principal Paid	Balances End of Year	Interest Paid
General Obligation Bonds Series 2015-A	2.00%	05/06/2015	\$ 4,915,000.00	09/01/2020	\$ 3,030,000.00	\$ -	\$ 990,000.00	\$ 2,040,000.00	\$ 50,700.00
Series 2016-A Capital Leases	2.00%	05/05/2016	3,100,000.00	09/01/2020	2,365,000.00	-	770,000.00	1,595,000.00	39,600.00
Energy System Boiler - Middle School	2.65%	01/27/2016	2,028,198.00	02/01/2031	1,801,481.19	-	117,884.04	1,683,597.15	47,739.25
	1.99%	09/07/2017	51,000.00	09/15/2020	51,000.00	-	51,000.00	-	1,452.10
Total Contractual Indebtedness					\$ 7,247,481.19	\$ -	\$ 1,928,884.04	\$ 5,318,597.15	\$ 139,491.35

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

Issue	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025-2029	June 30, 2030-2031	Totals
<b>Principal</b>								
General Obligation Bonds Paid with Tax Levies Series 2015-A	\$ 1,010,000.00	\$ 1,030,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,040,000.00
Series 2016-A Capital Leases	790,000.00	805,000.00	-	-	-	-	-	1,595,000.00
Energy System Total Principal	121,007.97	124,214.68	127,506.37	130,885.29	134,353.75	727,099.25	318,529.84	1,683,597.15
<b>Interest</b>	1,921,007.97	1,959,214.68	127,506.37	130,885.29	134,353.75	727,099.25	318,529.84	5,318,597.15
General Obligation Bonds Paid with Tax Levies Series 2015-A	30,700.00	10,300.00	-	-	-	-	-	41,000.00
Series 2016-A Capital Leases	24,000.00	8,050.00	-	-	-	-	-	32,050.00
Energy System Total Interest	44,615.32	41,408.61	38,116.92	34,738.01	31,269.55	101,017.21	12,716.75	303,882.37
	99,315.32	59,758.61	38,116.92	34,738.01	31,269.55	101,017.21	12,716.75	376,932.37
Total Principal and Interest	\$ 2,020,323.29	\$ 2,018,973.29	\$ 165,623.29	\$ 165,623.30	\$ 165,623.30	\$ 828,116.46	\$ 331,246.59	\$ 5,695,529.52

## **8. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS**

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

*Contributions.* K.S.A. 74-4919 and K.S.A. 74-49,210 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 1.00% contribution rate for the Death and Disability Program) was 16.38% and 12.01%, respectively, for the fiscal year ended June 30, 2018. The actuarially determined employer contribution rate and the statutory contribution rate was 14.59% and 13.21% for the fiscal year ended June 30, 2019.

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

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

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The 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 \$962,331.35 for the year ended June 30, 2019.

**8. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS** (Continued)

Net Pension Liability

At June 30, 2019, the District's proportionate share of the collective net pension liability reported by KPERS was \$9,313,515.00. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2018. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

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

*Death and Disability Other Post-Employment Benefits*

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

*Compensated Absences:*

It is the policy of Unified School District #503 that licensed employees will be awarded twelve days of Paid Time Off leave per school year, prorated for part time employees and employees on extended contracts. Only the first ten days of unused Paid Time Off leave may be added to accumulated medical leave, prorated for employees on extended contracts. The maximum accumulated medical leave for persons employed nine months a year is ninety days, and for persons employed twelve months a year is one hundred eight days. At the end of a contract year, the first ten days of unused Paid Time Off leave will be reimbursed to licensed instructors at the rate of \$60 per day. After ten years of employment and upon approved resignation, accumulated unused medical leave will be paid to a licensed instructor at the rate of \$60 per day. District administrators also earn twenty vacation days that can be accumulated.

After three months of successful work, classified employees working full-time earn one sick leave day per month of employment and may accumulate a maximum of seventy unused sick leave days. After three months of successful work, classified employees working part-time earn one sick leave day per month of employment, based on the employee's standard work day hours, and may accumulate a maximum of seventy unused standard sick leave days. An adjustment in the amount of \$1.75 per hour will be made to the first check of the new contract year for accumulated days in excess of seventy. After five years of employment and upon approved resignation, accumulated unused sick leave will be paid to a classified employee at the rate of \$2.80 per hour, based on the employee's standard work day hours.

After six months of successful work, classified employees can earn up to ten days of vacation each year during the first ten years of service, which can be accumulated. One additional day of vacation can be earned for each year of service in excess of ten years up to fifteen years. Salaried classified employees exempt from overtime pay, can earn up to ten days of vacation each year during the first two years of service, which can be accumulated. One additional day of vacation can be earned for every two years of service up to ten years of service.



**8. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS (Continued)**

The District accrues a liability for compensated absences which meet the following criteria:

- 1) The District's obligation relating to employees' rights to receive compensation for future absences is attributed to employee's services already rendered.
- 2) The obligation relates to rights that vest or accumulate.
- 3) Payment of the compensation is probable.
- 4) The amount can be reasonably estimated.

In accordance with the above criteria, the District has estimated a liability for discretionary leave, which has been earned, but not taken by District employees of \$38,813.09. The District has not estimated a liability for sick leave earned, but not taken, by District employees, as the amounts cannot be reasonably estimated at this time.

*Other Post Employment Benefits:*

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

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the District under the COBRA programs.

**9. RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disasters. The District manages these risks of loss through the purchase of various insurance policies.

**10. CONTINGENT LIABILITIES**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government and state grantors. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

**11. INTERFUND TRANSFERS**

Operating transfers were as follows:

<u>From Fund:</u>	<u>To Fund:</u>	<u>Statutory Authority</u>	<u>Amount</u>
General	Virtual Education	K.S.A. 72-5167	\$ 3,500.00
General	Food Service	K.S.A. 72-5167	2,500.00
General	Bilingual Education	K.S.A. 72-5167	3,000.00
General	Vocational Education	K.S.A. 72-5167	172,237.23
General	K-12 At-Risk	K.S.A. 72-5167	692,696.08
General	Special Education	K.S.A. 72-5167	2,160,274.11
Supplemental General	Bilingual education	K.S.A. 72-5143	6,000.00
Supplemental General	Vocational Education	K.S.A. 72-5143	213,757.76
Supplemental General	4 Yr. Old At-Risk	K.S.A. 72-5143	40,000.00
Supplemental General	K-12 At-Risk	K.S.A. 72-5143	798,944.51

**12. SUBSEQUENT EVENTS**

The District evaluated events and transactions occurring subsequent to June 30, 2019, and there were no subsequent events requiring recognition in the financial statement. Additionally, there were no non-recognized subsequent events requiring disclosure.

## **SUPPLEMENTARY INFORMATION**

**UNIFIED SCHOOL DISTRICT #503**  
 Parsons, Kansas  
 (Budgeted Funds Only)  
 Summary of Expenditures - Actual and Budget  
 Regulatory Basis  
 For the Fiscal Year Ended June 30, 2019

Funds	Certified Budget	Adjustments to Comply with Legal Maximum	Adjustments for Qualifying Budget Credits		Total Budget for Comparison	Expenditures Charged to Current Year Budget		Variance - Over (Under)
General	\$ 9,725,279.00	\$ (252,401.00)	\$ 76,639.85	\$ -	\$ 9,549,517.85	\$ 9,549,517.86	\$ 0.01	
Supplemental General	3,110,000.00	(78,186.00)	-	-	3,031,814.00	3,031,814.00	-	
Special Purpose Funds:								
4 Year Old At-Risk	145,154.00	-	-	-	145,154.00	95,644.38	(49,509.62)	
K-12 At-Risk	2,000,001.00	-	-	-	2,000,001.00	1,540,140.05	(459,860.95)	
Capital Outlay	2,393,448.00	-	-	-	2,393,448.00	1,494,254.21	(899,193.79)	
Driver Training	29,900.00	-	-	-	29,900.00	8,072.88	(21,827.12)	
Food Service	669,500.00	-	-	-	669,500.00	649,072.63	(20,427.37)	
Special Education	2,213,965.00	-	-	-	2,213,965.00	2,103,717.54	(110,247.46)	
Vocational Education	514,000.00	-	-	-	514,000.00	478,046.94	(35,953.06)	
Virtual Education	10,000.00	-	-	-	10,000.00	3,500.00	(6,500.00)	
Recreation Commission	315,700.00	-	-	-	315,700.00	315,700.00	-	
Recreation Commission Employee Benefits	75,900.00	-	-	-	75,900.00	60,330.97	(15,569.03)	
Bilingual Education	9,000.00	-	-	-	9,000.00	9,000.00	-	
KPERS Special Retirement Contributions	996,163.00	-	-	-	996,163.00	962,331.35	(33,831.65)	
Bond and Interest Funds:								
Bond and Interest	1,850,300.00	-	-	-	1,850,300.00	1,850,300.00	-	

**UNIFIED SCHOOL DISTRICT #503**  
Parsons, Kansas  
**GENERAL FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Local Sources				
Ad Valorem Tax	\$ 17.37	\$ 8.01	\$ -	\$ 8.01
Reimbursements	60,615.36	76,639.85	-	76,639.85
State Sources				
General State Aid	7,959,178.00	8,185,632.00	8,356,574.00	(170,942.00)
Special Education Aid	1,149,039.00	1,287,238.00	1,368,705.00	(81,467.00)
<b>Total Receipts</b>	<b>9,168,849.73</b>	<b>9,549,517.86</b>	<b>\$ 9,725,279.00</b>	<b>\$ (175,761.14)</b>
<b>Expenditures</b>				
Instruction	3,567,323.16	4,117,788.11	\$ 4,079,000.00	\$ 38,788.11
Support Services				
Student Support	388,423.44	383,495.04	455,000.00	(71,504.96)
Instructional Support	365,191.35	399,192.38	411,000.00	(11,807.62)
General Administration	420,529.71	534,337.26	485,500.00	48,837.26
School Administration	884,541.31	836,726.41	929,000.00	(92,273.59)
Vehicle Operating Services	147,392.26	174,180.38	164,995.00	9,185.38
Other Supplemental Services	170,924.82	69,590.86	113,684.00	(44,093.14)
Operating Transfers to:				
Bilingual Education Fund	2,999.74	3,000.00	3,000.00	-
K-12 At-Risk Fund	434,221.41	692,696.08	1,000,000.00	(307,303.92)
4 Year At-Risk Fund	38,000.00	-	50,000.00	(50,000.00)
Capital Outlay Fund	570,834.11	-	-	-
Virtual Education Fund	3,470.00	3,500.00	10,000.00	(6,500.00)
Food Service Fund	-	2,500.00	-	2,500.00

**UNIFIED SCHOOL DISTRICT #503**  
Parsons, Kansas  
**GENERAL FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Expenditures (Continued)				
Operating Transfers to: (Continued)				
Contingency Reserve	\$ 300,000.00	\$ -	\$ -	\$ -
Special Education Fund	1,875,000.00	2,160,274.11	1,924,100.00	236,174.11
Professional Development Fund	-	-	50,000.00	(50,000.00)
Vocational Education Fund	-	172,237.23	50,000.00	122,237.23
Total Certified Budget			9,725,279.00	(175,761.14)
Adjustments to Budget				
Adjustment to Comply with Legal Maximum Budget			(252,401.00)	252,401.00
Adjustment for Qualifying Budget Credits			76,639.85	(76,639.85)
Total Expenditures	9,168,851.31	9,549,517.86	\$ 9,549,517.85	\$ 0.01
Receipts Over (Under) Expenditures	(1.58)	-		
Unencumbered Cash, Beginning	-	-		
Cancelled Encumbrance	1.58	-		
Unencumbered Cash, Ending	\$ -	\$ -		

**UNIFIED SCHOOL DISTRICT #503**

Parsons, Kansas

**SUPPLEMENTAL GENERAL FUND**

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Local Sources				
Ad Valorem Tax	\$ 995,127.29	\$ 901,539.80	\$ 1,063,362.00	\$ (161,822.20)
Delinquent Tax	24,524.26	25,249.40	4,912.00	20,337.40
County Sources				
Motor Vehicle Tax	124,087.12	120,911.59	122,165.00	(1,253.41)
Recreational Vehicle Tax	1,139.80	1,142.84	1,094.00	48.84
Commercial Vehicle Tax	4,389.30	3,518.50	2,610.00	908.50
In Lieu of Taxes IRBs	7,480.64	8,546.81	11,273.00	(2,726.19)
State Sources				
Supplemental State Aid	1,871,466.00	1,957,036.00	2,007,505.00	(50,469.00)
<b>Total Receipts</b>	<b>3,028,214.41</b>	<b>3,017,944.94</b>	<b>\$ 3,212,921.00</b>	<b>\$ (194,976.06)</b>
Expenditures				
Instruction	109,735.29	135,316.10	\$ 135,000.00	\$ 316.10
Support Services				
Operations and Maintenance	1,417,746.73	1,617,058.61	1,427,992.00	189,066.61
Other Supplemental Services	195,510.28	220,737.02	205,000.00	15,737.02
Operating Transfers to:				
Bilingual Education Fund	-	6,000.00	6,000.00	-
Textbook Revolving Fund	-	-	76,008.00	(76,008.00)
Vocational Education Fund	400,000.00	213,757.76	400,000.00	(186,242.24)
4 Yr. Old At-Risk Fund	52,000.00	40,000.00	60,000.00	(20,000.00)
K-12 At-Risk Fund	834,565.70	798,944.51	800,000.00	(1,055.49)
<b>Total Certified Budget</b>			<b>3,110,000.00</b>	<b>(78,186.00)</b>
Adjustments to Budget				
Adjustment to Comply with			(78,186.00)	78,186.00
<b>Total Expenditures</b>	<b>3,009,558.00</b>	<b>3,031,814.00</b>	<b>\$ 3,031,814.00</b>	<b>\$ -</b>
Receipts Over (Under) Expenditures	18,656.41	(13,869.06)		
Unencumbered Cash, Beginning	30,117.33	49,658.31		
Cancelled Encumbrance	884.57	-		
Unencumbered Cash, Ending	\$ 49,658.31	\$ 35,789.25		

**UNIFIED SCHOOL DISTRICT #503**

Parsons, Kansas

**4 YEAR OLD AT-RISK FUND**

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Operating Transfers from:				
General Fund	\$ 38,000.00	\$ -	\$ 50,000.00	\$ (50,000.00)
Supplemental General Fund	52,000.00	40,000.00	60,000.00	(20,000.00)
Total Receipts	90,000.00	40,000.00	\$ 110,000.00	\$ (70,000.00)
Expenditures				
Instruction	93,365.75	95,644.38	\$ 145,154.00	\$ (49,509.62)
Total Expenditures	93,365.75	95,644.38	\$ 145,154.00	\$ (49,509.62)
Receipts Over (Under) Expenditures	(3,365.75)	(55,644.38)		
Unencumbered Cash, Beginning	89,519.77	86,154.02		
Unencumbered Cash, Ending	\$ 86,154.02	\$ 30,509.64		



**UNIFIED SCHOOL DISTRICT #503**  
Parsons, Kansas  
**K-12 AT-RISK FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Operating Transfers from:				
General Fund	\$ 434,221.41	\$ 692,696.08	\$ 1,000,000.00	\$ (307,303.92)
Supplemental General Fund	834,565.70	798,944.51	800,000.00	(1,055.49)
Total Receipts	1,268,787.11	1,491,640.59	\$ 1,800,000.00	\$ (308,359.41)
Expenditures				
Instruction	1,469,241.01	1,504,986.01	\$ 1,950,001.00	\$ (445,014.99)
Support Services				
Student Support Services	-	69.00	-	69.00
Instructional Support	-	35,085.04	50,000.00	(14,914.96)
Total Expenditures	1,469,241.01	1,540,140.05	\$ 2,000,001.00	\$ (459,860.95)
Receipts Over (Under) Expenditures	(200,453.90)	(48,499.46)		
Unencumbered Cash, Beginning	400,453.90	200,000.00		
Unencumbered Cash, Ending	\$ 200,000.00	\$ 151,500.54		

**UNIFIED SCHOOL DISTRICT #503**

Parsons, Kansas

**CAPITAL OUTLAY FUND**

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Local Sources				
Ad Valorem Tax	\$ 104,353.25	\$ 201,047.22	\$ 203,053.00	\$ (2,005.78)
Delinquent Tax	4,242.65	4,114.99	491.00	3,623.99
Interest on Idle Funds	27,210.63	30,366.75	-	30,366.75
County Sources				
Motor Vehicle Tax	27,449.16	23,865.35	23,923.00	(57.65)
Recreational Tax	246.81	216.88	214.00	2.88
Commercial Vehicle Tax	611.21	411.81	511.00	(99.19)
In Lieu of Taxes IRBs	-	-	2,208.00	(2,208.00)
State Sources				
State Capital Outlay Aid	61,779.00	127,398.00	129,482.00	(2,084.00)
Operating Transfers from General Fund				
	570,834.11	-	-	-
<b>Total Receipts</b>	<b>796,726.82</b>	<b>387,421.00</b>	<b>\$ 359,882.00</b>	<b>\$ 27,539.00</b>
<b>Expenditures</b>				
Instruction	330,786.09	319,686.07	\$ 600,000.00	\$ (280,313.93)
Support Services				
Operations and Maintenance	85,209.14	256,555.92	475,000.00	(218,444.08)
Student Transportation Services	53,582.00	677,719.00	18,448.00	659,271.00
Food Services Operations	14,568.70	-	-	-
Building Improvements	-	22,217.83	1,300,000.00	(1,277,782.17)
Debt Service	165,579.66	218,075.39	-	218,075.39
<b>Total Expenditures</b>	<b>649,725.59</b>	<b>1,494,254.21</b>	<b>\$ 2,393,448.00</b>	<b>\$ (899,193.79)</b>
Receipts Over (Under) Expenditures	147,001.23	(1,106,833.21)		
Unencumbered Cash, Beginning	2,039,991.47	2,186,992.70		
Unencumbered Cash, Ending	<u>\$ 2,186,992.70</u>	<u>\$ 1,080,159.49</u>		

**UNIFIED SCHOOL DISTRICT #503**

Parsons, Kansas

**DRIVER TRAINING FUND**

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Local Sources				
Student Receipts	\$ 125.00	\$ -	\$ -	\$ -
Miscellaneous	-	7,250.00	-	7,250.00
State Sources				
State Aid	8,192.00	8,967.00	8,450.00	517.00
<b>Total Receipts</b>	<b>8,317.00</b>	<b>16,217.00</b>	<b>\$ 8,450.00</b>	<b>\$ 7,767.00</b>
Expenditures				
Instruction	8,429.79	7,696.98	\$ 9,150.00	\$ (1,453.02)
Support Services				
Operations and Maintenance	641.01	375.90	750.00	(374.10)
Other Support Services	-	-	20,000.00	(20,000.00)
<b>Total Expenditures</b>	<b>9,070.80</b>	<b>8,072.88</b>	<b>\$ 29,900.00</b>	<b>\$ (21,827.12)</b>
Receipts Over (Under) Expenditures	(753.80)	8,144.12		
Unencumbered Cash, Beginning	26,202.93	25,449.13		
Unencumbered Cash, Ending	\$ 25,449.13	\$ 33,593.25		

**UNIFIED SCHOOL DISTRICT #503**

Parsons, Kansas

**FOOD SERVICE FUND**

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Local Sources				
Food Service Sales	\$ 77,419.96	\$ 89,263.82	\$ 84,774.00	\$ 4,489.82
Miscellaneous	2,872.40	2,646.00	-	2,646.00
State Sources				
Food Service Aid	6,212.25	6,348.41	5,390.00	958.41
Federal Sources				
Child Nutrition Aid	535,128.21	555,100.58	539,099.00	16,001.58
Operating Transfers from General Fund	-	2,500.00	-	2,500.00
<b>Total Receipts</b>	<b>621,632.82</b>	<b>655,858.81</b>	<b>\$ 629,263.00</b>	<b>\$ 26,595.81</b>
Expenditures				
Operation of Non- Instructional Services				
Food Service Operations	615,818.82	649,072.63	\$ 669,500.00	\$ (20,427.37)
<b>Total Expenditures</b>	<b>615,818.82</b>	<b>649,072.63</b>	<b>\$ 669,500.00</b>	<b>\$ (20,427.37)</b>
Receipts Over (Under) Expenditures	5,814.00	6,786.18		
Unencumbered Cash, Beginning	128,121.17	133,935.17		
Unencumbered Cash, Ending	\$ 133,935.17	\$ 140,721.35		

**UNIFIED SCHOOL DISTRICT #503**

Parsons, Kansas

**SPECIAL EDUCATION FUND**

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Local Sources				
Other	\$ 59,335.40	\$ 54,114.81	\$ -	\$ 54,114.81
Medicaid Reimbursements	6,494.31	30,905.12	-	30,905.12
Federal Sources				
Federal Aid	6,834.00	-	-	-
Operating Transfers from:				
General Fund	1,875,000.00	2,160,274.11	1,924,100.00	236,174.11
<b>Total Receipts</b>	<b>1,947,663.71</b>	<b>2,245,294.04</b>	<b>\$ 1,924,100.00</b>	<b>\$ 321,194.04</b>
Expenditures				
Instruction	1,808,631.26	1,922,005.25	\$ 2,066,465.00	\$ (144,459.75)
Support Services				
Vehicle Operating Services	139,348.99	181,712.29	147,500.00	34,212.29
<b>Total Expenditures</b>	<b>1,947,980.25</b>	<b>2,103,717.54</b>	<b>\$ 2,213,965.00</b>	<b>\$ (110,247.46)</b>
Receipts Over (Under) Expenditures	(316.54)	141,576.50		
Unencumbered Cash, Beginning	376,756.18	376,439.64		
Unencumbered Cash, Ending	\$ 376,439.64	\$ 518,016.14		

**UNIFIED SCHOOL DISTRICT #503**

Parsons, Kansas

**FIRST ROBOTICS FUND**

Schedule of Receipts and Expenditures - Actual

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year Actual
Receipts		
Local Sources		
Community Gifts	\$ 10,000.00	\$ -
Total Receipts	10,000.00	-
Expenditures		
Instruction	8,506.63	4,068.63
Total Expenditures	8,506.63	4,068.63
Receipts Over (Under) Expenditures	1,493.37	(4,068.63)
Unencumbered Cash, Beginning	9,683.63	11,177.00
Unencumbered Cash, Ending	\$ 11,177.00	\$ 7,108.37

**UNIFIED SCHOOL DISTRICT #503**

Parsons, Kansas

**VOCATIONAL EDUCATION FUND**

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Federal Sources				
Special Project Aid	\$ 18,022.00	\$ 22,008.00	\$ -	\$ 22,008.00
State Sources				
State Aid	707.00	-	-	-
Operating Transfers from:				
General Fund	-	172,237.23	50,000.00	122,237.23
Supplemental General Fund	400,000.00	213,757.76	400,000.00	(186,242.24)
<b>Total Receipts</b>	<b>418,729.00</b>	<b>408,002.99</b>	<b>\$ 450,000.00</b>	<b>\$ (41,997.01)</b>
Expenditures				
Instruction	493,870.28	478,046.94	\$ 514,000.00	\$ (35,953.06)
<b>Total Expenditures</b>	<b>493,870.28</b>	<b>478,046.94</b>	<b>\$ 514,000.00</b>	<b>\$ (35,953.06)</b>
Receipts Over (Under) Expenditures	(75,141.28)	(70,043.95)		
Unencumbered Cash, Beginning	290,899.70	215,758.42		
Unencumbered Cash, Ending	\$ 215,758.42	\$ 145,714.47		

**UNIFIED SCHOOL DISTRICT #503**

Parsons, Kansas

**VIRTUAL EDUCATION FUND**

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Operating Transfers from:				
General Fund	\$ 3,470.00	\$ 3,500.00	\$ 10,000.00	\$ (6,500.00)
Total Receipts	3,470.00	3,500.00	\$ 10,000.00	\$ (6,500.00)
Expenditures				
Instruction	3,500.00	3,500.00	\$ 10,000.00	\$ (6,500.00)
Total Expenditures	3,500.00	3,500.00	\$ 10,000.00	\$ (6,500.00)
Receipts Over (Under) Expenditures	(30.00)	-		
Unencumbered Cash, Beginning	30.00	-		
Unencumbered Cash, Ending	\$ -	\$ -		



**UNIFIED SCHOOL DISTRICT #503**

Parsons, Kansas

**RECREATION COMMISSION FUND**

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Local Sources				
Ad Valorem Tax	\$ 272,311.44	\$ 282,146.98	\$ 291,319.00	\$ (9,172.02)
Delinquent Tax	5,030.28	5,470.26	1,348.00	4,122.26
County Sources				
Motor Vehicle Tax	27,448.76	31,375.85	31,758.00	(382.15)
Recreational Vehicle Tax	246.77	297.97	285.00	12.97
Commercial Vehicle Tax	610.61	956.30	679.00	277.30
In Lieu of Taxes IRBs	1,879.91	2,345.21	2,931.00	(585.79)
Total Receipts	<u>307,527.77</u>	<u>322,592.57</u>	<u>\$ 328,320.00</u>	<u>\$ (5,727.43)</u>
Expenditures				
Community Service Operations	<u>307,527.77</u>	<u>315,700.00</u>	<u>\$ 315,700.00</u>	<u>\$ -</u>
Total Expenditures	<u>307,527.77</u>	<u>315,700.00</u>	<u>\$ 315,700.00</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	-	6,892.57		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 6,892.57</u>		

**UNIFIED SCHOOL DISTRICT #503**

Parsons, Kansas

**RECREATION COMMISSION EMPLOYEE BENEFITS FUND**

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
<b>Receipts</b>				
Local Sources				
Ad Valorem Tax	\$ 50,065.94	\$ 51,277.09	\$ 56,945.00	\$ (5,667.91)
Delinquent Tax	1,257.35	1,344.51	245.00	1,099.51
Other	-	-	5,000.00	(5,000.00)
County Sources				
Motor Vehicle Tax	6,862.23	7,036.51	7,109.00	(72.49)
Recreational Vehicle Tax	61.67	65.80	64.00	1.80
Commercial Vehicle Tax	152.65	180.66	152.00	28.66
In Lieu of Taxes IRBs	469.98	426.40	657.00	(230.60)
<b>Total Receipts</b>	<b>58,869.82</b>	<b>60,330.97</b>	<b>\$ 70,172.00</b>	<b>\$ (9,841.03)</b>
<b>Expenditures</b>				
Community Service Operations	58,869.82	60,330.97	\$ 75,900.00	\$ (15,569.03)
<b>Total Expenditures</b>	<b>58,869.82</b>	<b>60,330.97</b>	<b>\$ 75,900.00</b>	<b>\$ (15,569.03)</b>
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ -		

**UNIFIED SCHOOL DISTRICT #503**  
Parsons, Kansas  
**EARLY STEPS TO SCHOOL SUCCESS - SAVE THE CHILDREN GRANT FUND**  
Schedule of Receipts and Expenditures - Actual  
Regulatory Basis  
For the Fiscal Year Ended June 30, 2019  
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year Actual
Receipts		
Other Receipts		
Donations	\$ 19,785.38	\$ 25,573.08
Total Receipts	19,785.38	25,573.08
Expenditures		
Support Services		
Student Support	38,677.22	-
Total Expenditures	38,677.22	-
Receipts Over (Under) Expenditures	(18,891.84)	25,573.08
Unencumbered Cash, Beginning	(6,681.24)	(25,573.08)
Unencumbered Cash, Ending	\$ (25,573.08)	\$ -

**UNIFIED SCHOOL DISTRICT #503**  
Parsons, Kansas  
**KANSAS READING ROADMAP FUND**  
Schedule of Receipts and Expenditures - Actual  
Regulatory Basis  
For the Fiscal Year Ended June 30, 2019  
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year Actual
Receipts		
Federal Sources		
Federal Aid	\$ 104,382.68	\$ 101,635.03
Total Receipts	104,382.68	101,635.03
Expenditures		
Instruction	6,025.00	5,075.00
Support Services		
Other Supplemental Services	97,229.77	92,643.64
Total Expenditures	103,254.77	97,718.64
Receipts Over (Under) Expenditures	1,127.91	3,916.39
Unencumbered Cash, Beginning	(20,844.22)	(19,714.50)
Cancelled Encumbrance	1.81	-
Unencumbered Cash, Ending	\$ (19,714.50)	\$ (15,798.11)

**UNIFIED SCHOOL DISTRICT #503**  
Parsons, Kansas  
**RURAL LOW-INCOME SCHOOLS PROGRAM FUND**  
Schedule of Receipts and Expenditures - Actual  
Regulatory Basis  
For the Fiscal Year Ended June 30, 2019  
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year Actual
Receipts		
Federal Sources		
Federal Aid	\$ 26,266.00	\$ 25,961.00
Total Receipts	26,266.00	25,961.00
Expenditures		
Instruction	26,266.00	25,961.00
Total Expenditures	26,266.00	25,961.00
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

**UNIFIED SCHOOL DISTRICT #503**

Parsons, Kansas

**TITLE I FUND**

Schedule of Receipts and Expenditures - Actual

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year Actual
Receipts		
Federal Sources		
Federal Aid	\$ 536,924.00	\$ 586,429.00
Total Receipts	536,924.00	586,429.00
Expenditures		
Instruction	507,528.44	615,831.63
Total Expenditures	507,528.44	615,831.63
Receipts Over (Under) Expenditures	29,395.56	(29,402.63)
Unencumbered Cash, Beginning	-	29,402.63
Cancelled Encumbrance	7.07	-
Unencumbered Cash, Ending	\$ 29,402.63	\$ -

**UNIFIED SCHOOL DISTRICT #503**

Parsons, Kansas

**BILINGUAL EDUCATION FUND**

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Operating Transfers From				
General Fund	\$ 2,999.74	\$ 3,000.00	\$ 3,000.00	\$ -
Supplemental General	-	6,000.00	6,000.00	-
<b>Total Receipts</b>	<b>2,999.74</b>	<b>9,000.00</b>	<b>\$ 9,000.00</b>	<b>\$ -</b>
Expenditures				
Intstruction	3,034.04	9,000.00	\$ 9,000.00	\$ -
Support Services				
Instructional Support	149.96	-	-	-
<b>Total Expenditures</b>	<b>3,184.00</b>	<b>9,000.00</b>	<b>\$ 9,000.00</b>	<b>\$ -</b>
Receipts Over (Under) Expenditures	(184.26)	-		
Unencumbered Cash, Beginning	184.26	-		
Unencumbered Cash, Ending	\$ -	\$ -		

**UNIFIED SCHOOL DISTRICT #503**  
Parsons, Kansas  
**MISCELLANEOUS GRANTS FUND**  
Schedule of Receipts and Expenditures - Actual  
Regulatory Basis  
For the Fiscal Year Ended June 30, 2019  
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year Actual
Receipts		
Local Sources		
Community Gifts	\$ -	\$ -
Total Receipts	-	-
Expenditures		
Support Services		
Operations and Maintenance	105.68	332.57
Total Expenditures	105.68	332.57
Receipts Over (Under) Expenditures	(105.68)	(332.57)
Unencumbered Cash, Beginning	438.25	332.57
Unencumbered Cash, Ending	\$ 332.57	\$ -



**UNIFIED SCHOOL DISTRICT #503**

Parsons, Kansas

**GIFTS AND GRANTS FUND**

Schedule of Receipts and Expenditures - Actual

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year Actual
Receipts		
Local Sources		
Community Gifts	\$ 27,898.89	\$ 323,326.00
Total Receipts	27,898.89	323,326.00
Expenditures		
Instruction	21,812.26	338,323.11
Total Expenditures	21,812.26	338,323.11
Receipts Over (Under) Expenditures	6,086.63	(14,997.11)
Unencumbered Cash, Beginning	3,425.83	9,512.46
Unencumbered Cash, Ending	\$ 9,512.46	\$ (5,484.65)

**UNIFIED SCHOOL DISTRICT #503**

Parsons, Kansas

**KPERS SPECIAL RETIREMENT CONTRIBUTIONS FUND**

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
State Sources				
KPERS Contributions	\$ 726,277.52	\$ 962,331.35	\$ 996,163.00	\$ (33,831.65)
Total Receipts	<u>726,277.52</u>	<u>962,331.35</u>	<u>\$ 996,163.00</u>	<u>\$ (33,831.65)</u>
Expenditures				
Instruction	508,393.27	642,774.49	\$ 632,373.00	\$ 10,401.49
Support Services				
Student Support	36,314.52	65,375.69	55,000.00	10,375.69
Instructional Support	36,314.51	65,375.69	55,000.00	10,375.69
General Administration	-	-	73,790.00	(73,790.00)
School Administration	72,627.61	109,831.45	90,000.00	19,831.45
Operations and Maintenance	72,627.61	78,974.03	90,000.00	(11,025.97)
Total Expenditures	<u>726,277.52</u>	<u>962,331.35</u>	<u>\$ 996,163.00</u>	<u>\$ (33,831.65)</u>
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

**UNIFIED SCHOOL DISTRICT #503**  
Parsons, Kansas  
**CONTINGENCY RESERVE FUND**  
Schedule of Receipts and Expenditures - Actual  
Regulatory Basis  
For the Fiscal Year Ended June 30, 2019  
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year Actual
Receipts		
Operating Transfers from General Fund	\$ 300,000.00	\$ -
Total Receipts	300,000.00	-
Expenditures		
Instruction	-	-
Total Expenditures	-	-
Receipts Over (Under) Expenditures	300,000.00	-
Unencumbered Cash, Beginning	600,000.00	900,000.00
Unencumbered Cash, Ending	\$ 900,000.00	\$ 900,000.00

**UNIFIED SCHOOL DISTRICT #503**  
Parsons, Kansas  
**TEXTBOOK REVOLVING FUND**  
Schedule of Receipts and Expenditures - Actual  
Regulatory Basis  
For the Fiscal Year Ended June 30, 2019  
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year Actual
Receipts		
Local Sources		
Textbook Fees	\$ 20,911.67	\$ 11,325.50
Total Receipts	20,911.67	11,325.50
Expenditures		
Instruction	2,765.25	-
Total Expenditures	2,765.25	-
Receipts Over (Under) Expenditures	18,146.42	11,325.50
Unencumbered Cash, Beginning	1,670.75	19,817.17
Unencumbered Cash, Ending	\$ 19,817.17	\$ 31,142.67

**UNIFIED SCHOOL DISTRICT #503**  
Parsons, Kansas  
**TITLE II - IMPROVING TEACHER QUALITY FUND**  
Schedule of Receipts and Expenditures - Actual  
Regulatory Basis  
For the Fiscal Year Ended June 30, 2019  
(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year Actual
Receipts		
Federal Sources		
Federal Aid	\$ 77,290.00	\$ 79,535.00
Total Receipts	77,290.00	79,535.00
Expenditures		
Instruction	5,826.91	6,102.86
Support Services		
Instructional Support	71,463.09	73,432.14
Total Expenditures	77,290.00	79,535.00
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

**UNIFIED SCHOOL DISTRICT #503**

Parsons, Kansas

**TITLE IV FUND**

Schedule of Receipts and Expenditures - Actual

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year Actual
Receipts		
Federal Sources		
Federal Aid	\$ 15,236.00	\$ 32,865.00
Total Receipts	15,236.00	32,865.00
Expenditures		
Instruction	15,236.00	32,865.00
Total Expenditures	15,236.00	32,865.00
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

**UNIFIED SCHOOL DISTRICT #503**

Parsons, Kansas

**BOND AND INTEREST FUND**

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

(With Comparative Actual Amounts for the Year Ended June 30, 2018)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Receipts				
Local Sources				
Ad Valorem Tax	\$ 585,338.18	\$ 667,273.46	\$ 686,192.00	\$ (18,918.54)
Delinquent Tax	20,280.31	20,360.34	2,900.00	17,460.34
County Sources				
Motor Vehicle Tax	108,233.34	89,172.21	89,855.00	(682.79)
Recreational Vehicle Tax	890.45	829.80	804.00	25.80
Commercial Vehicle Tax	1,998.28	2,168.01	1,920.00	248.01
In Lieu of Taxes IRBs	6,128.51	5,045.62	8,392.00	(3,346.38)
State Sources				
State Aid	1,058,442.00	1,073,174.00	1,073,174.00	-
<b>Total Receipts</b>	<b>1,781,311.07</b>	<b>1,858,023.44</b>	<b>\$ 1,863,237.00</b>	<b>\$ (5,213.56)</b>
Expenditures				
Debt Service				
Principal	1,700,000.00	1,760,000.00	\$ 1,760,000.00	\$ -
Interest	124,900.00	90,300.00	90,300.00	-
<b>Total Expenditures</b>	<b>1,824,900.00</b>	<b>1,850,300.00</b>	<b>\$ 1,850,300.00</b>	<b>\$ -</b>
Receipts Over (Under) Expenditures	(43,588.93)	7,723.44		
Unencumbered Cash, Beginning	1,231,910.58	1,188,321.65		
Unencumbered Cash, Ending	<u>\$ 1,188,321.65</u>	<u>\$ 1,196,045.09</u>		

## UNIFIED SCHOOL DISTRICT #503

Parsons, Kansas

## AGENCY FUNDS

## Schedule of Receipts and Cash Disbursements

Regulatory Basis

For the Fiscal Year Ended June 30, 2019

	Beginning Cash Balances	Receipts	Cash Disbursements	Ending Cash Balances
Agency Funds				
Payroll Clearing	\$ 310,826.53	\$ 3,981,685.71	\$ 4,183,536.09	\$ 108,976.15
Health Insurance	-	71,582.39	71,582.39	-
High School Clearing	-	7,375.00	7,375.00	-
Student Organizations				
High School				
Students Against Drunk Drivers	78.59	-	-	78.59
Class of 2019-JR	6,357.22	14,503.79	16,327.43	4,533.58
Class of 2020-SO	-	410.00	410.00	-
Class of 2021-FR	260.26	-	-	260.26
Sports Club	1,063.45	583.00	1,148.07	498.38
VICA (Skills USA)	2,236.63	469.65	1,995.00	711.28
Student Council	780.28	4,521.00	4,619.90	681.38
Viking Shield	255.68	-	-	255.68
Band	506.92	-	-	506.92
Chess Club	524.25	28.00	67.00	485.25
Interact Club	-	712.30	73.58	638.72
Environmental Club	-	35.00	-	35.00
Dustkickers	-	4,290.75	1,754.18	2,536.57
Math Club	1.23	-	-	1.23
Football Cheerleaders	94.89	1,887.97	1,490.11	492.75
Orchestra	1,691.90	-	337.75	1,354.15
Music Trips	-	3,068.00	1,725.00	1,343.00
National Honor Society	572.96	150.00	722.96	-
Printing/Photography	3,658.38	4,828.40	398.00	8,088.78
Home Ec (FACS4U)	189.58	-	-	189.58
Foreign Language Club	108.55	117.00	81.56	143.99
F.B.L.A.	683.08	157.00	165.06	675.02
F.C.C.L.A.	174.87	1,126.00	885.50	415.37
F.C.L.A.	74.88	150.00	31.62	193.26
H.O.S.A.	7,148.49	665.00	806.27	7,007.22
Entrepreneurship	521.32	3,849.90	3,445.62	925.60
Victor Spirit Shop	357.52	130.00	132.44	355.08
Vikings in Need	9.71	-	-	9.71
Totals	\$ 338,177.17	\$ 4,102,325.86	\$ 4,299,110.53	\$ 141,392.50



**UNIFIED SCHOOL DISTRICT #503**  
Parsons, Kansas  
**DISTRICT ACTIVITY FUNDS**  
Summary of Receipts, Expenditures, and Unencumbered Cash  
Regulatory Basis  
For the Fiscal Year Ended June 30, 2019

Funds	Beginning		Receipts	Expenditures	Ending		Plus Encumbrances and Accounts Payable	Ending Cash Balances June 30, 2019
	Unencumbered Cash Balances	Cash Balances			Unencumbered Cash Balances	Cash Balances		
<b>Gate Receipts</b>								
High School	\$ 22,062.30	\$ 71,337.75	\$ 74,598.55	\$ 18,801.50	\$ -	\$ 18,801.50	\$ -	\$ 18,801.50
Middle School	8,188.44	17,369.27	12,048.63	13,509.08	-	13,509.08	-	13,509.08
Sub-Total Gate Receipts	30,250.74	88,707.02	86,647.18	32,310.58	-	32,310.58	-	32,310.58
<b>School Projects</b>								
Garfield School								
School Activities	252.66	-	26.67	225.99	-	225.99	-	225.99
Lunch Money/Books	89.53	17.00	-	106.53	-	106.53	-	106.53
Restricted Donations	1,566.17	10,060.67	9,042.91	2,583.93	-	2,583.93	-	2,583.93
Unrestricted Donations	2,401.55	3,523.86	2,914.36	3,011.05	-	3,011.05	-	3,011.05
Lincoln School								
School Activities	1,142.40	1,042.93	1,072.17	1,113.16	-	1,113.16	-	1,113.16
Book Fees	82.70	63.33	-	146.03	-	146.03	-	146.03
Other Fees	168.00	66,280.65	66,448.65	-	-	-	-	-
Restricted Donations	1,639.53	7,399.10	7,417.33	1,621.30	-	1,621.30	-	1,621.30
Unrestricted Donations	5,972.27	2,838.23	1,527.03	7,283.47	-	7,283.47	-	7,283.47
Guthridge School								
School Activities	656.90	-	141.52	515.38	-	515.38	-	515.38
Textbook Fees	-	750.00	750.00	-	-	-	-	-
Library	280.28	-	36.45	243.83	-	243.83	-	243.83
Restricted Donations	1,694.56	2,775.00	2,195.49	2,274.07	-	2,274.07	-	2,274.07
Unrestricted Donations	3,981.55	990.89	2,266.57	2,705.87	-	2,705.87	-	2,705.87
Middle School								
School Activities	1,491.59	9,783.08	10,883.84	390.83	-	390.83	-	390.83
Library	15.25	43.85	-	59.10	-	59.10	-	59.10
Textbook Fees	-	2,752.50	2,752.50	-	-	-	-	-
Interscholastic	(418.97)	13,998.48	13,579.51	-	-	-	-	-
Food Service	13.05	23,755.63	23,768.68	-	-	-	-	-
F.A.C.S. Family and Consumer Science	944.08	-	647.96	296.12	-	296.12	-	296.12
STUCO	198.52	46.57	223.40	21.69	-	21.69	-	21.69
Restricted Donations	46.32	800.00	591.50	254.82	-	254.82	-	254.82
High School								
School Activities	1,104.19	204.52	439.26	869.45	-	869.45	-	869.45
Building Trades	13.51	-	-	13.51	-	13.51	-	13.51

**UNIFIED SCHOOL DISTRICT #503**  
Parsons, Kansas  
**DISTRICT ACTIVITY FUNDS**

Summary of Receipts, Expenditures, and Unencumbered Cash  
Regulatory Basis

For the Fiscal Year Ended June 30, 2019

Funds	Beginning		Receipts	Expenditures	Ending		Plus		
	Unencumbered Cash Balances	Cash Balances			Unencumbered Cash Balances	Encumbrances and Accounts Payable	Encumbrances and Accounts Payable	Cash Balances June 30, 2019	
School Projects (Continued)									
High School (Continued)									
Cabinetmaking	\$ 1,714.35	\$ -	\$ -	-	\$ 1,714.35	\$ -	\$ -	\$ -	1,714.35
Welding	4,123.14	1,040.00	941.39	941.39	4,221.75	-	-	-	4,221.75
Auto Shop	759.99	3,696.51	3,555.48	3,555.48	901.02	-	-	-	901.02
Debate	341.16	543.25	452.15	452.15	432.26	-	-	-	432.26
Forensics	1,565.83	171.00	570.22	570.22	1,166.61	-	-	-	1,166.61
Food Service	-	22,107.60	22,107.60	22,107.60	-	-	-	-	-
JAG	1,246.64	1,161.00	1,739.49	1,739.49	668.15	-	-	-	668.15
Drama	245.68	-	-	-	245.68	-	-	-	245.68
Writers Club	511.16	260.00	220.00	220.00	551.16	-	-	-	551.16
Vocal Music	608.46	4,891.00	3,736.67	3,736.67	1,762.79	-	-	-	1,762.79
Yearbook	11,401.58	1,797.99	8,152.85	8,152.85	5,046.72	-	-	-	5,046.72
CADD	4.16	-	-	-	4.16	-	-	-	4.16
Ceramics	101.86	380.00	380.00	-	481.86	-	-	-	481.86
Musical Posters	130.00	480.00	446.08	446.08	163.92	-	-	-	163.92
Textbook Fees	-	6,750.00	6,750.00	6,750.00	-	-	-	-	-
Positive Reinforcement Program	3,253.92	1,576.59	2,236.86	2,236.86	2,593.65	-	-	-	2,593.65
Library	1,021.25	466.29	324.81	324.81	1,162.73	-	-	-	1,162.73
Scholarship Fund	5,540.82	1,210.00	2,674.00	2,674.00	4,076.82	-	-	-	4,076.82
Lost Textbooks	-	93.00	93.00	93.00	-	-	-	-	-
Video	175.60	150.00	11.62	11.62	313.98	-	-	-	313.98
Viking Store	80.27	955.00	905.35	905.35	129.92	-	-	-	129.92
Veteran's Honor Flight	16,640.00	41,365.60	32,831.76	32,831.76	25,173.84	-	-	-	25,173.84
Sub-Total Special Projects	72,801.51	236,221.12	234,475.13	234,475.13	74,547.50	-	-	-	74,547.50
Total District Activity Funds	\$ 103,052.25	\$ 324,928.14	\$ 321,122.31	\$ 321,122.31	\$ 106,858.08	\$ -	\$ -	\$ -	\$ 106,858.08

**UNIFIED SCHOOL DISTRICT #503**  
 Parsons, Kansas  
 Schedule of Expenditures of Federal Awards  
 For the Year Ended June 30, 2019

Federal Grantor/ Pass Through Grantor/ Program Title	Pass-Through		Federal CFDA Number	Receipts	Disbursements/ Expenditures
	Entity Identifying Number	Number			
<b>U.S. DEPARTMENT OF EDUCATION</b>					
Passed through the Kansas Department of Education					
Title I Grant to Local Educational Agencies	DO503	84.010	(M)	\$ 586,429.00	\$ 615,831.63
Carl Perkins - Program Improvement	LEA503	84.048		22,008.00	22,008.00
Improving Teacher Quality State Grants	DO503	84.367		79,535.00	79,535.00
Rural and Low-Income Schools Program	DO503	84.358		25,961.00	25,961.00
Title IV	DO503	84.424		32,865.00	32,865.00
Total U.S. Department of Education				746,798.00	776,200.63
<b>U.S. DEPARTMENT OF AGRICULTURE</b>					
Passed through the Kansas Department of Education					
Child USDA Nutrition Cluster:					
Summer Food Service Program for Children	DO503	10.559		2,646.00	2,646.00
National School Lunch Program	DO503	10.555		407,827.32	407,827.32
School Breakfast Program	DO503	10.553		147,273.26	147,273.26
Total Child USDA Nutrition Cluster				557,746.58	557,746.58
Total U.S. Department of Agriculture				557,746.58	557,746.58
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>					
Passed through Kansas Reading Roadmap					
Temporary Assistance For Needy Families	USD 503	93.558		101,635.03	97,718.64
Passed through the Kansas Department of Education					
Temporary Assistance For Needy Families	USD 503	93.558		82,190.00	82,190.00
Total				183,825.03	179,908.64
Passed through the Kansas Department of Education					
Youth Risk Behavior Survey	DO503	93.079		157.00	157.00
Total U.S. Department of Education				183,982.03	180,065.64
TOTAL FEDERAL AWARDS				\$ 1,488,526.61	\$ 1,514,012.85

Notes to the Schedule of Expenditures of Federal Awards:

NOTE A -- BASIS OF PRESENTATION

Federal expenditures are recorded on the accrual basis of accounting, which records expenses when the goods or services are received, and not necessarily when paid.

NOTE B -- INDIRECT COST RATE

Unified School District #503 did not elect to use the 10% de minimis cost rate.

(M) = Major Program

**JARRED, GILMORE & PHILLIPS, PA**  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITORS' 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 #503  
Parsons, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of Unified School District #503, Parsons, Kansas, as of and for the year ended June 30, 2019, and the related notes to the financial statement, which collectively comprise the Unified School District #503's basic financial statement, and have issued our report thereon dated December 16, 2019.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statement, we considered the Unified School District #503's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Unified School District #503's internal control. Accordingly, we do not express an opinion on the effectiveness of the Unified School District #503's internal control.

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Unified School District #503's financial statement are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



JARRED, GILMORE & PHILLIPS, PA  
Certified Public Accountants

Chanute, Kansas  
December 16, 2019

**JARRED, GILMORE & PHILLIPS, PA**  
CERTIFIED PUBLIC ACCOUNTANTS

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

Board of Education  
Unified School District #503  
Parsons, Kansas

**Report on Compliance for Each Major Federal Program**

We have audited the Unified School District #503, Parsons, Kansas' compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of the Unified School District #503's major federal programs for the year ended June 30, 2019. Unified School District #503's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the Unified School District #503's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Unified School District #503's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Unified School District #503's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the Unified School District #503, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

### **Report on Internal Control over Compliance**

Management of the Unified School District #503, 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 Unified School District #503'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 Unified School District #503'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 internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Purpose of this Report**

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.



JARRED, GILMORE & PHILLIPS, PA  
Certified Public Accountants

Chanute, Kansas  
December 16, 2019

**UNIFIED SCHOOL DISTRICT #503**  
Parsons, Kansas

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2019

**I. SUMMARY OF AUDITORS' RESULTS**

**Financial Statement:**

The auditors' report expresses an adverse opinion on the basic financial statement of Unified School District #503 on the Generally Accepted Accounting Principles (GAAP) basis of accounting and an unmodified opinion on the regulatory basis of accounting.

**Internal Control over Financial Reporting:**

Material weakness(es) identified?	_____	Yes	_____ <u>X</u> _____	No
Significant deficiencies identified?	_____	Yes	_____ <u>X</u> _____	None Reported
Noncompliance or other matters required to be reported under <i>Government Auditing Standards</i>	_____	Yes	_____ <u>X</u> _____	No

**Federal Awards:**

Internal control over major programs:				
Material weakness(es) identified?	_____	Yes	_____ <u>X</u> _____	No
Significant deficiencies identified?	_____	Yes	_____ <u>X</u> _____	None Reported

The auditors' report on compliance for the major federal award programs for Unified School District #503 expresses an unmodified opinion.

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_____	Yes	_____ <u>X</u> _____	No
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Identification of major programs:

**U.S. DEPARTMENT OF EDUCATION**

Title I Grant to Local Educational Agencies

CFDA No. 84.010

The threshold for distinguishing Types A and B programs was \$750,000.00.

Auditee qualified as a low risk auditee?	_____	Yes	_____ <u>X</u> _____	No
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**II. FINANCIAL STATEMENT FINDINGS**

NONE

**III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

NONE



**UNIFIED SCHOOL DISTRICT #503**  
Parsons, Kansas

Summary Schedule of Prior Audit Findings  
For the Year Ended June 30, 2019

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NONE