

**COLUMBUS  
UNIFIED SCHOOL DISTRICT #493  
COLUMBUS, 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, 2020

**COLUMBUS UNIFIED SCHOOL DISTRICT #493  
COLUMBUS, KANSAS**

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# Diehl Banwart Bolton

*Certified Public Accountants PA*

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## INDEPENDENT AUDITORS' REPORT

To the Board of Education  
Unified School District #493  
Columbus, Kansas 66725

We have audited the accompanying fund summary statement of receipts, expenditures, and unencumbered cash - regulatory basis, of the Unified School District #493 (District), Columbus, Kansas, a Municipal Financial Reporting Entity as of and for the fiscal year ended June 30, 2020 and the related notes to the financial statement.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1 to meet the financial reporting requirements of the State of Kansas. This includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement. 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.

Board of Education  
Unified School District #493  
Columbus, Kansas

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

### **Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles**

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

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

### **Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2020 or changes in financial position and cash flows thereof for the fiscal year then ended.

### **Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the District as of June 30, 2020, 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 Required Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the June 30, 2020 fund summary statement of receipts, expenditures, and unencumbered cash – 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 disbursements – agency funds – regulatory basis and 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 June 30, 2020 financial statement, however they 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 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 June 30, 2020 financial statement. The June 30, 2020 information has been subjected to the auditing procedures applied in the audit of the June 30, 2020 financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the June 30, 2020 financial statement or to the June 30, 2020 financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the June 30, 2020 supplementary information is fairly stated in all material respects in relation to the June 30, 2020 financial statement as a whole, on the basis of accounting described in Note 1.

Board of Education  
Unified School District #493  
Columbus, Kansas

The prior year actual column presented in the individual fund schedules of receipts and expenditures – actual and budget – regulatory basis (Schedules 2 as listed in the table of contents), are also presented for comparative analysis and are not a required part of the prior year financial statement upon which we rendered an unqualified opinion dated December 6, 2019. The June 30, 2019 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, Office of Management Analysis and Standards at the following link <http://da.ks.gov/ar/muniserv/>. Such prior year 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 June 30, 2019 financial statement. The prior year comparative information was subjected to the auditing procedures applied in the audit of the June 30, 2019 financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the June 30, 2019 financial statement or to the June 30, 2019 financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the prior year comparative information is fairly stated in all material respects in relation to the June 30, 2019 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 February 8, 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

February 8, 2021  
Pittsburg, Kansas

**UNIFIED SCHOOL DISTRICT #493  
COLUMBUS, KANSAS**

Summary Statement of Receipts, Expenditures and Unencumbered Cash  
Regulatory Basis  
For the Fiscal Year Ended June 30, 2020

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Funds:						
General	\$ -	\$ 7,941,523	\$ 7,941,523	\$ -	\$ 8,313	\$ 8,313
Supplemental General	226,962	2,348,638	2,394,925	180,675	-	180,675
Special Purpose Funds:						
4 Yr Old At Risk	10	85,972	85,982	-	-	-
K-12 At Risk	1	1,104,515	1,104,516	-	-	-
Bilingual Education	-	-	-	-	-	-
Capital Outlay	1,245,013	866,939	1,061,482	1,050,470	15,813	1,066,283
Driver Education	48,832	16,340	17,770	47,402	-	47,402
Food Service	90,000	581,765	611,762	60,003	-	60,003
Professional Development	60,000	50,398	50,398	60,000	-	60,000
Special Education	264,880	1,652,629	1,536,858	380,652	-	380,652
Career and Post Secondary Education	515	387,705	388,220	-	11,000	11,000
KPERS Special Retirement	-	1,028,870	1,028,870	-	-	-
Contingency Reserve	300,000	0	-	300,000	-	300,000
Textbook Rental	89,866	28,001	27,867	90,000	-	90,000
Title I	-	232,217	232,217	-	-	-
Title II -A Teacher Quality	-	53,027	53,027	-	-	-
Title VI Rural Education	9	4,522	4,531	-	-	-
Kansas Reading Roadmap Grant	(32,611)	144,892	159,263	(46,982)	50	(46,931)
Cares Act	-	1,994	26,943	(24,949)	18,778	(6,171)
SPARK	-	-	19,752	(19,752)	-	(19,752)
Literacy Grant	-	73,267	73,469	(203)	288	85
Early Childhood Jump Start	-	10,000	10,000	-	-	-
Gifts and Grants	292	15,931	5,761	10,462	-	10,462
District Activity Funds	45,118	79,631	78,850	45,899	-	45,899
Bond and Interest Fund	226,663	-	-	226,663	-	226,663
Scholarships	60,877	1,665	1,850	60,692	-	60,692
<b>Total Entity (Excluding Agency Funds)</b>	<b>\$ 2,626,427</b>	<b>\$ 16,710,441</b>	<b>\$ 16,915,835</b>	<b>\$ 2,421,033</b>	<b>\$ 54,242</b>	<b>\$ 2,475,275</b>

Composition of Cash

District Checking Accounts.....	\$ 1,856,282
Activity Checking Accounts.....	345,681
Petty Cash.....	-
Certificates of Deposit.....	525,000
Scholarship Certificates of Deposit.....	48,094
<b>Total Cash</b>	<b>2,775,057</b>
Agency Funds per Schedule 3	(299,782)
<b>Total Reporting Entity</b>	<b>\$ 2,475,275</b>

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

**COLUMBUS UNIFIED SCHOOL DISTRICT #493  
COLUMBUS, KANSAS**

**NOTES TO THE FINANCIAL STATEMENT  
For the Fiscal Year Ended June 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statement of Unified School District #493, Columbus, Kansas (District), has been prepared in order to show compliance with the cash basis and budget laws of the State of Kansas. The Governmental Accounting Standards Board is the principal standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies follow. Note 1 describes how the District's accounting policies differ from accounting principles generally accepted in the United States of America.

**Reporting Entity**

The District is a municipal corporation governed by an elected seven-member board. This financial statement presents USD #493 (the primary government). The District has developed criteria to determine whether outside agencies, with activities which benefit the members of the District, should be included within its financial reporting entity. This criteria include but are not limited to, whether the District exercises financial accountability, selection of governing authority, designation of management, ability to significantly influence operations, scope of public service and special financing relationships. Based on the above criteria, the District has determined that no outside agency meets the criteria; therefore, no outside agency has been included as a related municipal entity 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 FUND TYPES**

**General Fund** – to account for all unrestricted resources except those required to be accounted for in another fund.

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



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

Basis of Presentation - Fund Accounting - (continued)

REGULATORY BASIS FUNDS - (Continued)

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

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

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

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

Agency Fund – 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 Departure from Accounting Principles Generally Accepted in the United States of America

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

The District has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality 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 revenue 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. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - (Continued)

**Budgetary Information** (Continued)

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 such budget amendments in the fiscal year ending June 30, 2020. The budgeted expenditures in the General Fund and Supplemental General Fund were reduced to comply with the legal budget maximum based upon enrollment.

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 as regulatory required supplemental information 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 municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end. Expenditures which are reimbursed by third parties result in budget credits which increase the spending authority by the amount of the reimbursement.

A legal operating budget is not required for the Contingency Reserve, Textbook Rental, Title I, Safety Grant, Title II A – Teacher Quality, Title VI Rural Education, Kansas Reading Roadmap Grant, Cares Act, SPARK, Literacy Grant, Early Childhood Jump Start, Gifts and Grants, District Activity, and Scholarship Funds.

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

**Compensated Absences**

Employees may accrue 10 days of sick leave each year. An employee may accumulate up to 90 days of sick leave. At retirement the District pays \$80 per day of accumulated unused sick leave to employees that qualify under the early retirement program. No other payments are made for unused sick leave.

Full time, twelve-month employees accrue 20 days of vacation each year on June 30, which is to be taken within twelve months after year end.

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

Compensated Absences (Continued)

The District determines a liability for compensated absences when the following conditions are met:

1. The District's obligation relating to the employee's rights 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 the above criteria, the District has not accrued a liability for sick pay or vacation pay.

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 has been prepared in order to show compliance with the cash basis and budget laws of Kansas. As shown in the financial statements and required supplementary schedules, the District was in apparent compliance with all cash basis and budget laws of Kansas. The negative unencumbered cash balance in the Kansas Reading Roadmap, Cares Act, SPARK and Literacy Grant Funds are allowed since they will be reimbursed by a federal grants.

3. **CASH IN BANK AND DEPOSITORY SECURITY**

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

**3. CASH IN BANK AND DEPOSITORY SECURITY (Continued)**

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

*Custodial credit risk – deposits.* Custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. State statutes require the District’s deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas 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, 2020.

At June 30, 2020 the District’s carrying amount of deposits was \$2,775,057 and the bank balance was \$3,442,019. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$623,280 was covered by federal depository insurance, and \$2,818,739 was collateralized with securities held by the pledging financial institutions’ agents in the District’s name with a market value of \$3,470,829. Of the pledged securities, \$3,455,143 were from one bank where bank balances exceeded federal deposit insurance limits.

**4. IN-SUBSTANCE RECEIPT IN TRANSIT**

The District received \$395,457 subsequent to June 30, 2020, 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, 2020.

**5. 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](http://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.

5. **PENSION PLAN** (Continued)

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate and the statutory contribution rate (not including the 1% contribution rate for the Death and Disability Program) was 14.59 % and 13.21% respectively, for the fiscal year ended June 30, 2019. The actuarially determined employer contribution rate was 16.15% and 14.41% for the fiscal year ended June 30, 2020.

Per 2017 Senate Substitute for House Bill 2052, Section 37(a), state general fund employer contributions to KPERS were decreased by \$64.1 million for the fiscal year ended June 30, 2017. Section 43(17) of the bill also stipulated that repayments of the reduced contributions are to be amortized over twenty years at a level dollar amount commencing in fiscal year 2018. The level dollar amount was computed to be \$6.4 million dollars per year. The first payment of \$6.4 million was received in July 2017 and appropriations for fiscal year 2018 were made for the state/school group at the statutory contribution rate of 12.01% for that year.

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

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

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

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled \$1,028,870 for the year ended June 30, 2020.

**Net Pension Liability**

At June 30, 2020, the District's proportionate share of the collective net pension liability reported by KPERS was \$10,700,147. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2018. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

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

**6. POST EMPLOYMENT BENEFITS**

Early Retirement

A professional certified employee is eligible for early retirement if such person: (a) is currently a professional certified employee of the District; (b) will be at least 55 years of age and not more than 65 years of age on or before June 30 of the retiring year; (c) has 15 years or more of service with the District. Early retirement is entirely voluntary and at the discretion of an eligible employee. Retirement benefits are \$80 per day of accumulated unused sick leave. The District funds these benefits on a pay as you go basis. The early retirement benefits are paid by making contributions to a section 403(b) Plan. For the year ended June 30, 2020, the District contributed \$7,200 to the plan.

During the fiscal year ended June 30, 2020, the District offered a one-time incentive to certified staff eligible to retire. Eligible staff could elect a lump sum or series of monthly payments. The required payments under the retirement incentive are listed below:

Fiscal Year	
<u>Ending</u>	<u>Payments</u>
June 30, 2021	\$ 53,000
June 30, 2022	53,000
June 30, 2023	53,000
June 30, 2024	53,000
June 30, 2025	13,000
June 30, 2026	<u>5,000</u>
	<u>\$ 225,000</u>

Participation in Group Health Insurance Plan

As provided by K.S. A. 12-5040, retired employees are eligible to participate in the District's group health insurance plan until they have reached the age of 65. 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.

**7. 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 fiscal years.

**8. TRANSFERS**

FROM	TO	STATUTORY AUTHORITY	AMOUNT
General	Textbook Rental	K.S.A. 72-3355	\$ 28,001
General	Special Education	K.S.A. 72-3422	1,473,062
General	Career & Post Sec Ed	K.S.A. 72-5162	132,000
General	4 Year Old At Risk	K.S.A. 72-5154	43,390
General	K-12 At Risk	K.S.A. 72-5153	256,990
Supplemental General	Food Service	K.S.A. 72-5164	62,100
Supplemental General	Career & Post Sec Ed	K.S.A. 72-5162	243,798
Supplemental General	K-12 At Risk	K.S.A. 72-5153	847,525
Supplemental General	4 Year Old At Risk	K.S.A. 72-5154	42,582
Supplemental General	Special Education	K.S.A. 72-3422	171,107
Supplemental General	Professional Development	K.S.A. 72-2552	40,781

**9. SUBSEQUENT EVENTS**

Management has evaluated events and transactions occurring subsequent to June 30, 2020 through February 8, 2021, the date the financial statement was available for issue. During March 2020 the District's operations were impacted by the COVID-19 virus. Although the overall impact is unknown, it is expected to be material. On July 10, 2020, the District executed a lease purchase agreement for computer equipment which requires three annual payments of \$26,401 beginning in July 2020. During this period, there were no other subsequent events requiring recognition in the financial statement or disclosure in the notes to the financial statements.

**10. LONG-TERM OBLIGATIONS**

Attached are schedules detailing the long-term debt and its maturity.

**Schedule of Changes in Long-Term Debt**

<u>Issue</u>	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>	<u>Balances Beginning of Year</u>	<u>Additions / New Debt</u>	<u>Reductions / Principal Paid</u>	<u>Balances End of Year</u>	<u>Interest Paid</u>
<u>Capital Lease</u>									
Buses and Vehicles	2.57%	8/23/2019	\$ 246,002	6/8/2019	\$ -	\$ 246,002	\$ 80,761	\$ 165,241	\$ 5,058
Dell Lease	5.33%	6/18/2020	\$ 53,535	6/18/2022		53,535	18,778	34,757	-
HVAC Lease	3.72%	4/10/2018	1,470,686	6/12/2025	1,291,458	-	195,783	1,095,675	48,816
Apple Lease	1.93%	6/8/2019	157,684	7/15/2021	157,684	-	53,366	104,318	308
					<u>\$ 1,449,142</u>	<u>\$ 299,537</u>	<u>\$ 348,688</u>	<u>\$ 1,399,991</u>	<u>\$ 54,182</u>



**Schedule of Maturities in Long-Term Debt**

Fiscal Year Ended June 30,	2021	2022	2023	2024	2025	Totals
<b>PRINCIPAL</b>						
Capital Lease						
Buses and Vehicles	\$ 81,572	\$ 83,669	\$ -	\$ -	\$ -	\$ 165,241
Dell Lease	16,928	17,829	-	-	-	34,757
HVAC	203,183	210,863	218,834	227,105	235,690	1,095,675
Apple	51,661	52,658	-	-	-	104,319
	<u>353,344</u>	<u>365,019</u>	<u>218,834</u>	<u>227,105</u>	<u>235,690</u>	<u>1,399,992</u>
<b>INTEREST</b>						
Capital Lease						
Buses and Vehicles	4,247	2,150	-	-	-	6,397
Dell Lease	1,851	950	-	-	-	2,801
HVAC	41,416	33,736	25,765	17,493	8,909	127,319
Apple	2,013	1,016	-	-	-	3,029
	<u>49,527</u>	<u>37,852</u>	<u>25,765</u>	<u>17,493</u>	<u>8,909</u>	<u>139,546</u>
Total Principal and Interest	<u>\$ 402,871</u>	<u>\$ 402,871</u>	<u>\$ 244,599</u>	<u>\$ 244,598</u>	<u>\$ 244,599</u>	<u>\$ 1,539,538</u>

**10. LONG TERM DEBT OBLIGATIONS** (Continued)

**UNIFIED SCHOOL DISTRICT #493  
COLUMBUS, KANSAS**

**REGULATORY REQUIRED  
SUPPLEMENTAL INFORMATION**

**UNIFIED SCHOOL DISTRICT #493  
COLUMBUS, KANSAS**

Summary of Expenditures - Actual and Budget  
Regulatory Basis  
For the Fiscal Year Ended June 30, 2020

Funds	Certified Budget	Adjustment to Comply with Legal Maximum	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Charged to Current Year Budget	Variance - Over (Under)
<b>General Funds:</b>						
General	\$ 7,981,251	\$ (184,094)	\$ 144,366	\$ 7,941,523	\$ 7,941,523	\$ -
Supplemental General	2,451,172	(56,247)	-	2,394,925	2,394,925	-
<b>Local Sources</b>						
4 Year Old At Risk	98,289	-	-	98,289	85,982	(12,307)
K-12 At Risk	1,125,845	-	-	1,125,845	1,104,516	(21,329)
Bilingual Education	887	-	-	887	-	(887)
Capital Outlay	1,499,683	-	-	1,499,683	1,061,482	(438,201)
Driver Education	19,814	-	-	19,814	17,770	(2,044)
Food Service	625,861	-	-	625,861	611,762	(14,099)
Professional Development	50,206	-	5,577	55,783	50,398	(5,385)
Special Education	1,642,943	-	-	1,642,943	1,536,858	(106,086)
Vocational Education	418,091	-	-	418,091	388,220	(29,871)
KPERS Special Retirement	1,375,068	-	-	1,375,068	1,028,870	(346,198)
Bond and Interest Fund	-	-	-	-	-	-
	<u>17,289,110</u>					

UNIFIED SCHOOL DISTRICT #493  
COLUMBUS, KANSAS  
GENERAL FUND

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Fiscal Year Ended June 30, 2020

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources				
Grant	\$ -	\$ -	\$ -	\$ -
Delinquent tax	-	-	-	-
Reimbursement	120,251	144,366	-	144,366
Interest	-	-	-	-
State Sources				
General Aid	6,539,650	6,750,062	6,882,416	(132,354)
Supplemental General Aid	-	-	-	-
KPERS Aid	-	-	-	-
Capital Outlay Aid	-	-	-	-
Special Education Aid	1,056,061	1,047,095	1,098,835	(51,740)
Total Cash Receipts	7,715,962	7,941,523	\$ 7,981,251	\$ (39,728)
Expenditures				
Instruction	3,769,561	3,715,182	\$ 3,685,658	\$ 29,524
Support Services				
Student Support	176,507	74,552	201,807	(127,255)
Instructional Support	206,906	129,733	206,907	(77,174)
General Administration	215,567	204,820	215,568	(10,748)
School Administration	786,619	782,170	786,621	(4,451)
Operations and Maintenance	332,625	334,223	305,700	28,523
Transportation	497,322	454,744	524,249	(69,505)
Central Services	290,089	312,657	290,090	22,567
Operating transfers to Other Funds				
4 Yr Old At Risk	45,750	43,390	55,750	(12,360)
K-12 At Risk	168,500	256,990	278,500	(21,510)
Bilingual Education	590	-	642	(642)
Food Service	-	-	-	-
Textbook Rental	-	28,001	-	28,001
Capital Outlay	-	-	-	-
Special Education	1,156,626	1,473,062	1,360,459	112,603
Career and Post Secondary Education	69,300	132,000	69,300	62,700
Adjustments to Budget				
Adjustment for Reimbursed Expenses	-	-	144,366	(144,366)
Adjustment for Legal Maximum	-	-	(184,094)	184,094
Total Expenditures Subject to Budget	7,715,962	7,941,523	\$ 7,941,523	\$ -
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ -		

UNIFIED SCHOOL DISTRICT #493  
COLUMBUS, KANSAS  
SUPPLEMENTAL GENERAL FUND

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Fiscal Year Ended June 30, 2020

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources				
Advalorem tax	\$ 1,149,849	\$ 1,120,068	\$ 970,254	\$ 149,814
Delinquent tax	26,714	28,522	28,822	(300)
Motor vehicle tax	205,723	172,625	173,581	(956)
Other	11,411	-	-	-
State Sources				
Supplemental aid	1,050,513	1,027,423	1,051,553	(24,130)
Operating Transfer from Other Funds				
General Fund	-	-	-	-
Total Cash Receipts	<u>2,444,210</u>	<u>2,348,638</u>	<u>\$ 2,224,210</u>	<u>\$ 124,428</u>
Expenditures				
Instruction	59,370	27,753	\$ 90,382	\$ (62,629)
Support Services				
Student Support	-	-	1,350	(1,350)
Instructional Support	-	-	-	-
General Administration	153,162	141,881	148,122	(6,241)
School Administration	-	-	-	-
Operations and Maintenance	818,209	817,398	734,255	83,143
Transportation	-	-	-	-
Other Supplemental Services	-	-	-	-
Operating transfers to Other Funds				
Professional Development	30,885	40,781	30,833	9,948
Food Service	43,830	62,100	43,830	18,270
Special Education	102,550	171,107	157,498	13,609
4 Yr Old At Risk	42,530	42,582	42,582	-
K-12 At Risk	847,344	847,525	847,344	181
Career and Post Secondary Education	344,731	243,798	354,731	(110,933)
Bilingual	243	-	245	(245)
Adjustments to Budget				
Adjustment for Reimbursed Expenses	-	-	-	-
Adjustment for Legal Maximum	-	-	(56,247)	56,247
Total Expenditures Subject to Budget	<u>2,442,854</u>	<u>2,394,925</u>	<u>\$ 2,394,925</u>	<u>\$ -</u>
Receipts Over (Under) Expenditures	1,356	(46,287)		
Unencumbered Cash, Beginning	<u>225,606</u>	<u>226,962</u>		
Unencumbered Cash, Ending	<u>\$ 226,962</u>	<u>\$ 180,675</u>		

UNIFIED SCHOOL DISTRICT #493  
COLUMBUS, KANSAS  
4 YR OLD AT RISK FUND

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Fiscal Year Ended June 30, 2020

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources				
Grant	\$ -	\$ -	\$ -	\$ -
Operating Transfer from Other Funds				
Supplemental General	42,530	42,582	42,582	
General Fund	45,750	43,390	55,750	(12,360)
Total Cash Receipts	88,280	85,972	\$ 98,332	\$ (12,360)
Expenditures				
Instruction	68,156	65,318	\$ 78,175	\$ (12,857)
Transportation	20,114	20,664	20,114	550
Total Expenditures				
Subject to Budget	88,270	85,982	\$ 98,289	\$ (12,307)
Receipts Over (Under) Expenditures	10	(10)		
Unencumbered Cash, Beginning	-	10		
Unencumbered Cash, Ending	\$ 10	\$ -		

**UNIFIED SCHOOL DISTRICT #493**  
**COLUMBUS, KANSAS**  
**K-12 AT RISK FUND**

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Fiscal Year Ended June 30, 2020

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources				
Grant	\$ -	\$ -	\$ -	\$ -
Operating Transfer from Other Funds				
Supplemental General Fund	847,344	847,525	847,344	181
General Fund	168,500	256,990	278,500	(21,510)
<b>Total Cash Receipts</b>	<b>1,015,844</b>	<b>1,104,515</b>	<b>\$ 1,125,844</b>	<b>\$ (21,329)</b>
Expenditures				
Instruction	993,582	1,102,016	\$ 1,063,582	\$ 38,434
Student Support Services	22,262	2,500	22,262	(19,762)
Instructional Support	-	-	40,001	(40,001)
<b>Total Expenditures</b>				
Subject to Budget	1,015,844	1,104,516	\$ 1,125,845	\$ (21,329)
Receipts Over (Under) Expenditures	-	(1)		
Unencumbered Cash, Beginning	1	1		
Unencumbered Cash, Ending	\$ 1	\$ -		

UNIFIED SCHOOL DISTRICT #493  
COLUMBUS, KANSAS  
BILINGUAL EDUCATION FUND

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Fiscal Year Ended June 30, 2020

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources				
Grant	\$ -	\$ -	\$ -	\$ -
Operating Transfer from Other Funds				
General Fund	590	-	642	(642)
Supplemental General Fund	243	-	245	(245)
Total Cash Receipts	833	-	\$ 887	\$ (887)
Expenditures				
Instruction	833	-	\$ 887	\$ (887)
Total Expenditures Subject to Budget	833	-	\$ 887	\$ (887)
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ -		



UNIFIED SCHOOL DISTRICT #493  
COLUMBUS, KANSAS  
CAPITAL OUTLAY FUND

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Fiscal Year Ended June 30, 2020

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources				
Advalorem tax	\$ 543,299	\$ 560,598	\$ 520,680	\$ 39,918
Delinquent tax	5,571	8,423	13,946	(5,523)
Motor vehicle tax	45,516	53,396	51,230	2,166
Interest on idle funds	8,649	6,966	-	6,966
Miscellaneous	41,473	54,639	-	54,639
State Sources				
State Aid	163,183	182,918	182,466	452
Operating Transfer from Other Funds				
General Fund	-	-	-	-
Total Cash Receipts	807,691	866,939	\$ 768,322	\$ 98,617
Expenditures				
Instruction	144,259	357,938	\$ 189,555	\$ 168,383
Student Support	-	-	-	-
Instructional Support	-	-	-	-
General Administration	-	-	-	-
School Administration	8,635	31,702	-	31,702
Operations & Maintenance	105,978	212,358	200,000	12,358
Transportation	87,854	117,198	87,854	29,344
Central Services	-	-	8,635	(8,635)
Facility Acquisition and Construction	343,207	342,287	1,013,639	(671,352)
Total Expenditures				
Subject to Budget	689,933	1,061,482	\$ 1,499,683	\$ (438,201)
Receipts Over (Under) Expenditures	117,758	(194,543)		
Unencumbered Cash, Beginning	1,127,255	1,245,013		
Unencumbered Cash, Ending	\$ 1,245,013	\$ 1,050,470		

UNIFIED SCHOOL DISTRICT #493  
COLUMBUS, KANSAS  
DRIVER EDUCATION FUND

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Fiscal Year Ended June 30, 2020

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources				
Miscellaneous	\$ 6,700	\$ 7,500	\$ -	\$ 7,500
State Sources				
State aid	9,996	8,840	9,100	(260)
Operating Transfer from Other Funds				
General Fund	-	-	-	-
Total Cash Receipts	<u>16,696</u>	<u>16,340</u>	<u>\$ 9,100</u>	<u>\$ 7,240</u>
Expenditures				
Instruction	14,860	17,770	\$ 19,814	\$ (2,044)
Support Services				
Operations and Maintenance	-	-	-	-
Total Expenditures	<u>14,860</u>	<u>17,770</u>	<u>\$ 19,814</u>	<u>\$ (2,044)</u>
Subject to Budget				
Receipts Over (Under) Expenditures	1,836	(1,430)		
Unencumbered Cash, Beginning	<u>46,996</u>	<u>48,832</u>		
Unencumbered Cash, Ending	<u>\$ 48,832</u>	<u>\$ 47,402</u>		

UNIFIED SCHOOL DISTRICT #493  
COLUMBUS, KANSAS  
FOOD SERVICE FUND

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Fiscal Year Ended June 30, 2020

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources				
Students	\$ 120,542	\$ 90,344	\$ 92,716	\$ (2,372)
Adults	5,486	6,125	40,368	(34,243)
Other	2,030	3,408	3,000	408
State Sources				
State Aid	4,842	4,789	3,925	864
Federal Sources				
Child nutrition aid	362,239	407,846	347,599	60,247
Fresh fruits and vegetables aid	-	7,153	20,000	(12,847)
Operating Transfer from Other Funds				
General Fund	-	-	-	-
Supplemental General Fund	43,830	62,100	43,830	18,270
<b>Total Cash Receipts</b>	<b>538,969</b>	<b>581,765</b>	<b>\$ 551,438</b>	<b>\$ 30,327</b>
Expenditures				
Support Services				
Operations and Maintenance	538,969	611,762	\$ 625,861	\$ (14,099)
<b>Total Expenditures</b>	<b>538,969</b>	<b>611,762</b>	<b>\$ 625,861</b>	<b>\$ (14,099)</b>
Receipts Over (Under) Expenditures	-	(29,997)		
Unencumbered Cash, Beginning	90,000	90,000		
Unencumbered Cash, Ending	\$ 90,000	\$ 60,003		

UNIFIED SCHOOL DISTRICT #493  
COLUMBUS, KANSAS  
PROFESSIONAL DEVELOPMENT FUND

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Fiscal Year Ended June 30, 2020

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources				
Miscellaneous	\$ 362	\$ 5,577	\$ -	\$ 5,577
State Sources				
State Aid	5,389	4,040	5,000	(960)
Operating Transfer from Other Funds				
Supplemental General Fund	30,885	40,781	30,833	9,948
General Fund	-	-	-	-
Total Cash Receipts	<u>36,636</u>	<u>50,398</u>	<u>\$ 35,833</u>	<u>\$ 14,565</u>
Expenditures				
Support Services				
Instructional Support Staff	16,982	24,649	\$ 24,206	\$ 443
Other Support Services	15,880	25,750	26,000	(251)
Adjustments to Budget				
Adjustment for Reimbursed Expenses			5,577	(5,577)
Total Expenditures				
Subject to Budget	<u>32,862</u>	<u>50,398</u>	<u>\$ 55,783</u>	<u>\$ (5,385)</u>
Receipts Over (Under) Expenditures	3,774	-		
Unencumbered Cash, Beginning	56,226	60,000		
Prior Year Cancelled Encumbrance	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ 60,000</u>	<u>\$ 60,000</u>		

UNIFIED SCHOOL DISTRICT #493  
COLUMBUS, KANSAS  
SPECIAL EDUCATION FUND

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Fiscal Year Ended June 30, 2020

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Federal Sources				
Federal Aid	\$ -	\$ -	\$ -	\$ -
Local Sources				
Interest	-	-	-	-
Miscellaneous	73,533	8,460	-	8,460
Operating Transfer from Other Funds				
Supplemental General Fund	102,551	171,107	157,498	13,609
General Fund	1,156,626	1,473,062	1,360,459	112,603
Total Cash Receipts	1,332,710	1,652,629	\$ 1,517,957	\$ 134,672
Expenditures				
Instruction	1,436,744	1,406,594	\$ 1,502,158	\$ (95,564)
Support Services				
Operations and Maintenance	28,218	-	-	-
Transportation	112,567	130,263	140,785	(10,522)
Total Expenditures Subject to Budget	1,577,529	1,536,858	\$ 1,642,943	\$ (106,086)
Receipts Over (Under) Expenditures	(244,819)	115,772		
Unencumbered Cash, Beginning	509,699	264,880		
Unencumbered Cash, Ending	\$ 264,880	\$ 380,652		

UNIFIED SCHOOL DISTRICT #493  
COLUMBUS, KANSAS  
CAREER AND POST SECONDARY EDUCATION FUND

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Fiscal Year Ended June 30, 2020

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources				
Miscellaneous	\$ 4,576	\$ 7,602	\$ -	\$ 7,602
State Sources				
State aid	-	-	-	-
Federal Sources				
Federal aid	-	4,305	-	4,305
Operating Transfer from Other Funds				
Supplemental General Fund	344,730	243,798	354,731	(110,933)
General Fund	69,300	132,000	69,300	62,700
Total Cash Receipts	<u>418,606</u>	<u>387,705</u>	<u>\$ 424,031</u>	<u>\$ (36,326)</u>
Expenditures				
Instruction	401,184	384,228	\$ 401,184	\$ (16,956)
Student Support Services	16,165	3,832	16,165	(12,333)
Instructional Support	742	160	742	(582)
Total Expenditures				
Subject to Budget	<u>418,091</u>	<u>388,220</u>	<u>\$ 418,091</u>	<u>\$ (29,871)</u>
Receipts Over (Under) Expenditures	515	(515)		
Unencumbered Cash, Beginning	<u>-</u>	<u>515</u>		
Unencumbered Cash, Ending	<u>\$ 515</u>	<u>\$ 0</u>		

UNIFIED SCHOOL DISTRICT #493  
COLUMBUS, KANSAS  
KPERS SPECIAL RETIREMENT FUND

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Fiscal Year Ended June 30, 2020

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
State Sources				
KPERS aid	\$ 785,409	\$ 1,028,870	\$ 1,375,068	\$ (346,198)
Operating Transfer from Other Funds				
General Fund	-	-	-	-
Total Cash Receipts	<u>785,409</u>	<u>1,028,870</u>	<u>\$ 1,375,068</u>	<u>\$ -</u>
Expenditures				
Instruction	535,875	693,789	\$ 865,068	\$ (171,279)
Student Support	26,766	18,561	50,000	(31,439)
Instructional Support	15,799	15,430	50,000	(34,570)
General Administration	12,054	18,803	50,000	(31,197)
School Administration	76,520	94,387	120,000	(25,613)
Central Services (Other Personnel)	14,695	29,670	50,000	(20,330)
Operations and Maintenance	35,394	70,947	50,000	20,947
Trasnportation	41,576	56,456	80,000	(23,544)
Food Service	26,730	30,828	60,000	(29,172)
Total Expenditures				
Subject to Budget	<u>785,409</u>	<u>1,028,870</u>	<u>\$ 1,375,068</u>	<u>\$ (346,198)</u>
Receipts Over (Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

UNIFIED SCHOOL DISTRICT #493  
COLUMBUS, KANSAS  
CONTINGENCY RESERVE FUND

Schedule of Receipts and Expenditures - Actual  
Regulatory Basis

For the Fiscal Year Ended June 30, 2020

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources		
Miscellaneous	\$ -	\$ -
Total Cash Receipts	-	-
Expenditures		
Instruction	-	-
Support Services		
Operations and Maintenance	-	-
Total Expenditures	-	-
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	300,000	300,000
Unencumbered Cash, Ending	\$ 300,000	\$ 300,000



UNIFIED SCHOOL DISTRICT #493  
COLUMBUS, KANSAS  
TEXTBOOK RENTAL FUND

Schedule of Receipts and Expenditures - Actual  
Regulatory Basis

For the Fiscal Year Ended June 30, 2020

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources		
Fees/Reimbursements	\$ 16	\$ -
Operating Transfer From General Fund	-	28,001
	<u>16</u>	<u>28,001</u>
Total Cash Receipts		
Expenditures		
Instruction	<u>21,450</u>	<u>27,867</u>
Total Expenditures	<u>21,450</u>	<u>27,867</u>
Receipts Over (Under) Expenditures	(21,434)	134
Unencumbered Cash, Beginning	<u>111,300</u>	<u>89,866</u>
Unencumbered Cash, Ending	<u>\$ 89,866</u>	<u>\$ 90,000</u>

UNIFIED SCHOOL DISTRICT #493  
COLUMBUS, KANSAS  
TITLE I FUND

Schedule of Receipts and Expenditures - Actual  
Regulatory Basis

For the Fiscal Year Ended June 30, 2020

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources		
Grant	\$ 228,854	\$ 232,217
Total Cash Receipts	228,854	232,217
Expenditures		
Instruction	228,854	232,217
Total Expenditures	228,854	232,217
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

**UNIFIED SCHOOL DISTRICT #493**  
**COLUMBUS, KANSAS**  
**TITLE II - A TEACHER QUALITY**  
Schedule of Receipts and Expenditures - Actual  
Regulatory Basis  
For the Fiscal Year Ended June 30, 2020  
(With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources		
Grant	\$ 46,531	\$ 53,027
Total Cash Receipts	46,531	53,027
Expenditures		
Instruction	46,531	53,027
Total Expenditures	46,531	53,027
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

**UNIFIED SCHOOL DISTRICT #493**  
**COLUMBUS, KANSAS**  
**TITLE VI RURAL EDUCATION**  
 Schedule of Receipts and Expenditures - Actual  
 Regulatory Basis  
 For the Fiscal Year Ended June 30, 2020  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

	Prior Year Actual	Current Year  Actual
Cash Receipts		
Federal Sources		
Federal Aid	\$ 18,197	\$ 4,522
 Total Cash Receipts	18,197	4,522
 Expenditures		
Program Expenditures	18,188	4,531
 Total Expenditures	18,188	4,531
 Receipts Over (Under) Expenditures	9	(9)
 Unencumbered Cash, Beginning	-	9
 Unencumbered Cash, Ending	\$ 9	\$ -

**UNIFIED SCHOOL DISTRICT #493**  
**COLUMBUS, KANSAS**  
**KANSAS READING ROADMAP GRANT FUND**  
 Schedule of Receipts and Expenditures - Actual  
 Regulatory Basis  
 For the Fiscal Year Ended June 30, 2020  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources		
Grant	\$ 181,051	\$ 144,892
Local Sources		
Miscellaneous	-	-
Total Cash Receipts	181,051	144,892
Expenditures		
Instruction	176,650	159,263
Total Expenditures	176,650	159,263
Receipts Over (Under) Expenditures	4,401	(14,371)
Unencumbered Cash, Beginning	(37,012)	(32,611)
Unencumbered Cash, Ending	\$ (32,611)	\$ (46,982)

UNIFIED SCHOOL DISTRICT #493  
COLUMBUS, KANSAS  
CARES ACT FUND

Schedule of Receipts and Expenditures - Actual  
Regulatory Basis

For the Fiscal Year Ended June 30, 2020

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources		
Grant	\$ -	\$ 1,994
Total Cash Receipts	-	1,994
Expenditures		
Instruction	-	19,919
Support Services		
General Administration	-	701
Operations and Maintenance	-	6,324
Total Expenditures	-	26,943
Receipts Over (Under) Expenditures	-	(24,949)
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ (24,949)

UNIFIED SCHOOL DISTRICT #493  
COLUMBUS, KANSAS  
SPARK FUND

Schedule of Receipts and Expenditures - Actual  
Regulatory Basis

For the Fiscal Year Ended June 30, 2020

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources		
Grant	\$ -	\$ -
Total Cash Receipts	-	-
Expenditures		
Instruction	-	18,615
Support Services		
School Administration	-	1,137
Operations and Maintenance	-	-
Total Expenditures	-	19,752
Receipts Over (Under) Expenditures	-	(19,752)
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ (19,752)

UNIFIED SCHOOL DISTRICT #493  
COLUMBUS, KANSAS  
GIFTS AND GRANTS FUND

Schedule of Receipts and Expenditures - Actual  
Regulatory Basis

For the Fiscal Year Ended June 30, 2020

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources		
Grant	\$ 37,685	\$ 15,931
Total Cash Receipts	37,685	15,931
Expenditures		
Instruction	37,919	5,761
Total Expenditures	37,919	5,761
Receipts Over (Under) Expenditures	(234)	10,170
Unencumbered Cash, Beginning	526	292
Unencumbered Cash, Ending	<u>\$ 292</u>	<u>\$ 10,462</u>



UNIFIED SCHOOL DISTRICT #493  
COLUMBUS, KANSAS  
LITERACY GRANT FUND

Schedule of Receipts and Expenditures - Actual  
Regulatory Basis

For the Fiscal Year Ended June 30, 2020

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources		
Grant	\$ -	\$ 73,267
Total Cash Receipts	-	73,267
Expenditures		
Program Expenditures	-	73,469
Total Expenditures	-	73,469
Receipts Over (Under) Expenditures	-	(203)
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ (203)

**UNIFIED SCHOOL DISTRICT #493**  
**COLUMBUS, KANSAS**  
**EARLY CHILDHOOD JUMP START FUND**  
 Schedule of Receipts and Expenditures - Actual  
 Regulatory Basis

For the Fiscal Year Ended June 30, 2020  
 (With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources		
Grant	\$ -	\$ 10,000
Total Cash Receipts	-	10,000
Expenditures		
Instruction	-	10,000
Total Expenditures	-	10,000
Receipts Over (Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

UNIFIED SCHOOL DISTRICT #493  
COLUMBUS, KANSAS  
BOND AND INTEREST FUND

Schedule of Receipts and Expenditures - Actual and Budget  
Regulatory Basis

For the Fiscal Year Ended June 30, 2020

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources				
Grant	\$ -	\$ -	\$ -	\$ -
Delinquent tax	5	-	-	-
Motor vehicle tax	-	-	-	-
Interest on idle funds	-	-	-	-
Other	-	-	-	-
State Sources				
State aid	-	-	-	-
Total Cash Receipts	5	-	\$ -	\$ -
Expenditures				
Debt Service				
Principal	-	-	\$ -	\$ -
Interest	-	-	-	-
Other	-	-	-	-
Total Expenditures Subject to Budget	-	-	-	-
Receipts Over (Under) Expenditures	5	-		
Unencumbered Cash, Beginning	226,658	226,663		
Unencumbered Cash, Ending	\$ 226,663	\$ 226,663		

UNIFIED SCHOOL DISTRICT #493  
COLUMBUS, KANSAS  
SCHOLARSHIPS FUND

Schedule of Receipts and Expenditures - Actual  
Regulatory Basis

For the Fiscal Year Ended June 30, 2020

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

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources		
Grant	\$ 1,760	\$ 1,500
Interest	168	165
Total Cash Receipts	<u>1,928</u>	<u>1,665</u>
Expenditures		
Scholarships	<u>1,850</u>	<u>1,850</u>
Total Expenditures	<u>1,850</u>	<u>1,850</u>
Receipts Over (Under) Expenditures	78	(185)
Unencumbered Cash, Beginning	<u>60,799</u>	<u>60,877</u>
Unencumbered Cash, Ending	<u>\$ 60,877</u>	<u>\$ 60,692</u>

**UNIFIED SCHOOL DISTRICT #493**  
**COLUMBUS, KANSAS**  
**AGENCY FUNDS**  
 Schedule of Receipts and Disbursements  
 Regulatory Basis  
 For the Fiscal Year Ended June 30, 2020

	<u>Beginning Cash Balances</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balances</u>
Agency Funds				
Columbus High School	\$ 133,636	\$ 279,516	\$ 199,208	\$ 213,944
Columbus Central School	44,366	30,622	29,873	45,115
Highland Elementary	13,610	29,857	20,147	23,321
Park Elementary	15,688	4,028	2,313	17,402
Totals	<u>\$ 207,300</u>	<u>\$ 344,024</u>	<u>\$ 251,541</u>	<u>\$ 299,782</u>

**UNIFIED SCHOOL DISTRICT #493**  
**COLUMBUS, KANSAS**  
**DISTRICT ACTIVITY FUNDS**  
 Schedule of Receipts, Expenditures, and Unencumbered Cash  
 Regulatory Basis  
 For the Fiscal Year Ended June 30, 2020

Funds	Beginning Unencumbered Cash Balances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balances	Plus Encumbrances and Accounts Payable	Cash Balances June, 30 2020
<b>Gate Receipts</b>						
High School Athletics	\$ 28,617	\$ 67,009	\$ 66,881	\$ 28,745	\$ -	\$ 28,745
Middle School Athletics	16,501	12,622	11,969	17,154	-	17,154
Subtotal Gate Receipts	<u>45,118</u>	<u>79,631</u>	<u>78,850</u>	<u>45,899</u>	-	<u>45,899</u>
<b>Food Service</b>						
High School	-	29,373	29,373	-	-	-
Middle School	-	30,380	30,380	-	-	-
Subtotal Food Service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total District Activity Funds</b>	<u>\$ 45,118</u>	<u>\$ 79,631</u>	<u>\$ 78,850</u>	<u>\$ 45,899</u>	<u>\$ -</u>	<u>\$ 45,899</u>

**UNIFIED SCHOOL DISTRICT #493  
COLUMBUS, KANSAS**

**FEDERAL COMPLIANCE SECTION**

For the Fiscal Year Ended June 30, 2020

COLUMBUS UNIFIED SCHOOL DISTRICT #493  
COLUMBUS , KANSAS

Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 2020

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	AMOUNT RECEIVED	AMOUNT EXPENDED
<u>U.S. Department of Agriculture</u>			
Passed Through the State of Kansas			
Department of Education:			
Fresh Fruit and Vegetable Program	10.582	\$ 7,153	\$ 7,153
Child Nutrition Cluster			
School Breakfast Program	10.553	68,415	68,415
National School Lunch Program	10.555	210,723	210,723
Summer Food Service Program	10.559	128,707	176,224
		<u>414,998</u>	<u>462,515</u>
<u>U.S. Department of Education</u>			
Passed Through the State of Kansas			
Department of Education:			
Title I Grants to Local Educational Agencies	84.010	223,674	223,674
Title II - Improving Teacher Quality	84.367	42,949	42,949
Rural Low Income Schools Program	84.358	4,522	4,531
Career and Technical Education - Basic Grants to States	84.048	4,305	4,305
Student Support and Academic Enrichment Program	84.424	18,621	18,621
COVID-19 Coronavirus	84.425	1,994	26,943
Passed Through Southeast Kansas Education Service Center			
Comprehensive Literacy Development	84.371	73,267	73,469
Passed Through Cherokee County Kansas			
COVID-19 Coronavirus	84.425	-	19,752
		<u>369,332</u>	<u>414,244</u>
<u>U.S. Department of Health and Human Services</u>			
Passed Through the State of Kansas			
Division of Children and Families			
Temporary Assistance to Needy Families	93.558	112,284	159,263
Passed Through Kansas Reading Roadmap			
Temporary Assistance to Needy Families	93.558	32,608	-
		<u>144,892</u>	<u>159,263</u>
 TOTALS		 <u>\$ 929,222</u>	 <u>\$ 1,036,022</u>

Note:

The schedule of expenditures of federal awards has been prepared in accordance with the regulatory basis of accounting as set forth in the Kansas Municipal Audit and Accounting Guide. Under the regulatory basis of accounting, revenues are recognized when cash is received. Expenditures include 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.

The District did not elect to use the 10% de minimis indirect cost rate as allowed under Uniform Guidance.

Total expenditures under the Child Nutrition Cluster were \$455,362.



**UNIFIED SCHOOL DISTRICT #493  
COLUMBUS, KANSAS**

Summary Schedule of Prior Audit Findings  
For the Fiscal Year Ended June 30, 2020

Finding 2018-001 and 2019-001 Drafting Financial Statements

Condition: The District's auditors provide significant assistance with preparing their financial statement in the regulatory basis format as well as determining which disclosures are required.

Recommendation: None

Current Status: The District continues to rely on their auditors to assist in preparing the financial statement and disclosures. The District periodically reviews the situation. The District continues to believe this is the most cost-effective way to produce their financial statement. This remains a current year audit finding.

# Diehl Banwart Bolton

*Certified Public Accountants PA*

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## **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**

Board of Education  
Columbus Unified School District #493  
Columbus, Kansas 66725

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 statement and related notes to the financial statement of Columbus Unified School District #493 as of the fiscal year ended June 30, 2020, and have issued our report thereon dated February 8, 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 circumstance 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 over financial reporting. 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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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. We did identify certain deficiencies in internal control described in the accompanying schedule of findings and questioned costs as item (2020-001) that we consider to be significant deficiencies.

### **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 that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to Management of the District in a separate letter dated February 8, 2021.

### **District's Response to Findings**

The District's response to the findings identified in our audit is described in the Corrective Action Plan. We did not audit the District's response and accordingly, we express no opinion on it.

### **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 report is not suitable for any other purpose.

*Diehl, Banwart, Bolton, CPAs PA*

DIEHL, BANWART, BOLTON, CPAs PA

February 8, 2021  
Pittsburg, Kansas

# Diehl Banwart Bolton

*Certified Public Accountants PA*

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

Board of Education  
Columbus Unified School District #493  
Columbus, Kansas 66725

### **Report on Compliance for Each Major Federal Program**

We have audited the Columbus Unified School District #493'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 fiscal year ended June 30, 2020. 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* (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, 2020.

### **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

February 8, 2021  
Pittsburg, Kansas

**COLUMBUS UNIFIED SCHOOL DISTRICT #493  
COLUMBUS, KANSAS**

Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2020

SECTION I - SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS:

Type of auditors' report issued:

- Adverse for departures from accounting principles generally accepted in the United States of America due to preparation of financial statements in accordance with the regulatory basis of accounting.
- Unqualified opinion on the regulatory basis financial statements.

Internal control over financial reporting:

- Material weakness(es) identified? \_\_ YES X NO
- Significant Deficiency(ies) identified that are not considered to be material weaknesses? NONE  
X YES \_\_ REPORTED

Noncompliance material to financial statements noted? \_\_ YES X NO

FEDERAL AWARDS:

Internal control over major programs:

- Material weakness(es) identified? \_\_ YES X NO
- Significant deficiency (ies) identified that are not considered to be material weaknesses? NONE  
\_\_ YES X REPORTED

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a) \_\_ YES X NO

IDENTIFICATION OF MAJOR PROGRAMS:

<u>CFDA #</u>	<u>NAME OF PROGRAM</u>
10.553, 10.555 & 10.559	Child Nutrition Cluster

Auditee qualified as low-risk auditee? \_\_ YES X NO

The dollar threshold used to distinguish between Type A and Type B Programs was \$750,000.

## **SECTION II - FINANCIAL STATEMENT FINDINGS**

### Significant Deficiency 2020-001 Drafting Financial Statements

Condition: As auditors, we provide significant assistance with adjusting entries, as well as determining which disclosures are required under the regulatory basis of accounting. This is a repeat finding from June 30, 2019, and was identified in that report as 2019-001.

Criteria: Internal controls should be in place that provide a reasonable assurance that the financial statements are appropriate in form and contain the required disclosures.

Cause: Relying upon the independent auditors is a significant deficiency in internal controls as they can not be considered part of the District's internal control.

Effect: Since the District relies on independent auditors to determine the financial statements are in the correct form and include the proper disclosures, the District does not have controls in place for this.

Recommendation: None

Response: The District agrees with the finding. The District's response is in the attached Corrective Action Plan.

## **SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None reported.

COLUMBUS UNIFIED SCHOOL DISTRICT #493 (USD #493)

June 30, 2020 Financial Statements

Corrective Action Plan

Audit Finding 2020-001

USD #493 has always relied upon its auditors to provide significant assistance with adjusting entries and with determining which disclosures were required under accounting principles generally accepted in the United States of America and the regulatory basis of accounting. While USD #493 understands that this is a significant deficiency in our internal controls, we believe it is the most cost-effective manner for us to produce our financial statements. Our accounting staff concentrate on providing the reports needed for management purposes and preparing the required reports for the Kansas Department of Education. We believe it would be inefficient and cost prohibitive for our staff to attempt to stay current on all the requirements of accounting principles generally accepted in the United States of America and the regulatory basis of accounting. We do not plan on making any changes at this time. However, we will monitor this situation and periodically determine if it is cost effective for us to perform these functions.