UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS

Regulatory Basis Financial Statement and
Independent Auditors' Report with
Regulatory Required Supplemental Information
And Federal Compliance Section
For the Fiscal Year Ended June 30, 2021

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS

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UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS

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Diehl
Banwart
Bolton
Certified Public Accountants PA

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Unified School District #235
Uniontown, Kansas 66779

We have audited the accompanying Summary Statement of Receipts, Expenditures, and Unencumbered Cash, Regulatory Basis, of Unified School District #235, Uniontown, Kansas as of and for the fiscal year ended June 30, 2021 and the related notes to the financial statement, which comprises the financial statement of the District as listed in the Table of Contents.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1 to meet the financial reporting requirements of the State of Kansas. This includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstance. 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 applicable audit requirements of the *Kansas Municipal Audit and Accounting Guide.* Those standards and the *Kansas Municipal Audit and Accounting Guide* require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

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

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles
In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraphs, 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 #235, Uniontown, Kansas as of June 30, 2021 or changes in financial position or cash flows thereof for the fiscal 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 for Unified School District #235, Uniontown, Kansas as of June 30, 2021, and the aggregate receipts and expenditures for the fiscal year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Report on Supplementary Information
Our audit was conducted for the purpose of forming an opinion on the June 30, 2021 fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances – regulatory basis (financial statement) as a whole. The summary of expenditures – actual and budget – regulatory basis, individual fund schedules of receipts and expenditures – actual and budget – regulatory basis, schedule of receipts and expenditures – agency funds – regulatory basis and the schedule of receipts, expenditures, and unencumbered cash – district activity funds – regulatory basis (Schedules 1, 2, 3 and 4 as listed in the table of contents), are presented for purposes of additional analysis and are not a required part of the financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 supplementary information is fairly stated in all material respects in relation to the financial statement as a whole, on the basis of accounting described in Note 1..

Prior Year Comparative Numbers

The 2020 actual column presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget (Schedule 2 as listed in the table of contents), are also presented for comparative analysis and was not a required part of the 2020 financial statement upon which we rendered an unmodified opinion dated September 30, 2020. The 2020 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. 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 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 2020 basic financial statement as a whole, on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 1, 2021 on our consideration of the District'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 control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Diehl, Banwart, Bolton, CPAs PA

DIEHL, BANWART, BOLTON, CPAs PA

September 1, 2021
Fort Scott, Kansas

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
Summary Statement of Receipts, Expenditures, and Unencumbered Cash - Regulatory Basis
For the Fiscal Year Ended June 30, 2021

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance June 30, 2021
General Funds						
General	$ -	$ 4,046,518.95	$ 4,046,518.95	$ -	$ 306,256.83	$ 306,256.83
Supplemental General	17,545.50	1,213,681.67	1,221,226.00	10,001.17	23,382.58	33,383.75
Special Purpose Funds						
4 Year Old At Risk	8,332.50	71,000.00	74,204.94	5,127.56	9,776.83	14,904.39
K - 12 At Risk	20,190.17	471,644.95	480,445.37	11,389.75	79,513.49	90,903.24
Special Capital Outlay	418,206.32	683,116.32	662,833.99	438,488.65	36,674.70	475,163.35
Driver Training	13,414.33	7,146.00	7,176.07	13,384.26	-	13,384.26
Food Service	25,638.31	378,838.38	401,358.53	3,118.16	23,050.48	26,168.64
Professional Development	7,287.30	5,951.00	5,315.79	7,922.51	-	7,922.51
Special Education	166,078.56	611,975.72	690,762.45	87,291.83	-	87,291.83
Career & Postsecondary Ed	56,783.98	102,000.00	123,290.56	35,493.42	16,537.63	52,031.05
Gifts and Grants	45,657.55	489,536.59	453,755.97	81,438.17	4,680.33	86,118.50
KPERS Retirement	-	454,004.06	454,004.06	-	-	-
Contingency Reserve	291,426.16	22,504.12	61,825.02	252,105.26	-	252,105.26
CARES Grant	(29,462.35)	95,941.00	75,060.65	(8,582.00)	-	(8,582.00)
Title I	21,847.63	124,650.00	130,107.63	16,390.00	13,847.19	30,237.19
Title II A Teacher Quality	-	20,449.00	20,449.00	-	-	-
Gate Receipts	(184.82)	23,036.45	22,851.63	-	-	-
Title IV A	0.77	15,766.00	15,766.77	(0.00)	-	-
Bond and Interest Fund						
Bond and Interest	380,260.30	226,164.01	175,562.50	430,861.81	-	430,861.81
FIDUCIARY TYPE FUNDS						
Expendable Trust Funds						
Memorial Scholarships	41,761.81	77,655.91	1,800.00	117,617.72	-	117,617.72
Total Reporting Entity (Excluding Agency Funds)	$ 1,484,784.02	$ 9,141,580.13	$ 9,124,315.88	$ 1,502,048.27	$ 513,720.06	$ 2,015,768.33

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

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
Summary Statement of Receipts, Expenditures, and Unencumbered Cash - Regulatory Basis
For the Fiscal Year Ended June 30, 2021

	Ending Cash Balance June 30, 2021
Composition of Cash	
Board Checking Account	$ 1,696,050.61
Activity Checking Accounts	52,462.13
Memorial Accounts	117,617.72
Petty cash	2,100.00
Certificates of Deposit	200,000.00
Total Cash	2,068,230.46
Agency Funds Per Schedule 3	(52,462.13)
Total Reporting Entity	$ 2,015,768.33

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statement of Unified School District #235, Uniontown, Kansas, has been prepared in accordance with the State of Kansas regulatory basis of accounting for Kansas Municipalities, and is designed to show compliance with the cash basis and budget laws of the State of Kansas. The *Kansas Municipal Audit and Accounting Guide* (KMAAG), as approved by the director of the Kansas Division of Accounts and Reports, establishes the guidelines for the regulatory basis of accounting in the state of Kansas. Note 1 also describes how the District's accounting policies differ from U.S. generally accepted accounting policies.

Reporting Entity

The District is a municipal corporation governed by an elected seven-member board. This regulatory financial statement presents Unified School District #235, Uniontown, Kansas (the municipality) and related municipal entities. Management has determined that there are no related municipal activities that are or should be included in this financial statement.

Basis of Presentation - Fund Accounting

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

The following types of funds comprise the financial activities of the District:

REGULATORY BASIS FUNDS

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

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

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

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

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - (Continued)
Basis of Presentation - Fund Accounting - (Continued)

Trust Funds – funds used to report assets held by the District for the benefit of the reporting entity.

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

Regulatory Basis of Accounting and Departures 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 for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the 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.

Budgetary Information

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

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

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. There were no budgets amended during the fiscal year. The District decreased the General Fund budget to the legal maximum budgets in accordance with Kansas Statutes.

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

Budgetary Information (Continued)

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

All legal annual operating budgets are prepared using the cash basis of accounting, modified further by the recording of accounts payable and encumbrances. Revenues are recognized when cash is received. Expenditures include cash disbursements, accounts payable and encumbrances. Encumbrances are commitments of 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 fiduciary funds and the following special purpose funds:

- Grant Fund (K.S.A. 72-8210)
- Federal Funds (K.S.A. 12-1663)
- Contingency Reserve Fund (K.S.A. 72-6426)

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.

Qualifying Budget Credits

Expenditures in various funds include expenditures not subject to the budget laws of the State of Kansas, which include reimbursed expenses and grant expenditures.

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statements meet the following criteria: 1) the related disbursement was made in the current year on behalf of the payee, 2) the item paid for was directly identifiable as having been used by or provided to the payee, and 3) the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

Expenditures sometimes include expenditures in connection with reimbursements and/or grants received by the District. These are reimbursement type grants whereby grant money is received to reimburse the District for actual grant expenditures paid. These expenditures are similar to reimbursed expenses as discussed in the preceding paragraph.

Deposits and Investments

Deposits and investments include money market checking accounts and certificates of deposit. Kansas statutes permit investment in money market checking accounts, savings accounts, certificates of deposit, repurchase agreements, and obligations of the U.S. Treasury.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Compensated Absences

All regular full-time non-certified employees are eligible for vacation benefits. Employees are not allowed to accumulate and carry forward vacation benefits past their anniversary date.

Employees accrue sick leave at the rate of 6 to 10 days per year to a maximum of ninety days for certified employees and sixty days for classified employees. Certified, full-time employees will be paid for accumulated sick leave upon separation from the District, which will include retirement, disability, reduction in force, or death. Certified employees payment will be at $35.00 per day. Classified employees will be reimbursed for unused sick leave days upon KPERS retirement or death. Classified employees payment will be at $12.50 per day.

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

1. The District's obligation relating to the employee's right to receive compensation for future absences is attributable to employee's services already rendered.
2. The obligation relates to rights that vest or accumulate.
3. Payment of the compensation is probable.
4. The amount can be reasonably estimated and is material to the financial statements.

In accordance with these criteria, the District has a potential liability for sick pay totaling $17,378 which has been earned by employees eligible to retire but not taken at year end.

The District has an actual liability of $17,358 for vacation earned but not taken at year end.

Termination and Post Employment Benefits

The District maintains a 403(b) retirement plan for eligible employees. The District makes up to $300 in matching contributions for employees that defer salary. In addition the District makes contributions ranging from $200 to $450 for certified staff. These contributions are based on the number of years of service. For the year ended June 30, 2021, $36,050 was contributed under the plan.

Participation in Group Health Insurance Plan

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 premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Property Taxes

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

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance with Kansas Statutes

The financial statement and regulatory required supplemental schedules are prepared in order to show compliance with the cash basis and budget laws of Kansas. The District was in apparent compliance with the cash basis and budget laws of Kansas, except as follows:

- As of July 1, 2020 expenditures exceeded cash on hand by $200 in the Junior High Athletics Activity Fund in apparent violation of K.S.A. 10-1121. The violation was corrected during the year. The apparent violation in the CARES Grant Fund is not an actual violation due to grant money receivable.
- Expenditures exceeded the budget in the Food Services Funds in apparent violation of K.S.A. 79-2935.

3. CASH IN BANK AND DEPOSITORY SECURITY

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statue requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located 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 9-1405.

3. CASH IN BANK AND DEPOSITORY SECURITY (Continued)

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%. All deposits were legally secured at June 30, 2021.

At June 30, 2021 the District's carrying amount of deposits was $2,068,230.46 and the bank balance was $1,832,595.53. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, $304,586.67 was covered by federal depository insurance, and $1,528,008.86 was collateralized with securities held by the pledging financial institutions' agents in the District's name. The fair value of the pledged securities was $1,987,450.38.

4. 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 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

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

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate and the statutory contribution rate (not including the 1% contribution rate for the Death and Disability Program) was 16.15 and 14.41% respectively, for the fiscal year ended June 30, 2020. The actuarially determined employer contribution rate was 15.59% and 14.23% for the fiscal year ended June 30, 2021.

4. DEFINED BENEFIT PENSION PLAN (Continued)

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 $552,800 for the year ended June 30, 2021.

Net Pension Liability

At June 30, 2021, the District's proportionate share of the collective net pension liability reported by KPERS was $4,717,031. The total net Pension liability was $10,473,565,068. 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 these financial statements.

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

5. RELATED PARTIES

The District's demand and time deposits are at the only bank in the District. The District's treasurer is also president of the bank.

6. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees health and life; and natural disasters. The District continues to carry commercial insurance for these risks. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

7. CONTINGENCIES

In the normal course of operations, the District participates in various federal or state grant programs from year to year. The grant programs are often subject to additional audits by agents of the granting agency, the purpose of which is to ensure compliance with the specific conditions of the grant. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

8. INTERFUND TRANSFERS

FROM	TO	STATUTORY AUTHORITY	AMOUNT
General	Four Year Old At Risk	K.S.A. 72-6428	$ 71,000.00
General	Food Service	K.S.A. 72-6428	10,100.00
General	Professional Development	K.S.A. 72-6428	5,000.00
General	K-12 At Risk	K.S.A. 72-6428	38,628.40
General	Special Education	K.S.A. 72-6428	491,975.72
Supplemental General	K-12 At Risk	K.S.A. 72-6433	433,016.55
Supplemental General	Special Education	K.S.A. 72-6433	120,000.00
Supplemental General	Career & Post Secondary Education	K.S.A. 72-6433	102,000.00

9. IN-SUBSTANCE RECEIPT IN TRANSIT

The District received $302,202 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.

10. SUBSEQUENT EVENTS

Management has evaluated events and transactions occurring subsequent to June 30, 2021 through September 1, 2021, the date the financial statement was available for issue. During this period, there were no subsequent events requiring recognition in the financial statement or disclosure in the notes to the financial statement.

11. LONG-TERM OBLIGATIONS

The District's long-term obligations are presented in the following two pages of this note to the financial statement.

Schedule of Changes in Long-Term Obligations

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balances Beginning of Year	Additions / New Debt	Reductions / PrincipalPaid	Balances End of Year	Interest Paid
General Obligation Bonds									
School Building Bonds									
Series 2016	3.0-3.25%	3/2/2016	2,955,000	9/1/2037	$ 2,695,000	$ -	$ 95,000	$ 2,600,000	$ 80,563
Lease Purchase Agreements									
Track Repairs	3.00%	7/1/2020	340,000	7/1/2030	-	340,000	-	340,000	-
					$ 2,695,000	$ 340,000	$ 95,000	$ 2,940,000	$ 80,563

Schedule of Maturities of Long-Term Obligations

Issue	2022	2023	2024	2025	2026	2027 2031	2032 2036	2037 2041	Totals
Principal Payments									
General Obligation Bonds	$ 100,000	$ 95,000	$ 100,000	$ 110,000	$115,000	$ 690,000	$ 935,000	$ 455,000	$2,600,000
Lease Purchase Agreements									
Track Repairs	29,661	30,551	31,468	32,391	33,384	182,545	-	-	340,000
Total Principal Payments	$ 129,661	$ 125,551	$ 131,468	$ 142,391	$148,384	$ 872,545	$ 935,000	$ 455,000	$2,940,000
Interest Payments									
General Obligation Bonds									
School Building Improvements									
Series 2016	$ 77,638	$ 74,713	$ 71,788	$ 68,638	$ 65,263	$ 268,488	$ 147,513	$ 14,869	$ 788,906
Lease Purchase Agreements									
Track Repairs	10,200	9,310	8,394	7,470	6,478	16,762	-	-	58,614
Total Interest Payments	$ 87,838	$ 84,023	$ 80,181	$ 76,108	$ 71,740	$ 285,249	$ 147,513	$ 14,869	$ 847,520
Total Payments	$ 217,499	$ 209,574	$ 211,649	$ 218,499	$220,124	$ 1,157,794	$ 1,082,513	$ 469,869	$3,787,520

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS

REGULATORY-REQUIRED SUPPLEMENTAL INFORMATION

For the Fiscal Year Ended June 30, 2021

Schedule 1

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
Summary of Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2021

Funds	Certified Budget	Adjustment to Comply with Legal Maximum	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year Budget	Variance - Over (Under)
General Funds						
General	$ 4,171,497.00	$ (125,358.00)	$ 379.95	$ 4,046,518.95	$ 4,046,518.95	$ -
Supplemental General (LOB)	1,221,226.00	-	-	1,221,226.00	1,221,226.00	-
Special Purpose Funds						
4 Year Old At Risk	75,750.00	-	-	75,750.00	74,204.94	(1,545.06)
K - 12 At Risk	491,000.00	-	-	491,000.00	480,445.37	(10,554.63)
Special Capital Outlay	475,000.00	-	340,000.00	815,000.00	662,833.99	(152,166.01)
Driver Training	8,600.00	-	-	8,600.00	7,176.07	(1,423.93)
Food Service	374,250.00	-	-	374,250.00	401,358.53	27,108.53
Professional Development	15,000.00	-	-	15,000.00	5,315.79	(9,684.21)
Special Education	780,840.00	-	-	780,840.00	690,762.45	(90,077.55)
Career & Postsecondary Ed	130,200.00	-	-	130,200.00	123,290.56	(6,909.44)
KPERS Contribution	521,494.00	-	-	521,494.00	454,004.06	(67,489.94)
Bond and Interest Fund						
Bond and Interest	175,573.00	-	-	175,573.00	175,562.50	(10.50)
	$ 8,440,430.00			$ 8,655,451.95	$ 8,342,699.21	

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2021
With Comparative Actual For the Fiscal Year Ended June 30, 2020

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Local Sources				
Other	$ -	$ 379.95	$ -	$ 379.95
State Sources				
General aid	3,478,307.00	3,594,341.00	3,677,014.00	(82,673.00)
Special Education	435,895.00	451,798.00	494,483.00	(42,685.00)
Other state aid	1,404.00	-	-	-
Federal Sources				
Other	200.00	-	-	-
Total Receipts	3,915,806.00	4,046,518.95	$ 4,171,497.00	$ (124,978.05)
Expenditures				
Instruction	2,247,998.82	2,274,358.18	$ 2,359,847.00	$ (85,488.82)
Support Services				
Student Support	26,458.17	26,684.41	28,900.00	(2,215.59)
Instructional Support	26,364.43	21,935.49	23,900.00	(1,964.51)
General Administration	222,551.99	217,778.59	229,700.00	(11,921.41)
School Administration	264,661.52	268,045.91	275,000.00	(6,954.09)
Operations and Maintenance	331,623.89	365,305.97	342,750.00	22,555.97
Transportation	233,093.38	255,706.28	235,400.00	20,306.28
Other Supplemental Service	-	-	-	-

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
GENERAL FUND
Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2021
With Comparative Actual For the Fiscal Year Ended June 30, 2020

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Expenditures (Continued)				
Operating Transfers to Other Funds				
4 Year Old At Risk	$ -	$ 71,000.00	$ -	$ 71,000.00
K - 12 At Risk	81,000.00	38,628.40	101,000.00	(62,371.60)
Special Capital Outlay	-	-		-
Driver Training	-	-		-
Food Service	-	10,100.00		10,100.00
Professional Development	-	5,000.00		5,000.00
Special Education	442,053.80	491,975.72	500,000.00	(8,024.28)
Career & Postsecondary Ed	40,000.00	-	75,000.00	(75,000.00)
Contingency Reserve	-	-	-	-
Adjustment to Comply with Legal Maximum Budget	-	-	(125,358.00)	125,358.00
Legal General Fund Budget	3,915,806.00	4,046,518.95	4,046,139.00	
Adjustments to Budget				
Grants and Reimbursed Expenditures	-	-	379.95	(379.95)
Total Expenditures	3,915,806.00	4,046,518.95	$ 4,046,518.95	$ -
Receipts Over(Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
SUPPLEMENTAL GENERAL FUND

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2021
With Comparative Actual For the Fiscal Year Ended June 30, 2020

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Local Sources				
Ad Valorem property tax	$ 332,558.26	$ 335,457.57	$ 319,995.00	$ (15,462.57)
Delinquent tax	7,673.40	15,657.00	6,056.00	(9,601.00)
County Sources				
Motor vehicle tax	5,509.30	3,068.10	43,483.00	40,414.90
State Sources				
General aid	852,232.00	859,499.00	859,499.00	-
Local Sources				
Other	-	-	20,000.00	(20,000.00)
Total Receipts	1,197,972.96	1,213,681.67	$ 1,249,033.00	$ (4,648.67)
Expenditures				
Instruction	29,960.77	43,578.62	$ 120,926.00	$ (77,347.38)
Support Services				
Student Support	85,170.57	89,519.45	89,750.00	(230.55)
Instructional Support	116,164.18	120,456.35	86,900.00	33,556.35
General Administration	8,400.00	10,494.40	9,000.00	1,494.40
Operations and Maintenance	292,892.28	234,069.13	250,000.00	(15,930.87)
Transportation	-	20,000.00	-	20,000.00
Other Supplemental Service	-	48,091.50	49,650.00	(1,558.50)
Operating Transfers to Other Funds				
4 Year Old At Risk	54,000.00	-	64,000.00	(64,000.00)
K - 12 At Risk	370,000.00	433,016.55	350,000.00	83,016.55
Food Service	45,000.00	-	70,000.00	(70,000.00)
Professional Development	11,000.00	-	6,000.00	(6,000.00)
Special Education	209,776.20	120,000.00	125,000.00	(5,000.00)
Career & Postsecondary Ed	-	102,000.00	-	102,000.00
Adjustment to Comply with Legal Maximum Budget	-	-	-	-
Legal Sup General Fund Budget	1,222,364.00	1,221,226.00	1,221,226.00	
Adjustments to Budget				
Grants and Reimbursed Expenditures	-	-	-	-
Total Expenditures	1,222,364.00	1,221,226.00	$ 1,221,226.00	$0.00
Receipts Over(Under) Expenditures	(24,391.04)	(7,544.33)		
Unencumbered Cash, Beginning	41,936.54	17,545.50		
Unencumbered Cash, Ending	$ 17,545.50	$ 10,001.17		

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
4 YEAR OLD AT RISK FUND

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2021
With Comparative Actual For the Fiscal Year Ended June 30, 2020

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Operating Transfer from Other Funds				
General	$ -	$ 71,000.00	$ -	$ 71,000.00
Supplemental General	54,000.00	-	64,000.00	(64,000.00)
Total Receipts	54,000.00	71,000.00	$ 64,000.00	$ 7,000.00
Expenditures				
Instruction	64,939.39	74,204.94	$ 75,750.00	$ (1,545.06)
Total Expenditures	64,939.39	74,204.94	$ 75,750.00	$ (1,545.06)
Receipts Over(Under) Expenditures	(10,939.39)	(3,204.94)		
Unencumbered Cash, Beginning	19,271.89	8,332.50		
Unencumbered Cash, Ending	$ 8,332.50	$ 5,127.56		

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
K - 12 AT RISK FUND

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2021
With Comparative Actual For the Fiscal Year Ended June 30, 2020

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Local Sources				
Other	$ -	$ -	$ 20,000.00	$ (20,000.00)
Operating Transfer from Other Funds				
General	81,000.00	38,628.40	101,000.00	(62,371.60)
Supplemental General	370,000.00	433,016.55	350,000.00	83,016.55
Total Receipts	451,000.00	471,644.95	$ 471,000.00	$ 644.95
Expenditures				
Instruction	386,797.79	397,105.23	$ 406,000.00	$ (8,894.77)
Student Support Services	79,652.23	83,340.14	85,000.00	(1,659.86)
Total Expenditures	466,450.02	480,445.37	$ 491,000.00	$ (10,554.63)
Receipts Over(Under) Expenditures	(15,450.02)	(8,800.42)		
Unencumbered Cash, Beginning	35,640.19	20,190.17		
Unencumbered Cash, Ending	$ 20,190.17	$ 11,389.75		

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
SPECIAL CAPITAL OUTLAY FUND

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2021
With Comparative Actual For the Fiscal Year Ended June 30, 2020

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Local Sources				
Ad Valorem property tax	$ 104,140.73	$ 114,448.77	$ 102,642.00	$ (11,806.77)
Delinquent tax	1,348.74	2,511.14	2,151.00	(360.14)
Interest	3,562.21	2,530.38	1,000.00	1,530.38
Proceeds from Lease Purchase	-	340,000.00	-	340,000.00
Other	99,856.42	145,057.25	25,000.00	120,057.25
County Sources				
Motor vehicle tax	473.80	2,897.78	13,188.00	10,290.22
State Sources				
State aid	72,031.00	75,671.00	75,671.00	-
Operating Transfer from Other Funds				
General	-	-	-	-
Total Receipts	281,412.90	683,116.32	$ 219,652.00	$ 459,710.94
Expenditures				
Instruction	-	-	$ 125,000.00	$ (125,000.00)
Support Services	188,562.22	255,101.07	225,000.00	30,101.07
Facility Acquisition and Construction				
Repair and Remodeling	-	407,732.92	125,000.00	282,732.92
Subtotal			475,000.00	
Adjustments to Budget				
Proceeds from Lease Purchase	-	-	340,000.00	(340,000.00)
Total Expenditures	188,562.22	662,833.99	$ 815,000.00	$ (152,166.01)
Receipts Over(Under) Expenditures	92,850.68	20,282.33		
Unencumbered Cash, Beginning	325,355.64	418,206.32		
Unencumbered Cash, Ending	$ 418,206.32	$ 438,488.65		

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
DRIVER TRAINING FUND

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2021
With Comparative Actual For the Fiscal Year Ended June 30, 2020

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Local Sources				
Other	$ 2,250.00	$ 4,800.00	$ -	$ 4,800.00
State Sources				
State safety aid	2,860.00	2,346.00	2,400.00	(54.00)
Operating Transfer from Other Funds				
General	-	-	-	-
Total Receipts	5,110.00	7,146.00	$ 2,400.00	$ 4,746.00
Expenditures				
Instruction	5,626.87	6,776.14	$ 8,050.00	$ (1,273.86)
Vehicle Operating Services	379.09	399.93	550.00	(150.07)
Total Expenditures	6,005.96	7,176.07	$ 8,600.00	$ (1,423.93)
Receipts Over(Under) Expenditures	(895.96)	(30.07)		
Unencumbered Cash, Beginning	14,310.29	13,414.33		
Unencumbered Cash, Ending	$ 13,414.33	$ 13,384.26		

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
FOOD SERVICE FUND

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2021
With Comparative Actual For the Fiscal Year Ended June 30, 2020

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Local Sources				
Sales of food	$ 62,545.59	$ 12,519.46	$ 64,464.00	$ (51,944.54)
Other	-	-	22,000.00	(22,000.00)
State Sources				
State aid	2,535.45	3,247.79	1,562.00	1,685.79
Federal Sources				
School lunch and breakfast program	189,505.78	331,112.04	186,604.00	144,508.04
Other Federal grants	5,125.29	21,859.09	5,000.00	16,859.09
Operating Transfer from Other Funds				
General	-	10,100.00	-	10,100.00
Supplemental General	45,000.00	-	70,000.00	(70,000.00)
Total Receipts	304,712.11	378,838.38	$ 349,630.00	$ 29,208.38
Expenditures				
Food Service Operations	321,928.90	401,358.53	$ 374,250.00	$ 27,108.53
Total Expenditures	321,928.90	401,358.53	$ 374,250.00	$ 27,108.53
Receipts Over(Under) Expenditures	(17,216.79)	(22,520.15)		
Unencumbered Cash, Beginning	42,855.10	25,638.31		
Unencumbered Cash, Ending	$ 25,638.31	$ 3,118.16		

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
PROFESSIONAL DEVELOPMENT FUND

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2021
With Comparative Actual For the Fiscal Year Ended June 30, 2020

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
State Sources				
State aid	$ 1,407.00	$ 951.00	$ 1,800.00	$ (849.00)
Operating Transfer from Other Funds				
General	-	5,000.00	-	5,000.00
Supplemental General	11,000.00	-	6,000.00	(6,000.00)
Total Receipts	12,407.00	5,951.00	$ 7,800.00	$ (1,849.00)
Expenditures				
Instructional Support	12,848.44	5,315.79	$ 15,000.00	$ (9,684.21)
Total Expenditures	12,848.44	5,315.79	$ 15,000.00	$ (9,684.21)
Receipts Over(Under) Expenditures	(441.44)	635.21		
Unencumbered Cash, Beginning	7,728.74	7,287.30		
Unencumbered Cash, Ending	$ 7,287.30	$ 7,922.51		

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
SPECIAL EDUCATION FUND
Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2021
With Comparative Actual For the Fiscal Year Ended June 30, 2020

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Local Sources				
Other	$ -	$ -	$ -	$ -
Federal Sources				
Other	-	-	-	-
Operating Transfer from Other Funds				
General	442,053.80	491,975.72	500,000.00	(8,024.28)
Supplemental General	209,776.20	120,000.00	125,000.00	(5,000.00)
Total Receipts	651,830.00	611,975.72	$ 625,000.00	$ (13,024.28)
Expenditures				
Instruction	646,770.46	662,236.22	$ 733,990.00	$ (71,753.78)
Student Transportation Services	21,507.70	28,526.23	46,850.00	(18,323.77)
Total Expenditures	668,278.16	690,762.45	$ 780,840.00	$ (90,077.55)
Receipts Over(Under) Expenditures	(16,448.16)	(78,786.73)		
Unencumbered Cash, Beginning	182,526.72	166,078.56		
Unencumbered Cash, Ending	$ 166,078.56	$ 87,291.83		

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
CAREER AND POSTSECONDARY EDUCATION FUND
Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2021
With Comparative Actual For the Fiscal Year Ended June 30, 2020

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Local Sources				
Other	$ -	$ -	$ -	$ -
Federal Sources				
Tech Ed aid	1,599.00	-	-	-
Operating Transfer from Other Funds				
General	40,000.00	-	75,000.00	(75,000.00)
Supplemental General	-	102,000.00	-	102,000.00
Total Receipts	41,599.00	102,000.00	$ 75,000.00	$ 27,000.00
Expenditures				
Instruction	105,104.09	108,184.97	$ 123,100.00	$ (14,915.03)
Student Transportation Services	21.98	15,105.59	7,100.00	8,005.59
Total Expenditures	105,126.07	123,290.56	$ 130,200.00	$ (6,909.44)
Receipts Over(Under) Expenditures	(63,527.07)	(21,290.56)		
Unencumbered Cash, Beginning	120,311.05	56,783.98		
Unencumbered Cash, Ending	$ 56,783.98	$ 35,493.42		

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
GIFTS AND GRANTS FUND
Schedule of Receipts and Expenditures - Actual - Regulatory Basis
For the Fiscal Year Ended June 30, 2021
With Comparative Actual For the Fiscal Year Ended June 30, 2020

	Prior Year Actual	Current Year Actual
Receipts		
Local Sources		
Other	$ 14,520.00	$ 23,751.00
State Sources		
Other State aid	13.00	-
Federal Sources		
SPARK Grant	-	190,000.00
21st Century Grant	86,955.00	223,680.00
Kansas Reading	132,862.38	26,804.95
REAP Grant	24,341.36	25,300.64
Total Receipts	258,691.74	489,536.59
Expenditures		
Instruction	216,034.62	405,685.00
Support Services	62,308.35	48,070.97
Total Expenditures	278,342.97	453,755.97
Receipts Over(Under) Expenditures	(19,651.23)	35,780.62
Unencumbered Cash, Beginning	65,308.78	45,657.55
Unencumbered Cash, Ending	$ 45,657.55	$ 81,438.17

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
KPERS RETIREMENT FUND

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2021
With Comparative Actual For the Fiscal Year Ended June 30, 2020

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance - Over (Under)
Receipts				
State Sources				
KPERS aid	$ 470,981.77	$ 454,004.06	$ 521,494.00	$ (67,489.94)
Total Receipts	470,981.77	454,004.06	$ 521,494.00	$ (67,489.94)
Expenditures				
Instruction	332,042.15	320,072.87	$ 360,000.00	$ (39,927.13)
Support Services				
Student Support	21,665.17	20,884.18	24,994.00	(4,109.82)
Instructional Support	3,767.85	3,632.04	6,000.00	(2,367.96)
General Administration	24,020.07	23,154.20	27,500.00	(4,345.80)
School Administration	37,207.55	35,866.33	40,000.00	(4,133.67)
Operations and Maintenance	18,368.29	17,706.15	22,000.00	(4,293.85)
Transportation	21,194.18	20,430.18	25,000.00	(4,569.82)
Food Service	12,716.51	12,258.11	16,000.00	(3,741.89)
Total Expenditures	470,981.77	454,004.06	$ 521,494.00	$ (67,489.94)
Receipts Over(Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
CONTINGENCY RESERVE FUND
Schedule of Receipts and Expenditures - Actual - Regulatory Basis
For the Fiscal Year Ended June 30, 2021
With Comparative Actual For the Fiscal Year Ended June 30, 2020

	Prior Year Actual	Current Year Actual
Receipts		
Local Sources		
Other	$ -	$ 22,504.12
Operating Transfer from Other Funds		
General	-	-
Total Receipts	-	22,504.12
Expenditures		
Support Services	-	61,825.02
Total Expenditures	-	61,825.02
Receipts Over(Under) Expenditures	-	(39,320.90)
Unencumbered Cash, Beginning	291,426.16	291,426.16
Unencumbered Cash, Ending	$ 291,426.16	$ 252,105.26

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
CARES GRANT FUND
Schedule of Receipts and Expenditures - Actual - Regulatory Basis
For the Fiscal Year Ended June 30, 2021
With Comparative Actual For the Fiscal Year Ended June 30, 2020

	Prior Year Actual	Current Year Actual
Receipts		
Federal Sources		
Federal aid	$ 3,827.00	$ 95,941.00
Total Receipts	3,827.00	95,941.00
Expenditures		
Instruction	33,289.35	75,060.65
Support Services	-	-
Total Expenditures	33,289.35	75,060.65
Receipts Over(Under) Expenditures	(29,462.35)	20,880.35
Unencumbered Cash, Beginning	-	(29,462.35)
Unencumbered Cash, Ending	$ (29,462.35)	$ (8,582.00)

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
TITLE I FUND
Schedule of Receipts and Expenditures - Actual - Regulatory Basis
For the Fiscal Year Ended June 30, 2021
With Comparative Actual For the Fiscal Year Ended June 30, 2020

	Prior Year Actual	Current Year Actual
Receipts		
Federal Sources		
Federal aid	$ 125,779.00	$ 124,650.00
Total Receipts	125,779.00	124,650.00
Expenditures		
Instruction	118,596.73	130,107.63
Total Expenditures	118,596.73	130,107.63
Receipts Over(Under) Expenditures	7,182.27	(5,457.63)
Unencumbered Cash, Beginning	14,665.36	21,847.63
Unencumbered Cash, Ending	$ 21,847.63	$ 16,390.00

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
TITLE II A TEACHER QUALITY FUND
Schedule of Receipts and Expenditures - Actual - Regulatory Basis
For the Fiscal Year Ended June 30, 2021
With Comparative Actual For the Fiscal Year Ended June 30, 2020

	Prior Year Actual	Current Year Actual
Receipts		
Federal Sources		
Federal aid	$ 20,511.00	$ 20,449.00
Total Receipts	20,511.00	20,449.00
Expenditures		
Instruction	20,511.00	20,449.00
Total Expenditures	20,511.00	20,449.00
Receipts Over(Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	$ -	$ -

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
TITLE IV A FUND
Schedule of Receipts and Expenditures - Actual - Regulatory Basis
For the Fiscal Year Ended June 30, 2021
With Comparative Actual For the Fiscal Year Ended June 30, 2020

	Prior Year Actual	Current Year Actual
Receipts		
Federal Sources		
Federal aid	$ 14,909.00	$ 15,766.00
Total Receipts	14,909.00	15,766.00
Expenditures		
Instruction	14,909.00	15,766.77
Total Expenditures	14,909.00	15,766.77
Receipts Over(Under) Expenditures	-	(0.77)
Unencumbered Cash, Beginning	0.77	0.77
Unencumbered Cash, Ending	$ 0.77	$ (0.00)

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
BOND AND INTEREST FUND

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis
For the Fiscal Year Ended June 30, 2021
With Comparative Actual For the Fiscal Year Ended June 30, 2020

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Receipts				
Local Sources				
Ad Valorem property tax	$ 102,103.30	$ 101,265.34	$ 88,832.00	$ 12,433.34
Delinquent tax	1,788.49	4,421.48	1,879.00	2,542.48
Interest	-	-	-	-
County Sources				
Motor vehicle tax	1,073.41	1,895.19	12,717.00	(10,821.81)
State Sources				
State aid	117,041.00	118,582.00	117,627.00	955.00
Operating Transfer from Other Funds				
Construction Project Fund	-	-	-	-
Total Receipts	222,006.20	226,164.01	$ 221,055.00	$ 5,109.01
Expenditures				
Debt Service				
Principal	90,000.00	95,000.00	$ 95,000.00	$ -
Interest	83,337.50	80,562.50	80,563.00	(0.50)
Other	-	-	10.00	(10.00)
Total Expenditures	173,337.50	175,562.50	$ 175,573.00	$ (10.50)
Receipts Over(Under) Expenditures	48,668.70	50,601.51		
Unencumbered Cash, Beginning	331,591.60	380,260.30		
Unencumbered Cash, Ending	$ 380,260.30	$ 430,861.81		

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
MEMORIAL SCHOLARSHIPS FUND
Schedule of Receipts and Expenditures - Actual - Regulatory Basis
For the Fiscal Year Ended June 30, 2021
With Comparative Actual For the Fiscal Year Ended June 30, 2020

	Prior Year Actual	Current Year Actual
Receipts		
Local Sources		
Interest	$ 353.67	$ 565.04
Other	500.00	77,090.87
Total Receipts	853.67	77,655.91
Expenditures		
Scholarships	3,000.00	1,800.00
Total Expenditures	3,000.00	1,800.00
Receipts Over(Under) Expenditures	(2,146.33)	75,855.91
Unencumbered Cash, Beginning	43,908.14	41,761.81
Unencumbered Cash, Ending	$ 41,761.81	$ 117,617.72

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
AGENCY FUNDS
Summary of Receipts and Disbursements - Regulatory Basis
For the Fiscal Year Ended June 30, 2021

	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Agency Funds				
Student Organizations				
High School	$ 48,314.63	$ 86,986.28	$ 92,173.82	$ 43,127.09
Elementary School	14,356.28	3,562.78	8,584.02	9,335.04
Total Agency Funds	$ 62,670.91	$ 90,549.06	$ 100,757.84	$ 52,462.13

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
DISTRICT ACTIVITY FUNDS

Schedule of Receipts, Expenditures, and Unencumbered Cash - Regulatory Basis
For the Fiscal Year Ended June 30, 2021

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance June 30, 2021
Gate Receipts						
High School - Athletics	$ 15.18	$ 21,181.45	$ 21,196.63	$ -	$ -	$ -
Jr High School - Athletics	(200.00)	1,855.00	1,655.00	-	-	-
Total Gate Receipts	(184.82)	23,036.45	22,851.63	-	-	-
Total District Activity Funds	$ (184.82)	$ 23,036.45	$ 22,851.63	$ -	$ -	$ -

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS

FEDERAL COMPLIANCE SECTION

For the Fiscal Year Ended June 30, 2021

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2021

Federal Grantor Pass Through Grantor Program Title	Federal CFDA Number	Receipts		Expenditures
U.S. Department of Agriculture				
Passed Through the State of Kansas Department of Education				
School Breakfast Program	10.553	$ -	a	$ -
National School Lunch Program	10.555	59,659.09	a	59,659.09
Summer School Program	10.559	271,452.95	a	271,452.95
Nutrition Cluster		331,112.04	a	331,112.04
Fresh Fruits and Vegetables Program	10.582	21,859.09		21,859.09
Total U.S. Department of Agriculture		352,971.13		352,971.13
U.S. Department of the Treasury				
Passed through Bourbon County, Kansas from the State of Kansas Governor's Office				
Coronavirus Relief Fund	21.019	190,000.00	b	190,000.00
U.S. Department of Education				
Direct Grant from the U.S. Department of Education				
Small Rural School Achievement Prog	84.358	25,300.64		27,551.93
Passed Through the State of Kansas Department of Education				
Title I Grants to Local Education Agencies	84.010	124,650.00		130,107.63
21st Century Grant	85.287	223,680.00		211,588.87
Title II Improving Teacher Quality	84.367	20,449.00		20,449.00
Supporting Effective Instruction Grant	84.424	15,766.00		15,766.77
CARE	84.425	95,941.00	b	75,060.65
Totals U.S. Department of Education		505,786.64		480,524.85
U.S. Department of Health and Human Services				
Passed Through Kansas Reading Roadmap, Inc.				
Temporary Assistance for Needy Families	93.558	26,804.95		16,712.50
Total Federal Awards		$ 1,075,562.72		$ 1,040,208.48

Notes to the Schedule of Expenditures of Federal Awards:

Expenses in this schedule are presented in according with Generally Accepted Accounting Principles, and include amounts paid as well as accounts payable for goods or services received. Expenses in this schedule do not agreee with the expenses according to the financial statements for the Covid 19 grant inasmuch as expenses in the financial statements include encumbrances in accordance with the regulatory basis of accounting.

a = Food Service Cluster

b = COVID related awared

There were no subrecipients from the District.

Pass thru entities did not assign a specific identifying number.

The District did not use the 10% de minimus rate for indirect costs.

Diehl
Banwart
Bolton
Certified Public Accountants PA

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

To the Board of Education
Unified School District #235
Uniontown, Kansas 66779

Report on Compliance for Each Major Federal Program
We have audited the Unified School District #235's (District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District'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 the requirements of laws, regulations, contracts and grants applicable to its federal programs.

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

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

Opinion on Each Major Federal Program
In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

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

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

Our consideration of 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.

Diehl, Banwart, Bolton, CPAs, PA
DIEHL, BANWART, BOLTON, CPAs PA

September 1, 2021
Fort Scott, Kansas

Diehl
Banwart
Bolton
Certified Public Accountants PA

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

To the Board of Education
Unified School District #235
Uniontown, Kansas 66779

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Bourbon County Unified School District #235 as of the year ended June 30, 2021, and have issued our report thereon dated September 1, 2021.

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

A deficiency in *internal 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 statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting 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 significant deficiencies or material weaknesses. Therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance 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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Diehl, Banwart, Bolton, CPAs PA

DIEHL, BANWART, BOLTON, CPAs PA

September 1, 2021
Fort Scott, Kansas

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

SECTION I: SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued:

The auditors' report was adverse for departures from accounting principles generally accepted in the United State of America due to the preparation of the financial statements in accordance with the Kansas regulatory basis of accounting. An unmodified opinion on the regulatory basis of accounting financial statement of the government was issued.

Internal control over financial reporting:

- Material weakness identified? ___ Yes _X_ No
- Significant deficiency identified? ___ Yes _X_ None reported
- Noncompliance material to financial statements noted? ___ Yes _X_ No

FEDERAL AWARDS

Internal control over major programs:

- Material weakness identified? ___ Yes _X_ No
- Significant deficiency identified? ___ Yes _X_ None reported

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of the Uniform Guidance? ___ Yes _X_ No

Identification of major programs:

CFDA Numbers	Name of Federal Program
10.553, 10.555 & 10.559	Child Nutrition Cluster
21.019	Coronavirus Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs: $ 750,000

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

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS

Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

SECTION II - FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No material findings or questioned costs required to be disclosed under the Uniform Guidance.

UNIFIED SCHOOL DISTRICT #235
UNIONTOWN, KANSAS

Summary Schedule of Prior Audit Findings
For the Fiscal Year Ended June 30, 2021

No audit findings relative to the federal award programs.