

UNIFIED SCHOOL DISTRICT NO. 497

Lawrence, Kansas

Financial Statements

For the Year Ended June 30, 2019

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UNIFIED SCHOOL DISTRICT NO. 497
Lawrence, Kansas
Financial Statements
For the Year Ended June 30, 2019

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Unified School District No. 497
Lawrence, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 497, Lawrence, 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 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 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.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 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 Matter

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 30, 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.

Mike Houser: Company PA

Certified Public Accountants

Lawrence, Kansas
November 22, 2019

UNIFIED SCHOOL DISTRICT NO. 497
 Summary Statement of Receipts, Expenditures and Unencumbered Cash
 Regulatory Basis
 For the Year Ended June 30, 2019

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Fund Types:							
General Funds:							
General Fund	\$ 8,461	\$ -	\$ 77,149,762	\$ 77,158,223	\$ -	\$ 5,461,964	\$ 5,461,964
Supplemental General	1,890,131	-	24,729,805	25,026,748	1,593,188	1,762,283	3,355,471
Special Purpose Funds:							
Adult Basic Education	670,279	-	159,915	404,745	425,449	18,350	443,799
At Risk (4 Year Old)	101,781	-	413,734	512,555	2,960	68,723	71,683
Adult Supplemental Education	25,982	-	-	-	25,982	-	25,982
At Risk (K-12)	-	-	7,734,618	7,734,618	-	875,631	875,631
Bilingual Education	-	-	1,110,459	1,110,459	-	72,303	72,303
Virtual Education	-	-	4,551,324	4,551,324	-	653,548	653,548
Capital Outlay	5,811,752	-	13,083,604	14,760,863	4,134,493	3,852,816	7,987,309
Driver Training	17,785	-	39,546	44,741	12,590	15,986	28,576
Food Service	785,323	-	4,660,274	4,955,023	490,574	51,455	542,029
Professional Development	-	-	499,522	499,522	-	50,119	50,119
Parent Education Program	49,920	-	191,519	207,484	33,955	578	34,533
Summer School	70,509	-	34,580	47,682	57,407	16,257	73,664
Special Education	5,289,954	-	25,129,393	28,036,677	2,382,670	2,171,726	4,554,396
Cost of Living	335,897	-	1,167,449	1,198,770	304,576	-	304,576
Career and Postsecondary Education	-	-	1,737,458	1,737,458	-	195,656	195,656
KPERS Special Retirement Contribution	-	-	7,789,817	7,789,817	-	-	-
Contingency Reserve	2,960,028	-	-	1,761,670	1,198,358	-	1,198,358
Student Material Revolving	1,210,072	-	840,436	545,576	1,504,932	99,673	1,604,605
Grants	[172,808]	-	2,527,448	2,593,150	[238,510]	314,474	75,964
District Activity	-	-	389,455	389,455	-	-	-
Bond and Interest Funds:							
Bond and Interest	14,131,617	-	14,306,358	15,082,198	13,355,777	-	13,355,777
Special Assessment	492,810	-	4,351	6,360	490,801	-	490,801
Capital Projects Fund:							
Capital Projects	14,396,909	-	51,912,969	63,378,955	2,930,923	60,589,129	63,520,052
Business Funds:							
School Workers' Compensation Reserve	1,650,378	-	13,656	365,480	1,298,554	-	1,298,554
Health Care Services Reserve	471,715	-	13,397,866	13,444,959	424,622	5,289	429,911
Trust Fund:							
Trusts - Private Purpose	1,798,831	-	1,827,415	1,916,758	1,709,488	122,088	1,831,576
Total Reporting Entity (Excluding Agency Funds)	\$ 51,997,326	\$ -	\$ 255,402,733	\$ 275,261,270	\$ 32,138,789	\$ 76,398,048	\$ 108,536,837

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

UNIFIED SCHOOL DISTRICT NO. 497
Summary Statement of Receipts, Expenditures and Unencumbered Cash (Continued)
Regulatory Basis
For the Year Ended June 30, 2019

Composition of Cash:

Commerce Bank - Certificates of Deposit	\$ 4,877
Central Bank of the Midwest - Checking	1,386
U.S. Bank - Checking	33,271,270
United Missouri Bank - Checking	2,090,338
Optum Bank - Imprest	25,420
Kansas Municipal Investment Pool	70,736,211
Cash on Hand	<u>1,279</u>
Total Cash	106,130,781
Less Agency Funds per Schedule 4	<u>2,406,056</u>
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 108,536,837</u>

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

UNIFIED SCHOOL DISTRICT NO. 497
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. 497 (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 had no related municipal entities.

Reimbursed Expenses

Expenditures in the amount of \$712,357 and \$25,807 are classified as reimbursed expenses in the General Fund and Supplemental General Fund, respectively. The purpose of these expenditures is payment 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, 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 of accounting.

Regulatory Basis Fund Types

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

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

Special Purpose Fund - used to account for the proceeds of specific tax levies and other specific regulatory receipts 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 Projects Fund - used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

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

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 1 - Summary of Significant Accounting Policies (Continued)

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

Agency Fund - used to report assets held by a municipal reporting entity in a purely custodial capacity (i.e. payroll clearing fund, student organization fund, 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), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

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

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

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

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which, regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the 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 capital project funds, business funds, trust funds, agency funds, and the following special purpose funds: Contingency Reserve, Student Material Revolving and District Activity.

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.

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 2 - Deposits and Investments

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

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

Some of the District's investments are of bond proceeds invested pursuant to K.S.A. 10-131. This statute allows additional investment authority beyond that of K.S.A. 12-1675. Investments of bond proceeds may follow K.S.A. 12-1675 or include other investments such as the KMIP, direct obligations of the U.S. government or any agency thereof, and various other investments as specified in K.S.A. 10-131.

As of June 30, 2019, the District had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturity</u>		<u>Rating</u>
		<u>Less than 1 year</u>		
Certificate of Deposit	\$ 4,877	\$ 4,877		NA
Kansas Municipal Investment Pool	<u>70,736,211</u>	<u>70,736,211</u>		S&P AAAf/S1+
Total fair value	<u>\$ 70,741,088</u>	<u>\$ 70,741,088</u>		

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. The District's allocation of investments as of June 30, 2019, is as follows:

<u>Investment</u>	<u>Percentage of Investments</u>
Certificate of Deposit	0.01%
Kansas Municipal Investment Pool	<u>99.99%</u>
	<u>100.00%</u>

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 \$35,389,693 and the bank balance was \$34,126,169. The bank balance was held by six banks resulting in a concentration of credit risk. Of the bank balance, \$667,629 was covered by federal depository insurance and the balance of \$33,458,540 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.

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 2 - Deposits and Investments (Continued)

Custodial credit risk – investments (continued). At June 30, 2019, the District had invested \$70,736,211 in the State's municipal investment pool. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest by the U.S. government or any agency thereof, with maturities up to four years. No more than 10 percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

NOTE 3 - Substance receipt in transit

The District received \$4,082,214 subsequent to June 30, 2019 and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2019.

NOTE 4 - Long-Term Debt

Following is a detailed listing of the District long-term liabilities, including capital leases, at June 30, 2019:

<u>Debt Issue</u>	<u>Date Issued</u>	<u>Maturity Date</u>	<u>Interest Rates</u>	<u>Original Amount</u>	<u>Balance June 30, 2019</u>
Paid for by revenues					
General Obligation Bonds					
2012A Refunding	12/15/2012	9/1/2025	2.00%	\$ 9,890,000	\$ 9,075,000
2013A Improvement	8/1/2013	9/1/2033	2.00 - 5.00%	36,000,000	31,750,000
2014A Improvement	12/18/2014	9/1/2034	2.00 - 5.00%	36,000,000	32,100,000
2016A Refunding & Improvement	1/28/2016	9/1/2035	3.378 - 5.00%	44,045,000	30,485,000
2017A Improvement	9/28/2017	9/1/2037	3.00 - 5.00%	43,500,000	40,425,000
2018A Improvement	10/11/2018	9/1/2037	2.75 - 5.00%	43,500,000	43,500,000
Capital Leases					
Energy Savings Equipment	7/12/2006	10/12/2025	4.90%	1,683,575	802,662
Technology Equipment	3/1/2017	3/1/2020	0.90%	2,826,012	709,640
Real Estate	7/1/2017	6/15/2027	2.70%	4,837,711	3,967,266
Technology Equipment	2/28/2018	2/28/2021	0.99%	1,429,520	714,726
Field Turf	5/22/2018	5/1/2028	3.35%	5,829,030	4,803,316
Technology Equipment	2/25/2019	3/1/2022	0.00%	2,029,186	1,521,889
Technology Equipment	2/27/2019	2/27/2019	2.83%	1,993,769	1,993,769
Total					<u>\$ 201,848,268</u>

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 4 - Long-Term Debt (Continued)

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

<u>Type of Issue</u>	<u>Beginning Principal Outstanding</u>	<u>Additions to Principal</u>	<u>Reductions of Principal</u>	<u>Ending Principal Balance</u>	<u>Interest Paid</u>
Paid for by revenues					
General Obligation Bonds					
2012A Refunding	\$ 9,190,000	\$ -	\$ 115,000	\$ 9,075,000	\$ 182,650
2013A Improvement	32,775,000	-	1,025,000	31,750,000	1,274,488
2014A Improvement	33,025,000	-	925,000	32,100,000	1,172,750
2016A Refunding & Improvement	34,040,000	-	3,555,000	30,485,000	1,422,500
2017A Improvement	43,500,000	-	3,075,000	40,425,000	1,658,126
2018A Improvement	-	43,500,000	-	43,500,000	676,655
Capital Leases					
Energy Savings Equipment	911,022	-	108,360	802,662	44,640
Athletics Fields/Equipment - Phase II	260,000	-	260,000	-	20,700
Technology Equipment	793,396	-	793,396	-	7,855
Technology Equipment	1,412,950	-	703,310	709,640	12,717
Real Estate	4,405,966	-	438,700	3,967,266	116,020
Technology Equipment	1,066,842	-	352,116	714,726	10,562
Field Turf	5,829,030	-	1,025,714	4,803,316	180,439
Technology Equipment	-	2,029,186	507,297	1,521,889	-
Technology Equipment	-	1,993,769	-	1,993,769	-
Total	<u>\$ 167,209,206</u>	<u>\$ 47,522,955</u>	<u>\$ 12,883,893</u>	<u>\$ 201,848,268</u>	<u>\$ 6,780,101</u>

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

<u>Year ended June 30,</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Due</u>
2020	\$ 7,320,000	\$ 7,141,513	\$ 14,461,513
2021	7,130,000	6,861,589	13,991,589
2022	7,380,000	6,573,764	13,953,764
2023	7,685,000	6,244,124	13,929,124
2024	8,060,000	5,864,939	13,924,939
2025-2029	44,950,000	24,688,287	69,638,287
2030-2034	54,390,000	14,974,650	69,364,650
2035-2038	50,420,000	3,699,405	54,119,405
Total	<u>\$ 187,335,000</u>	<u>\$ 76,048,271</u>	<u>\$ 263,383,271</u>

Annual debt service requirements to maturity for the capital leases are as follows:

<u>Year</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Due</u>
2020	\$ 2,964,131	\$ 368,093	\$ 3,332,224
2021	2,301,641	314,555	2,616,196
2022	1,987,558	265,959	2,253,517
2023	1,526,762	219,459	1,746,221
2024	1,574,770	171,451	1,746,221
2025-2028	4,158,406	272,654	4,431,060
Total	<u>\$ 14,513,268</u>	<u>\$ 1,612,171</u>	<u>\$ 16,125,439</u>

The District is subject to Kansas statutes and may issue general obligation bonds for capital improvements upon the approval of a majority of the voters. Remaining debt service requirements for general obligation bonds will be repaid from the Bond and Interest Fund with future tax assessments. Such general obligation indebtedness may not exceed the amount allowed for the District under K.S.A. 72-6761.

The District's statutory limit for such bonded indebtedness is approximately \$167 million at June 30, 2019. The District has received authorization from the State of Kansas to exceed this limit.

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 5 - Capital Projects

At year-end, capital project authorizations compared with expenditures from inception are as follows:

	<u>Project Authorization</u>	<u>Expenditures To Date</u>
School Facilities & Technology Upgrade - Phase I	\$ 96,989,618	\$ 96,989,618
School Facilities & Technology Upgrade - Phase II	94,954,059	88,944,319
23rd Street Lease Project	4,795,211	4,868,476
Turf Improvements Lease	5,247,882	4,965,786
Total	<u>\$ 201,986,770</u>	<u>\$ 195,768,199</u>

NOTE 6 - Compensated Absences

It is the District's policy to pay employees' accrued vacation pay upon termination of employment. Administrative and classified employees are eligible for this compensation. As of June 30, 2019, the liability for accrued vacation pay was \$912,425. A current portion, ten days, is reflected in the financial statements as follows:

<u>Fund</u>	<u>Amount</u>
General	\$ 76,520
Supplemental General	262,887
Adult Basic Education	7,433
Virtual Education	12,642
Capital Outlay	13,067
Food Service	9,042
Bilingual	1,735
Special Education	21,255
Career and Postsecondary Education	<u>5,469</u>
Total	<u>\$ 410,050</u>

NOTE 7 - 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.

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 7 - Defined Benefit Pension Plan (Continued)

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

Per 2017 Senate Substitute for House Bill 2002, Section 51(a), state general fund employer contributions to KPERS were decreased by \$194,022,683 for the fiscal year ended June 30, 2019. Section 56(19) of the bill also stipulates that repayments of the reduced contributions are to be amortized over twenty years at a level dollar amount commencing in fiscal year 2020. The level dollar amount was computer 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 \$7,789,817 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 \$102,568,631. 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 8 - Termination Benefits

The District also has a plan which covers District employees who voluntarily take early retirement. An employee is eligible for early retirement if such employee is a full time employee, not less than 57 years old and not more than 64 years old, has fifteen years or more of service with the District, and twenty years or more of service credit recognized by the Kansas Public Employees Retirement System (KPERS).

The benefits from this plan are computed using a formula based upon salary, age, and KPERS service credit and are payable over a five year period in January of each year. The cost of this plan in the fiscal year ended June 30, 2019, was \$1,188,796. The outstanding liability reflected in the financial statements for the retirees payable in January, 2020, is as follows:

<u>Fund</u>	<u>Amount</u>
Supplemental General	\$ <u>1,188,796</u>
Total	\$ <u><u>1,188,796</u></u>

The outstanding liability payable from January, 2020, through January, 2024, is \$3,657,901. Above, only the January, 2020 payment is reflected in the financial statements as an account payable.

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 9 - Risk Management

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

Workers' Compensation. The District has established a limited risk management program for workers' compensation. Premiums are paid into the School Workers' Compensation Reserve Fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program. These interfund premiums are used to reduce the amount of claims expenditure reported in the School Workers' Compensation Reserve Fund. As of June 30, 2019, such interfund premiums did not exceed reimbursable expenditures.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. An excess coverage insurance policy covers individual claims over a certain amount. Liabilities 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 during the past year are as follows:

Unpaid claims, July 1, 2018	\$ 536,851
Incurred claims (including IBNRs)	442,533
Claim payments and adjustments	<u>[332,754]</u>
Unpaid claims, June 30, 2019	<u>\$ 646,630</u>

NOTE 10 - Commitments and Contingencies

The District receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The 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 negative effect on the financial statements of the District at June 30, 2019.

The District's general obligation bond issues are subject to the arbitrage provisions of Section 148 of the Internal Revenue Code. These provisions include the potential for rebates to the Federal Government of the earnings on the bond proceeds in excess of the yield on the bonds. The amounts of any future rebates due on other bonds or temporary notes have not been determined.

On September 24, 2015, the Universal Service Administrative Company (USAC) rescinded certain e-rate reimbursements received by the District for the 2011-2012 through 2013-2014 funding years and denied e-rate reimbursements for the 2014-2015 through 2015-2016 funding years because of competitive bidding violations. The amount of the District's potential liability due to these rescinded reimbursements is approximately \$500,000. The District has filed an appeal with the Federal Communication Commission, but a response to the appeal had not been received as of the date of the financial statements.

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

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 11 - Other Post Employment Benefits

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

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government 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 government under this program.

NOTE 12 - Interfund Transactions

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Regulatory Authority</u>	<u>Amount</u>
General	Special Education	K.S.A. 74-6478	\$14,182,739
General	Career and Postsecondary Education	K.S.A. 74-6478	1,200,201
General	Bilingual Education	K.S.A. 74-6478	894,813
General	Virtual Education	K.S.A. 74-6478	4,500,629
General	Professional Development	K.S.A. 74-6478	94,049
General	At Risk (4 Year Old)	K.S.A. 74-6478	20,000
General	At Risk (K-12)	K.S.A. 74-6478	5,021,385
General	Health Care Services Reserve	K.S.A. 74-6478	4,193,238
Supplemental General	Bilingual Education	K.S.A. 74-6478	213,322
Supplemental General	Special Education	K.S.A. 74-6478	5,962,451
Supplemental General	Career and Postsecondary Education	K.S.A. 74-6478	515,615
Supplemental General	Health Care Services Reserve	K.S.A. 74-6478	1,405,022
Supplemental General	Professional Development	K.S.A. 74-6478	321,745
Supplemental General	Parent Education Program	K.S.A. 74-6478	18,000
Supplemental General	At Risk (4 Year Old)	K.S.A. 74-6478	271,000
Supplemental General	At Risk (K-12)	K.S.A. 74-6478	2,503,319
		2015 House Substitute for Senate Bill 7	
Contingency Reserve	Special Education	2015 House Substitute for Senate Bill 7	1,500,000
		2015 House Substitute for Senate Bill 7	
Contingency Reserve	At Risk (K-12)	2015 House Substitute for Senate Bill 7	188,969
Capital Outlay	Health Care Services Reserve	K.S.A. 72-8415a	75,452
Adult Basic Education	Health Care Services Reserve	K.S.A. 72-8415a	32,405
Grants	School Workers' Compensation Reserve	K.S.A. 44-505e	2,518
Grants	Health Care Services Reserve	K.S.A. 72-8415a	208,148
Parent Education Program	Health Care Services Reserve	K.S.A. 72-8415a	15,452
Food Service	Health Care Services Reserve	K.S.A. 72-8415a	392,385
Bilingual Education	Health Care Services Reserve	K.S.A. 72-8415a	117,939
At Risk (K-12)	Health Care Services Reserve	K.S.A. 72-8415a	796,827
At Risk (4 Year Old)	Health Care Services Reserve	K.S.A. 72-8415a	53,693
Career and Postsecondary Education	Health Care Services Reserve	K.S.A. 72-8415a	132,713
Virtual Education	Health Care Services Reserve	K.S.A. 72-8415a	234,854
Special Education	School Workers' Compensation Reserve	K.S.A. 44-505e	10,536
Special Education	Health Care Services Reserve	K.S.A. 72-8415a	3,146,551
Total			<u>\$48,225,970</u>

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Financial Statements
For the Year Ended June 30, 2019

NOTE 13 - Tax-Deferred 403(b) Retirement Plan

The District offers its employees a retirement plan ("Plan") created in accordance with Internal Revenue Code Section 403(b). The Plan, available to all District employees, permits them to save additional funds for retirement. The investment options under the Plan include annuity contracts and/or custodial accounts. Employees may elect to have make contributions of deferred salaries/wages to the Plan to the extent permitted by the Plan. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Plan participants are 100% vested in any elective deferral contributions made to the Plan as of the date such contribution is made.

In addition to the elective deferral plan described above, the District offers a Non-Elective Contribution Employer Paid Deferred Benefit 403(b) Plan ("Employer Paid Plan") for each professional employee employed at least half time in the District. This account is separate from any professional employee paid deferred benefit account, and no employee contributions, via salary reduction or otherwise, shall be allowed into the account.

The district will contribute \$60 per month (\$720 annually) into each full-time professional employee's Employer Paid Plan. Professional employees employed on a less than half time basis during a contract year are not eligible to receive contributions into his/her Employer Paid Plan. Contributions will be prorated for professional employees who work less than full time in a certified position.

<u>FTE</u>	<u>Contribution</u>
.95 - 1.00	\$ 60
.85 - .94	54
.75 - .84	48
.65 - .74	42
.55 - .64	36
.50 - .54	30
Less than .50	-

A professional employee's ownership interest in his or her Employer Paid Plan shall vest in yearly increments. A professional employee will receive one year of vesting credit for each contract year completed, starting with the 2008-09 contract year, in which the professional employee is employed at least half time with the district. The following vesting schedule will be used to determine the professional employee's ownership interest in the funds in the account:

Year 1	0%
Year 2	20%
Year 3	40%
Year 4	60%
Year 5	80%
Year 6	100%

District contributions to employees' Employer Paid Plans for the years ending June 30, 2019 and 2018 were \$1,460,406 and \$1,444,693, respectively.

NOTE 14 - 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.

SCHEDULE 1

UNIFIED SCHOOL DISTRICT NO. 497
 Summary of Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2019

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustment to Comply with Legal Max Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year Budget</u>	<u>Variance Positive [Negative]</u>
General Funds:						
General Fund	\$ 79,542,141	\$ [3,425,310]	\$ 1,041,392	\$ 77,158,223	\$ 77,158,223	\$ -
Supplemental General	25,701,427	[700,486]	25,807	25,026,748	25,026,748	-
Special Purpose Funds:						
Adult Basic Education	600,000	-	-	600,000	404,745	195,255
At Risk (4 Year Old)	590,000	-	-	590,000	512,555	77,445
Adult Supplemental Education	25,981	-	-	25,981	-	25,981
At Risk (K-12)	7,800,000	-	-	7,800,000	7,734,618	65,382
Bilingual Education	1,350,000	-	-	1,350,000	1,110,459	239,541
Virtual Education	6,325,000	-	-	6,325,000	4,551,324	1,773,676
Capital Outlay	15,890,720	-	-	15,890,720	14,760,863	1,129,857
Driver Training	105,000	-	-	105,000	44,741	60,259
Food Service	6,100,000	-	-	6,100,000	4,955,023	1,144,977
Professional Development	800,000	-	-	800,000	499,522	300,478
Parent Education Program	300,000	-	-	300,000	207,484	92,516
Summer School	115,000	-	-	115,000	47,682	67,318
Special Education	29,118,500	-	-	29,118,500	28,036,677	1,081,823
Cost of Living	1,500,000	-	-	1,500,000	1,198,770	301,230
Career and Postsecondary Education	2,350,000	-	-	2,350,000	1,737,458	612,542
KPERs Special Retirement Contribution	13,333,539	-	-	13,333,539	7,789,817	5,543,722
Grants	3,122,094	-	-	3,122,094	2,593,150	528,944
Bond and Interest Funds:						
Bond and Interest	15,052,999	-	-	15,052,999	15,082,198	[29,199]
Special Assessment	300,000	-	-	300,000	6,360	293,640

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
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	\$ 61,224,436	\$ 62,835,863	\$ 64,478,136	\$ [1,642,273]
Juvenile detention center	278,818	329,035	-	329,035
Special education aid	12,450,262	13,255,585	15,063,072	[1,807,487]
Miscellaneous	9,121	16,922	-	16,922
Reimbursed expenses	<u>757,515</u>	<u>712,357</u>	-	<u>712,357</u>
Total Receipts	<u>74,720,152</u>	<u>77,149,762</u>	<u>\$ 79,541,208</u>	<u>\$ [2,391,446]</u>
Expenditures				
Instruction	28,812,983	29,103,619	\$ 33,563,701	\$ 4,460,082
Student support services	3,158,196	3,438,534	3,800,617	362,083
Instructional support	1,991,861	2,062,529	2,343,973	281,444
General administration	159,033	215,209	193,539	[21,670]
School administration	345,119	366,658	357,112	[9,546]
Operations and maintenance	8,519,793	8,643,385	8,606,103	[37,282]
Transportation	402,872	393,586	419,455	25,869
Other supplemental services	2,920,679	2,827,649	1,326,210	[1,501,439]
Transfers out	28,401,155	30,107,054	28,931,431	[1,175,623]
Adjustment to comply with legal max budget	-	-	[3,425,310]	[3,425,310]
Adjustment for qualifying budget credits	-	-	<u>1,041,392</u>	<u>1,041,392</u>
Total Expenditures	<u>74,711,691</u>	<u>77,158,223</u>	<u>\$ 77,158,223</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	8,461	[8,461]		
Unencumbered Cash, Beginning	-	8,461		
Unencumbered Cash, Ending	<u>\$ 8,461</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
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	\$ 18,311,423	\$ 17,046,022	\$ 16,023,156	\$ 1,022,866
Delinquent tax	159,344	154,930	188,606	[33,676]
Motor vehicle tax	2,003,304	1,597,824	1,528,856	68,968
Reimbursed expenses	25,558	25,807	-	25,807
State aid	4,994,916	5,905,222	6,070,677	[165,455]
Total Receipts	<u>25,494,545</u>	<u>24,729,805</u>	<u>\$ 23,811,295</u>	<u>\$ 918,510</u>
Expenditures				
Instruction	1,243,854	1,191,797	\$ 1,310,500	\$ 118,703
Student support services	255,457	270,993	254,196	[16,797]
Instructional support	2,066,651	2,168,135	2,176,266	8,131
General administration	392,925	627,395	627,281	[114]
School administration	4,657,640	4,757,915	4,908,889	150,974
Operations and maintenance	45,169	27,135	52,000	24,865
Transportation	1,796,003	1,749,207	1,680,000	[69,207]
Other supplemental services	2,930,566	3,023,697	2,967,654	[56,043]
Transfers out	11,426,411	11,210,474	11,724,641	514,167
Adjustment to comply with legal max budget	-	-	[700,486]	[700,486]
Adjustment for qualifying budget credits	-	-	25,807	25,807
Total Expenditures	<u>24,814,676</u>	<u>25,026,748</u>	<u>\$ 25,026,748</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	679,869	[296,943]		
Unencumbered Cash, Beginning	<u>1,210,262</u>	<u>1,890,131</u>		
Unencumbered Cash, Ending	<u>\$ 1,890,131</u>	<u>\$ 1,593,188</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Adult Basic 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				
Taxes and Shared Revenues:				
Ad valorem property taxes	\$ 162,560	\$ 2,647	\$ 1,369	\$ 1,278
Delinquent tax	2,620	2,152	1,649	503
Motor vehicle tax	18,292	22,485	21,958	527
Federal aid	42,000	75,970	74,827	1,143
State aid	69,938	52,527	52,527	-
Reimbursed expenses	720	705	-	705
Miscellaneous	5,528	3,429	25,000	[21,571]
Total Receipts	<u>301,658</u>	<u>159,915</u>	<u>\$ 177,330</u>	<u>\$ [17,415]</u>
Expenditures				
Instruction	313,045	299,584	\$ 487,000	\$ 187,416
Student support services	27,535	27,638	34,500	6,862
Instructional support staff	43,278	45,118	78,500	33,382
Transfers out	23,566	32,405	-	[32,405]
Total Expenditures	<u>407,424</u>	<u>404,745</u>	<u>\$ 600,000</u>	<u>\$ 195,255</u>
Receipts Over [Under] Expenditures	[105,766]	[244,830]		
Unencumbered Cash, Beginning	<u>776,045</u>	<u>670,279</u>		
Unencumbered Cash, Ending	<u>\$ 670,279</u>	<u>\$ 425,449</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
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 <u>Actual</u>	Current Year		Variance Positive [Negative]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Tuition	\$ -	\$ -	\$ 40,000	\$ [40,000]
Miscellaneous	40,923	21,338	298,218	[276,880]
Reimbursed expenses	1,126	1,396	-	1,396
Donations	200,000	100,000	-	100,000
Transfers in	<u>150,000</u>	<u>291,000</u>	<u>150,000</u>	<u>141,000</u>
Total Receipts	<u>392,049</u>	<u>413,734</u>	<u>\$ 488,218</u>	<u>\$ [74,484]</u>
Expenditures				
Instruction	295,628	299,469	\$ 443,000	\$ 143,531
Student support services	-	34,285	-	[34,285]
Instructional support staff	86,200	96,072	105,635	9,563
School administration	19,864	29,036	41,365	12,329
Transfers out	<u>38,325</u>	<u>53,693</u>	<u>-</u>	<u>[53,693]</u>
Total Expenditures	<u>440,017</u>	<u>512,555</u>	<u>\$ 590,000</u>	<u>\$ 77,445</u>
Receipts Over [Under] Expenditures	[47,968]	[98,821]		
Unencumbered Cash, Beginning	<u>149,749</u>	<u>101,781</u>		
Unencumbered Cash, Ending	<u>\$ 101,781</u>	<u>\$ 2,960</u>		

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Adult Supplemental 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				
Charges for services	\$ -	\$ -	\$ -	\$ -
Total Receipts	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Instruction	-	-	\$ 25,981	\$ 25,981
Total Expenditures	<u>-</u>	<u>-</u>	<u>\$ 25,981</u>	<u>\$ 25,981</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	<u>25,982</u>	<u>25,982</u>		
Unencumbered Cash, Ending	<u>\$ 25,982</u>	<u>\$ 25,982</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
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	\$ 6,909,725	\$ 7,713,673	\$ 7,700,000	\$ 13,673
Miscellaneous	-	-	100,000	[100,000]
Reimbursed expenses	<u>17,769</u>	<u>20,945</u>	<u>-</u>	<u>20,945</u>
Total Receipts	<u>6,927,494</u>	<u>7,734,618</u>	<u>\$ 7,800,000</u>	<u>\$ [65,382]</u>
Expenditures				
Instruction	6,128,406	6,898,083	\$ 7,559,000	\$ 660,917
Instructional support staff	222,758	39,708	241,000	201,292
Transfers out	<u>576,330</u>	<u>796,827</u>	<u>-</u>	<u>[796,827]</u>
Total Expenditures	<u>6,927,494</u>	<u>7,734,618</u>	<u>\$ 7,800,000</u>	<u>\$ 65,382</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
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				
Transfers in	\$ 1,094,826	\$ 1,108,135	\$ 1,300,000	\$ [191,865]
Reimbursed expenses	<u>4,476</u>	<u>2,324</u>	<u>50,000</u>	<u>[47,676]</u>
Total Receipts	<u>1,099,302</u>	<u>1,110,459</u>	<u>\$ 1,350,000</u>	<u>\$ [239,541]</u>
Expenditures				
Instruction	822,068	792,108	\$ 1,102,925	\$ 310,817
Student support services	121,199	115,206	101,285	[13,921]
Instructional support	79,155	85,206	145,790	60,584
Transfers out	<u>76,880</u>	<u>117,939</u>	<u>-</u>	<u>[117,939]</u>
Total Expenditures	<u>1,099,302</u>	<u>1,110,459</u>	<u>\$ 1,350,000</u>	<u>\$ 239,541</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
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				
Reimbursed expenses	\$ 25,156	\$ 50,695	\$ 100,000	\$ [49,305]
Transfers in	<u>4,159,832</u>	<u>4,500,629</u>	<u>6,225,000</u>	<u>[1,724,371]</u>
Total Receipts	<u>4,184,988</u>	<u>4,551,324</u>	<u>\$ 6,325,000</u>	<u>\$ [1,773,676]</u>
Expenditures				
Instruction	3,355,881	3,575,250	\$ 5,623,738	\$ 2,048,488
Student support services	-	64,555	-	[64,555]
Instructional support	8,074	21,558	10,000	[11,558]
School administration	598,396	570,300	614,982	44,682
Operations and maintenance	48,709	77,970	76,280	[1,690]
Other supplemental services	4,122	6,837	-	[6,837]
Transfers out	<u>169,806</u>	<u>234,854</u>	<u>-</u>	<u>[234,854]</u>
Total Expenditures	<u>4,184,988</u>	<u>4,551,324</u>	<u>\$ 6,325,000</u>	<u>\$ 1,773,676</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
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	\$ 8,579,352	\$ 9,222,010	\$ 8,936,761	\$ 285,249
Delinquent tax	80,299	75,251	88,103	[12,852]
Motor vehicle tax	966,261	835,702	826,876	8,826
Investment income	14,974	80,327	2,500	77,827
Reimbursed expenses	29,373	3,235	-	3,235
Lease proceeds	1,450,798	1,933,373	-	1,933,373
Miscellaneous	617,397	442,760	-	442,760
State aid	615,523	471,056	471,436	[380]
Flood control	19,544	19,890	-	19,890
Total Receipts	<u>12,373,521</u>	<u>13,083,604</u>	<u>\$ 10,325,676</u>	<u>\$ 2,757,928</u>
Expenditures				
Instruction	1,805,727	2,409,297	\$ 4,070,000	\$ 1,660,703
Student support services	1,137	526	25,000	24,474
Instructional support	-	62,646	165,000	102,354
General administration	23,453	299	25,000	24,701
School administration	39,538	75,051	25,000	[50,051]
Operations and maintenance	396,225	835,747	500,000	[335,747]
Central support services	747,534	2,434,447	1,000,000	[1,434,447]
Other support services	157,777	105,069	-	[105,069]
Facility acquisition and construction services	7,708,582	8,762,329	10,080,720	1,318,391
Transfers out	42,442	75,452	-	[75,452]
Total Expenditures	<u>10,922,415</u>	<u>14,760,863</u>	<u>\$ 15,890,720</u>	<u>\$ 1,129,857</u>
Receipts Over [Under] Expenditures	1,451,106	[1,677,259]		
Unencumbered Cash, Beginning	<u>4,360,646</u>	<u>5,811,752</u>		
Unencumbered Cash, Ending	<u>\$ 5,811,752</u>	<u>\$ 4,134,493</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Driver Training 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	\$ 17,152	\$ 18,816	\$ 32,500	\$ [13,684]
Charges for services	<u>19,910</u>	<u>20,730</u>	<u>54,716</u>	<u>[33,986]</u>
Total Receipts	<u>37,062</u>	<u>39,546</u>	<u>\$ 87,216</u>	<u>\$ [47,670]</u>
Expenditures				
Instruction	38,661	36,494	\$ 81,500	\$ 45,006
Instructional support	1,383	1,950	2,500	550
Operations and maintenance	6,788	6,297	21,000	14,703
Transfers out	<u>91</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>46,923</u>	<u>44,741</u>	<u>\$ 105,000</u>	<u>\$ 60,259</u>
Receipts Over [Under] Expenditures	[9,861]	[5,195]		
Unencumbered Cash, Beginning	<u>27,646</u>	<u>17,785</u>		
Unencumbered Cash, Ending	<u>\$ 17,785</u>	<u>\$ 12,590</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
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	\$ 2,678,044	\$ 2,633,589	\$ 2,905,111	\$ [271,522]
State aid	48,820	43,281	46,640	[3,359]
Charges for services	1,923,714	1,981,880	3,158,200	[1,176,320]
Investment income	<u>137</u>	<u>1,524</u>	<u>-</u>	<u>1,524</u>
Total Receipts	<u>4,650,715</u>	<u>4,660,274</u>	<u>\$ 6,109,951</u>	<u>\$ [1,449,677]</u>
Expenditures				
Food service operation	4,567,278	4,562,638	\$ 6,100,000	\$ 1,537,362
Transfers out	<u>291,281</u>	<u>392,385</u>	<u>-</u>	<u>[392,385]</u>
Total Expenditures	<u>4,858,559</u>	<u>4,955,023</u>	<u>\$ 6,100,000</u>	<u>\$ 1,144,977</u>
Receipts Over [Under] Expenditures	[207,844]	[294,749]		
Unencumbered Cash, Beginning	<u>993,167</u>	<u>785,323</u>		
Unencumbered Cash, Ending	<u>\$ 785,323</u>	<u>\$ 490,574</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Professional Development 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				
Miscellaneous	\$ 759	\$ 1,047	\$ 112,500	\$ [111,453]
State aid	87,491	82,681	87,500	[4,819]
Transfers in	<u>425,769</u>	<u>415,794</u>	<u>600,000</u>	<u>[184,206]</u>
Total Receipts	<u>514,019</u>	<u>499,522</u>	<u>\$ 800,000</u>	<u>\$ [300,478]</u>
Expenditures				
Instructional support	488,716	475,928	\$ 800,000	\$ 324,072
Student support services	-	1,807	-	[1,807]
Other supplemental services	3,600	-	-	-
School administration	21,516	21,787	-	[21,787]
Transfers out	<u>187</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>514,019</u>	<u>499,522</u>	<u>\$ 800,000</u>	<u>\$ 300,478</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
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	\$ 125,769	\$ 142,624	\$ 160,000	\$ [17,376]
Miscellaneous	36,187	30,895	72,080	[41,185]
Transfers in	<u>18,000</u>	<u>18,000</u>	<u>18,000</u>	<u>-</u>
Total Receipts	<u>179,956</u>	<u>191,519</u>	<u>\$ 250,080</u>	<u>\$ [58,561]</u>
Expenditures				
Support services	158,416	180,900	\$ 295,000	\$ 114,100
Instructional support staff	550	11,132	5,000	[6,132]
Transfers out	<u>17,894</u>	<u>15,452</u>	<u>-</u>	<u>[15,452]</u>
Total Expenditures	<u>176,860</u>	<u>207,484</u>	<u>\$ 300,000</u>	<u>\$ 92,516</u>
Receipts Over [Under] Expenditures	3,096	[15,965]		
Unencumbered Cash, Beginning	<u>46,824</u>	<u>49,920</u>		
Unencumbered Cash, Ending	<u>\$ 49,920</u>	<u>\$ 33,955</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
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	\$ 33,941	\$ 34,580	\$ 40,871	\$ [6,291]
Total Receipts	<u>33,941</u>	<u>34,580</u>	<u>\$ 40,871</u>	<u>\$ [6,291]</u>
Expenditures				
Instruction	43,181	47,682	\$ 115,000	\$ 67,318
Transfers out	98	-	-	-
Total Expenditures	<u>43,279</u>	<u>47,682</u>	<u>\$ 115,000</u>	<u>\$ 67,318</u>
Receipts Over [Under] Expenditures	[9,338]	[13,102]		
Unencumbered Cash, Beginning	<u>79,847</u>	<u>70,509</u>		
Unencumbered Cash, Ending	<u>\$ 70,509</u>	<u>\$ 57,407</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
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				
State aid	\$ 21,800	\$ 21,800	\$ 12,000	\$ 9,800
Federal aid	2,576,100	2,518,419	2,989,890	[471,471]
Reimbursed expenses	734,923	943,984	250,000	693,984
Transfers in	<u>21,960,544</u>	<u>21,645,190</u>	<u>22,563,072</u>	<u>[917,882]</u>
Total Receipts	<u>25,293,367</u>	<u>25,129,393</u>	<u>\$ 25,814,962</u>	<u>\$ [685,569]</u>
Expenditures				
Instruction	15,229,156	15,814,484	\$ 19,496,613	\$ 3,682,129
Student support services	3,839,254	4,501,939	4,834,405	332,466
Instructional support staff	1,064,018	1,311,972	1,419,482	107,510
Operations and maintenance	13,555	12,777	33,000	20,223
Vehicle operating services	3,062,527	3,233,148	3,325,000	91,852
Other supplemental services	5,620	5,270	10,000	4,730
Transfers out	<u>2,216,593</u>	<u>3,157,087</u>	-	<u>[3,157,087]</u>
Total Expenditures	<u>25,430,723</u>	<u>28,036,677</u>	<u>\$ 29,118,500</u>	<u>\$ 1,081,823</u>
Receipts Over [Under] Expenditures	[137,356]	[2,907,284]		
Unencumbered Cash, Beginning	<u>5,427,310</u>	<u>5,289,954</u>		
Unencumbered Cash, Ending	<u>\$ 5,289,954</u>	<u>\$ 2,382,670</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Cost of Living 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	\$ 961,823	\$ 1,027,171	\$ 1,028,753	\$ [1,582]
Delinquent tax	13,566	10,788	9,768	1,020
Motor vehicle tax	<u>164,706</u>	<u>129,490</u>	<u>125,582</u>	<u>3,908</u>
Total Receipts	<u>1,140,095</u>	<u>1,167,449</u>	<u>\$ 1,164,103</u>	<u>\$ 3,346</u>
Expenditures				
State payment	<u>1,181,661</u>	<u>1,198,770</u>	<u>\$ 1,500,000</u>	<u>\$ 301,230</u>
Total Expenditures	<u>1,181,661</u>	<u>1,198,770</u>	<u>\$ 1,500,000</u>	<u>\$ 301,230</u>
Receipts Over [Under] Expenditures	[41,566]	[31,321]		
Unencumbered Cash, Beginning	<u>377,463</u>	<u>335,897</u>		
Unencumbered Cash, Ending	<u>\$ 335,897</u>	<u>\$ 304,576</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Career and Postsecondary 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				
Reimbursed expenses	\$ 4,013	\$ 3,623	\$ 10,000	\$ [6,377]
State aid	6,118	6,015	6,725	[710]
Miscellaneous	14,156	12,004	233,275	[221,271]
Transfers in	<u>1,815,571</u>	<u>1,715,816</u>	<u>2,100,000</u>	<u>[384,184]</u>
Total Receipts	<u>1,839,858</u>	<u>1,737,458</u>	<u>\$ 2,350,000</u>	<u>\$ [612,542]</u>
Expenditures				
Instruction	1,526,528	1,348,990	\$ 2,119,090	\$ 770,100
Student support services	-	4,834	-	[4,834]
Instructional support	169,830	173,422	173,410	[12]
Operations and maintenance	44,473	77,499	57,500	[19,999]
Transfers out	<u>118,899</u>	<u>132,713</u>	<u>-</u>	<u>[132,713]</u>
Total Expenditures	<u>1,859,730</u>	<u>1,737,458</u>	<u>\$ 2,350,000</u>	<u>\$ 612,542</u>
Receipts Over [Under] Expenditures	[19,872]	-		
Unencumbered Cash, Beginning	<u>19,872</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
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	\$ 9,129,435	\$ 7,789,817	\$ 13,333,539	\$ [5,543,722]
Total Receipts	<u>9,129,435</u>	<u>7,789,817</u>	<u>\$ 13,333,539</u>	<u>\$ [5,543,722]</u>
Expenditures				
Instruction	6,155,214	5,239,737	\$ 8,968,662	\$ 3,728,925
Student support services	734,659	681,322	1,166,193	484,871
Instructional support	611,210	513,024	878,124	365,100
General administration	40,684	58,728	100,523	41,795
School administration	607,342	479,598	820,910	341,312
Operations and maintenance	319,919	248,907	426,044	177,137
Other supplemental services	383,726	321,475	550,257	228,782
Food service	276,681	247,026	422,826	175,800
Total Expenditures	<u>9,129,435</u>	<u>7,789,817</u>	<u>\$ 13,333,539</u>	<u>\$ 5,543,722</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. 497
Schedule of Receipts and Expenditures - Actual
Contingency Reserve Fund *
Regulatory Basis
For the Year Ended June 30, 2019 and 2018

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Reimbursements	\$ -	\$ -
Total Receipts	<u>-</u>	<u>-</u>
Expenditures		
Instruction	9,935	-
General administration	130,242	67,701
School administration	-	5,000
Other supplemental services	28,553	-
Transfers out	542,839	1,688,969
Total Expenditures	<u>711,569</u>	<u>1,761,670</u>
Receipts Over [Under] Expenditures	[711,569]	[1,761,670]
Unencumbered Cash, Beginning	<u>3,671,597</u>	<u>2,960,028</u>
Unencumbered Cash, Ending	<u>\$ 2,960,028</u>	<u>\$ 1,198,358</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual
Student Material Revolving Fund *
Regulatory Basis
For the Year Ended June 30, 2019 and 2018

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Charges for services	\$ 841,373	\$ 840,436
Total Receipts	<u>841,373</u>	<u>840,436</u>
 Expenditures		
Instruction	<u>671,100</u>	<u>545,576</u>
Total Expenditures	<u>671,100</u>	<u>545,576</u>
 Receipts Over [Under] Expenditures	 170,273	 294,860
 Unencumbered Cash, Beginning	 <u>1,039,799</u>	 <u>1,210,072</u>
 Unencumbered Cash, Ending	 <u>\$ 1,210,072</u>	 <u>\$ 1,504,932</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
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:				
Title I	\$ 2,533,939	\$ 1,566,940	\$ 2,650,000	\$ [1,083,060]
Title II A - Improving Teacher Quality	320,839	299,529	320,000	[20,471]
Carl Perkins Vocational Act Program Improvement	44,488	113,102	-	113,102
Title III-English as a Second Language	48,626	52,656	72,000	[19,344]
Title IV	5,249	117,422	45,000	72,422
Temporary Assistance for Needy Families	-	209,843	-	209,843
Farm to School Grant	-	39,789	-	39,789
Johnson O'Malley Grant	<u>141,732</u>	<u>118,415</u>	<u>200,000</u>	<u>[81,585]</u>
Total Federal Aid	3,094,873	2,517,696	3,287,000	[769,304]
Other Receipts:				
Other grants and donations	<u>20,831</u>	<u>9,752</u>	<u>432,446</u>	<u>[422,694]</u>
Total Receipts	<u>3,115,704</u>	<u>2,527,448</u>	<u>\$ 3,719,446</u>	<u>\$ [1,191,998]</u>
Expenditures				
Instruction	1,703,054	1,583,129	\$ 2,231,000	\$ 647,871
Student support services	159,824	158,112	184,000	25,888
Instructional support staff	284,157	330,202	698,594	368,392
General administration	7,223	12,331	8,500	[3,831]
Transportation	132,795	289,777	-	[289,777]
Food service operation	-	8,933	-	[8,933]
Transfers out	<u>216,129</u>	<u>210,666</u>	<u>-</u>	<u>[210,666]</u>
Total Expenditures	<u>2,503,182</u>	<u>2,593,150</u>	<u>\$ 3,122,094</u>	<u>\$ 528,944</u>
Receipts Over [Under] Expenditures	612,522	[65,702]		
Unencumbered Cash, Beginning	<u>[785,330]</u>	<u>[172,808]</u>		
Unencumbered Cash, Ending	<u>\$ [172,808]</u>	<u>\$ [238,510]</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
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	\$ 11,452,726	\$ 12,656,974	\$ 12,267,489	\$ 389,485
Delinquent tax	100,377	97,282	117,836	[20,554]
Motor vehicle tax	1,219,761	1,041,956	997,236	44,720
State aid	809,778	483,619	483,619	-
Investment income	1,563	5,695	-	5,695
Miscellaneous	-	20,832	-	20,832
Total Receipts	<u>13,584,205</u>	<u>14,306,358</u>	<u>\$ 13,866,180</u>	<u>\$ 440,178</u>
Expenditures				
Bond principal	7,280,000	8,695,000	\$ 8,696,000	\$ 1,000
Interest	<u>5,025,651</u>	<u>6,387,198</u>	<u>6,356,999</u>	<u>[30,199]</u>
Total Expenditures	<u>12,305,651</u>	<u>15,082,198</u>	<u>\$ 15,052,999</u>	<u>\$ [29,199]</u>
Receipts Over [Under] Expenditures	1,278,554	[775,840]		
Unencumbered Cash, Beginning	<u>12,853,063</u>	<u>14,131,617</u>		
Unencumbered Cash, Ending	<u>\$ 14,131,617</u>	<u>\$ 13,355,777</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual and Budget
Special Assessment 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	\$ 1,180	\$ -	\$ -	\$ -
Delinquent tax	423	267	-	267
Motor vehicle tax	<u>2,824</u>	<u>4,084</u>	<u>3,963</u>	<u>121</u>
Total Receipts	<u>4,427</u>	<u>4,351</u>	<u>\$ 3,963</u>	<u>\$ 388</u>
Expenditures				
Capital outlay	<u>6,467</u>	<u>6,360</u>	<u>\$ 300,000</u>	<u>\$ 293,640</u>
Total Expenditures	<u>6,467</u>	<u>6,360</u>	<u>\$ 300,000</u>	<u>\$ 293,640</u>
Receipts Over [Under] Expenditures	[2,040]	[2,009]		
Unencumbered Cash, Beginning	<u>494,850</u>	<u>492,810</u>		
Unencumbered Cash, Ending	<u>\$ 492,810</u>	<u>\$ 490,801</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual
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	\$ 90,196	\$ 1,295,703
Lease proceeds	2,023,587	4,731,858
Bond proceeds	43,500,000	43,500,000
Bond premium	4,167,862	2,375,072
Reimbursements	<u>61,185</u>	<u>10,336</u>
Total Receipts	<u>49,842,830</u>	<u>51,912,969</u>
Expenditures		
Instruction	829,312	2,834,082
Instructional support staff	148,927	-
School administration	-	16,757
Operations and maintenance	900	-
Business services	152,434	365,208
Building repair and remodeling	<u>34,647,349</u>	<u>60,162,908</u>
Total Expenditures	<u>35,778,922</u>	<u>63,378,955</u>
Receipts Over [Under] Expenditures	14,063,908	[11,465,986]
Unencumbered Cash, Beginning	<u>333,001</u>	<u>14,396,909</u>
Unencumbered Cash, Ending	<u>\$ 14,396,909</u>	<u>\$ 2,930,923</u>

* These funds are not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual
School Workers' Compensation Reserve Fund *
Regulatory Basis
For the Year Ended June 30, 2019 and 2018

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Transfers in	\$ 16,158	\$ 13,054
Reimbursed expenses	<u>-</u>	<u>602</u>
Total Receipts	<u>16,158</u>	<u>13,656</u>
Expenditures		
Instruction	197,670	351,485
General administration	<u>256,528</u>	<u>13,995</u>
Total Expenditures	<u>454,198</u>	<u>365,480</u>
Receipts Over [Under] Expenditures	[438,040]	[351,824]
Unencumbered Cash, Beginning	<u>2,088,418</u>	<u>1,650,378</u>
Unencumbered Cash, Ending	<u>\$ 1,650,378</u>	<u>\$ 1,298,554</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Receipts and Expenditures - Actual
Health Care Services Reserve Fund *
Regulatory Basis
For the Year Ended June 30, 2019 and 2018

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Charges for services	\$ 2,253,606	\$ 2,593,187
Transfers in	<u>7,608,537</u>	<u>10,804,679</u>
Total Receipts	<u>9,862,143</u>	<u>13,397,866</u>
 Expenditures		
Group insurance	<u>11,810,359</u>	<u>13,444,959</u>
Total Expenditures	<u>11,810,359</u>	<u>13,444,959</u>
 Receipts Over [Under] Expenditures	 [1,948,216]	 [47,093]
 Unencumbered Cash, Beginning	 <u>2,419,931</u>	 <u>471,715</u>
 Unencumbered Cash, Ending	 <u>\$ 471,715</u>	 <u>\$ 424,622</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 497
Trust Funds
Schedule of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2019

FUNDS	Beginning Unencumbered Cash <u>Balance</u>	Prior Year Cancelled Encumbrances	<u>Receipts</u>	<u>Expenditures</u>	Ending Unencumbered Cash <u>Balance</u>	Outstanding Encumbrances and Accounts Payable	Ending Cash <u>Balance</u>
Lawrence Public Schools							
Memorial Funds	\$ 220,424	\$ -	\$ -	\$ 2,900	\$ 217,524	\$ -	\$ 217,524
Local Donations Fund	<u>1,578,407</u>	-	<u>1,827,415</u>	<u>1,913,858</u>	<u>1,491,964</u>	<u>122,088</u>	<u>1,614,052</u>
Total Other Private Purpose							
Trust Funds	<u>\$ 1,798,831</u>	<u>\$ -</u>	<u>\$ 1,827,415</u>	<u>\$ 1,916,758</u>	<u>\$ 1,709,488</u>	<u>\$ 122,088</u>	<u>\$ 1,831,576</u>

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2019

<u>FUNDS</u>	Beginning Cash <u>Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	Ending Cash <u>Balance</u>
ELEMENTARY SCHOOLS				
Deerfield Elementary				
Library Funds	\$ -	\$ 73	\$ 73	\$ -
Coke Machine	-	249	249	-
Yearbook	-	4,034	4,034	-
Total Deerfield Activity Funds	-	4,356	4,356	-
Langston Hughes Elementary				
Field Trips	-	4,559	4,559	-
Library Media	-	112	112	-
Recorder Fund	-	159	159	-
Total Langston Hughes Activity Funds	-	4,830	4,830	-
Prairie Park Elementary				
Chess Club	-	3,104	3,104	-
Total Prairie Park Activity Funds	-	3,104	3,104	-
Quail Run Elementary				
Coke Machine	-	657	657	-
Library	-	14	14	-
Total Quail Run Activity Funds	-	671	671	-
Total Elementary School Activity Funds	-	12,961	12,961	-
MIDDLE SCHOOLS				
Central Middle School				
Excalibur	-	1,442	1,442	-
Model UN / Gifted	-	465	465	-
P.E. Department	-	6	6	-
Opportunity Central	-	13,027	13,027	-
Speech and Drama	-	1,324	1,324	-
Student Council	-	811	811	-
Yearbook	-	4,382	4,382	-
Total Central Middle School Activity Funds	-	21,457	21,457	-

UNIFIED SCHOOL DISTRICT NO. 497
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2019

<u>FUNDS</u>	<u>Beginning Cash</u> <u>Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Cash</u> <u>Balance</u>
MIDDLE SCHOOLS (Continued)				
Billy Mills Middle School				
Junior Players	\$ -	\$ 2,862	\$ 2,862	\$ -
Student Council	-	9,125	9,125	-
Yearbook	-	1,784	1,784	-
Cougar Chorus	-	1,637	1,637	-
Cheerleaders	-	1,132	1,132	-
Band	-	463	463	-
Orchestra	-	1,050	1,050	-
Women of Color	-	72	72	-
S4EE (Students for Equity Excellence)	-	128	128	-
6th Grade Titans	-	647	647	-
6th Grade Olympians	-	647	647	-
7th Grade Explorers	-	338	338	-
7th Grade Navigators	-	338	338	-
8th Grade Super 8	-	1,237	1,237	-
8th Grade XLR8TRs	-	1,241	1,241	-
Art	-	282	282	-
AVID	-	222	222	-
Autism Coffee Cart	-	178	178	-
Gay Straight Alliance	-	210	210	-
Total Billy Mills Middle School Activity Funds	-	23,593	23,593	-
Southwest Middle School				
Student Council	-	8,218	8,218	-
Specialized Classroom	-	648	648	-
Garden Fund	-	7,442	7,442	-
Future City Group	-	4,215	4,215	-
AVID	-	2,015	2,015	-
BelCanto	-	1,250	1,250	-
Yearbook	-	11,988	11,988	-
Seventh Grade Activities	-	224	224	-
Drama	-	3,818	3,818	-
Eighth Grade Activities	-	6,176	6,176	-
Enrichment	-	666	666	-
ER	-	1,191	1,191	-
Band	-	4,441	4,441	-
Orchestra	-	944	944	-
Library Book Fair/Fines	-	2,012	2,012	-
Total Southwest Middle School Activity Funds	-	55,248	55,248	-
West Middle School				
Avid	-	74	74	-
Speech and Drama	-	12,092	12,092	-
Student Council	-	10,651	10,651	-
Yearbook	-	645	645	-
Chorale	2,716	5,471	8,187	-
Instrumental Music	-	23	23	-
Morgenroth Band	-	231	231	-
Magazine Fundraiser	-	9,916	9,916	-
Concessions	-	1,087	1,087	-
8th Grade Worlds of Fun	-	4,342	4,342	-
Craft Club	-	103	103	-
Total West Middle School Activity Funds	2,716	44,635	47,351	-
Total Middle School Activity Funds	2,716	144,933	147,649	-

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2019

FUNDS	Beginning Cash <u>Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	Ending Cash <u>Balance</u>
HIGH SCHOOLS				
Lawrence High School				
American Indian Club	\$ 731	\$ 1,171	\$ 1,902	\$ -
Black Student Association	58	-	58	-
Chess Club	1,157	-	1,157	-
DECA Club	240	-	240	-
Dungeons and Dragons	110	-	110	-
Engineering	-	800	800	-
Environmental/Recycle Club	275	-	275	-
Facility Improvement	2,250	-	2,250	-
FCCLA	377	-	377	-
French Club	-	155	155	-
Future Farmers of America	1,191	2,252	3,443	-
Gay & Straight/Total Equality Alliance	226	363	589	-
GCTL/FYI	1,153	-	1,153	-
Geography Club	135	-	135	-
Graffiti Magazine	147	-	147	-
Habitat for Humanity Club	889	-	889	-
HALO - Hispanic American Leadership Org	20	677	697	-
Harry Potter Club	174	-	174	-
International Club	1,377	-	1,377	-
Jewelry Shop	589	-	589	-
Latin Club	16	-	16	-
Media Club	-	10	10	-
Mud Volleyball	309	-	309	-
Musical Festival	-	4,935	4,935	-
National Art Honor Society	99	-	99	-
National Honor Society	925	10,149	11,074	-
Pink Out	241	506	747	-
Rome Trip	1,941	296	2,237	-
S.A.F.E. Seatbelt	-	3,246	3,246	-
SAFER	-	46	46	-
Slam/Spoken Word Poetry Club	45	-	45	-
Spanish Club	67	-	67	-
SPED-ED Room	71	-	71	-
Spirit Squad Booster	574	2,365	2,939	-
Student Council	9,448	15,870	25,318	-
Walt Whitman Fund	277	-	277	-
Yoga and Mindfulness Club	192	40	232	-
Young Feminists	90	35	125	-
After Prom	-	575	575	-
Baseball Program	-	25,531	25,531	-
Boys Basketball Program	-	1,795	1,795	-
Boys Soccer Program	-	11,517	11,517	-
Can We Talk	-	3,791	3,791	-
Cap N Gown	-	4,392	4,392	-
Cross Country Program	-	263	263	-
Gala	-	6,429	6,429	-
Girls Basketball Program	-	7,131	7,131	-
Girls Soccer Program	-	372	372	-
Heart of a Lion/Parking	-	5,016	5,016	-
History Day Competition	-	2,550	2,550	-
Link Crew	-	2,913	2,913	-
Music Student Accounts	-	54,146	54,146	-
Softball Program	-	1,448	1,448	-
Testing	-	31,189	31,189	-
Volleyball Program	-	12,416	12,416	-
Total Lawrence High Activity Funds	<u>25,394</u>	<u>214,390</u>	<u>239,784</u>	<u>-</u>

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2019

FUNDS	Beginning Cash <u>Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	Ending Cash <u>Balance</u>
HIGH SCHOOLS (Continued)				
Free State High School				
Advanced Placement/Knowledge Master	\$ 1,000	\$ -	\$ 1,000	\$ -
Anime	136	-	136	-
Art Club	221	36	257	-
Asian Cultural Club	-	24	24	-
Badminton Club	4	-	4	-
Bike Club	42	-	42	-
Book Club	140	-	140	-
Business Professionals	791	-	791	-
Chess Club	202	-	202	-
Class of 2001	500	-	500	-
Class of 2006	500	-	500	-
Class of 2008	500	-	500	-
Class of 2009	500	-	500	-
Class of 2010	500	-	500	-
Class of 2012	500	-	500	-
Class of 2013	500	-	500	-
Class of 2014	103	-	103	-
Class of 2015	500	-	500	-
Class of 2016	500	-	500	-
Class of 2017	500	-	500	-
Class of 2019	243	-	243	-
Class of 2020	535	-	535	-
Computer Club	344	-	344	-
Cup Cake Club	567	-	567	-
Diversity Club	154	-	154	-
Environmental Club	69	-	69	-
Family Career & Community Leaders of America	1,680	-	1,680	-
Fellowship of Christian Athletes	264	-	264	-
Firebird Productions	3,870	775	4,645	-
Free State Yoga Club	11	-	11	-
French Club	198	-	198	-
Future Farmers of America	1,419	1,459	2,878	-
FYI	218	-	218	-
Geography Club	2	-	2	-
Girl Up	72	-	72	-
JAG - Jobs for American's Graduate	5	-	5	-
Key Club	691	1,384	2,075	-
Latin Club	6	-	6	-
Lawrence Free Poetry Club	566	-	566	-
National Honor Society	17,145	7,451	24,596	-
Native American Club	266	207	473	-
Philosophy Club	17	-	17	-
Pre-Med Club	100	-	100	-
Random Acts of Kindness	495	-	495	-
Science Olympiad	506	205	711	-
Spanish Club	6	-	6	-
STEP	121	472	593	-
Student Council	16,305	44,948	61,253	-
Sweater Club	34	-	34	-
Thespians	1,631	13,466	15,097	-
Tolkien Club	303	-	303	-
VICA/CIT	1,228	-	1,228	-
Writers Club	551	-	551	-
YARC-Youth Against Rape Culture	46	-	46	-
Young Democrats Club	97	-	97	-
Subtotals to Schedule 4, page 5 of 5	<u>57,404</u>	<u>70,427</u>	<u>127,831</u>	<u>-</u>

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2019

<u>FUNDS</u>	Beginning Cash <u>Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	Ending Cash <u>Balance</u>
HIGH SCHOOLS (Continued)				
Free State High School				
Subtotals from Schedule 4, page 4 of 5	\$ 57,404	\$ 70,427	\$ 127,831	\$ -
Young Explorers Club	142	-	142	-
Youth for Unity	-	11,666	11,666	-
Baseball Account	-	7,485	7,485	-
Cap & Gown Rental	-	16,196	16,196	-
Model UN	-	20,529	20,529	-
Free State Football	-	14,246	14,246	-
Free State Boys Soccer	-	8,057	8,057	-
Free State Girls Soccer	-	4,466	4,466	-
Free State Girls Basketball	-	140	140	-
Parking Fines	-	14,219	14,219	-
Free State Boys Basketball	-	5	5	-
Student Planners	-	13,225	13,225	-
Free State Cross Country/Track	-	958	958	-
Free State Boys Tennis	-	1,257	1,257	-
Free State Girls Tennis	-	1,238	1,238	-
Golf	-	610	610	-
Grounds Beautification	-	317	317	-
LINK	-	733	733	-
SLEIPS	-	1,546	1,546	-
Free State Football (Additional)	-	10,758	10,758	-
Testing Fund	-	51,516	51,516	-
Jewelry/Metal	-	180	180	-
Band Program (Additional)	-	22,351	22,351	-
Can We Talk	-	156	156	-
Free State Wrestling	-	4,814	4,814	-
Volleyball	-	14,885	14,885	-
Firebird Pride	-	238	238	-
The Early Bird	-	221	221	-
Faculty FS Gear	-	266	266	-
Free State General Activities	-	285	285	-
Bowling	-	1,025	1,025	-
Girls Swim/Dive	-	5,395	5,395	-
Boys Swim/Dive	-	4,730	4,730	-
River City Baseball	-	270	270	-
Orchestra Trip 2018-2019	-	22,844	22,844	-
Shop Projects/Schwager	-	52	52	-
Total Free State High Activity Funds	<u>57,546</u>	<u>327,306</u>	<u>384,852</u>	<u>-</u>
Total High School Activity Funds	<u>82,940</u>	<u>541,696</u>	<u>624,636</u>	<u>-</u>
Total Student Activity Funds	<u>85,656</u>	<u>699,590</u>	<u>785,246</u>	<u>-</u>
OTHER AGENCY FUNDS				
Sales Tax Fund	16,074	49,978	51,681	14,371
School and District Accounts	3,724	109,067	95,852	16,939
Payroll Clearing Fund	[2,019,495]	95,084,788	95,509,576	[2,444,283]
Concessions Fund	6,967	-	50	6,917
Total Other Agency Funds	<u>[1,992,730]</u>	<u>95,243,833</u>	<u>95,657,159</u>	<u>[2,406,056]</u>
Total Agency Funds	<u>\$ [1,907,074]</u>	<u>\$ 95,943,423</u>	<u>\$ 96,442,405</u>	<u>\$ [2,406,056]</u>

See independent auditor's report on the financial statements.

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SCHEDULE 5

UNIFIED SCHOOL DISTRICT NO. 497
 District Activity Funds
 Schedule of Receipts, Expenditures and Unencumbered Cash
 Regulatory Basis
 For the Year Ended June 30, 2019

FUNDS	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Lawrence High School							
Activity Tickets and Other	\$ -	\$ -	\$ 8,826	\$ 8,826	\$ -	\$ -	\$ -
Athletics	-	-	74,317	74,317	-	-	-
Band	-	-	5,329	5,329	-	-	-
Theater/Showtime	-	-	16,463	16,463	-	-	-
Free State High School							
Activity Tickets and Other	-	-	11,597	11,597	-	-	-
Athletics	-	-	241,287	241,287	-	-	-
Band	-	-	118	118	-	-	-
Encore	-	-	19,226	19,226	-	-	-
Vocal	-	-	5,272	5,272	-	-	-
Central Middle School							
Gate Receipts	-	-	691	691	-	-	-
Southwest Middle School							
Gate Receipts	-	-	2,126	2,126	-	-	-
West Middle School							
Gate Receipts	-	-	4,203	4,203	-	-	-
Total District Activity Funds	\$ -	\$ -	\$ 389,455	\$ 389,455	\$ -	\$ -	\$ -

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 497
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 Interior</u>					
477 Cluster:					
Indian Education Assistance to Schools	15.130	\$ 18,396	\$ 4,793	\$ 23,419	\$ [230]
Total Direct U.S. Department of Interior		18,396	4,793	23,419	[230]
<u>U.S. Department of Education</u>					
Indian Education - Formula Grants to Local Education Agencies	84.060	-	113,622	110,947	2,675
Total Direct U.S. Department of Education		-	113,622	110,947	2,675
Passed Through Kansas State Department of Education					
Special Education (IDEA) Cluster:					
Special Education Grants to States	84.027	-	2,346,126	2,346,126	-
Special Education Discretionary	84.027	[1,101]	66,699	79,744	[14,146]
Special Education Preschool Grants	84.173	-	65,520	65,520	-
Subtotal Special Education (IDEA) Cluster		[1,101]	2,478,345	2,491,390	[14,146]
Title I Grants to Local Educational Agencies	84.010	[58,567]	1,564,582	1,635,982	[129,967]
Vocational Education Basic Grants to States	84.048	[24,921]	113,102	96,569	[8,388]
Special Education-Grants for Infants and Families	84.181	-	40,074	40,074	-
Homeless Child	84.196	-	2,358	2,358	-
English Language Acquisition Grants	84.365	[5,296]	52,656	60,990	[13,630]
Improving Teacher Quality State Grants	84.367	[63,546]	299,529	277,653	[41,670]
Title IV Student Support Academic Enrichment	84.424	[37,208]	117,422	88,432	[8,218]
Passed Through Kansas Board of Regents					
Adult Education	84.002	-	75,970	75,970	-
Total U.S. Department of Education Passed Through Kansas State Department of Education and Kansas Board of Regents		[190,639]	4,744,038	4,769,418	[216,019]
Total U.S. Department of Education		[190,639]	4,857,660	4,880,365	[213,344]
<u>U.S. Department of Health and Human Services</u>					
Passed Through Kansas State Department of Education					
TANF Cluster:					
Temporary Assistance for Needy Families	93.558	-	209,843	256,239	[46,396]
Subtotal TANF Cluster		-	209,843	256,239	[46,396]
Youth Risk Behavior Survey	93.079	-	314	314	-
Total U.S. Department of Health and Human Services Passed Through Kansas Department of Education		-	210,157	256,553	[46,396]
<u>U.S. Department of Agriculture</u>					
Passed Through Kansas State Department of Education					
Child Nutrition Cluster:					
School Breakfast Program	10.553	-	405,899	405,899	-
National School Lunch Program	10.555	-	2,048,872	2,048,872	-
Summer Food Service Program for Children	10.559	-	174,758	174,758	-
Subtotal Child Nutrition Cluster		-	2,629,529	2,629,529	-
Team Nutrition Training Grant	10.574	-	4,060	4,060	-
Farm to School Grant	10.575	[8,475]	39,789	31,314	-
Total U.S. Department of Agriculture Passed Through Kansas Department of Education		[8,475]	2,673,378	2,664,903	-
Total		\$ [180,718]	\$ 7,745,988	\$ 7,825,240	\$ [259,970]

The accompanying notes are an integral part of this schedule.

UNIFIED SCHOOL DISTRICT NO. 497
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2019

1. Organization

Unified School District No. 497, Lawrence, 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. 497
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2019

Section I - Summary of Auditor's Results

Financial Statements

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

Federal Awards

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027, 84.173 84.010	Special Education (IDEA) Cluster Title I

Dollar threshold used to distinguish between type A and type B programs:	<u>\$750,000</u>
Auditee qualified as low-risk auditee?	___ Yes <u>X</u> No

UNIFIED SCHOOL DISTRICT NO. 497
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2019

Section II - Financial Statement Findings

None Noted

Section III - Federal Award Findings and Questioned Costs

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. 497
Lawrence, Kansas

We have audited, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*, the financial statements of the Unified School District No. 497, (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 basic financial statements, and have issued our report thereon dated November 22, 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 matters that we reported to management of the District in a separate letter dated November 22, 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

Lawrence, KS
November 22, 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. 497
Lawrence, Kansas

Report on Compliance for Each Major Federal Program

We have audited the compliance of the Unified School District No. 497, (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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses.

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.

Mike Houser: Company PA

Lawrence, KS
November 22, 2019