

**UNIFIED SCHOOL DISTRICT NO. 291
GRINNELL, KANSAS**

Financial Statement
With Independent Auditors' Report

For the Year Ended June 30, 2020

UNIFIED SCHOOL DISTRICT NO. 291 GRINNELL, KANSAS
Financial Statement With Independent Auditors' Report
For the Year Ended June 30, 2020

TABLE OF CONTENTS

Independent Auditors' Report	1
Summary Statement of Receipts, Expenditures and Unencumbered Cash – Regulatory Basis	4
Notes to Financial Statement.....	5

Regulatory–Required Supplementary Information

Schedule 1 – Summary of Expenditures – Actual and Budget – Regulatory Basis	11
Schedule 2 – Schedule of Receipts and Expenditures – Regulatory Basis Individually presented by fund	

Governmental Type Funds

General Funds

2-1 General Fund	12
2-2 Supplemental General Fund	13

Special Purpose Funds

2-3 At Risk (4 Year Old) Fund	14
2-4 At Risk (K-12) Fund	15
2-5 Capital Outlay Fund	16
2-6 Food Service Fund	17
2-7 Professional Development Fund	18
2-8 Vocational Education Fund.....	19
2-9 Special Education Fund.....	20
2-10 KPERS Special Retirement Fund.....	21
2-11 Contingency Reserve Fund	22
2-12 REAP Grant Fund.....	23
2-13 Title I Low Income Fund	24
2-14 Gifts and Grants Fund	25
2-15 Title IIA (Reap) Fund	26
2-16 Title IVA Fund	27

Schedule 3 - Summary of Receipts and Disbursements – Regulatory Basis Agency Funds.....	28
Schedule 4 - Schedule of Receipts, Expenditures, and Unencumbered Cash – Regulatory Basis District Activity Funds	29

INDEPENDENT AUDITORS' REPORT

To the Board of Education

Unified School District No. 291 Grinnell, Kansas

Grinnell, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of **Unified School District No. 291 Grinnell, Kansas** as of and for the year ended June 30, 2020 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

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

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on 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, the financial statement is prepared by **Unified School District No. 291 Grinnell, 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 matters discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of **Unified School District No. 291 Grinnell, Kansas** as of June 30, 2020, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of **Unified School District No. 291 Grinnell, Kansas** as of June 30, 2020, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Other Matters

Supplementary Information

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

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of **Unified School District No. 291 Grinnell, Kansas** as of and for the year ended June 30, 2019 (not presented herein), and have issued our report thereon dated September 16, 2019, which contained an unmodified opinion on the basic financial statement. The 2019 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://admin.ks.gov/offices/chief-financial-officer/municipal-services>. The 2019 actual column (2019 comparative information) presented in the individual fund schedules of regulatory basis receipts and

expenditures – actual and budget for the year ended June 30, 2020 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2019 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 2019 basic financial statement. The 2019 comparative information was subjected to the auditing procedures applied in the audit of the 2019 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 2019 basic financial statement or to the 2019 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 2019 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended June 30, 2019, on the basis of accounting described in Note 1.

Adams, Brown, Beran & Ball, Chartered

ADAMS, BROWN, BERAN & BALL, CHTD.

Certified Public Accountants

September 21, 2020

UNIFIED SCHOOL DISTRICT NO. 291 GRINNELL, KANSAS
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2020

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds							
General Funds							
General Fund	\$ -	-	1,143,434	1,143,434	-	9,501	9,501
Supplemental General Fund	17,125	-	220,610	230,000	7,735	4,702	12,437
Special Purpose Funds							
At Risk (4 Year Old) Fund	42,063	-	27,678	25,033	44,708	33	44,741
At Risk (K-12) Fund	714	-	60,378	60,775	317	248	565
Capital Outlay Fund	288,077	-	591,596	500,772	378,901	6,758	385,659
Food Service Fund	21,064	-	62,405	63,200	20,269	-	20,269
Professional Development Fund	7,644	-	6,144	5,577	8,211	-	8,211
Vocational Education Fund	-	-	4,436	4,436	-	-	-
Special Education Fund	228,144	-	254,371	232,448	250,067	-	250,067
KPERs Special Retirement Fund	-	-	99,604	99,604	-	-	-
Contingency Reserve Fund	114,424	-	-	-	114,424	-	114,424
REAP Grant Fund	-	-	14,469	14,469	-	-	-
Title I Low Income Fund	-	-	9,629	9,629	-	-	-
Gifts and Grants Fund	1,832	-	8,362	7,983	2,211	279	2,490
Title IIA (Reap) Fund	-	-	2,661	2,661	-	-	-
Title IVA Fund	-	-	10,348	10,348	-	8,345	8,345
District Activity Funds	24,192	-	26,346	35,674	14,864	1,799	16,663
Total Reporting Entity (Excluding Agency Funds)	\$ 745,279	-	2,542,471	2,446,043	841,707	31,665	873,372
Composition of Cash				Certificates of Deposit		\$	449,457
				Checking Accounts			426,611
				Cash on Hand			225
				Total Cash			876,293
				Agency Funds per Schedule 3			(2,921)
				Total Reporting Entity (Excluding Agency Funds)		\$	873,372

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

UNIFIED SCHOOL DISTRICT NO. 291 GRINNELL, KANSAS

Notes to Financial Statement

June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unified School District No. 291 Grinnell, Kansas has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas. The accompanying financial statement is presented to conform to the cash basis and budget laws of the State of Kansas, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The following is a summary of such significant policies.

Financial Reporting Entity

The District is a municipal corporation governed by an elected seven-member board. A related municipal entity is an entity established to benefit the District and/or its constituents. The District has no related municipal entities.

Basis of Presentation – Fund Accounting

The accounts of the District are organized and operated on the basis of funds. In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The following types of funds comprise the financial activities of the District for the year ended June 30, 2020.

Regulatory Basis Fund Types

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

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

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

Basis of Accounting

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

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

UNIFIED SCHOOL DISTRICT NO. 291 GRINNELL, KANSAS

Notes to Financial Statement

June 30, 2020

Reimbursements

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

NOTE 2 – 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:

- a. Preparation of the budget for the succeeding calendar year on or before August 1st.
- b. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
- c. Public hearing on or before August 15th, but at least 10 days after publication of notice of hearing.
- d. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least 10 days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

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

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

A legal operating budget is not required for capital project funds, trust funds, and the following special purpose funds: Contingency Reserve Fund, REAP Grant Fund, Title I Low Income Fund, Title IIA (Reap) Fund, Title IVA Fund, and District Activity Funds.

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

NOTE 3 – DEPOSITS AND INVESTMENTS

Unified School District No. 291 Grinnell, Kansas follows the practice of pooling cash and investments of all funds. Each fund's portion of total cash and investments is summarized by fund category in the summary statement of receipts, expenditures and unencumbered cash.

UNIFIED SCHOOL DISTRICT NO. 291 GRINNELL, KANSAS

Notes to Financial Statement

June 30, 2020

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

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

Concentration of Credit Risk

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

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District does not use "peak periods". All deposits were legally secured at June 30, 2020.

At June 30, 2020, the District's carrying amount of deposits was \$876,293 and the bank balance was \$925,489. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$695,963 was covered by federal depository insurance and \$229,526 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. The District had no investments at June 30, 2020.

NOTE 4 – IN-SUBSTANCE RECEIPT IN TRANSIT

Unified School District No. 291 Grinnell, Kansas received \$37,240 subsequent to June 30, 2020 and as required by K.S.A. 72-5135, the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2020.

NOTE 5 – INTERFUND TRANSFERS

Interfund transfers within the reporting entity are substantially for the purpose of subsidizing operating functions, funding capital projects and asset acquisitions or maintaining debt service on a routine basis as authorized by Kansas statutes. **Unified School District No. 291 Grinnell, Kansas'** interfund transfers and regulatory authority for the year ended June 30, 2020 were as follows:

UNIFIED SCHOOL DISTRICT NO. 291 GRINNELL, KANSAS

Notes to Financial Statement

June 30, 2020

From	To	Regulatory Authority	Amount
General Fund	Capital Outlay Fund	K.S.A. 72-5167	\$ 59,996
General Fund	Special Education Fund	K.S.A. 72-5167	142,848
General Fund	At Risk (K-12) Fund	K.S.A. 72-5167	47,682
General Fund	Professional Development Fund	K.S.A. 72-5167	5,500
Supplemental General Fund	At Risk (4 Year Old) Fund	K.S.A. 72-5143	27,678
Supplemental General Fund	Food Service Fund	K.S.A. 72-5143	6,200
Supplemental General Fund	Special Education Fund	K.S.A. 72-5143	103,361
Supplemental General Fund	Vocational Education Fund	K.S.A. 72-5143	4,436
Supplemental General Fund	At Risk (K-12) Fund	K.S.A. 72-5143	12,696

NOTE 6 – LITIGATION

Unified School District No. 291 Grinnell, Kansas is a party to various legal proceedings which normally occur in governmental operations. These legal proceedings are not likely to have a material financial impact on the affected funds of the District.

NOTE 7 – RISK MANAGEMENT

Unified School District No. 291 Grinnell, Kansas carries commercial insurance for risks of loss, including property, general liability, inland marine, automobile, workers compensation, cybersolutions, public officials, and employment liability. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 8 – GRANTS AND SHARED REVENUES

Unified School District No. 291 Grinnell, Kansas participates in numerous state and federal grant programs, which are governed by various rules and regulations for the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In the opinion of the District, any liability for reimbursement, which may arise as the result of the audit, is not believed to be material.

NOTE 9 – DEFERRED COMPENSATION PLAN

Unified School District No. 291 Grinnell, Kansas sponsors a deferred compensation plan under Internal Revenue Code Section 403(b). Permanent and part-time employees are eligible to participate under the plan. The employee is responsible for the amount of deferred compensation to be contributed. The District is not required to make any contributions.

NOTE 10 – SALARY REDUCTION PLAN

\$50 per month will be contributed by the District for each part-time employee to the District's Section 125 Plan. In addition, part-time employees also will receive a prorated increase up to \$350 annually to the District's Section 125 Plan. \$104.17 per month will be contributed by the District for each full-time employee to the District's Section 125 Plan. The employer contribution may be made up of non-elective contributions and/or elective contributions authorized by each participant on a salary reduction basis or taken as cash as designated by the employee. Payments to employees under this plan were \$24,458 for the year ended June 30, 2020.

UNIFIED SCHOOL DISTRICT NO. 291 GRINNELL, KANSAS

Notes to Financial Statement

June 30, 2020

NOTE 11 – DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan Description

Unified School District No. 291 Grinnell, Kansas participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 S Kansas, Suite 100; Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions

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

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate and the statutory contribution rate (not including the 1% contribution rate for the Death and Disability Program) was 14.59% and 13.21%, respectively, for the fiscal year ended June 30, 2020. The actuarially determined employer contribution rate and the statutory contribution rate was 16.15% and 14.41%, respectively, for the fiscal year ended June 30, 2020.

Per 2017 Senate Substitute for House Bill 2052, Section 37(a), state general fund employer contributions to KPERS were decreased by \$64.13 million 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 and appropriations for fiscal year 2018 were made for the State/School group at the statutory contribution rate of 12.01% for that year.

Per 2017 Senate Substitute for House Bill 2002, Section 51(a), state general fund employer contributions to KPERS were decreased by \$194.0 million for the fiscal year ended June 30, 2019. Section 56(19) of the bill also stipulates that repayments of the reduced contributions are to be amortized over twenty years at a level dollar amount commencing in fiscal year 2020. The level dollar amount was computed to be \$19.4 million per year.

2018 House Substitute for Senate Bill 109 provided for additional funding for the KPERS School group. A payment of \$56 million was paid in fiscal year 2018. This bill also authorized a payment of \$82 million in fiscal year 2019.

2019 Senate Bill 9 authorized a payment of \$115 million for the KPERS School group.

UNIFIED SCHOOL DISTRICT NO. 291 GRINNELL, KANSAS

Notes to Financial Statement

June 30, 2020

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 \$99,604 for the year ended June 30, 2020.

Net Pension Liability

At June 30, 2020, the District's proportionate share of the collective net pension liability reported by KPERS was \$979,730. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018, which was rolled forward to June 30, 2019. 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, 2019. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

NOTE 12 – 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, 2020.

NOTE 13 – COMPENSATED ABSENCES

Sick Leave

All full-time employees are entitled to 10 days of sick leave per year. Any unused sick leave shall be allowed to accumulate to a total of 75 days, which can be carried forward to the new contract year. Any teacher who has taught in the school district for at least 5 years and resigns prior to May 1 of the current school year will be entitled to receive \$35 per day for each day of accumulated sick leave with a maximum of \$2,625. Teachers with less than 5 years that resign prior to May 1 of the current school year will be entitled to receive \$17.50 per day of accumulated sick leave.

Any full-time classified staff that has worked for the District at least 5 years and gives at least a 4 week notice of resignation will be entitled to receive \$35 per day for each day of accumulated sick leave with a maximum of \$2,625. Any full-time staff member with less than 5 years that gives 4 weeks notice of resignation will be entitled to payment of \$17.50 per day of accumulated sick leave.

Compensatory Time

Classified personnel may elect to earn compensatory time for work over 40 hours in a work week at a rate of not less than 1.5 hours for each hour worked over 40 hours in lieu of overtime. At the end of each contract year, unused compensatory time will be paid at the employee's current hourly rate of pay. There was no unused compensatory time at year end.

NOTE 14 – RISKS AND UNCERTAINTIES

The United States has experienced a nationwide pandemic from the novel coronavirus known as COVID-19. As a result of the spread of COVID-19, economic uncertainties have arisen which are likely to negatively impact the financial operations of the District. Management is unable to reasonably determine the total effects of this virus on the operations of the District as of the date of these financial statements.

UNIFIED SCHOOL DISTRICT NO. 291 GRINNELL, KANSAS

Regulatory-Required Supplementary Information

UNIFIED SCHOOL DISTRICT NO. 291 GRINNELL, KANSAS

Summary of Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2020

Funds	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
Governmental Type Funds						
General Funds						
General Fund	\$ 942,206	(23,954)	225,182	1,143,434	1,143,434	-
Supplemental General Fund	230,000	-	-	230,000	230,000	-
Special Purpose Funds						
At Risk (4 Year Old) Fund	57,063	-	-	57,063	25,033	(32,030)
At Risk (K-12) Fund	60,775	-	-	60,775	60,775	-
Capital Outlay Fund	393,353	-	418,814	812,167	500,772	(311,395)
Food Service Fund	83,646	-	-	83,646	63,200	(20,446)
Professional Development Fund	11,815	-	-	11,815	5,577	(6,238)
Vocational Education Fund	7,936	-	-	7,936	4,436	(3,500)
Special Education Fund	445,691	-	-	445,691	232,448	(213,243)
KPERS Special Retirement Fund	116,910	-	-	116,910	99,604	(17,306)
Gifts and Grants Fund	56,832	-	-	56,832	7,983	(48,849)

UNIFIED SCHOOL DISTRICT NO. 291 GRINNELL, KANSAS

General Fund

Schedule of Receipts and Expenditures - Actual and Budget

Regulatory Basis

For the Year Ended June 30, 2020

(With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Intergovernmental Revenues				
Mineral Severance Tax	\$ 4,321	3,145	4,312	(1,167)
Grants/Reimbursements	266,053	224,981	-	224,981
State Aid- Kansas Reading	-	201	-	201
State Aid	777,442	785,259	790,911	(5,652)
State Aid - Special Education Aid	123,292	129,848	146,983	(17,135)
Total Receipts	1,171,108	1,143,434	942,206	201,228
Expenditures				
Instruction	667,644	508,525	477,349	31,176
Student Support Services	5,689	96,091	6,350	89,741
Instructional Support Services	110	4,264	1,350	2,914
General Administration	69,235	69,489	73,226	(3,737)
School Administration	48,615	54,124	49,127	4,997
Operations and Maintenance	42,154	48,706	46,500	2,206
Transportation	39,062	37,463	37,764	(301)
Other Support Services	52,339	68,746	51,900	16,846
Transfers Out	246,260	256,026	198,640	57,386
Adjustment to Comply With Legal Max	-	-	(23,954)	23,954
Legal General Fund Budget	1,171,108	1,143,434	918,252	225,182
(a) Adjustment for Qualifying Budget Credits	-	-	225,182	(225,182)
Total Expenditures	1,171,108	1,143,434	1,143,434	-
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash - Beginning	-	-		
Unencumbered Cash - Ending	\$ -	-		
(a) Adjustment for Qualifying Budget Credits				
State Aid- Kansas Reading Over Amount Budgeted			\$ 201	
Grants/Reimbursements Over Amount Budgeted			224,981	
Total Adjustment for Qualifying Budget Credits			\$ 225,182	

UNIFIED SCHOOL DISTRICT NO. 291 GRINNELL, KANSAS
Supplemental General Fund

Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis

For the Year Ended June 30, 2020

(With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Taxes and Shared Revenues				
Ad Valorem Tax	\$ 258,173	205,888	213,874	(7,986)
Delinquent Tax	966	727	1,943	(1,216)
Motor Vehicle Tax	14,235	13,803	13,428	375
Recreational Vehicle Tax	142	192	129	63
Total Receipts	273,516	220,610	229,374	(8,764)
Expenditures				
Instruction	11,461	8,173	13,103	(4,930)
General Administration	19,266	15,727	30,000	(14,273)
Operations and Maintenance	46,085	44,612	52,500	(7,888)
Transportation	15,529	7,117	19,500	(12,383)
Transfers Out	171,659	154,371	114,897	39,474
Total Expenditures	264,000	230,000	230,000	-
Receipts Over (Under) Expenditures	9,516	(9,390)		
Unencumbered Cash - Beginning	7,609	17,125		
Unencumbered Cash - Ending	\$ 17,125	7,735		

UNIFIED SCHOOL DISTRICT NO. 291 GRINNELL, KANSAS
At Risk (4 Year Old) Fund

Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis

For the Year Ended June 30, 2020

(With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Transfers In	\$ 34,000	27,678	<u>15,000</u>	<u>12,678</u>
Expenditures				
Instruction	<u>24,937</u>	<u>25,033</u>	<u>57,063</u>	<u>(32,030)</u>
Receipts Over (Under) Expenditures	9,063	2,645		
Unencumbered Cash - Beginning	<u>33,000</u>	<u>42,063</u>		
Unencumbered Cash - Ending	\$ <u>42,063</u>	<u>44,708</u>		

UNIFIED SCHOOL DISTRICT NO. 291 GRINNELL, KANSAS
At Risk (K-12) Fund

Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis

For the Year Ended June 30, 2020

(With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Transfers In	\$ 58,500	60,378	60,061	317
Expenditures				
Instruction	58,068	60,775	60,775	-
Receipts Over (Under) Expenditures	432	(397)		
Unencumbered Cash - Beginning	282	714		
Unencumbered Cash - Ending	\$ 714	317		

UNIFIED SCHOOL DISTRICT NO. 291 GRINNELL, KANSAS
Capital Outlay Fund

Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis

For the Year Ended June 30, 2020

(With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Taxes and Shared Revenues				
Ad Valorem Tax	\$ 65,005	100,289	99,629	660
Delinquent Tax	427	246	484	(238)
Motor Vehicle Tax	6,104	4,950	5,114	(164)
Recreational Vehicle Tax	60	69	49	20
Transfers In	10,350	59,996	-	59,996
Insurance Proceeds	987,960	418,814	-	418,814
Other Local Revenue	15,762	7,232	-	7,232
Total Receipts	<u>1,085,668</u>	<u>591,596</u>	<u>105,276</u>	<u>486,320</u>
Expenditures				
Instruction	17,468	22,172	57,466	(35,294)
Operations and Maintenance	86,809	79,754	276,905	(197,151)
Transportation	-	43,704	58,982	(15,278)
Facility Acquisition and Construction	1,003,285	355,142	-	355,142
(a) Adjustment for Qualifying Budget Credits	-	-	418,814	(418,814)
Total Expenditures	<u>1,107,562</u>	<u>500,772</u>	<u>812,167</u>	<u>(311,395)</u>
Receipts Over (Under) Expenditures	(21,894)	90,824		
Unencumbered Cash - Beginning	<u>309,971</u>	<u>288,077</u>		
Unencumbered Cash - Ending	\$ <u>288,077</u>	<u>378,901</u>		
(a) Adjustment for Qualifying Budget Credits				
Insurance Proceeds Over Amount Budgeted			\$ <u>418,814</u>	

UNIFIED SCHOOL DISTRICT NO. 291 GRINNELL, KANSAS
Food Service Fund

Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis

For the Year Ended June 30, 2020

(With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Intergovernmental Revenues				
State Aid	\$ 572	651	465	186
Federal Aid	27,554	30,011	26,612	3,399
Services	20,610	16,272	20,505	(4,233)
Interest	7,736	9,271	-	9,271
Transfers In	15,000	6,200	15,000	(8,800)
Total Receipts	71,472	62,405	62,582	(177)
Expenditures				
Operations and Maintenance	482	-	-	-
Food Service Operation	64,299	63,200	83,646	(20,446)
Total Expenditures	64,781	63,200	83,646	(20,446)
Receipts Over (Under) Expenditures	6,691	(795)		
Unencumbered Cash - Beginning	14,373	21,064		
Unencumbered Cash - Ending	\$ 21,064	20,269		

UNIFIED SCHOOL DISTRICT NO. 291 GRINNELL, KANSAS
Professional Development Fund

Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis

For the Year Ended June 30, 2020

(With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Intergovernmental Revenues				
State Aid	\$ 446	644	1,178	(534)
Transfers In	4,000	5,500	2,993	2,507
Total Receipts	4,446	6,144	<u>4,171</u>	<u>1,973</u>
Expenditures				
Instructional Support Services	3,600	5,577	<u>11,815</u>	<u>(6,238)</u>
Receipts Over (Under) Expenditures	846	567		
Unencumbered Cash - Beginning	6,798	7,644		
Unencumbered Cash - Ending	\$ <u>7,644</u>	<u>8,211</u>		

UNIFIED SCHOOL DISTRICT NO. 291 GRINNELL, KANSAS
Vocational Education Fund

Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis

For the Year Ended June 30, 2020

(With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Transfers In	\$ 2,083	4,436	<u>7,936</u>	<u>(3,500)</u>
Expenditures				
Instruction	<u>2,083</u>	<u>4,436</u>	<u>7,936</u>	<u>(3,500)</u>
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash - Beginning	-	-		
Unencumbered Cash - Ending	\$ <u>-</u>	<u>-</u>		

UNIFIED SCHOOL DISTRICT NO. 291 GRINNELL, KANSAS
Special Education Fund

Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis

For the Year Ended June 30, 2020

(With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Local Sources	\$ 5,384	8,162	-	8,162
Transfers In	293,986	246,209	217,547	28,662
Total Receipts	299,370	254,371	217,547	36,824
Expenditures				
Instruction	218,835	232,448	445,691	(213,243)
Receipts Over (Under) Expenditures	80,535	21,923		
Unencumbered Cash - Beginning	147,609	228,144		
Unencumbered Cash - Ending	\$ 228,144	250,067		

UNIFIED SCHOOL DISTRICT NO. 291 GRINNELL, KANSAS
KPERS Special Retirement Fund

Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis

For the Year Ended June 30, 2020

(With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
State Aid	\$ 67,916	99,604	116,910	(17,306)
Expenditures				
Instruction	48,383	71,560	86,830	(15,270)
General Administration	4,450	7,357	6,853	504
School Administration	4,797	5,863	7,387	(1,524)
Other Supplemental Services	2,612	4,397	2,011	2,386
Operations and Maintenance	4,893	6,660	9,546	(2,886)
Food Service Operation	2,781	3,767	4,283	(516)
Total Expenditures	67,916	99,604	116,910	(17,306)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash - Beginning	-	-		
Unencumbered Cash - Ending	\$ -	-		

UNIFIED SCHOOL DISTRICT NO. 291 GRINNELL, KANSAS
Contingency Reserve Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended June 30, 2020
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

	Prior Year Actual	Current Year Actual
Receipts		
	\$ -	-
Expenditures		
Instructional	46,755	-
Receipts Over (Under) Expenditures	(46,755)	-
Unencumbered Cash - Beginning	161,179	114,424
Unencumbered Cash - Ending	<u>\$ 114,424</u>	<u>114,424</u>

UNIFIED SCHOOL DISTRICT NO. 291 GRINNELL, KANSAS
REAP Grant Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended June 30, 2020
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

	Prior Year Actual	Current Year Actual
Receipts		
Intergovernmental Revenues		
Federal Aid	\$ 24,940	14,469
Expenditures		
Instruction	24,940	14,469
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash - Beginning	-	-
Unencumbered Cash - Ending	\$ -	-

UNIFIED SCHOOL DISTRICT NO. 291 GRINNELL, KANSAS
Title I Low Income Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended June 30, 2020
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

	Prior Year Actual	Current Year Actual
Receipts		
Intergovernmental Revenues		
Federal Aid	\$ 9,231	9,629
Expenditures		
Instruction	9,231	9,629
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash - Beginning	-	-
Unencumbered Cash - Ending	\$ -	-

UNIFIED SCHOOL DISTRICT NO. 291 GRINNELL, KANSAS
Gifts and Grants Fund

Schedule of Receipts and Expenditures - Actual and Budget
 Regulatory Basis

For the Year Ended June 30, 2020

(With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Over (Under)
Receipts				
Donations	\$ 4,428	3,362	50,000	(46,638)
Intergovernmental Revenues				
Federal Aid	-	2,500	-	2,500
State Aid	5,005	2,500	5,000	(2,500)
Total Receipts	9,433	8,362	<u>55,000</u>	<u>(46,638)</u>
Expenditures				
Instruction	10,278	7,983	<u>56,832</u>	<u>(48,849)</u>
Receipts Over (Under) Expenditures	(845)	379		
Unencumbered Cash - Beginning	2,677	1,832		
Unencumbered Cash - Ending	\$ <u>1,832</u>	<u>2,211</u>		

UNIFIED SCHOOL DISTRICT NO. 291 GRINNELL, KANSAS
Title IIA (Reap) Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended June 30, 2020
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

	Prior Year Actual	Current Year Actual
Receipts		
Intergovernmental Revenues		
Federal Aid	\$ 2,121	2,661
Expenditures		
Instruction	2,121	2,661
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash - Beginning	-	-
Unencumbered Cash - Ending	\$ -	-

UNIFIED SCHOOL DISTRICT NO. 291 GRINNELL, KANSAS
Title IVA Fund
 Schedule of Receipts and Expenditures
 Regulatory Basis
 For the Year Ended June 30, 2020
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

	Prior Year Actual	Current Year Actual
Receipts		
Intergovernmental Revenues		
Federal Aid	\$ 10,447	10,348
Expenditures		
Instruction	10,447	10,348
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash - Beginning	-	-
Unencumbered Cash - Ending	\$ -	-

UNIFIED SCHOOL DISTRICT NO. 291 GRINNELL, KANSAS

Agency Funds

Summary of Receipts and Disbursements

Regulatory Basis

For the Year Ended June 30, 2020

Funds	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Student Organizations				
JH Cheerleaders	\$ 75	269	315	29
JH Student Council	961	7,404	6,234	2,131
Total Student Organizations	1,036	7,673	6,549	2,160
Non-Student Organizations				
Flower Fund	224	30	-	254
Greenhouse Fund	454	134	179	409
Board Flower Fund	118	-	20	98
Total Non-Student Organizations	796	164	199	761
Total	\$ 1,832	7,837	6,748	2,921

UNIFIED SCHOOL DISTRICT NO. 291 GRINNELL, KANSAS
District Activity Funds
Schedule of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2020

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Middle School							
Athletics	\$ 7,017	-	8,836	13,934	1,919	-	1,919
Concessions	7,561	-	9,673	10,657	6,577	-	6,577
Total Middle school	14,578	-	18,509	24,591	8,496	-	8,496
School Projects							
Annual	739	-	-	206	533	-	533
Accelerated Reader	1,000	-	-	-	1,000	-	1,000
Grade School	7,875	-	7,837	10,877	4,835	1,799	6,634
Total School Projects	9,614	-	7,837	11,083	6,368	1,799	8,167
Total District Activity Funds	<u>\$ 24,192</u>	<u>-</u>	<u>26,346</u>	<u>35,674</u>	<u>14,864</u>	<u>1,799</u>	<u>16,663</u>