UNIFIED SCHOOL DISTRICT NO. 417

Council Grove, Kansas

FINANCIAL STATEMENT

WITH REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

AND

INDEPENDENT AUDITOR'S REPORT

June 30, 2021

VARNEY & ASSOCIATES, CPAs, LLC
Manhattan, Kansas

UNIFIED SCHOOL DISTRICT NO. 417
Council Grove, Kansas
TABLE OF CONTENTS
June 30, 2021

		Page
INDEPENDENT AUDITOR'S REPORT		1 - 3
FINANCIAL STATEMENT		
Summary Statement of Receipts, Expenditures And Unencumbered Cash	Statement 1	4
NOTES TO FINANCIAL STATEMENT		5 - 12
REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION		
Summary of Expenditures - Actual and Budget	Schedule 1	14
Schedule of Receipts and Expenditures - Actual and Budget		
General Fund	Schedule 2-A	15
Supplemental General Fund	Schedule 2-B	16
Special Purpose Funds		
Pre-School At-Risk	Schedule 2-C	17
At-Risk (K-12)	Schedule 2-D	18
Bilingual Education	Schedule 2-E	19
Capital Outlay	Schedule 2-F	20
Driver Education	Schedule 2-G	21
Extraordinary School Program	Schedule 2-H	22
Food Service	Schedule 2-I	23
Professional Development	Schedule 2-J	24
Special Education	Schedule 2-K	25
Career and Postsecondary Education	Schedule 2-L	26
Gifts and Grants	Schedule 2-M	27
KPERS Retirement Contributions	Schedule 2-N	28
Virtual Education	Schedule 2-O	29
Title I	Schedule 2-P	30
Title II-A Teacher Quality	Schedule 2-Q	31
Contingency Reserve	Schedule 2-R	32
Textbooks and Student Materials	Schedule 2-S	33
Rural Education Achievement Program (REAP)	Schedule 2-T	34
Kansas Reading Roadmap	Schedule 2-U	35
COPS Grant	Schedule 2-V	36
ESSER II	Schedule 2-W	37
Bond & Interest Fund	Schedule 2-X	38
Improvement Fund	Schedule 2-Y	39
Memorials and Trusts	Schedule 2-Z	40
Summary of Receipts and Disbursements - Agency Funds	Schedule 3	41
Schedule of Receipts, Expenditures, and Unencumbered Cash - Activity Funds	Schedule 4	42

UNIFIED SCHOOL DISTRICT NO. 417
Council Grove, Kansas
TABLE OF CONTENTS
June 30, 2021

	Page
OTHER SUPPLEMENTARY INFORMATION	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statement Performed in Accordance with *Government Auditing Standards*	43 - 44
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance in Accordance with the Uniform Guidance	45 - 46
Schedule of Expenditures of Federal Awards	47
Notes to the Schedule of Expenditures of Federal Awards	48
Schedule of Findings and Questioned Costs	49

May 9, 2022

VARNEY
& ASSOCIATES, CPAs, LLC

Board of Education
Unified School District No. 417
Council Grove, Kansas

Independent Auditor's Report

Adverse and Unmodified Opinions
We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 417 (the District), as of and for the year ended June 30, 2021 and the related notes to the financial statements.

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 and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 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 accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the District as of June 30, 2021, and the aggregate receipts and expenditures for they year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* (KMAAG) described in Note 1.

Basis for Adverse and Unmodified Opinions
We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and KMAAG. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

Matter Giving Rise to the Adverse Opinion on U.S. Generally Accepted Accounting Principles
As discussed in Note 1 of the financial statement, the financial statement is prepared by the District on the basis of the financial reporting provisions of the KMAAG, 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.

Responsibilities of Management for the Financial Statement
Management is responsible for the preparation and fair presentation of the financial statement in accordance with KMAAG as described in Note 1; this includes determining 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 financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

1501 Poyntz Avenue
Manhattan, KS 66502

785-537-2202 • fax 785-537-1877
http://www.varney.com

1020 Commercial St., Suite A
Emporia, KS 66801

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Supplementary Information

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

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the District as of and for the year ended June 30, 2020 (not presented herein), and have issued our report thereon dated June 14, 2021, which contained an unmodified opinion on the basic financial statement. The 2020 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the website of the Kansas Department of Administration at the following link https://admin.ks.gov/offices/oar/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, 2020 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2020 comparative information was subjected to the auditing procedures applied in the audit of the 2021 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 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, 2021, on the basis of accounting described in Note 1.

Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance
Our audit was performed for the purpose of forming an opinion on the regulatory basis financial statement of the District, taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and 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 Schedule of Expenditures of Federal Awards 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 May 9, 2022, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

Varney & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

UNIFIED SCHOOL DISTRICT NO. 417

Council Grove, Kansas

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH

Regulatory Basis

For the Year Ended June 30, 2021

	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
GOVERNMENTAL TYPE FUNDS							
General Funds:							
General	$ -	$ -	$ 6,855,137	$ 6,855,137	$ -	$ 406,049	$ 406,049
Supplemental General	385,790	-	2,332,658	2,297,432	421,016	379	421,395
Special Purpose Funds							
Preschool-Aged At-Risk	64,575	-	122,699	90,218	97,056	15,376	112,432
At-Risk (K-12)	-	-	1,268,452	1,218,452	50,000	124,271	174,271
Bilingual Education	-	-	44,319	41,375	2,944	6,834	9,778
Capital Outlay	1,518,234	-	1,865,666	2,075,221	1,308,679	-	1,308,679
Driver Training	37,039	-	16,100	11,793	41,346	2	41,348
Extraordinary School Program	45,746	-	31,445	27,391	49,800	3,226	53,026
Food Service	129,803	-	589,897	592,880	126,820	27,761	154,581
Professional Development	133,734	-	50,275	14,989	169,020	2	169,022
Special Education	601,094	-	1,652,040	1,486,548	766,586	(435)	766,151
Career and Postsecondary Education	47,174	-	404,994	204,229	247,939	30,777	278,716
Gifts and Grants	124,941	-	85,801	94,911	115,831	-	115,831
KPERS Retirement	-	-	710,721	710,721	-	-	-
Virtual Education	-	-	-	-	-	-	-
Title I	(438)	-	135,000	171,884	(37,322)	6,860	(30,462)
Title II A Teacher Quality	(5,452)	-	5,000	998	(1,450)	12	(1,438)
Contingency Reserve	349,737	-	333,932	-	683,669	-	683,669
Textbooks and Student Materials	179,326	-	191,137	7,023	363,440	-	363,440
Rural Education Achievement Program (REAP)	-	-	24,090	24,090	-	-	-
Kansas Reading Roadmap	(24,646)	-	24,646	-	-	1	1
ESSER II	-	-	-	451	(451)	1	(450)
COPS Grant	-	-	-	452,913	(452,913)	-	(452,913)
District Activity Funds	21,496	-	158,941	158,248	22,189	-	22,189
Bond and Interest Fund	983,091	-	994,670	617,944	1,359,817	-	1,359,817
Capital Project Fund							
School Improvement Fund	418	-	-	418	-	-	-
Trust Fund							
Private Purpose Trust Funds	10,926	-	25	-	10,951	-	10,951
Total Reporting Entity (Excluding Agency Funds)	$ 4,602,588	$ -	$ 17,897,645	$ 17,155,266	$ 5,344,967	$ 621,116	$ 5,966,083

Composition of Cash	
Bank Deposits	$ 6,029,755
Less: Agency funds per Schedule 3	(63,672)
Total Reporting Entity (Excluding Agency Funds)	$ 5,966,083

The accompanying notes are an integral part of this financial statement.

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 417
Council Grove, Kansas
NOTES TO FINANCIAL STATEMENT
For the Year Ended June 30, 2021

Note 1: Summary of Significant Accounting Policies

Unified School District No. 417 (the District) was organized in accordance with State Statutes to provide a system of public education to elementary through high school students who reside within the designated District areas. The District is a municipal corporation governed by an elected seven-member Board of Education. The District's financial statement does not include any related municipal entities.

Regulatory Basis Fund Types

The accounts of the District are organized and operated on the basis of funds, which are used to record the District's financial transactions. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Cash and other financial resources are recorded together with all related expenditures. A fund is used to segregate specific activities and for the purpose of attaining certain objectives in accordance with special regulations, restrictions, and limitations. The following types of funds comprise the financial activities of the District.

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

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

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

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

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

Agency fund -- used to report assets held by the District in a purely custodial capacity.

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 of application of generally accepted accounting principles and allowing the District to use the regulatory basis of accounting.

Note 1: Summary of Significant Accounting Policies (Continued)

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. 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 twelve month period on or before August 1st of each year.
2. Publication in a local newspaper of the proposed budget and this notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time.

The 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 budget expenditure authority lapses at year end.

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

Textbook Rental	Contingency Reserve	District Activity Funds
School Improvement Fund	Federal & State Grants	

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

Property Tax Revenue

Property taxes are levied by the Kansas counties in which the school district resides on November 1 and are payable in two installments on December 20 and May 10 of the subsequent year. The counties collect and distribute in the succeeding year all property taxes collected for the District. The county distributes the collections of the General Fund 20 mils to the State of Kansas, who then distributes to the District.

Use of Estimates

The preparation of the financial statement in conformity with the regulatory basis of accounting requires management to make estimates and assumptions that affect the reported amounts of cash receipts, expenditures, and cash and unencumbered cash balances at the date of the financial statement. Accordingly, actual results could differ from those estimates.

Note 2: Deposits and Investments

The District maintains a cash and investment pool that is available for use by all funds. The District held no investments during the year, only deposits with allowable financial institutions. All interest earned during the year on idle funds was credited to the capital outlay fund as allowed by Kansas statutes.

K.S.A. 9-1401 established 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 or depository risk.

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policies 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. K.S.A. 9-1402 and 9-1405 require the District's deposits in a financial institution 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.

At June 30, 2021, the carrying amount of the District's deposits was $6,029,755. The bank balance was $5,711,801. The bank balance was held by four banks, resulting in a concentration of credit risk. Of the bank balances, $370,814 was secured by FDIC insurance and the remaining $5,340,987 was collateralized by pledged securities with a fair market value of $7,351,313 held under joint custody receipts issued by a third-party bank in the school district's name. Each third-party bank holding the pledged securities is independent of the pledging bank.

Note 3: In-Substance Receipt in Transit

The District received $380,938 for general fund and $72,801 for supplemental general fund subsequent to June 30, 2021, and as required by K.S.A. 72-5135(d), the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2021.

Note 4: Defined Benefit Pension Plan

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

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate 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 $710,721 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 $7,152,956. 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.

Note 5: Other Post Employment Benefits

Compensated Absences

The District's personnel earn ten days of sick leave per contract year. Any employee who completes a year with more than sixty days of accrued sick leave will be reimbursed at thirty-five dollars per day for each day in excess of sixty days. Upon separation of service, any unused sick leave is lost. Instructional personnel may take two days of personal leave per year and may accumulate up to six personal days. Provisions provide for legal leave, emergency leave, sabbatical leave, leave without pay, and professional leave. These may or may not result in a deduction in pay depending on determinations from the School Board. The District also has adopted a Family Medical Leave Policy.

Vacation pay is earned by twelve month employees as follows: first contract year = 5 days; second to tenth contract year = 10 days; eleventh to fifteenth contract year = 15 days; and sixteenth contract year and beyond = 20 days. No more than five vacation days may be carried over each year. A grandfather provision allows some employees a greater carryover. This carryover equals the amount of vacation time accumulated as of June 30, 1999 plus five days.

The District recognizes these benefits as paid; therefore, no provision for accumulated leave has been made in the financial statement. Compensated absence payments are made from the fund that corresponds to the employee duties.

Other Post Employment Benefits

The District provides an early retirement program as described in the District's negotiated agreement with certified personnel. As a measure of appreciation for their services, the District offers an early retirement cash benefit. This benefit is based on the retiree's salary at the time of retirement times the combined factors of age, years of experience in the District, and column placement on the salary schedule. The age factor provides a 5-15% benefit; the years in the District factor add between 4-15%; and the column placement factor results in a 1-5% benefit. Employees must submit a written request to the District's Board of Education prior to April 1 preceding the anticipated retirement date. To correspond with KPERS retirement dates, teachers may elect June 1, July 1, August 1 or September 1 as the retirement date. The cash benefit is paid on the retirement date into an employee sponsored 403(b) account.

The District has also established an employer funded 403(b) retirement plan. Eligibility requirements and benefit amounts are described more fully in the 403(b) plan document. These benefits are financed by the District on a pay-as-you-go basis. An estimate has not been made of the total amount of post-employment benefits of the District or reported in this financial statement.

Other Post Employment Benefits

The District provides health insurance to early retirees. Those eligible include retirees less than age 60 with 10 years of continuous employment in the District and KPERS qualified 85 points for retirement. The monthly contribution amount is limited to the amount contributed to a currently employed certified teacher for membership in the District's health plan. The maximum benefit is for three years. Retirees between the ages of 60 and 64 with 5 years of continuous employment in the District receive a monthly contribution amount equal to the amount contributed to a currently employed certified teacher for membership in the District's health plan until the retiree reaches age 65. The District finances these benefits on a pay-as-you-go basis. These expenditures have been included as part of the General Fund. An estimate has not been made of the total amount of post-employment benefit liability of the District or reported in the 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. There is no cost to the District under this program.

Note 5: Other Post Employment Benefits (Continued)

Section 125 Benefit Plan

The District maintains an Internal Revenue Code Section 125 plan "cafeteria plan". The amount of salary to be reduced shall not exceed the sum authorized by the Internal Revenue Code. For all other employees, the benefit is prorated. Employees must designate his/her entire allocation into any combination of health insurance, term life insurance, salary protection insurance, cancer insurance, and child care and/or medical reimbursement. The District contributes an amount equal to the annual premium of a single health insurance plan for certified instructional personnel. For all other employees, the benefit is prorated.

Note 6: Interfund Transfers

The District made the following operating transfers during 2021. The transfers were approved by the Board of Education.

From	To	Regulatory Authority	Amount
General Fund	Preschool-Aged At-Risk	K.S.A. 72-5167	$ 22,699
General Fund	At-Risk (K-12)	K.S.A. 72-5167	1,004,028
General Fund	Bilingual Education	K.S.A. 72-5167	41,375
General Fund	Special Education	K.S.A. 72-5167	1,652,040
General Fund	Contingency Reserve	K.S.A. 72-5167	333,932
Supplemental General Fund	Preschool-Aged At-Risk	K.S.A. 72-5143	100,000
Supplemental General Fund	At-Risk (K-12)	K.S.A. 72-5143	264,424
Supplemental General Fund	Bilingual Education	K.S.A. 72-5143	2,944
Supplemental General Fund	Extraordinary School Program	K.S.A. 72-5143	20,000
Supplemental General Fund	Professional Development	K.S.A. 72-5143	50,000
Supplemental General Fund	Career and Postsecondary Ed	K.S.A. 72-5143	397,106
Supplemental General Fund	Textbooks	K.S.A. 72-5143	150,000
Total Transfers			$ 4,038,548

Note 7: Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. Settlements of claims have not exceeded coverage during the past three fiscal years.

Note 8: Contingencies

The District receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statement of the District at June 30, 2021.

Note 9: Subsequent Events

Management has evaluated the effects on the financial statement of subsequent events occurring through May 9, 2022, which is the date at which the financial statement was available to be issued.

Note 10: Exception to Cash Basis Law for Certain Funds

Generally, compliance with Kansas statutes requires that the District maintain each fund with cash and unencumbered cash that is at or above zero. However, as excepted by K.S.A. 10-1116(b), school districts may create indebtedness in a fund, through purchase orders or employee contracts, limited to 100% of the amount actually expended in the preceding fiscal year.

The following funds had deficit balances at June 30, 2021 but meet the exception provided by K.S.A.10-1116(b): Title I, Title IIA Teacher Quality, ESSER II, and COPS Grant.

Note 11: Stewardship, Compliance and Accountability

K.S.A. 79-2935 states expenditures are to be controlled so that no indebtedness is created in excess of budgeted limits. There were no budget violations during the current year.

Note 12: COVID-19

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the District's financial condition, liquidity and future results of operations. Management is actively monitoring the global and local situation on its financial condition, liquidity, operations, suppliers, industry and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the District is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition or liquidity for fiscal year 2021.

Note 13: CRF and CARES Act Funding

As a result of COVID-19, the State of Kansas has received Coronavirus Relief Funds (CRF) under the Coronavirus Aid, Relief and Economic Security (CARES) Act. The CRF were passed through to the counties of Kansas through Strengthening People and Revitalizing Kansas (SPARK). SPARK's first round distribution was to local governments in the amount of $400 million. The District received CRF in the amount of $321,703 during fiscal year 2021. The CRF are to be used to strengthen health, to allow the economy to reopen safely and to remain open. Additional information and updates on SPARK, the CARES Act and CRF, which includes audit requirements, can be found at https://covid.ks.gov/.

Note 14: Long-Term Debt

General Obligation Bonds

On October 9, 2009, $500,000 of General Obligation Bonds Series 2008-A were sold at an interest rate of 2.75% and maturity date of April 1, 2009. On November 12, 2009, $8,760,000 of General Obligation Bonds Series 2008-B were sold at interest rates of 4.65% to 6% for a meet interest cost of 4.90% over the life of the bonds. The Series 2008-A bond principal of $500,000 and interest of $1,833 were paid off with proceeds of the Series 2008-B Bonds. The remainder of the bond proceeds was used to make improvements to the existing Council Grove High School, to pay interest on the bonds during construction, and to pay for the cost of issuance of the bonds. The first interest payment for the Series 2008-B was made on March 1, 2009. The payments are made from the Bond & Interest Fund.

On May 1, 2013, the District issued $4,085,000 of General Obligation Bonds Series 2013 at interest rates of 2.25% to 2.45%, for the purpose of advance refunding a portion of the above Series 2008-B General Obligation Bonds still outstanding. The net proceeds of the bonds of $4,077,209 (net of reoffering premiums and underwrite discounts), along $970,000 from the District's Redemption Fund were sent to the escrow agent, Security Bank of Kansas City. Of the $5,047,209 sent to the escrow agent, $4,994,244 was placed in an irrevocable escrow trust fund, assigned solely for the purpose of payment of principal on the refunded bonds and interest on the new issue through September 1, 2018. Additionally, $49,465 was used for cost of issuance fees and $3,500 was deposited into a compliance account. The advance refunded bonds in the amount of $4,675,000 are considered to be defeased and are not disclosed as debt of the District, other than interest payments the District will continue to make, nor is the trust considered to be an investment of the District. This refunding decreased total debt service payments by $666,052, resulting in an economic gain (the difference between the present value of the debt service payments on the new and old debt) of $308,511.

Note 14: Long-Term Debt (Continued)

Changes in long-term debt transactions for the District for the year ended June 30, 2021, were as follows:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Beginning of Year	Additions	Reductions/ Payments	End of Year	Interest Paid
General Obligation Bonds:									
Series 2008-B	4.65 - 6%	11/12/2009	$ 8,760,000	9/1/2022	$ 1,525,000	$ -	$ 460,000	$ 1,065,000	$ 62,790
Series 2013	2.25 - 2.45%	5/1/2013	4,085,000	9/1/2028	4,085,000	-	-	4,085,000	95,154
Lease Purchase	3%	6/24/2021	1,000,000	6/24/2031	-	1,000,000	-	1,000,000	-
					$ 5,610,000	$ 1,000,000	$ 460,000	$ 6,150,000	$ 157,944

Current maturities of long-term debt and interest for the next five years is as follows:

	2022	2023	2024	2025	2026	2027-2031	Total
Principal							
Series 2008	$ 505,000	$ 560,000	$ -	$ -	$ -	$ -	$ 1,065,000
Series 2013	-	-	-	560,000	610,000	2,915,000	4,085,000
Lease Purchase	-	100,000	100,000	100,000	100,000	600,000	1,000,000
Total Principal Payments	$ 505,000	$ 660,000	$ 100,000	$ 660,000	$ 710,000	$ 3,515,000	$ 6,150,000
Interest							
Series 2008	$ 62,790	$ 38,665	$ -	$ -	$ -	$ -	$ 101,455
Series 2013	95,154	95,154	95,154	88,854	75,691	145,576	595,583
Lease Purchase	-	13,124	13,124	13,124	13,124	78,744	131,240
Total Interest Payments	$ 157,944	$ 146,943	$ 108,278	$ 101,978	$ 88,815	$ 224,320	$ 828,278
Total Principal and Interest	$ 662,944	$ 806,943	$ 208,278	$ 761,978	$ 798,815	$ 3,739,320	$ 6,978,278

REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE 1

UNIFIED SCHOOL DISTRICT NO. 417
Council Grove, Kansas
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
For the Year Ended June 30, 2021

Funds	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
Governmental Type Funds						
General Fund	$ 7,051,436	$ (235,402)	$ 39,103	$ 6,855,137	$ 6,855,137	$ -
Supplemental General	2,278,348	(14,106)	33,190	2,297,432	2,297,432	-
Special Purpose Funds						
Pre-School At-Risk	199,577	-	-	199,577	90,218	(109,359)
At-Risk (K-12)	1,218,452	-	-	1,218,452	1,218,452	-
Bilingual Education	43,000	-	-	43,000	41,375	(1,625)
Capital Outlay	2,138,820	-	-	2,138,820	2,075,221	(63,599)
Driver Training	31,710	-	-	31,710	11,793	(19,917)
Extraordinary School Program	66,747	-	-	66,747	27,391	(39,356)
Food Service	709,404	-	-	709,404	592,880	(116,524)
Professional Development	141,440	-	-	141,440	14,989	(126,451)
Special Education	2,215,504	-	-	2,215,504	1,486,548	(728,956)
Career and Postsecondary Education	300,000	-	-	300,000	204,229	(95,771)
Gifts and Grants	234,941	-	-	234,941	84,191	(150,750)
KPERS	793,584	-	-	793,584	710,721	(82,863)
Virtual Education	7,409	-	-	7,409	-	(7,409)
Bond and Interest Funds						
Bond and Interest	617,944	-	-	617,944	617,944	-
Total Funds	$ 18,048,316	$ (249,508)	$ 72,293	$ 17,871,101	$ 16,328,521	$ (1,542,580)

UNIFIED SCHOOL DISTRICT NO. 417
Council Grove, Kansas
GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021
With Comparative Totals for the Year Ended June 30, 2020

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance - Over (Under)
CASH RECEIPTS				
Local Sources				
Reimbursed expenditures	$ 59,951	$ 39,103	$ -	$ 39,103
State Sources				
General state aid	6,540,910	6,815,713	7,051,436	(235,723)
Mineral production tax	1,162	321	-	321
Total Cash Receipts	$ 6,602,023	$ 6,855,137	$ 7,051,436	$ (196,299)
EXPENDITURES				
Instruction	$ 2,184,232	$ 2,199,951	$ 2,328,375	$ (128,424)
Student support services	223,384	171,186	250,000	(78,814)
Instructional support staff	122,626	126,631	137,000	(10,369)
General administration	310,916	319,985	353,000	(33,015)
School administration	509,986	509,686	537,000	(27,314)
Central services	151,176	143,752	160,000	(16,248)
Operations and maintenance	65,295	78,138	69,000	9,138
Student transportation	198,499	251,734	256,200	(4,466)
Transfers to other funds	2,835,909	3,054,074	2,960,861	93,213
Adjustment to comply with legal maximum	-	-	(235,402)	235,402
Legal Maximum General Fund Budget	$ 6,602,023	$ 6,855,137	$ 6,816,034	$ 39,103
Adjustment for Qualifying Budget Credits	-	-	39,103	(39,103)
Total Expenditures	$ 6,602,023	$ 6,855,137	$ 6,855,137	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ -	$ -		
UNENCUMBERED CASH - BEGINNING	-	-		
UNENCUMBERED CASH - ENDING	$ -	$ -		

UNIFIED SCHOOL DISTRICT NO. 417
Council Grove, Kansas
SUPPLEMENTAL GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021
With Comparative Totals for the Year Ended June 30, 2020

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS				
Local Sources				
Ad valorem tax	$ 1,550,827	$ 1,273,490	$ 1,278,969	$ (5,479)
Delinquent tax	19,335	17,337	16,992	345
Transportation fees	6,039	-	-	-
Reimbursed expenditures	11,934	36,887	-	36,887
County Sources				
Motor vehicle tax	131,931	135,345	117,363	17,982
Recreational vehicle tax	2,443	2,980	2,292	688
Commercial vehicle tax	2,806	3,037	2,608	429
State Sources				
General state aid	735,904	863,582	868,962	(5,380)
Total Cash Receipts	$ 2,461,219	$ 2,332,658	$ 2,287,186	$ 45,472
EXPENDITURES				
Instruction	$ 575,445	$ 330,782	$ 599,998	$ (269,216)
Student support services	9,606	4,725	13,000	(8,275)
Instructional support staff	21,371	23,906	28,000	(4,094)
General administration	126,661	83,919	148,000	(64,081)
School administration	11,000	11,081	32,000	(20,919)
Operations and maintenance	797,649	767,637	937,350	(169,713)
Student transportation	107,413	90,908	217,000	(126,092)
Transfers to other funds	537,938	984,474	303,000	681,474
Adjustment to comply with legal maximum	-	-	(14,106)	14,106
Legally adopted budget	$ 2,187,083	$ 2,297,432	$ 2,264,242	$ 33,190
Adjustment for Qualifying Budget Credits	-	-	33,190	(33,190)
Total Expenditures	$ 2,187,083	$ 2,297,432	$ 2,297,432	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ 274,136	$ 35,226		
UNENCUMBERED CASH - BEGINNING	111,654	385,790		
Cancelled Prior Year Encumbrances	-	-		
UNENCUMBERED CASH - ENDING	$ 385,790	$ 421,016		

UNIFIED SCHOOL DISTRICT NO. 417
Council Grove, Kansas
PRESCHOOL-AGED AT-RISK
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021
With Comparative Totals for the Year Ended June 30, 2020

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance - Over (Under)
CASH RECEIPTS				
Other Sources				
Transfer from other funds	$ 129,137	$ 122,699	$ 135,000	$ (12,301)
EXPENDITURES				
Instruction	$ 72,062	$ 90,218	$ 199,577	$ (109,359)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 57,075	$ 32,481		
UNENCUMBERED CASH - BEGINNING	7,500	64,575		
UNENCUMBERED CASH - ENDING	$ 64,575	$ 97,056		

UNIFIED SCHOOL DISTRICT NO. 417
Council Grove, Kansas
AT RISK (K-12)
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021
With Comparative Totals for the Year Ended June 30, 2020

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS				
Other Sources				
Transfer from other funds	$ 1,194,562	$ 1,268,452	$ 1,218,452	$ 50,000
EXPENDITURES				
Instruction	$ 1,085,513	$ 1,110,790	$ 1,095,952	$ 14,838
Student support services	116,549	107,662	122,500	(14,838)
Total Expenditures	$ 1,202,062	$ 1,218,452	$ 1,218,452	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ (7,500)	$ 50,000		
UNENCUMBERED CASH - BEGINNING	7,500	-		
UNENCUMBERED CASH - ENDING	$ -	$ 50,000		

UNIFIED SCHOOL DISTRICT NO. 417
Council Grove, Kansas
BILINGUAL EDUCATION
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021
With Comparative Totals for the Year Ended June 30, 2020

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance - Over (Under)
CASH RECEIPTS				
Other Sources				
Transfer from other funds	$ 28,352	$ 44,319	$ 43,000	$ 1,319
EXPENDITURES				
Instruction	$ 40,012	$ 41,375	$ 43,000	$ (1,625)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (11,660)	$ 2,944		
UNENCUMBERED CASH - BEGINNING	11,660	-		
UNENCUMBERED CASH - ENDING	$ -	$ 2,944		

UNIFIED SCHOOL DISTRICT NO. 417
Council Grove, Kansas
CAPITAL OUTLAY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021
With Comparative Totals for the Year Ended June 30, 2020

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance - Over (Under)
CASH RECEIPTS				
Local Sources				
Ad valorem tax	$ 600,866	$ 537,759	$ 380,576	$ 157,183
Delinquent tax	6,839	6,541	6,661	(120)
Interest	19,671	19,772	-	19,772
Other	135,123	121,041	-	121,041
Reimbursed expenditures	132,505	-	-	-
County Sources				
Motor vehicle tax	42,775	43,972	45,199	(1,227)
Recreational vehicle tax	791	1,037	883	154
Commercial vehicle tax	907	1,149	1,005	144
State Sources				
General state aid	127,478	134,395	134,417	(22)
Other Sources				
Bond proceeds	-	1,000,000	-	1,000,000
Total Cash Receipts	$ 1,066,955	$ 1,865,666	$ 568,741	$ 1,296,925
EXPENDITURES				
Instruction	$ 232,235	$ 67,814	$ 409,482	$ (341,668)
Support services	-	-	39,338	(39,338)
General Administration	-	-	45,000	(45,000)
School Administration	-	443	20,000	(19,557)
Central services	-	100,000	-	100,000
Operations and maintenance	25,727	24,996	300,000	(275,004)
Student transportation	9,432	31,645	250,000	(218,355)
Facility acquisition and construction	720,328	1,850,323	1,075,000	775,323
Total Expenditures	$ 987,722	$ 2,075,221	$ 2,138,820	$ (63,599)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 79,233	$ (209,555)		
UNENCUMBERED CASH - BEGINNING	1,439,001	1,518,234		
Cancelled Prior Year Encumbrances	-	-		
UNENCUMBERED CASH - ENDING	$ 1,518,234	$ 1,308,679		

UNIFIED SCHOOL DISTRICT NO. 417
Council Grove, Kansas
DRIVER EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021
With Comparative Totals for the Year Ended June 30, 2020

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance - Over (Under)
CASH RECEIPTS				
Local Sources				
Other revenue	$ 11,103	$ 12,020	$ 5,000	$ 7,020
State Sources				
General state aid	2,600	4,080	3,375	705
Total Cash Receipts	$ 13,703	$ 16,100	$ 8,375	$ 7,725
EXPENDITURES				
Instruction	$ 4,218	$ 11,793	$ 27,210	$ (15,417)
Operations and maintenance	298	-	4,500	(4,500)
Total Expenditures	$ 4,516	$ 11,793	$ 31,710	$ (19,917)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 9,187	$ 4,307		
UNENCUMBERED CASH - BEGINNING	27,852	37,039		
UNENCUMBERED CASH - ENDING	$ 37,039	$ 41,346		

UNIFIED SCHOOL DISTRICT NO. 417
Council Grove, Kansas
EXTRAORDINARY SCHOOL PROGRAM
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021
With Comparative Totals for the Year Ended June 30, 2020

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS				
Local Sources				
Other	$ 16,810	$ 11,445	$ 1,000	$ 10,445
Tuition	20,000	20,000	20,000	-
Total Cash Receipts	$ 36,810	$ 31,445	$ 21,000	$ 10,445
EXPENDITURES				
Instruction	$ 24,368	$ 27,391	$ 66,747	$ (39,356)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 12,442	$ 4,054		
UNENCUMBERED CASH - BEGINNING	33,304	45,746		
UNENCUMBERED CASH - ENDING	$ 45,746	$ 49,800		

UNIFIED SCHOOL DISTRICT NO. 417
Council Grove, Kansas
FOOD SERVICE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021
With Comparative Totals for the Year Ended June 30, 2020

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance - Over (Under)
CASH RECEIPTS				
Local Sources				
Food service	$ 191,173	$ 42,978	$ 179,048	$ (136,070)
Reimbursed expenditures	15,134	8,501	-	8,501
State Sources				
General state aid	5,372	5,355	3,812	1,543
Federal Sources				
Federal aid	370,615	533,063	417,694	115,369
Other Sources				
Transfer from other funds	6	-	-	-
Total Cash Receipts	$ 582,300	$ 589,897	$ 600,554	$ (10,657)
EXPENDITURES				
Operations and maintenance	$ 6,072	$ 25,717	$ 20,000	$ 5,717
Food service	573,229	567,163	689,404	(122,241)
Total Expenditures	$ 579,301	$ 592,880	$ 709,404	$ (116,524)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 2,999	$ (2,983)		
UNENCUMBERED CASH - BEGINNING	126,804	129,803		
UNENCUMBERED CASH - ENDING	$ 129,803	$ 126,820		

UNIFIED SCHOOL DISTRICT NO. 417
Council Grove, Kansas
PROFESSIONAL DEVELOPMENT
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021
With Comparative Totals for the Year Ended June 30, 2020

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS				
Local Sources				
Reimbursed expenditures	$ 2,431	$ -	$ -	$ -
State Sources				
General state aid	7,540	275	7,500	(7,225)
Transfers in	100,000	50,000	-	50,000
Total Cash Receipts	$ 109,971	$ 50,275	$ 7,500	$ 42,775
EXPENDITURES				
Instruction	$ 12,014	$ -	$ -	$ -
Student support services	2,025	7,641	-	7,641
Instructional support staff	751	442	91,440	(90,998)
General administration	6,685	75	-	75
School administration	2,258	6,831	-	6,831
Central services	958	-	25,000	(25,000)
Employee Benefits	-	-	25,000	(25,000)
Total Expenditures	$ 24,691	$ 14,989	$ 141,440	$ (126,451)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 85,280	$ 35,286		
UNENCUMBERED CASH - BEGINNING	48,454	133,734		
UNENCUMBERED CASH - ENDING	$ 133,734	$ 169,020		

UNIFIED SCHOOL DISTRICT NO. 417
Council Grove, Kansas
SPECIAL EDUCATION
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021
With Comparative Totals for the Year Ended June 30, 2020

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance - Over (Under)
CASH RECEIPTS				
Federal Sources				
Federal aid	$ -	$ -	$ 14,410	$ (14,410)
Other Sources				
Transfer from other funds	1,505,910	1,652,040	1,600,000	52,040
Total Cash Receipts	$ 1,505,910	$ 1,652,040	$ 1,614,410	$ 37,630
EXPENDITURES				
Instruction	$ 1,359,154	$ 1,368,092	$ 1,907,904	$ (539,812)
Student support services	-	-	50,000	(50,000)
Supervision	99,020	118,456	17,100	101,356
Vehicle operating services	-	-	225,000	(225,000)
Vehicle and Maintenance services	-	-	15,500	(15,500)
Total Expenditures	$ 1,458,174	$ 1,486,548	$ 2,215,504	$ (488,456)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 47,736	$ 165,492		
UNENCUMBERED CASH - BEGINNING	553,358	601,094		
UNENCUMBERED CASH - ENDING	$ 601,094	$ 766,586		

UNIFIED SCHOOL DISTRICT NO. 417
Council Grove, Kansas
CAREER AND POSTSECONDARY EDUCATION
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021
With Comparative Totals for the Year Ended June 30, 2020

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance - Over (Under)
CASH RECEIPTS				
Local Sources				
Other	$ 470	$ 2,815	$ 1,000	$ 1,815
State Sources				
General state aid	14,430	-	-	-
Federal Sources				
Federal aid	3,734	5,073	4,000	1,073
Other Sources				
Transfer from other funds	229,515	397,106	245,000	152,106
Total Cash Receipts	$ 248,149	$ 404,994	$ 250,000	$ 154,994
EXPENDITURES				
Instruction	$ 179,592	$ 191,682	$ 275,000	$ (83,318)
Student transportation	17,577	12,547	25,000	(12,453)
Total Expenditures	$ 197,169	$ 204,229	$ 300,000	$ (95,771)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 50,980	$ 200,765		
UNENCUMBERED CASH - BEGINNING	(3,806)	47,174		
UNENCUMBERED CASH - ENDING	$ 47,174	$ 247,939		

UNIFIED SCHOOL DISTRICT NO. 417
Council Grove, Kansas
GIFTS AND GRANTS
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021
With Comparative Totals for the Year Ended June 30, 2020

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance - Over (Under)
CASH RECEIPTS				
Local Sources				
Other	$ 56,911	$ 25,801	$ 50,000	$ (24,199)
State sources				
General state aid	-	30,000	-	30,000
Federal sources				
Federal aid	-	30,000	-	30,000
Total Cash Receipts	$ 56,911	$ 85,801	$ 50,000	$ 35,801
EXPENDITURES				
Instruction	$ 34,221	$ 84,191	$ 234,941	$ (150,750)
Student support services	-	8,120	-	8,120
Facility acquisition and construction	-	2,600	-	2,600
Total Expenditures	$ 34,221	$ 94,911	$ 234,941	$ (140,030)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 22,690	$ (58,390)		
UNENCUMBERED CASH - BEGINNING	102,251	124,941		
UNENCUMBERED CASH - ENDING	$ 124,941	$ 66,551		

UNIFIED SCHOOL DISTRICT NO. 417
Council Grove, Kansas
KPERS RETIREMENT CONTRIBUTIONS
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021
With Comparative Totals for the Year Ended June 30, 2020

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance - Over (Under)
CASH RECEIPTS				
State Sources				
General State Aid	$ 733,781	$ 710,721	$ 793,584	$ (82,863)
EXPENDITURES				
Instruction	$ 542,998	$ 525,934	$ 579,584	$ (53,650)
Student support services	29,352	28,429	35,000	(6,571)
Instructional support staff	14,676	14,213	18,000	(3,787)
General administration	22,013	21,322	25,000	(3,678)
School administration	58,702	56,858	63,000	(6,142)
Central services	29,351	28,429	33,000	(4,571)
Operations and maintenance	36,689	35,536	40,000	(4,464)
Total Expenditures	$ 733,781	$ 710,721	$ 793,584	$ (82,863)
RECEIPTS OVER (UNDER) EXPENDITURES	$ -	$ -		
UNENCUMBERED CASH - BEGINNING	-	-		
UNENCUMBERED CASH - ENDING	$ -	$ -		

UNIFIED SCHOOL DISTRICT NO. 417
Council Grove, Kansas
VIRTUAL EDUCATION
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021
With Comparative Totals for the Year Ended June 30, 2020

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance - Over (Under)
CASH RECEIPTS				
Transfers in	$ 1,071	$ -	$ 7,409	$ (7,409)
EXPENDITURES				
Instruction	$ 1,071	$ -	$ 7,409	$ (7,409)
RECEIPTS OVER (UNDER) EXPENDITURES	$ -	$ -		
UNENCUMBERED CASH - BEGINNING	-	-		
UNENCUMBERED CASH - ENDING	$ -	$ -		

UNIFIED SCHOOL DISTRICT NO. 417
Council Grove, Kansas
TITLE I
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended June 30, 2021
With Comparative Totals for the Year Ended June 30, 2020

	Prior Year Actual	Actual
CASH RECEIPTS		
Federal Sources		
Federal aid	$ 129,018	$ 135,000
EXPENDITURES		
Instruction	$ 110,400	$ 138,423
Student support services	-	15,307
School administration	19,056	18,154
Total Expenditures	$ 129,456	$ 171,884
RECEIPTS OVER (UNDER) EXPENDITURES	$ (438)	$ (36,884)
UNENCUMBERED CASH - BEGINNING	-	(438)
UNENCUMBERED CASH - ENDING	$ (438)	$ (37,322)

UNIFIED SCHOOL DISTRICT NO. 417
Council Grove, Kansas
TITLE II-A TEACHER QUALITY
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended June 30, 2021
With Comparative Totals for the Year Ended June 30, 2020

	Prior Year Actual	Actual
CASH RECEIPTS		
Federal Sources		
Federal aid	$ 39,110	$ 5,000
EXPENDITURES		
Instruction	$ 39,110	$ 998
RECEIPTS OVER (UNDER) EXPENDITURES	$ -	$ 4,002
UNENCUMBERED CASH - BEGINNING	(5,452)	(5,452)
UNENCUMBERED CASH - ENDING	$ (5,452)	$ (1,450)

UNIFIED SCHOOL DISTRICT NO. 417
Council Grove, Kansas
CONTINGENCY RESERVE
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended June 30, 2021
With Comparative Totals for the Year Ended June 30, 2020

	Prior Year	Actual
CASH RECEIPTS		
Other Sources		
Transfer from other funds	$ 136,252	$ 333,932
EXPENDITURES		
Transfers to other funds	$ -	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ 136,252	$ 333,932
UNENCUMBERED CASH - BEGINNING	213,485	349,737
UNENCUMBERED CASH - ENDING	$ 349,737	$ 683,669

UNIFIED SCHOOL DISTRICT NO. 417
Council Grove, Kansas
TEXTBOOKS AND STUDENT MATERIALS
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended June 30, 2021
With Comparative Totals for the Year Ended June 30, 2020

	Prior Year Actual	Actual
CASH RECEIPTS		
Local Sources		
Other	$ 35,002	$ 41,137
Other Sources		
Transfers from other funds	29,042	150,000
Total Cash Receipts	$ 64,044	$ 191,137
EXPENDITURES		
Instruction	$ 2,122	$ 6,267
General administration	261	756
Total Expenditures	$ 2,383	$ 7,023
RECEIPTS OVER (UNDER) EXPENDITURES	$ 61,661	$ 184,114
UNENCUMBERED CASH - BEGINNING	117,665	179,326
UNENCUMBERED CASH - ENDING	$ 179,326	$ 363,440

UNIFIED SCHOOL DISTRICT NO. 417
Council Grove, Kansas
RURAL EDUCATION ACHIEVEMENT PROGRAM (REAP)
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended June 30, 2021
With Comparative Totals for the Year Ended June 30, 2020

	Prior Year Actual	Actual
CASH RECEIPTS		
Federal Sources		
Federal aid	$ 11,994	$ 24,090
EXPENDITURES		
Instruction	$ 12,070	$ 24,090
RECEIPTS OVER (UNDER) EXPENDITURES	$ (76)	$ -
UNENCUMBERED CASH - BEGINNING	76	-
UNENCUMBERED CASH - ENDING	$ -	$ -

UNIFIED SCHOOL DISTRICT NO. 417
Council Grove, Kansas
KANSAS READING ROADMAP
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended June 30, 2021
With Comparative Totals for the Year Ended June 30, 2020

	Prior Year Actual	Actual
CASH RECEIPTS		
Federal Sources		
Federal aid	$ 124,338	$ 24,646
EXPENDITURES		
Instruction	$ 99,315	$ -
Student support services	10,361	-
Student transportation	16,434	-
Total Expenditures	$ 126,110	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ (1,772)	$ 24,646
UNENCUMBERED CASH - BEGINNING	(22,874)	(24,646)
UNENCUMBERED CASH - ENDING	$ (24,646)	$ -

UNIFIED SCHOOL DISTRICT NO. 417
Council Grove, Kansas
COPS GRANT
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended June 30, 2021
With Comparative Totals for the Year Ended June 30, 2020

	Prior Year Actual	Actual
CASH RECEIPTS		
Federal Sources		
Federal aid	$ -	$ -
EXPENDITURES		
Facility acquisition and construction	$ -	$ 452,913
RECEIPTS OVER (UNDER) EXPENDITURES	$ -	$ (452,913)
UNENCUMBERED CASH - BEGINNING	-	-
UNENCUMBERED CASH - ENDING	$ -	$ (452,913)

UNIFIED SCHOOL DISTRICT NO. 417
Council Grove, Kansas
ESSER II FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended June 30, 2021
With Comparative Totals for the Year Ended June 30, 2020

	Prior Year Actual	Actual
CASH RECEIPTS		
Federal Sources		
Federal aid	$ -	$ -
EXPENDITURES		
Student transportation	$ -	$ 451
RECEIPTS OVER (UNDER) EXPENDITURES	$ -	$ (451)
UNENCUMBERED CASH - BEGINNING	-	-
UNENCUMBERED CASH - ENDING	$ -	$ (451)

UNIFIED SCHOOL DISTRICT NO. 417
Council Grove, Kansas
BOND & INTEREST FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021
With Comparative Totals for the Year Ended June 30, 2020

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance - Over (Under)
CASH RECEIPTS				
Local Sources				
Ad valorem tax	$ 760,850	$ 769,620	$ 549,500	$ 220,120
Delinquent tax	8,602	8,190	8,488	(298)
County Sources				
Motor vehicle tax	53,956	59,600	55,227	4,373
Recreational vehicle tax	998	1,312	1,079	233
Commercial vehicle tax	1,146	1,462	1,228	234
State Sources				
General state aid	142,757	154,486	154,486	-
Total Cash Receipts	$ 968,309	$ 994,670	$ 770,008	$ 224,662
EXPENDITURES				
Debt service	$ 594,819	$ 617,944	$ 617,944	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ 373,490	$ 376,726		
UNENCUMBERED CASH - BEGINNING	609,601	983,091		
UNENCUMBERED CASH - ENDING	$ 983,091	$ 1,359,817		

UNIFIED SCHOOL DISTRICT NO. 417
Council Grove, Kansas
IMPROVEMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended June 30, 2021
With Comparative Totals for the Year Ended June 30, 2020

	Prior Year Actual	Actual
CASH RECEIPTS		
Local Sources		
Interest	$ -	$ -
EXPENDITURES		
Facility acquisition and construction	$ -	$ 418
RECEIPTS OVER (UNDER) EXPENDITURES	$ -	$ (418)
UNENCUMBERED CASH - BEGINNING	418	418
UNENCUMBERED CASH - ENDING	$ 418	$ -

UNIFIED SCHOOL DISTRICT NO. 417
Council Grove, Kansas
MEMORIALS & TRUSTS
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended June 30, 2021
With Comparative Totals for the Year Ended June 30, 2020

	Prior Year Actual	Actual
CASH RECEIPTS		
Local Sources		
Other	$ 43	$ 25
EXPENDITURES		
Instruction	$ -	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ 43	$ 25
UNENCUMBERED CASH - BEGINNING	10,883	10,926
UNENCUMBERED CASH - ENDING	$ 10,926	$ 10,951

UNIFIED SCHOOL DISTRICT NO. 417
Council Grove, Kansas
AGENCY FUNDS
SUMMARY OF RECEIPTS AND DISBURSEMENTS
Regulatory Basis
For the Year Ended June 30, 2021

	Balance July 1, 2020	Cash Receipts	Cash Disbursements	Balance June 30, 2021
Student Organization Funds				
Council Grove Jr/Sr High School	$ 41,981	$ 27,000	$ 29,363	$ 39,618
Council Grove Elementary School	8,317	1,040	2,226	7,131
Prairie Heights Elementary School	7,932	213	143	8,002
Total Student Organization Funds	$ 58,230	$ 28,253	$ 31,732	$ 54,751
Employee Flexible Spending Fund	8,921	-	-	8,921
Total of Agency Funds	$ 67,151	$ 28,253	$ 31,732	$ 63,672

UNIFIED SCHOOL DISTRICT NO. 417
DISTRICT ACTIVITY FUNDS
SCHEDULE OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended June 30, 2021

	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
District Activity Funds						
Council Grove Jr/Sr High School	$ 19,587	$ 124,747	$ 125,318	$ 19,016	$ -	$ 19,016
Council Grove Elementary School	1,641	26,166	26,189	1,618	-	1,618
Prairie Heights Elementary School	268	8,028	6,741	1,555	-	1,555
Total Activity Funds	$ 21,496	$ 158,941	$ 158,248	$ 22,189	$ -	$ 22,189

May 9, 2022

VARNEY
& ASSOCIATES, CPAs, LLC

Board of Education
Unified School District No. 417
Council Grove, Kansas

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statement Performed in Accordance with *Government Auditing Standards*

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 the Unified School District No. 417 (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statement, which collectively comprise the District's basic financial statement, and have issued our report thereon dated May 9, 2022.

Internal Control over Financial Reporting
In planning and performing our audit, 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 opinion on the financial statement, 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 misstatements on a timely basis. A *material weakness* is a deficiency, or combination of control 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 over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be material weaknesses or significant deficiencies. Given these limitations during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

1501 Poyntz Avenue
Manhattan, KS 66502

785-537-2202 • fax 785-537-1877
http://www.varney.com

1020 Commercial St., Suite A
Emporia, KS 66801

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Varney & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

May 9, 2022

VARNEY
& ASSOCIATES, CPAs, LLC

Board of Education
Unified School District No. 417
Council Grove, Kansas

Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance in Accordance with the Uniform Guidance

Report on Compliance for Each Major Federal Program
We have audited the compliance of Unified School District No. 417 (the District) with the types of compliance requirements described in the U.S. *Office of Management and Budget (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.

Auditor's Responsibility
Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United 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 requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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.

1501 Poyntz Avenue
Manhattan, KS 66502

785-537-2202 • fax 785-537-1877
http://www.varney.com

1020 Commercial St., Suite A
Emporia, KS 66801

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

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

Purpose of this Report
This 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. According, this report is not suitable for any other purpose.

Varney & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

UNIFIED SCHOOL DISTRICT NO. 417
Council Grove, Kansas
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Regulatory Basis
For the Year Ended June 30, 2021

	Federal CFDA Number		Pass-Thru Entity Identifying Number	Federal Award Expenditures	Subrecipient Expenditures
U.S. Dept. of Agriculture					
Passed through State of Kansas Department of Education					
Child Nutrition Cluster					
COVID-19 - National School Lunch Program	10.555	*	DO417	$ 469,555	$ -
Summer Food Service Program for Children	10.559	*	DO417	63,508	-
Total Child Nutrition Cluster				$ 533,063	$ -
U.S. Dept. of Justice					
Direct U.S. Department of Justice					
COPS Office School Violence Prevention Program	16.710		N/A	$ 452,913	$ -
U.S. Dept. of Education					
Passed through State of Kansas Department of Education					
Title I	84.010		DO417	$ 172,322	$ -
Career & Technical Education	84.048		DO417	1,885	-
REAP - SRSA	84.358A		DO417	24,090	
Title IIA Fund	84.367		DO417	998	-
Student Support & Academic Enrichment	84.424		DO417	-	-
COVID-19 - Elementary and Secondary School Emergency Relief	84.425D		DO417	122,076	-
Total U.S. Dept. of Education				$ 321,371	$ -
U.S. Department of Health and Human Services					
Passed through State of Kansas Department of Education					
Temporary Assistance for Needy Families	93.558		DO417	$ 30,000	$ -
TOTAL FEDERAL ASSISTANCE				$ 1,337,347	$ -

* Major Program

Note 1: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the District, and is presented on the Kansas regulatory basis of accounting which includes cash disbursements, accounts payable and encumbrances. The information presented in this schedule is in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statement. The District elected not to use the 10% de minimis indirect cost rate.

Note 2: Local Government Contributions

Local cost sharing is required by certain federal grants. The amount of cost sharing varies with each program. Only the federal share of expenditures is presented in the Schedule of Expenditures of Federal Awards.

Note 3: Non-cash Assistance, Insurance, Loans or Loan Guarantees

The District did not receive or expend any federal awards in the form of non-cash assistance, insurance, loans or loan guarantees, including interest subsidies during the year ended June 30, 2021.

Note 4: Additional Audits

Grantor agencies reserve the right to conduct additional audits of the District's grant programs for economy and efficiency and program results that may result in disallowed costs to the District. However, management does not believe such audits would result in any disallowed costs that would be material to the District's financial position at June 30, 2021.

UNIFIED SCHOOL DISTRICT NO. 417
Council Grove, Kansas
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2021

Note 1: Organization

Unified School District No. 417, Council Grove, Kansas, (the District), is the recipient of several federal awards. All federal awards received directly from federal agencies as well as those awards that are passed through other government agencies, are included on the Schedule of Expenditures of Federal Awards.

Note 2: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the District, and is presented on the Kansas regulatory basis of accounting which includes cash disbursements, accounts payable and encumbrances. The information presented in this schedule is in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statement. The District elected not to use the 10% de minimis indirect cost rate.

Note 3: Local Government Contributions

Local cost sharing is required by certain federal grants. The amount of cost sharing varies with each program. Only the federal share of expenditures is presented in the Schedule of Expenditures of Federal Awards.

Note 4: Additional Audits

Grantor agencies reserve the right to conduct additional audits of the District's grant programs for economy and efficiency and program results that may result in disallowed costs to the District. However, management does not believe such audits would result in any disallowed costs that would be material to the District's financial position at June 30, 2021.

Note 5: Outstanding Loans

The District did not have any outstanding loans under any federal grants at June 30, 2021.

Note 6: Sub-recipient Grants

No federal awards were passed through to subrecipients.

Note 7: Pass-Through Numbers

Pass-through numbers have not been assigned to pass-through grants on the Schedule of Federal Expenditures.

UNIFIED SCHOOL DISTRICT NO. 417
Council Grove, Kansas
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Regulatory Basis
For the Year Ended June 30, 2021

Section I - Summary of Auditor's Results

Financial Statements

Type of auditors' report issued:	Unmodified	
Internal control over financial reporting:		
Material weaknesses identified?	__ Yes	X None
Significant deficiencies identified not considered to be material weaknesses?	__ Yes	X None reported
Noncompliance material to financial statements noted?	__ Yes	X None

Federal Awards

Internal controls over major programs:		
Material weaknesses identified?	__ Yes	X No
Significant deficiencies identified not considered to be material weaknesses?	__ Yes	X None reported
Type of auditor's report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200.516(a)	__ Yes	X No

Identification of major programs:

Name of Federal Program	CFDA Number
COVID-19 - National School Lunch Program	10.555
Summer Food Service Program for Children	10.559

Dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000	
Auditee qualified as a low-risk auditee?	__ Yes	X No

NOTE: Beginning with the year ended June 30, 2016, the criteria for determination of low-risk auditee status changed by the U.S. Office of Management and Budget (OMB). Specifically, the auditee status changed by the U.S. Office of Management and Budget (OMB). Specifically, the regulatory basis of accounting prescribed by the State of Kansas does not meet the criteria established by OMB in the Uniform Grant Guidance (UGG). The District continues, however, to meet each of the other criteria for low-risk auditee status.

Section II - Financial Statement Findings

No matters were reported

Section III - Federal Award Findings and Questioned Costs

No matters were reported