



UNIFIED SCHOOL DISTRICT NO. 405

FINANCIAL STATEMENT WITH REGULATORY-
REQUIRED SUPPLEMENTARY INFORMATION
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

JUNE 30, 2021

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Independent Auditor's Report

To the Board of Education
Unified School District No. 405
Lyons, Kansas

Report on the Financial Statements

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 405, Lyons, Kansas, as of and for the year ended June 30, 2021 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 2; 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 that 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 the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 2 of the financial statement, the financial statement is prepared by Unified School District No. 405 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 2 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 Unified School District No. 405, as of June 30, 2021 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. 405, as of June 30, 2021, 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 2.

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 receipts and disbursements – agency funds, and schedule of receipts, expenditures, and unencumbered cash – District activity funds (Schedules 1, 2, 3, and 4 as listed in the table of contents) are presented for the purposes of additional 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 the 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 2.

Unified School District No. 405's basic financial statement for the year ended June 30, 2020 (not present herein), was audited by other auditors, whose report dated December 14, 2020, expressed an unmodified opinion on the basic financial statement. The 2020 basic financial statement and the other auditor's report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <http://www.admin.ks.gov/offices/chief-financial-officer/municipal-services>. The 2020 actual column (2020 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget for the year ended June 30, 2021 (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 2020 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 2020 basic financial statement. The report of the prior auditor dated December 14, 2020, stated that the 2020 comparative information was subjected to the auditing procedures applied in the audit of the 2020 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 2020 basic financial statement or to the 2020 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 2020 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, 2020, on the basis of accounting described in Note 2.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statement as a whole. The accompanying schedule of expenditures of federal awards, 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*, is presented for purposes of additional analysis and is 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 financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statement as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2022 on our consideration of the Unified School District No. 405's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Unified School District No. 405's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Unified School District No. 405's internal control over financial reporting and compliance.

SSC CPAs, P.A.

SSC CPAs, P.A.
Salina, Kansas

March 25, 2022, except as to Note 12, which is as of April 3, 2023

UNIFIED SCHOOL DISTRICT NO. 405**SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2021****STATEMENT 1**

Fund	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Funds:							
General	\$ -	\$ -	\$ 7,183,983	\$ 7,183,983	\$ -	\$ 37,841	\$ 37,841
Supplemental General	58,738	-	2,073,630	2,074,470	57,898	37,275	95,173
Special Purpose Funds:							
At Risk (4 Year Old)	12,995	-	126,223	69,218	70,000	-	70,000
At Risk (K-12)	350,083	-	1,458,931	1,459,014	350,000	-	350,000
Bilingual Education	130,939	-	374,767	375,706	130,000	-	130,000
Capital Outlay	775,397	-	743,034	743,717	774,714	112,922	887,636
Driver Training	21,120	-	14,547	14,657	21,010	-	21,010
Food Service	146,807	-	518,009	533,641	131,175	44,314	175,489
Professional Development	86,136	1,000	41,841	42,381	86,596	855	87,451
Parent Education	-	-	113,111	113,111	-	8	8
Special Education	360,535	-	1,472,809	1,471,304	362,040	-	362,040
Special Education Cooperative	64,139	4,734	3,989,510	3,730,578	327,805	668	328,473
Career and Postsecondary Education	199,558	-	176,883	176,907	199,534	-	199,534
Carl Perkins Consortium	-	-	-	-	-	-	-
Title I	-	-	226,000	226,000	-	-	-
Title I-C Migrant	-	-	9,000	9,000	-	-	-
Title II-A	-	-	27,431	27,431	-	125	125
Title VI-B Discretionary	-	-	22,084	22,084	-	-	-
Title IV-A	-	-	19,027	19,027	-	-	-

UNIFIED SCHOOL DISTRICT NO. 405**SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH (REGULATORY BASIS)
FOR THE YEAR ENDED JUNE 30, 2021****STATEMENT 1**

Fund	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
CARES	\$ (60,359)	\$ -	\$ 382,662	\$ 406,067	\$ (83,764)	\$ -	\$ (83,764)
Youth Civic Engagement	-	-	-	570	(570)	-	(570)
Other Federal Funds	-	-	13,947	13,947	-	-	-
KPERS Special Retirement Contribution	-	-	1,133,022	1,133,022	-	-	-
Contingency Reserve	576,753	-	-	-	576,753	-	576,753
Technology Revolving	57,886	-	9,748	-	67,634	-	67,634
Gifts and Grants	27,693	-	51,396	51,489	27,600	14,071	41,671
Recreation Commission General	39,969	-	412,109	430,930	21,148	-	21,148
Recreation Commission Employee Benefits	1,165	-	51,986	51,950	1,201	-	1,201
District Activity Funds	62,567	-	179,475	185,064	56,978	-	56,978
Bond and Interest Fund:							
Bond and Interest	1,276,895	-	1,232,785	983,436	1,526,244	-	1,526,244
Trust Fund:							
Needy Children Fund	3,675	-	500	586	3,589	-	3,589
TOTAL REPORTING ENTITY (EXCLUDING AGENCY FUNDS)	\$ 4,192,691	\$ 5,734	\$ 22,058,450	\$ 21,549,290	\$ 4,707,585	\$ 248,079	\$ 4,955,664
COMPOSITION OF CASH:							
Checking and Savings Accounts							\$ 4,905,235
Agency Funds per Schedule 3							50,429
TOTAL REPORTING ENTITY (EXCLUDING AGENCY FUNDS)							\$ 4,955,664

UNIFIED SCHOOL DISTRICT NO. 405
NOTES TO THE FINANCIAL STATEMENT

1. REPORTING ENTITY

Unified School District No. 405 (the District) is a municipal corporation governed by a citizen elected seven-member Board of Education.

This financial statement does not include the related municipal entity shown below. A related municipal entity is an entity established to benefit the District and/or its constituents.

Lyons Recreation Commission. The Lyons Recreation Commission oversees recreational activities. The Recreation Commission operates as a separate governing body but the District levies taxes for the Recreation Commission and the Recreation Commission has only the powers granted by statute, K.S.A. 12-1928. Audited financial statements can be obtained by contacting the recreation commission's office.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Fund Descriptions. The following types of funds comprise the financial activities of the District for the year ended June 30, 2021:

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 receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

UNIFIED SCHOOL DISTRICT NO. 405
NOTES TO THE FINANCIAL STATEMENT

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

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

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 the municipality in a purely custodial capacity (payroll clearing fund, county treasurer tax collection accounts, etc.).

3. 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 a 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 revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. 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 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 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.

UNIFIED SCHOOL DISTRICT NO. 405
NOTES TO THE FINANCIAL STATEMENT

A legal operating budget is not required for capital project funds, trust funds, and the following special purpose funds:

Carl Perkins Consortium Fund	Title I Fund
Title I-C Migrant Fund	Title II-A Fund
Title VI-B Discretionary Fund	Title IV-A Fund
CARES Fund	Youth Civic Engagement Fund
Other Federal Funds Fund	Contingency Reserve Fund
Technology Revolving Fund	Gifts and Grants Fund
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.

4. DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main 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 deposits with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices.

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

Custodial credit risk - deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas District, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District has not designated a "peak period." All deposits were legally secured at June 30, 2021.

UNIFIED SCHOOL DISTRICT NO. 405
NOTES TO THE FINANCIAL STATEMENT

At June 30, 2021, the District's carrying amount of deposits was \$4,905,235 and the bank balance was \$5,473,649. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$361,469 was covered by federal depository insurance and the remaining \$5,112,180 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

5. IN – SUBSTANCE RECEIPT IN TRANSIT

The District received \$471,991 subsequent to June 30, 2021, 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, 2021. Of this receipt, \$370,028 was for General Fund State Aid and \$101,963 for Supplemental General Fund State Aid.

6. INTERFUND TRANSFERS

Operating transfers were as follows:

From:	To:	Statutory Authority	Amount
General Fund	At Risk (4 Year Old) Fund	K.S.A. 72-5167	\$ 126,223
General Fund	At Risk (K-12) Fund	K.S.A. 72-5167	350,000
General Fund	Bilingual Education Fund	K.S.A. 72-5167	130,000
General Fund	Capital Outlay Fund	K.S.A. 72-5167	374,564
General Fund	Driver Training Fund	K.S.A. 72-5167	5,500
General Fund	Professional Development Fund	K.S.A. 72-5167	19,000
General Fund	Parent Education Fund	K.S.A. 72-5167	45,319
General Fund	Special Education Fund	K.S.A. 72-5167	1,457,841
General Fund	Career and Postsecondary Education Fund	K.S.A. 72-5167	76,522
Supplemental General Fund	At Risk (K-12) Fund	K.S.A. 72-5143	1,108,931
Supplemental General Fund	Bilingual Education Fund	K.S.A. 72-5143	243,976
Supplemental General Fund	Career and Postsecondary Education Fund	K.S.A. 72-5143	99,761

7. DEFINED BENEFIT PENSION PLAN

General Information about the 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 S. Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

UNIFIED SCHOOL DISTRICT NO. 405
NOTES TO THE FINANCIAL STATEMENT

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 16.15% and 14.41%, respectively, for the fiscal year ended June 30, 2020. The actuarially determined employer contribution rate and the statutory contribution rate was 15.59% and 14.23% for the fiscal year ended June 30, 2021.

Senate Substitute for House Bill 2052 authorized the delay of \$64.1 million in fiscal year 2017 contributions. These contributions were set up as a long-term receivable. Payment is scheduled to be made in a series of twenty annual payments of \$6.4 million dollars per year beginning in fiscal year 2018. Senate Substitute for House Bill 2002 authorized the delay of \$194.0 million in fiscal year 2019 contributions. Payment is scheduled to be made in a series of twenty annual payments of \$19.4 million starting in fiscal year 2020.

House Substitute for Senate Bill 109 from the 2018 Legislative session 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. The 2019 legislative session authorized an additional fiscal year payment for the KPERS School Group. 2019 Senate Bill 9 authorized a payment of \$115 million for the KPERS School Group. House Substitute for Senate Bill 25 from the 2019 Legislative session authorized additional funding for the KPERS School Group in fiscal year 2020 of \$51 million.

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 \$1,133,022 for the year ended June 30, 2021.

UNIFIED SCHOOL DISTRICT NO. 405
NOTES TO THE FINANCIAL STATEMENT

Net Pension Liability.

At June 30, 2021, the District's proportionate share of the collective net pension liability reported by KPERS was \$12,280,868. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019, which was rolled forward to June 30, 2020. 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, 2020. 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.

8. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

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

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

Death and Disability Other Post-Employment Benefits. As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive a 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, 2021.

Termination Benefits. The District provides an early retirement program for certain eligible employees. Employees who are currently certified or classified employees of the District, eligible for full KPERS early retirement benefits and have a minimum of 12 years (for certified employees) or 15 years (for classified employees) of employment within the District. Those eligible under this program may receive benefits for up to five years or until age 65.

UNIFIED SCHOOL DISTRICT NO. 405
NOTES TO THE FINANCIAL STATEMENT

Compensated Absences. The District provides compensation for absences. Classified employees are granted personal leave in the amount of one day for each month of the contract. Personal leave may accumulate to a maximum of 72 days. Leave for full time (12 month) and monthly clerical (11 month) employees will be bought back at \$35 per day to a maximum of 12 days per year once leave is accumulated to a maximum of 72 days. Teachers are granted leave in the amount of 13 days per year. Leave is cumulative to a maximum of 100 days. Upon completion of a contract year, a request may be submitted to the District for reimbursement for the number of leave days granted for the current school year which have not been used. The total reimbursement for all teachers may not exceed \$40,000.

For full time employees, vacation is earned according to the following schedule:

Years Employed	Vacation Leave per Month	Vacation Leave per Year
1	3.34 hours	40 days
2-10	6.67 hours	80 days
11-20	10.00 hours	120 days
21+	13.34 hours	160 days

No unused leave is paid out upon termination. There is no limit to accumulated vacation, but employees are required to use the accumulated vacation by October 1 of the next fiscal year, or the benefit is lost.

9. RISKS AND UNCERTAINTIES

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has been unable to obtain commercial property, inland marine, general liability, commercial auto, crime, school leaders errors and omissions, and umbrella insurance at a cost it considered to be economically justifiable. For this reason, the District joined together with other school districts in the State to participate in the Kansas Educational Risk Management Pool, LLC (KERMP), a public risk pool currently operating as a common risk management and insurance program for participating members.

The District pays an annual premium to KERMP for its commercial property liability coverage, general liability coverage, inland marine, commercial auto, crime, school leaders errors and omissions, and umbrella coverage. The agreement to participate provides that the KERMP will be self-sustaining through member premiums. Additional premiums may be due if total claims for the pool are different than what was been anticipated by KERMP management.

The District continues to carry commercial insurance for all other risks of loss, including workers compensation, athletics and activities liability, and cyber liability.

As a result of significant disruption in the U.S. economy due to the outbreak of the COVID-19 Coronavirus in 2020, uncertainties have arisen which are likely to negatively impact future operating results. The duration and extent to which COVID-19 may impact financial performance is unknown at this time.

UNIFIED SCHOOL DISTRICT NO. 405
NOTES TO THE FINANCIAL STATEMENT

10. COMPLIANCE WITH STATUTES

The CARES fund had a negative ending unencumbered cash balance of \$83,764 and the Youth Civic Engagement fund had a negative ending unencumbered cash balance of \$570. Both funds are on a reimbursement basis. The District incurred expenditures during the year ended June 30, 2021 and the reimbursements were not awarded until the subsequent year. The negative balances were caused by the timing of the reimbursements.

Per K.S.A. 10-1113, expenditures made in compliance with the cash basis law requires that no indebtedness be created for a fund in excess of available monies in that fund. The Health Insurance fund, an agency fund, ending cash balance was below zero at June 30, 2021.

11. SUBSEQUENT EVENTS

The District's management has evaluated events and transactions occurring after June 30, 2021 through March 25, 2022. The aforementioned date represents the date the financial statement was available to be issued.

UNIFIED SCHOOL DISTRICT NO. 405
NOTES TO THE FINANCIAL STATEMENT

12. LONG-TERM DEBT

Changes in long-term liabilities of the District for the fiscal year ended June 30, 2021, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Less: Proceeds held in Escrow	Balance End of Year	Interest Paid
General Obligation Bonds											
GO Refunding and School Building Bond	2.000 - 4.000%	8/1/2013	\$ 996,500	10/1/2033	\$ 9,375,000	\$ -	\$ 285,000	\$ 9,090,000	\$ 5,775,000	\$ 3,315,000	\$ 338,200
GO School Building Bond Series 2014	2.000 - 4.000%	3/1/2014	3,380,000	10/1/2034	3,380,000	-	100,000	3,280,000	2,205,000	1,075,000	115,050
GO Refunding Bond Series 2015	2.000%	7/1/2015	1,945,000	10/1/2020	210,000	-	210,000	-	-	-	2,100
GO Refunding Bond Series 2020	0.593 - 2.469%	10/1/2020	9,060,000	10/1/2034	-	9,060,000	-	9,060,000	-	9,060,000	90,698
Subtotal					12,965,000	9,060,000	595,000	21,430,000	7,980,000	13,450,000	546,048
Interest paid with refunding bond proceeds held in escrow											(157,612)
TOTAL CONTRACTUAL INDEBTEDNESS					\$12,965,000	\$ 9,060,000	\$ 595,000	\$21,430,000	\$ 7,980,000	\$13,450,000	\$ 388,436

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

Years ended	2022	2023	2024	2025	2026	2027-2031	2032-2035	Total
Principal								
GO Refunding and School Building Bond	\$ 490,000	\$ 500,000	\$ 525,000	\$ 550,000	\$ 600,000	\$ 650,000	\$ -	\$ 3,315,000
GO School Building Bond Series 2014	150,000	175,000	185,000	195,000	190,000	180,000	-	1,075,000
GO Refunding Bond Series 2020	110,000	110,000	110,000	110,000	110,000	4,285,000	4,225,000	9,060,000
Total Principal	750,000	785,000	820,000	855,000	900,000	5,115,000	4,225,000	13,450,000
Interest								
GO Refunding and School Building Bond	326,575	311,725	296,350	280,225	262,375	241,888	-	1,719,138
GO School Building Bond Series 2014	112,550	108,863	104,363	99,613	93,850	87,375	-	606,614
GO Refunding Bond Series 2020	181,070	180,336	179,449	178,383	177,150	729,517	183,505	1,809,410
Interest paid with refunding bond proceeds held in escrow	(315,225)	(315,225)	(315,225)	(315,225)	(315,225)	(315,225)	-	(1,891,350)
Total Interest	304,970	285,699	264,937	242,996	218,150	743,555	183,505	2,243,812
TOTAL PRINCIPAL AND INTEREST	\$ 1,054,970	\$ 1,070,699	\$ 1,084,937	\$ 1,097,996	\$ 1,118,150	\$ 5,858,555	\$ 4,408,505	\$15,693,812

Subsequent to the date that the financial statement was available to be issued, it was discovered that the proceeds held in escrow were not properly disclosed. As a result, total contractual indebtedness and future principal and interest payments were improperly calculated at June 30, 2021 in the amount of \$12,370,000 and \$26,849,347, respectively. The above schedule reflects the proper disclosures as of June 30, 2021.

**REGULATORY – REQUIRED
SUPPLEMENTARY INFORMATION**

UNIFIED SCHOOL DISTRICT NO. 405**SUMMARY OF EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)**

FOR THE YEAR ENDED JUNE 30, 2021

SCHEDULE 1

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)
General Funds						
General	\$ 7,452,496	\$ (324,856)	\$ 56,343	\$ 7,183,983	\$ 7,183,983	\$ -
Supplemental General	2,073,000	-	1,470	2,074,470	2,074,470	-
Special Purpose Funds						
At Risk (4 Year Old)	87,995	-	-	87,995	69,218	(18,777)
At Risk (K-12)	1,706,851	-	-	1,706,851	1,459,014	(247,837)
Bilingual Education	603,507	-	-	603,507	375,706	(227,801)
Capital Outlay	1,357,215	-	-	1,357,215	743,717	(613,498)
Driver Training	44,495	-	-	44,495	14,657	(29,838)
Food Service	586,106	-	-	586,106	533,641	(52,465)
Professional Development	133,754	-	-	133,754	42,381	(91,373)
Parent Education	127,803	-	-	127,803	113,111	(14,692)
Special Education	1,619,228	-	-	1,619,228	1,471,304	(147,924)
Special Ed Cooperative	3,932,453	-	-	3,932,453	3,730,578	(201,875)
Career and Postsecondary Education	221,487	-	-	221,487	176,907	(44,580)
KPERS Special Retirement Contribution	1,354,617	-	-	1,354,617	1,133,022	(221,595)
Recreation Commission General	430,930	-	-	430,930	430,930	-
Recreation Commission Employee Benefits	51,950	-	-	51,950	51,950	-
Bond and Interest Fund						
Bond and Interest	1,050,601	-	-	1,050,601	983,436	(67,165)

UNIFIED SCHOOL DISTRICT NO. 405**GENERAL FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)**

FOR THE YEAR ENDED JUNE 30, 2021

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2020)

SCHEDULE 2

	Current Year			Variance
	Prior			Over
	Year			
	Actual	Actual	Budget	(Under)
Receipts				
Taxes and shared Revenue:				
Mineral Severance Tax	\$ 68	\$ -	\$ 100	\$ (100)
State Aid:				
General State Aid	6,126,508	6,271,632	6,501,476	(229,844)
Special Education Services Aid	795,358	856,008	950,920	(94,912)
Reimbursements	63,379	56,343	-	56,343
Total Receipts	6,985,313	7,183,983	\$ 7,452,496	\$ (268,513)
Expenditures				
Instruction	2,526,027	2,334,437	\$ 2,706,552	\$ (372,115)
Student Support Services	105,244	99,166	108,518	(9,352)
Instructional Support Services	268,739	247,722	276,838	(29,116)
General Administration	235,385	238,964	243,199	(4,235)
School Administration	587,107	585,988	604,791	(18,803)
Central Services	89,550	106,443	92,237	14,206
Operations and Maintenance	760,882	809,337	792,228	17,109
Transportation	154,258	176,957	160,298	16,659
Operating Transfers	2,258,121	2,584,969	2,467,835	117,134
Adjustment to Comply with Legal Max	-	-	(324,856)	324,856
General Legal Fund Budget	6,985,313	7,183,983	7,127,640	56,343
Adjustment for Qualifying Budget Credit	-	-	56,343	(56,343)
Total Expenditures	6,985,313	7,183,983	\$ 7,183,983	\$ -
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ -		

UNIFIED SCHOOL DISTRICT NO. 405**SUPPLEMENTAL GENERAL FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)**

FOR THE YEAR ENDED JUNE 30, 2021

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2020)

SCHEDULE 2

			Current Year		
	Prior Year Actual		Actual	Budget	Variance Over (Under)
Receipts					
Taxes and Shared Revenue:					
Ad Valorem Property Tax	\$ 791,628	\$ 795,749	\$ 746,774	\$ 48,975	
Delinquent Tax	20,734	15,247	12,300	2,947	
Motor Vehicle Tax	52,515	71,123	63,897	7,226	
Commercial Vehicle Tax	-	-	3,171	(3,171)	
16/20M Tax	1,048	1,714	-	1,714	
RV Tax	973	1,327	1,120	207	
State Aid:					
Supplemental General State Aid	1,153,941	1,187,000	1,187,000	-	
Reimbursements	3,036	1,470	-	1,470	
Total Receipts	2,023,875	2,073,630	\$ 2,014,262	\$ 59,368	
Expenditures					
Instruction	343,694	371,460	\$ 403,332	\$ (31,872)	
Student Support Services	1,731	314	1,816	(1,502)	
Instructional Support Services	11,155	10,053	11,660	(1,607)	
General Administration	44,622	53,220	46,778	6,442	
School Administration	19,630	23,456	20,410	3,046	
Central Services	1,603	452	1,650	(1,198)	
Operations and Maintenance	191,108	162,808	199,315	(36,507)	
Transportation	37	39	39	-	
Operating Transfers	1,399,457	1,452,668	1,388,000	64,668	
Supplemental General Legal Fund Budget	2,013,037	2,074,470	2,073,000	1,470	
Adjustment for Qualifying Budget Credit	-	-	1,470	(1,470)	
Total Expenditures	2,013,037	2,074,470	\$ 2,074,470	\$ -	
Receipts Over (Under) Expenditures	10,838	(840)			
Unencumbered Cash, Beginning	47,900	58,738			
Unencumbered Cash, Ending	\$ 58,738	\$ 57,898			

UNIFIED SCHOOL DISTRICT NO. 405

AT RISK (4 YEAR OLD) FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)

FOR THE YEAR ENDED JUNE 30, 2021

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2020)

SCHEDULE 2

			Current Year					
			Prior			Variance		
			Year			Over		
			Actual	Actual	Budget	(Under)		
Receipts								
Operating Transfers	\$	50,000	\$	126,223	\$	75,000	\$	51,223
Expenditures								
Instruction		46,578		69,218	\$	87,995	\$	(18,777)
Receipts Over (Under) Expenditures			3,422	57,005				
Unencumbered Cash, Beginning			9,573	12,995				
Unencumbered Cash, Ending	\$	12,995	\$	70,000				

UNIFIED SCHOOL DISTRICT NO. 405

AT RISK (K-12) FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)

FOR THE YEAR ENDED JUNE 30, 2021

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2020)

SCHEDULE 2

			Current Year					
			Prior Year Actual	Actual	Budget	Variance Over (Under)		
Receipts								
Operating Transfers	\$	1,332,739	\$	1,458,931	\$	1,356,770	\$	102,161
Expenditures								
Instruction		1,296,155		1,446,180	\$	1,695,322	\$	(249,142)
School Administration		11,192		12,834		11,529		1,305
Total Expenditures		1,307,347		1,459,014	\$	1,706,851	\$	(247,837)
Receipts Over (Under) Expenditures		25,392	(83)					
Unencumbered Cash, Beginning		324,691	350,083					
Unencumbered Cash, Ending	\$	350,083	\$	350,000				

UNIFIED SCHOOL DISTRICT NO. 405**BILINGUAL EDUCATION FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)****FOR THE YEAR ENDED JUNE 30, 2021****(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2020)****SCHEDULE 2**

		Prior Year Actual	Current Year		Variance Over (Under)
			Actual	Budget	
Receipts					
Reimbursements	\$	-	\$ 791	\$ -	\$ 791
Operating Transfers		378,058	373,976	472,569	(98,593)
Total Receipts		378,058	374,767	\$ 472,569	\$ (97,802)
Expenditures					
Instruction		336,020	369,345	\$ 597,090	\$ (227,745)
School Administration		6,230	6,361	6,417	(56)
Total Expenditures		342,250	375,706	\$ 603,507	\$ (227,801)
Receipts Over (Under) Expenditures		35,808	(939)		
Unencumbered Cash, Beginning		95,131	130,939		
Unencumbered Cash, Ending	\$	130,939	\$ 130,000		

UNIFIED SCHOOL DISTRICT NO. 405**CAPITAL OUTLAY FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)**

FOR THE YEAR ENDED JUNE 30, 2021

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2020)

SCHEDULE 2

		Prior	Current Year		Variance
		Year			Over
		Actual	Actual	Budget	(Under)
Receipts					
Taxes and shared Revenue:					
Ad Valorem Property Tax	\$	185,090	\$ 186,251	\$ 180,765	\$ 5,486
Delinquent		6,478	4,918	2,893	2,025
Motor Vehicle Tax		25,580	16,660	15,004	1,656
Commercial Vehicle Tax		-	-	744	(744)
16/20M Tax		645	428	-	428
RV Tax		492	311	263	48
In Lieu of Taxes		1,254	496	-	496
State Aid		95,243	92,381	93,652	(1,271)
Reimbursements		50,163	60,969	-	60,969
Interest on Idle Funds		27,745	6,056	-	6,056
Operating Transfers		285,729	374,564	400,000	(25,436)
Total Receipts		678,419	743,034	\$ 693,321	\$ 49,713
Expenditures					
Instruction		191,401	174,300	\$ 477,215	\$ (302,915)
School Administration		7,094	11,529	10,000	1,529
Operations and Maintenance		36,273	174,065	50,000	124,065
Transportation		79,454	-	275,000	(275,000)
Site Improvement Services		27,172	220,605	35,000	185,605
Architectural and Engineering Services		-	8,935	10,000	(1,065)
Building Improvements		-	154,283	500,000	(345,717)
Total Expenditures		341,394	743,717	\$ 1,357,215	\$ (613,498)
Receipts Over (Under) Expenditures		337,025	(683)		
Unencumbered Cash, Beginning		288,926	775,397		
Unencumbered Cash, Ending	\$	775,397	\$ 774,714		

UNIFIED SCHOOL DISTRICT NO. 405**DRIVER TRAINING FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)**

FOR THE YEAR ENDED JUNE 30, 2021

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2020)

SCHEDULE 2

		Current Year						
		Prior Year Actual			Budget	Variance Over (Under)		
Receipts								
State Aid:								
State Safety Aid	\$	5,980	\$	3,672	\$	3,375	\$	297
Fees		4,625		5,375		-		5,375
Operating Transfers		5,000		5,500		20,000		(14,500)
Total Receipts		15,605		14,547	\$	23,375	\$	(8,828)
Expenditures								
Instruction		13,431		12,121	\$	43,136	\$	(31,015)
Operations and Maintenance		1,295		2,536		1,359		1,177
Total Expenditures		14,726		14,657	\$	44,495	\$	(29,838)
Receipts Over (Under) Expenditures		879		(110)				
Unencumbered Cash, Beginning		20,241		21,120				
Unencumbered Cash, Ending	\$	21,120	\$	21,010				

UNIFIED SCHOOL DISTRICT NO. 405**FOOD SERVICE FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)****FOR THE YEAR ENDED JUNE 30, 2021****(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2020)****SCHEDULE 2**

		Prior	Current Year		Variance
		Year			Over
		Actual	Actual	Budget	(Under)
Receipts					
State Aid:					
Food Service Aid	\$	4,848	\$ 5,215	\$ 5,790	\$ (575)
Federal Aid:					
Child Nutrition Programs		386,777	478,007	511,157	(33,150)
Local Receipts		70,328	27,211	163,708	(136,497)
Interest		2,464	351	2,500	(2,149)
Reimbursements		24,786	7,225	-	7,225
Total Receipts		489,203	518,009	\$ 683,155	\$ (165,146)
Expenditures					
Food Service Operation		470,196	533,641	\$ 586,106	\$ (52,465)
Receipts Over (Under) Expenditures		19,007	(15,632)		
Unencumbered Cash, Beginning		127,800	146,807		
Unencumbered Cash, Ending	\$	146,807	\$ 131,175		

UNIFIED SCHOOL DISTRICT NO. 405**PROFESSIONAL DEVELOPMENT FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)**

FOR THE YEAR ENDED JUNE 30, 2021

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2020)

SCHEDULE 2

		Current Year				
		Prior Year Actual		Actual	Budget	Variance Over (Under)
Receipts						
State Aid	\$	8,235	\$	7,269	\$ 11,179	\$ (3,910)
Reimbursements		24,127		15,572	20,000	(4,428)
Operating Transfers		46,000		19,000	75,000	(56,000)
Total Receipts		78,362		41,841	\$ 106,179	\$ (64,338)
Expenditures						
Instructional Support Services		84,227		42,381	\$ 133,754	\$ (91,373)
Receipts Over (Under) Expenditures		(5,865)		(540)		
Unencumbered Cash, Beginning		86,163		86,136		
Prior Year Cancelled Encumbrances		5,838		1,000		
Unencumbered Cash, Ending	\$	86,136	\$	86,596		

UNIFIED SCHOOL DISTRICT NO. 405**PARENT EDUCATION FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)****FOR THE YEAR ENDED JUNE 30, 2021****(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2020)****SCHEDULE 2**

		Current Year				
		Prior Year Actual		Actual	Budget	Variance Over (Under)
Receipts						
Payments From Participating Districts	\$	9,776	\$	6,580	\$ 17,000	\$ (10,420)
State Aid		65,271		61,212	63,000	(1,788)
Operating Transfers		38,860		45,319	47,803	(2,484)
Total Receipts		113,907		113,111	\$ 127,803	\$ (14,692)
Expenditures						
Student Support Services		113,907		113,111	\$ 127,803	\$ (14,692)
Receipts Over (Under) Expenditures		-		-		
Unencumbered Cash, Beginning		-		-		
Unencumbered Cash, Ending	\$	-	\$	-		

UNIFIED SCHOOL DISTRICT NO. 405**SPECIAL EDUCATION FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)****FOR THE YEAR ENDED JUNE 30, 2021****(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2020)****SCHEDULE 2**

		Prior Year Actual	Current Year		Variance Over (Under)
			Actual	Budget	
Receipts					
Federal Aid	\$	-	\$ 14,968	\$ -	\$ 14,968
Operating Transfers		1,390,155	1,457,841	1,258,693	199,148
Total Receipts		1,390,155	1,472,809	\$ 1,258,693	\$ 214,116
Expenditures					
Payments to Special Education COOP		1,389,869	1,471,304	\$ 1,619,228	\$ (147,924)
Receipts Over (Under) Expenditures		286	1,505		
Unencumbered Cash, Beginning		360,249	360,535		
Unencumbered Cash, Ending	\$	360,535	\$ 362,040		

UNIFIED SCHOOL DISTRICT NO. 405**SPECIAL EDUCATION COOPERATIVE FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)**

FOR THE YEAR ENDED JUNE 30, 2021

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2020)

SCHEDULE 2

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts				
Federal Aid	\$ 423,008	\$ 430,078	\$ 405,476	\$ 24,602
Medicaid Payments	77,001	132,274	130,000	2,274
Payments From Participating Districts	3,069,413	3,225,811	2,370,774	855,037
Cost Settlement	-	89,558	-	89,558
Other Income	116,764	75,806	-	75,806
Miscellaneous	21,302	35,983	962,067	(926,084)
Total Receipts	3,707,488	3,989,510	\$ 3,868,317	\$ 121,193
Expenditures				
Instruction	2,811,085	2,696,748	2,847,416	(150,668)
Student Support Services	828,490	801,698	862,565	(60,867)
General Administration	194,021	199,807	199,489	318
Operations and Maintenance	715	3,485	600	2,885
Student Transportation Services	21,638	28,840	22,383	6,457
Total Expenditures	3,855,949	3,730,578	\$ 3,932,453	\$ (201,875)
Receipts Over (Under) Expenditures	(148,461)	258,932		
Unencumbered Cash, Beginning	212,600	64,139		
Prior Year Cancelled Encumbrances	-	4,734		
Unencumbered Cash, Ending	\$ 64,139	\$ 327,805		

UNIFIED SCHOOL DISTRICT NO. 405**CAREER AND POSTSECONDARY EDUCATION FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)****FOR THE YEAR ENDED JUNE 30, 2021****(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2020)****SCHEDULE 2**

	Prior Year Actual	Current Year				Variance Over (Under)		
		Actual	Actual	Budget				
Receipts								
Reimbursements	\$	-	\$	600	\$	-	\$	600
Operating Transfers		131,038		176,283		150,000		26,283
Total Receipts		131,038		176,883	\$	150,000	\$	26,883
Expenditures								
Instruction		116,365		163,510	\$	206,467	\$	(42,957)
School Administration		13,163		13,397		13,558		(161)
Operations and Maintenance		1,392		-		1,462		(1,462)
Total Expenditures		130,920		176,907	\$	221,487	\$	(44,580)
Receipts Over (Under) Expenditures		118		(24)				
Unencumbered Cash, Beginning		199,440		199,558				
Unencumbered Cash, Ending	\$	199,558	\$	199,534				

UNIFIED SCHOOL DISTRICT NO. 405

CARL PERKINS CONSORTIUM FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)

FOR THE YEAR ENDED JUNE 30, 2021

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2020)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	\$ 965	\$ -
Reimbursements	2,739	-
Total Receipts	3,704	-
Expenditures		
Instruction	3,413	-
Receipts Over (Under) Expenditures	291	-
Unencumbered Cash, Beginning	(291)	-
Unencumbered Cash, Ending	\$ -	\$ -

UNIFIED SCHOOL DISTRICT NO. 405

TITLE I FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)

FOR THE YEAR ENDED JUNE 30, 2021

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2020)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	\$ 196,917	\$ 226,000
Expenditures		
Instruction	196,917	226,000
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

UNIFIED SCHOOL DISTRICT NO. 405

TITLE I-C MIGRANT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)

FOR THE YEAR ENDED JUNE 30, 2021

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2020)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	\$ 17,000	\$ 9,000
Expenditures		
Instruction	17,000	9,000
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

UNIFIED SCHOOL DISTRICT NO. 405

TITLE II-A FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)

FOR THE YEAR ENDED JUNE 30, 2021

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2020)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	\$ 24,378	\$ 27,431
Expenditures		
Instruction	24,378	27,431
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

UNIFIED SCHOOL DISTRICT NO. 405

TITLE VI-B DISCRETIONARY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)

FOR THE YEAR ENDED JUNE 30, 2021

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2020)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	\$ 22,084	\$ 22,084
Expenditures		
Instruction	22,084	22,084
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

UNIFIED SCHOOL DISTRICT NO. 405

TITLE IV-A FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)

FOR THE YEAR ENDED JUNE 30, 2021

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2020)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	\$ 17,488	\$ 19,027
Expenditures		
Instruction	17,488	19,027
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

UNIFIED SCHOOL DISTRICT NO. 405**CARES FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)****FOR THE YEAR ENDED JUNE 30, 2021****(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2020)****SCHEDULE 2**

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	\$ -	\$ 382,662
Expenditures		
Instruction	60,359	406,067
Receipts Over (Under) Expenditures	(60,359)	(23,405)
Unencumbered Cash, Beginning	-	(60,359)
Unencumbered Cash, Ending	\$ (60,359)	\$ (83,764)

UNIFIED SCHOOL DISTRICT NO. 405**YOUTH CIVIC ENGAGEMENT FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)****FOR THE YEAR ENDED JUNE 30, 2021****(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2020)****SCHEDULE 2**

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	\$ -	\$ -
Expenditures		
Instruction	-	570
Receipts Over (Under) Expenditures	-	(570)
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ (570)

UNIFIED SCHOOL DISTRICT NO. 405

OTHER FEDERAL FUNDS FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)

FOR THE YEAR ENDED JUNE 30, 2021

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2020)

SCHEDULE 2

	Prior Year Actual	Current Year Actual
Receipts		
Federal Aid	\$ 13,605	\$ 13,947
Expenditures		
Instruction	13,605	13,947
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

UNIFIED SCHOOL DISTRICT NO. 405**KPERS RETIREMENT CONTRIBUTION FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)**

FOR THE YEAR ENDED JUNE 30, 2021

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2020)

SCHEDULE 2

		Prior	Current Year		Variance
		Year			Over
		Actual	Actual	Budget	(Under)
Receipts					
State Aid:					
KPERS Employer Contributions	\$	1,195,602	\$ 1,133,022	\$ 1,354,617	\$ (221,595)
Expenditures					
Instruction		490,207	467,477	\$ 558,905	\$ (91,428)
Student Support		122,202	118,732	141,954	(23,222)
Instructional Support		62,508	62,163	74,321	(12,158)
General Administration		98,512	96,282	115,113	(18,831)
School Administration		120,866	117,466	140,440	(22,974)
Central Services		42,239	42,955	51,356	(8,401)
Operations and Maintenance		151,993	146,964	175,707	(28,743)
Student Transportation Services		79,272	80,983	96,821	(15,838)
Food Service		27,803	-	-	-
Total Expenditures		1,195,602	1,133,022	\$ 1,354,617	\$ (221,595)
Receipts Over (Under) Expenditures		-	-		
Unencumbered Cash, Beginning		-	-		
Unencumbered Cash, Ending	\$	-	\$	-	-

UNIFIED SCHOOL DISTRICT NO. 405**CONTINGENCY RESERVE FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)****FOR THE YEAR ENDED JUNE 30, 2021****(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2020)****SCHEDULE 2**

	Prior Year Actual	Current Year Actual
Receipts		
Operating Transfers	\$ -	\$ -
Expenditures		
Instruction	-	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	576,753	576,753
Unencumbered Cash, Ending	\$ 576,753	\$ 576,753

UNIFIED SCHOOL DISTRICT NO. 405**TECHNOLOGY REVOLVING FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)****FOR THE YEAR ENDED JUNE 30, 2021****(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2020)****SCHEDULE 2**

	Prior Year Actual	Current Year Actual
Receipts		
Fees	\$ 16,185	\$ 9,748
Expenditures		
Instruction	-	-
Receipts Over (Under) Expenditures	16,185	9,748
Unencumbered Cash, Beginning	41,701	57,886
Unencumbered Cash, Ending	\$ 57,886	\$ 67,634

UNIFIED SCHOOL DISTRICT NO. 405**GIFTS AND GRANTS FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)****FOR THE YEAR ENDED JUNE 30, 2021****(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2020)****SCHEDULE 2**

	Prior Year Actual	Current Year Actual
Receipts		
Donations	\$ 12,215	\$ 51,373
State Aid	8,602	23
Total Receipts	20,817	51,396
Expenditures		
Instruction	12,686	51,489
Receipts Over (Under) Expenditures	8,131	(93)
Unencumbered Cash, Beginning	19,562	27,693
Unencumbered Cash, Ending	\$ 27,693	\$ 27,600

UNIFIED SCHOOL DISTRICT NO. 405**RECREATION COMMISSION GENERAL FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)**

FOR THE YEAR ENDED JUNE 30, 2021

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2020)

SCHEDULE 2

			Current Year		
	Prior Year Actual		Actual	Budget	Variance Over (Under)
Receipts					
Taxes and shared Revenue:					
Ad Valorem Tax	\$ 369,326	\$ 372,491	\$ 360,790	\$ 11,701	
Delinquent Tax	8,634	6,857	5,775	1,082	
Motor Vehicle Tax	26,023	30,495	27,418	3,077	
16/20M Tax	565	711	-	711	
RV Tax	489	564	481	83	
Commercial Vehicle Tax	-	-	1,360	(1,360)	
In Lieu of Taxes	1,443	991	-	991	
Reimbursements	-	-	39,969	(39,969)	
Total Receipts	406,480	412,109	\$ 435,793	\$ (23,684)	
Expenditures					
Appropriations	425,000	430,930	\$ 430,930	\$ -	
Receipts Over (Under) Expenditures	(18,520)	(18,821)			
Unencumbered Cash, Beginning	58,489	39,969			
Unencumbered Cash, Ending	\$ 39,969	\$ 21,148			

UNIFIED SCHOOL DISTRICT NO. 405**RECREATION COMMISSION EMPLOYEE BENEFITS FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)**

FOR THE YEAR ENDED JUNE 30, 2021

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2020)

SCHEDULE 2

			Current Year					
	Prior Year Actual		Actual	Budget	Variance Over (Under)			
Receipts								
Taxes and shared Revenue:								
Ad Valorem Tax	\$	46,284	\$	46,562	\$	45,091	\$	1,471
Delinquent Tax		1,283		955		722		233
Motor Vehicle Tax		3,717		4,165		3,743		422
16/20M Tax		81		102		-		102
RV Tax		70		78		65		13
Commercial Vehicle Tax		-		-		185		(185)
In Lieu of Taxes		206		124		-		124
Reimbursements		-		-		1,165		(1,165)
Total Receipts		51,641		51,986	\$	50,971	\$	1,015
Expenditures								
Appropriations		59,650		51,950	\$	51,950	\$	-
Receipts Over (Under) Expenditures		(8,009)		36				
Unencumbered Cash, Beginning		9,174		1,165				
Unencumbered Cash, Ending	\$	1,165	\$	1,201				

UNIFIED SCHOOL DISTRICT NO. 405**BOND AND INTEREST FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)**

FOR THE YEAR ENDED JUNE 30, 2021

(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2020)

SCHEDULE 2

		Prior	Current Year		Variance			
		Year			Over			
		Actual	Actual	Budget	(Under)			
Receipts								
Taxes and shared Revenue:								
Ad Valorem Tax	\$	647,704	\$	651,862	\$	631,559	\$	20,303
Delinquent Tax		17,988		13,374		10,108		3,266
Motor Vehicle Tax		52,051		58,306		52,419		5,887
16/20M Tax		1,131		1,422		-		1,422
RV Tax		977		1,088		919		169
Commercial Vehicle Tax		-		-		2,601		(2,601)
In Lieu of Taxes		2,891		1,734		-		1,734
State Aid		522,100		504,168		504,168		-
Reimbursements		-		831		-		831
Total Receipts		1,244,842		1,232,785	\$	1,201,774	\$	31,011
Expenditures								
Bond Principal		555,000		595,000	\$	387,100	\$	207,900
Bond Interest		468,725		388,436		663,501		(275,065)
Total Expenditures		1,023,725		983,436	\$	1,050,601	\$	(67,165)
Receipts Over (Under) Expenditures		221,117		249,349				
Unencumbered Cash, Beginning		1,055,778		1,276,895				
Unencumbered Cash, Ending	\$	1,276,895	\$	1,526,244				

UNIFIED SCHOOL DISTRICT NO. 405**NEEDY CHILDREN FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES (REGULATORY BASIS)****FOR THE YEAR ENDED JUNE 30, 2021****(WITH COMPARATIVE ACTUAL TOTALS FOR THE PRIOR YEAR ENDED JUNE 30, 2020)****SCHEDULE 2**

	Prior Year Actual	Current Year Actual
Receipts		
Donations	\$ 500	\$ 500
Expenditures		
Scholarships	454	586
Receipts Over (Under) Expenditures	46	(86)
Unencumbered Cash, Beginning	3,629	3,675
Unencumbered Cash, Ending	\$ 3,675	\$ 3,589

UNIFIED SCHOOL DISTRICT NO. 405**AGENCY FUNDS****SUMMARY OF RECEIPTS AND DISBURSEMENTS (REGULATORY BASIS)**

FOR THE YEAR ENDED JUNE 30, 2021

SCHEDULE 3

Agency Funds	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Student Organizations				
Lyons High School				
Art Club	\$ 1,380	\$ -	\$ -	\$ 1,380
Class of 2013	41	-	41	-
Class of 2014	46	-	46	-
Class of 2016	192	-	192	-
Class of 2017	416	-	416	-
Class of 2018	279	-	279	-
Class of 2019	186	-	186	-
Class of 2020	1,030	-	1,030	-
Class of 2021	2,655	1,763	3,643	775
Class of 2022	1,589	4,733	4,959	1,363
Class of 2023	743	93	-	836
Class of 2024	-	6,531	5,318	1,213
Entrepreneurship	152	-	-	152
Family Career & Community	516	-	-	516
FFA Concessions	-	20,018	11,234	8,784
Fire Science	397	-	-	397
Foreign Language Club	532	1,536	245	1,823
Letterman Club	-	-	-	-
National Honor Society	573	1,031	1,249	355
Pride	380	-	-	380
Pride Room Dog Biscuit	1,732	754	644	1,842
ROTC Student	308	3,955	2,923	1,340
Scholars Bowl	861	685	756	790
Student Council	3,008	3,962	2,139	4,831
Starbooks Café	1,357	-	1,268	89
Subtotal Lyons High School	18,373	45,061	36,568	26,866
Lyons Middle School				
Builders Club	1,352	573	273	1,652
Diversity Club	20	-	-	20
FACS	122	-	-	122
Girl Run for Fun	150	-	-	150
Scholars Bowl	-	-	-	-
Student Council	697	-	-	697
Subtotal Lyons Middle School	2,341	573	273	2,641
Total Student Organizations	20,714	45,634	36,841	29,507
Lyons High School Sales Tax	-	6,441	6,441	-
Lyons Middle School Sales Tax	-	259	259	-
Health Insurance	31,818	-	111,754	(79,936)
Total Agency Funds	\$ 52,532	\$ 52,334	\$ 155,295	\$ (50,429)

UNIFIED SCHOOL DISTRICT NO. 405

DISTRICT ACTIVITY FUNDS

SCHEDULE OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH (REGULATORY BASIS)

FOR THE YEAR ENDED JUNE 30, 2021

SCHEDULE 4

District Activity Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Gate Receipts						
Lyons Middle School	\$ 2,648	\$ 13,827	\$ 13,710	\$ 2,765	\$ -	\$ 2,765
Lyons High School	15,314	84,487	85,938	13,863	-	13,863
Subtotal Gate Receipts	17,962	98,314	99,648	16,628	-	16,628
School Projects						
Lyons High School	26,933	61,732	63,427	25,238	-	25,238
Lyons Middle School	8,535	1,671	2,375	7,831	-	7,831
Park Elementary School	5,479	2,530	5,360	2,649	-	2,649
Central Elementary School	3,658	6,327	5,353	4,632	-	4,632
Subtotal School Projects	44,605	72,260	76,515	40,350	-	40,350
Revolving Funds						
Lyons High School	-	8,892	8,892	-	-	-
Lyons Middle School	-	9	9	-	-	-
Subtotal Revolving Funds	-	8,901	8,901	-	-	-
Total District Activity Funds	\$ 62,567	\$ 179,475	\$ 185,064	\$ 56,978	\$ -	\$ 56,978

UNIFIED SCHOOL DISTRICT NO. 405

SINGLE AUDIT SECTION

JUNE 30, 2021



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

To the Board of Education of Unified School District No. 405:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of Unified School District No. 405 (District), as of and for the year ended June 30, 2021, and the related notes to the financial statement, and have issued our report thereon dated March 25, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered Unified School District No. 405's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of Unified School District No. 405's internal control. Accordingly, we do not express an opinion on the effectiveness of Unified School District No. 405's internal control.

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

Our consideration of the 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 Unified School District No. 405's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Unified School District No. 405's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

SSC CPAs, P.A.

SSC CPAs, P.A.

Salina, Kansas

March 25, 2022



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

To the Board of Education of Unified School District No. 405:

Report on Compliance for Each Major Federal Program

We have audited Unified School District No. 405's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Unified School District No. 405's major federal programs for the year ended June 30, 2021. Unified School District No. 405's major federal 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 Unified School District No. 405's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Unified School District No. 405's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Unified School District No. 405's compliance.

Opinion on Each Major Federal Program

In our opinion, Unified School District No. 405 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, 2021.

Report on Internal Control over Compliance

Management of Unified School District No. 405 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 Unified School District No. 405'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 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 Unified School District No. 405's internal control over compliance.

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

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

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.

SSC CPAs, P.A.

SSC CPAs, P.A.
Salina, Kansas

March 25, 2022

UNIFIED SCHOOL DISTRICT NO. 405
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statement of Unified School District No. 405 was prepared on the regulatory basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.
2. No material weaknesses or significant deficiencies were identified in the design or operation of internal control over financial reporting.
3. No instances of noncompliance material to the financial statement of Unified School District No. 405, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No material weaknesses nor significant deficiencies were identified during the audit of each major federal program.
5. The auditor's report on compliance for each major federal program for Unified School District No. 405 expresses an unmodified opinion on all major federal programs.
6. No audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in this schedule.
7. The programs tested as major programs were:
 - Assistance Listing Number 10.555 and 10.559 Child Nutrition Cluster
 - Assistance Listing Number 84.027 and 84.173 Special Education Cluster (IDEA)
8. The threshold for distinguishing Type A and Type B programs was \$750,000 for major Federal programs.
9. Unified School District No. 405 was determined to not be a low-risk auditee.

UNIFIED SCHOOL DISTRICT NO. 405
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FINDINGS – FINANCIAL STATEMENT

None.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL PROGRAMS

None

UNIFIED SCHOOL DISTRICT NO. 405

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

FINDINGS – FINANCIAL STATEMENT

None.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL PROGRAMS

None.

OTHER INFORMATION

UNIFIED SCHOOL DISTRICT NO. 405
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021

Federal Grantor/Program or Cluster Title	Assistance Listing Number	Pass-through Grantor and Number	Federal Expenditures
EXPENDITURES OF FEDERAL AWARDS			
<i>United States Department of Agriculture</i>			
Child Nutrition Cluster			
(COVID-19) National School Lunch Program	10.555	Kansas State Department of Education, 3530-3550	\$ 110,298
Summer Food Service Program for Children	10.559	Kansas State Department of Education, 3230-3020	349,984
Total Child Nutrition Cluster			460,282
Other Programs			
Fresh Fruit and Vegetable Program	10.582	Kansas State Department of Education, 3230-3020	17,725
Total Other Programs			17,725
Total United States Department of Agriculture			478,007
<i>Department of Education</i>			
Special Education Cluster (IDEA)			
Special Education- Grants to States	84.027	Kansas State Department of Education, 3234-3050	427,487
Special Education - Preschool Grants	84.173	Kansas State Department of Education, 3535-3550	24,675
Total Special Education Cluster (IDEA)			452,162
Other Programs			
Title I Grants to Local Educational Agencies	84.010	Kansas State Department of Education, 3532-3520	226,000
Migrant Education - State Grant Program	84.011	Kansas State Department of Education, 3537-3570	9,000
English Language Acquisition State Grants	84.365	Kansas State Department of Education, 3522-3820	13,947
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	Kansas State Department of Education, 3526-3860	27,431
Student Support and Academic Enrichment Program	84.424	Kansas State Department of Education, 3113-3113	19,027
(COVID-19) Education Stabilization Fund Under The Coronavirus Aid, Relief, And Economic Security Act	84.425	Kansas State Department of Education, 3233-3040	262,372
Total Other Programs			557,777
Total Department of Education			1,009,939
<i>Department of the Treasury</i>			
(COVID-19) Coronavirus Relief Fund	21.019	Rice County, Kansas	158,663
Total Department of Treasury			158,663
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 1,646,609

No awards were passed through to subrecipients

UNIFIED SCHOOL DISTRICT NO. 405**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS****1. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Unified School District No. 405 (the District) and is presented on the regulatory basis of accounting. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the aggregate cash and unencumbered cash balance and the aggregate receipts and expenditures of the District as described in Note 2 to the District's financial statement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported in the schedule are reported on the regulatory basis of accounting, as described in Note 2 to the District's financial statement.

3. DE MINIMIS INDIRECT COST RATE

In accordance with Section 2 U.S. *Code of Federal Regulations* Part 200.412 the District is allowed to elect to use the 10% de minimis indirect cost rate. The District did not elect to use the 10% de minimis indirect cost rate.