

**UNIFIED SCHOOL DISTRICT NO. 263
MULVANE, KANSAS**

**FINANCIAL STATEMENT
JUNE 30, 2020**



**BUSBY
FORD &
REIMER, LLC**

UNIFIED SCHOOL DISTRICT NO. 263
TABLE OF CONTENTS
JUNE 30, 2020

Independent Auditors' Report	<u>Page</u> 1 – 3
Financial Statement	
Summary of Cash Receipts, Expenditures, and Unencumbered Cash	4
Notes to Financial Statement	5 – 11
Regulatory Required Supplementary Information	
Summary of Expenditures - Actual and Budget	12
Schedule of Cash Receipts and Expenditures - Actual and Budget	
General Fund	13
Supplemental General Fund	14
Preschool-Aged At-Risk Fund	15
At Risk (K-12) Fund	16
Bilingual Education Fund	17
Capital Outlay Fund	18
Driver Training Fund	19
Food Service Fund	20
Professional Development Fund	21
Parent Education Fund	22
Special Education Fund	23
Career and Postsecondary Education Fund	24
KPERs Contribution Fund	25
Historical Museum Fund	26
Recreation Commission Fund	27
Recreation Commission Employee Benefits Fund	28
Bond & Interest Fund	29
Schedule of Cash Receipts and Expenditures - Actual	
Federal Funds	30
Gifts & Grants Fund	31
Contingency Reserve Fund	32
Textbook & Student Material Revolving Fund	33
Schedule of Cash Receipts and Cash Disbursements	
Agency Funds	34 – 35
Schedule of Cash Receipts, Expenditures, and Unencumbered Cash	
District Activity Funds	36 – 37
Federal Award Information	
Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On an Audit of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i>	38 – 39
Report On Compliance for Each Major Program And On Internal Control Over Compliance Required By The Uniform Guidance	40 – 41
Schedule of Expenditures of Federal Awards	42
Notes to Schedule of Expenditures of Federal Awards	43
Schedule of Findings and Questioned Costs	44
Schedule of Prior Year Findings and Questioned Costs	45



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INDEPENDENT AUDITORS' REPORT

**Board of Education
Unified School District No. 263
Mulvane, Kansas**

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of **Unified School District No. 263, Mulvane, Kansas**, as of and for the year ended **June 30, 2020**, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1 to meet the financial reporting requirements of the State of Kansas. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Kansas Municipal Audit and Accounting Guide*. Those standards require 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 auditors' 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 auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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

Board of Education
Unified School District No. 263

Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

As described in Note 1 of the financial statement, the financial statement is prepared by **Unified School District No. 263, Mulvane, Kansas**, 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 Accounting Principles Generally Accepted in the United States of America

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of **Unified School District No. 263, Mulvane, Kansas**, as of **June 30, 2020**, or changes in financial position and cash flows thereof for the 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 **Unified School District No. 263, Mulvane, Kansas**, as of **June 30, 2020**, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Report on 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, individual fund schedules of regulatory basis receipts and expenditures-actual, agency funds schedules of regulatory basis cash receipts and disbursements and district activity funds schedules of regulatory basis cash receipts, expenditures and unencumbered cash (Regulatory-Required Supplementary Information as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The accompanying 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 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 basic financial statement.

**Board of Education
Unified School District No. 263**

The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statement as a whole, on the basis of accounting described in Note 1.

The 2019 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget and individual fund schedules of regulatory basis receipts and expenditures-actual (as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2019 basic financial statement upon which we rendered an unmodified opinion dated November 13, 2019. The 2019 basic financial statement and our accompanying report are not presented herein but are available in electronic form from the web site of the Kansas Department of Administration at the following link <http://da.ks.gov/ar/muniserv/>. Such 2019 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2019 basic financial statement. The 2019 comparative information was subjected to the auditing procedures applied in the audit of the 2019 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2019 basic financial statement or to the 2019 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2019 comparative information is fairly stated in all material respects in relation to the 2019 basic financial statement as a whole, on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2020, on our consideration of **Unified School District No. 263, Mulvane, Kansas'** 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 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 **Unified School District No. 263, Mulvane, Kansas'** internal control over financial reporting and compliance.

Busby Ford & Reimer, LLC

Busby Ford & Reimer, LLC
December 2, 2020

UNIFIED SCHOOL DISTRICT NO. 263
SUMMARY OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2020

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
General Fund	\$ 0	\$ 0	\$ 11,653,914	\$ 11,653,914	\$ 0	\$ 0	\$ 0
Special Purpose Funds							
Supplemental General	10,728	0	4,509,444	3,931,647	588,525	0	588,525
Preschool-Aged At-Risk	0	0	83,569	83,569	0	0	0
At Risk (K-12)	0	0	1,190,000	1,190,000	0	0	0
Bilingual Education	0	0	15,000	15,000	0	0	0
Capital Outlay	1,067,132	0	1,663,324	1,283,872	1,446,584	0	1,446,584
Driver Training	61,363	0	13,993	14,600	60,756	0	60,756
Food Service	309,154	0	962,657	1,031,850	239,961	0	239,961
Professional Development	30,000	0	24,672	18,672	36,000	0	36,000
Parent Education	0	0	41,328	39,982	1,346	0	1,346
Special Education	1,199,999	0	3,357,190	3,357,188	1,200,001	0	1,200,001
Career and Postsecondary Education	100,000	0	366,686	365,917	100,769	0	100,769
KPERs Contribution	0	0	1,915,670	1,915,670	0	0	0
Historical Museum	6,136	0	111,469	93,520	24,085	0	24,085
Recreation Commission	3,131	0	737,543	650,000	90,674	0	90,674
Recreation Commission Employee							
Benefits	2,375	0	75,900	65,000	13,275	0	13,275
Federal Funds	15,210	0	294,756	298,001	11,965	0	11,965
Gifts and Grants	100,806	0	154,034	182,465	72,375	0	72,375
Contingency Reserve	703,148	0	253,369	7,200	949,317	0	949,317
Textbook & Student Material							
Revolving	325,373	0	346,100	235,339	436,134	0	436,134
District Activity Funds	52,990	0	143,891	151,069	45,812	0	45,812
Bond and Interest Fund	1,540,646	0	2,393,689	2,135,813	1,798,522	0	1,798,522
	<u>\$ 5,528,191</u>	<u>\$ 0</u>	<u>\$ 30,308,198</u>	<u>\$ 28,720,288</u>	<u>\$ 7,116,101</u>	<u>\$ 0</u>	<u>\$ 7,116,101</u>

Composition of Cash:

Checking Accounts	\$ 3,403,639
Money Market Accounts	3,824,306
	<u>7,227,945</u>
Agency Funds	(111,844)
	<u>\$ 7,116,101</u>

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

UNIFIED SCHOOL DISTRICT NO. 263
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2020

Note 1 - Summary of Significant Accounting Policies:

Financial Reporting Entity

Unified School District No. 263 is a municipal corporation established under State of Kansas statutes designed to meet educational requirements at the primary and secondary levels in and around Mulvane, Kansas. The District is governed by an elected seven-member Board of Education. The District's financial statement includes all funds over which the Board of Education exercises financial responsibility. Financial responsibility includes appointment of governing body members, designation of management, the ability to significantly influence operations and accountability for fiscal matters.

KMAAG Regulatory Basis of Presentation Fund Definitions:

General Fund-the chief operating fund. Used to account for all 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 regulatory receipt 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 for payment of general long-term debt.

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

Regulatory Basis of Accounting and Departure from Accounting Principles Generally accepted in the United States of America

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

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

UNIFIED SCHOOL DISTRICT NO. 263
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2020

Budget and Tax Cycle

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

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper of the proposed budget and 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 regulatory receipts 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 amendments for the year ended June 30, 2020.

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

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

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

Federal Funds
Contingency Reserve Fund
District Activity Funds

Gifts and Grants Fund
Textbook & Student Material Revolving Fund

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

Note 2 - In Substance Receipt in Transit:

The District received \$610,983 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.

UNIFIED SCHOOL DISTRICT NO. 263
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2020

Note 3 - 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 of 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate and the statutory contribution rate (not including the 1% contribution rate for the Death and Disability Program) was 14.59% and 13.21%, respectively, for the fiscal year ended June 30, 2019. The actuarially determined employer contribution rate and the statutory 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 \$64.13 million for the fiscal year ended June 30, 2017. Section 43(17) of the bill also stipulated that repayments of the reduced contributions are to be amortized over twenty years at a level dollar amount commencing in fiscal year 2018. The level dollar amount was computed to be \$6.4 million dollars per year. The first year payment of \$6.4 million was received in July 2017 and appropriations for fiscal year 2018 were made for the State/School group at the statutory contribution rate of 12.01% for that year.

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

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

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

UNIFIED SCHOOL DISTRICT NO. 263
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2020

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled \$1,915,670 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 \$16,239,594. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018, which was rolled forward to June 30, 2019. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2019. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

Note 4 - Deposits:

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

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

Concentration of credit risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 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 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 \$7,227,945 and the bank balance was \$8,018,507. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$250,000 was covered by federal depository insurance and the remaining \$7,768,507 was collateralized with securities held by the pledging financial institution's agent in the District's name.

UNIFIED SCHOOL DISTRICT NO. 263
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2020

Note 5 - Reimbursed Expenditures:

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

Note 6 - Compensated Absences:

All permanent full-time employees are eligible for vacation and/or sick leave benefits in varying annual amounts depending on position and length of service.

Vacation

Twelve-month non-teacher personnel are provided vacation ranging from 2 to 4 weeks based on years of service. All earned vacation time is to be taken from July 1 to June 30 of each fiscal year and cannot be accumulated or carried forward.

Personal Leave

All classified employees who work at least 20 hours per week start each school year with 7 to 10 days of personal leave with full pay and may carry over a total of 5 days. All certified staff will be granted 10 days of personal leave with full pay and can carry over a total of 10 days into an accumulated sick leave account with an accumulated total of not more than 80 days. Twelve-month administrators and directors start each school year with 30 days of personal leave with full pay and may carry over 15 days of personal leave. Ten and a half month building administrators start each school year with 20 days of personal leave with full pay and may carry over 10 days of personal leave. Terminated or retiring classified staff and administrators are compensated for their unused personal leave at a rate of \$8.00 per hour. Terminated or retiring certified staff are compensated for their unused personal leave at a rate of \$12.00 per day. The accumulated sick leave carried by employees as of July 1, 2008, will be carried forward in a sick leave reserve account that will be paid at the rate of \$12.00 per day upon retirement. Personal leave will be used before the sick leave reserve unless there is five consecutive days of absence. Classified staff can use sick leave reserve for bereavement or after 3 days of personal illness if accompanied by a note from a doctor. For financial statement purposes, personal leave is recognized when paid.

It is the policy of the District to record vacation and sick leave benefits as expenditures when paid.

Note 7 - Subsequent Events:

The District has evaluated subsequent events through December 2, 2020, the date which the financial statement was available to be issued.

Beginning around March 2020, the COVID-19 virus has been declared a global pandemic and there continues to be uncertainty surrounding the spread and duration of the virus. Operating continuity could be severely impacted for months or beyond as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. Management is carefully monitoring the situation and evaluating its options during this time. No adjustments have been made to the financial statement as a result of this uncertainty.

UNIFIED SCHOOL DISTRICT NO. 263
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2020

Note 8 - Postemployment Benefits:

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

Note 9 - Contingencies:

Grant Programs

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

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; injuries to employees; and natural disasters. The District carries commercial insurance for all risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 10 - Lease Agreements:

As of June 30, 2020, the District received lease payments from two entities. The following is a listing of the property, terms and payment amounts for those leases:

Entity	Term of Lease	Payment per Month
Bloomshine Center	36 month term	\$10,500
Mulvane Recreation Commission	135 month term	\$8,650

Note 11 - Interfund Transactions:

Operating transfers in accordance with K.S.A. 72-7063 were as follows:

Transfer to:											
Transfer from:	Preschool- Aged At-Risk	At Risk (K-12)	Bilingual Education	Food Service	Professional Development	Parent Education	Special Education	Career and Postsecondary Education	Contingency Reserve	Textbook & Student Material Revolving	Total
General Fund	\$ 83,569	\$ 779,747	\$ 10,225	\$ 0	\$ 16,180	\$ 0	\$ 2,038,671	\$ 366,686	\$ 253,369	\$ 167,000	\$ 3,715,447
Supplemental General Fund	0	400,000	4,775	1,373	0	13,889	888,583		0	0	1,308,620
	<u>\$ 83,569</u>	<u>\$ 1,179,747</u>	<u>\$ 15,000</u>	<u>\$ 1,373</u>	<u>\$ 16,180</u>	<u>\$ 13,889</u>	<u>\$ 2,927,254</u>	<u>\$ 366,686</u>	<u>\$ 253,369</u>	<u>\$ 167,000</u>	<u>\$ 5,024,067</u>

UNIFIED SCHOOL DISTRICT NO. 263
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2020

Note 12 - Long-Term Debt:

Principal payments are due annually for general obligation bonds. Interest payments are due semi-annually.

Principal and interest payments on the capital leases are due semi-annually and monthly.

Terms for long-term liabilities for the District for the year ended June 30, 2020, were as follows:

Issue	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity
General Obligation Bonds				
2012 Series	2.50	8/1/12	\$ 20,755,000	9/1/25
Capital Leases				
Energy Equipment	4.189	6/29/11	\$ 1,185,832	6/29/23

Changes in long-term liabilities for the District for the year ended June 30, 2020, were as follows:

Issue	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds					
2012 Series	\$ 12,885,000	\$ 0	\$ 1,825,000	\$ 11,060,000	\$ 310,813
Capital Leases					
Energy Equipment	462,327	0	108,497	353,830	18,243
	<u>\$ 13,347,327</u>	<u>\$ 0</u>	<u>\$ 1,933,497</u>	<u>\$ 11,413,830</u>	<u>\$ 329,056</u>

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

	Principal			Interest			Total
	General Obligation Bonds	Capital Leases	Total Principal	General Obligation Bonds	Capital Leases	Total Interest	Principal and Interest
2021	\$ 1,885,000	\$ 113,089	\$ 1,998,089	\$ 264,812	\$ 13,650	\$ 278,462	\$ 2,276,551
2022	1,960,000	117,876	2,077,876	217,188	8,863	226,051	2,303,927
2023	2,030,000	122,865	2,152,865	167,750	3,873	171,623	2,324,488
2024	2,095,000	0	2,095,000	116,562	0	116,562	2,211,562
2025	2,090,000	0	2,090,000	63,625	0	63,625	2,153,625
2026	1,000,000	0	1,000,000	12,500	0	12,500	1,012,500
	<u>\$ 11,060,000</u>	<u>\$ 353,830</u>	<u>\$ 11,413,830</u>	<u>\$ 842,437</u>	<u>\$ 26,386</u>	<u>\$ 868,823</u>	<u>\$ 12,282,653</u>

**REGULATORY REQUIRED
SUPPLEMENTARY INFORMATION**

UNIFIED SCHOOL DISTRICT NO. 263
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2020

Fund	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
General Fund	\$ 12,000,267	\$ (356,654)	\$ 10,301	\$ 11,653,914	\$ 11,653,914	\$ 0
Special Purpose Funds						
Supplemental General	4,050,407	(118,760)	0	3,931,647	3,931,647	0
Preschool-Aged At-Risk	100,000	0	0	100,000	83,569	(16,431)
At Risk (K-12)	1,190,000	0	0	1,190,000	1,190,000	0
Bilingual Education	15,000	0	0	15,000	15,000	0
Capital Outlay	2,390,119	0	0	2,390,119	1,283,872	(1,106,247)
Driver Training	62,000	0	0	62,000	14,600	(47,400)
Food Service	1,276,795	0	0	1,276,795	1,031,850	(244,945)
Professional Development	45,000	0	0	45,000	18,672	(26,328)
Parent Education	40,000	0	0	40,000	39,982	(18)
Special Education	3,500,000	0	0	3,500,000	3,357,188	(142,812)
Career and Postsecondary Education	550,000	0	0	550,000	365,917	(184,083)
KPERS Contribution	2,101,153	0	0	2,101,153	1,915,670	(185,483)
Historical Museum	93,520	0	0	93,520	93,520	0
Recreation Commission	650,000	0	0	650,000	650,000	0
Recreation Commission Employee Benefits	65,000	0	0	65,000	65,000	0
Federal Funds	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	298,001	XXXXXXXXXX
Gifts and Grants	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	182,465	XXXXXXXXXX
Contingency Reserve	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	7,200	XXXXXXXXXX
Textbook & Student Material Revolving	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	235,339	XXXXXXXXXX
District Activity Funds	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	151,069	XXXXXXXXXX
Bond and Interest Fund	2,135,813	0	0	2,135,813	2,135,813	0
	<u>\$ 30,265,074</u>	<u>\$ (475,414)</u>	<u>\$ 10,301</u>	<u>\$ 29,799,961</u>	<u>\$ 28,720,288</u>	<u>\$ (1,953,747)</u>

UNIFIED SCHOOL DISTRICT NO. 263
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2020
(With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

<u>General Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 5,784	\$ 10,301	\$ 0	\$ 10,301
State Sources	10,820,670	11,643,613	12,000,267	(356,654)
	<u>10,826,454</u>	<u>11,653,914</u>	<u>\$ 12,000,267</u>	<u>\$ (346,353)</u>
Expenditures				
Instruction	5,278,438	5,621,483	\$ 5,666,000	\$ (44,517)
Student Support Services	283,081	384,524	318,500	66,024
Instructional Support Staff	199,336	216,811	213,800	3,011
General Administration	372,798	344,327	402,269	(57,942)
School Administration	932,639	954,328	999,000	(44,672)
Central Services	151,873	158,778	219,218	(60,440)
Operations & Maintenance	0	0	299,050	(299,050)
Student Transportation Services	259,734	258,216	386,150	(127,934)
Transfers	3,348,555	3,715,447	3,496,280	219,167
Adjustment to Comply with Legal Max	0	0	(356,654)	356,654
Adjustment for Qualifying Budget Credits	0	0	10,301	(10,301)
	<u>10,826,454</u>	<u>11,653,914</u>	<u>\$ 11,653,914</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	0	0		
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>		

UNIFIED SCHOOL DISTRICT NO. 263
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2020
(With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

<u>Supplemental General Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 1,468,888	\$ 2,446,851	\$ 1,941,511	\$ 505,340
County Sources	205,210	210,394	190,021	20,373
State Sources	1,730,072	1,852,199	1,908,147	(55,948)
	<u>3,404,170</u>	<u>4,509,444</u>	<u>\$ 4,039,679</u>	<u>\$ 469,765</u>
Expenditures				
Instruction	656,073	566,098	\$ 675,000	\$ (108,902)
General Administration	43,940	44,898	59,500	(14,602)
School Administration	13,236	5,562	6,000	(438)
Central Services	312,678	343,815	337,845	5,970
Operations & Maintenance	1,660,385	1,662,654	1,850,500	(187,846)
Transfers	1,118,552	1,308,620	1,121,562	187,058
Adjustment to Comply with Legal Max	0	0	(118,760)	118,760
	<u>3,804,864</u>	<u>3,931,647</u>	<u>\$ 3,931,647</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	(400,694)	577,797		
Unencumbered Cash, Beginning	411,422	10,728		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 10,728</u>	<u>\$ 588,525</u>		

UNIFIED SCHOOL DISTRICT NO. 263
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2020
(With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

<u>Preschool-Aged At-Risk Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Transfers	\$ 73,765	\$ 83,569	\$ 100,000	\$ (16,431)
	<u>73,765</u>	<u>83,569</u>	<u>\$ 100,000</u>	<u>\$ (16,431)</u>
Expenditures				
Instruction	73,765	83,569	\$ 100,000	\$ (16,431)
	<u>73,765</u>	<u>83,569</u>	<u>\$ 100,000</u>	<u>\$ (16,431)</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>		

UNIFIED SCHOOL DISTRICT NO. 263
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2020
(With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

<u>At Risk (K-12) Fund</u>	Prior Year	<u>Current Year</u>		Variance -
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Over (Under)</u>
Cash Receipts				
Local Sources	\$ 12,392	\$ 10,253	\$ 15,000	\$ (4,747)
Transfers	<u>1,265,503</u>	<u>1,179,747</u>	<u>1,175,000</u>	<u>4,747</u>
	<u>1,277,895</u>	<u>1,190,000</u>	<u>\$ 1,190,000</u>	<u>\$ 0</u>
Expenditures				
Instruction	1,151,778	1,114,927	\$ 1,053,000	\$ 61,927
Student Support Services	<u>126,117</u>	<u>75,073</u>	<u>137,000</u>	<u>(61,927)</u>
	<u>1,277,895</u>	<u>1,190,000</u>	<u>\$ 1,190,000</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>		

UNIFIED SCHOOL DISTRICT NO. 263
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2020
(With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

<u>Bilingual Education Fund</u>	Prior Year	Current Year		Variance -
	Actual	Actual	Budget	Over (Under)
Cash Receipts				
Transfers	\$ 8,330	\$ 15,000	\$ 15,000	\$ 0
	<u>8,330</u>	<u>15,000</u>	<u>15,000</u>	<u>0</u>
Expenditures				
Instruction	8,330	15,000	\$ 15,000	\$ 0
	<u>8,330</u>	<u>15,000</u>	<u>\$ 15,000</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>		

UNIFIED SCHOOL DISTRICT NO. 263
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2020
(With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

<u>Capital Outlay Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 985,464	\$ 1,167,994	\$ 834,650	\$ 333,344
County Sources	95,248	98,613	90,310	8,303
State Sources	340,575	396,717	398,027	(1,310)
	<u>1,421,287</u>	<u>1,663,324</u>	<u>\$ 1,322,987</u>	<u>\$ 340,337</u>
Expenditures				
Instruction	18,365	36,184	\$ 338,765	\$ (302,581)
General Administration	584	390	55,851	(55,461)
School Administration	0	0	100,000	(100,000)
Central Services	281,718	271,361	500,000	(228,639)
Operations & Maintenance	304,650	350,670	412,521	(61,851)
Transportation	180,807	182,094	638,000	(455,906)
Facility Acquisition & Construction				
Services	109,180	316,434	200,000	116,434
Debt Service	418,913	126,739	144,982	(18,243)
	<u>1,314,217</u>	<u>1,283,872</u>	<u>\$ 2,390,119</u>	<u>\$ (1,106,247)</u>
Receipts Over (Under) Expenditures	107,070	379,452		
Unencumbered Cash, Beginning	960,062	1,067,132		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 1,067,132</u>	<u>\$ 1,446,584</u>		

UNIFIED SCHOOL DISTRICT NO. 263
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2020
(With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

<u>Driver Training Fund</u>	Prior Year	Current Year		Variance -
	Actual	Actual	Budget	Over (Under)
Cash Receipts				
Local Sources	\$ 8,505	\$ 5,803	\$ 0	\$ 5,803
State Sources	11,466	8,190	13,000	(4,810)
	<u>19,971</u>	<u>13,993</u>	<u>\$ 13,000</u>	<u>\$ 993</u>
Expenditures				
Instruction	15,232	14,195	\$ 27,000	\$ (12,805)
Vehicle Operations, Maintenance Services	1,221	405	35,000	(34,595)
	<u>16,453</u>	<u>14,600</u>	<u>\$ 62,000</u>	<u>\$ (47,400)</u>
Receipts Over (Under) Expenditures	3,518	(607)		
Unencumbered Cash, Beginning	57,845	61,363		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 61,363</u>	<u>\$ 60,756</u>		

**UNIFIED SCHOOL DISTRICT NO. 263
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS**

FOR THE YEAR ENDED JUNE 30, 2020

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

<u>Food Service Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 420,076	\$ 344,889	\$ 462,443	\$ (117,554)
State Sources	8,967	8,649	7,270	1,379
Federal Sources	496,760	607,746	492,928	114,818
Transfers	2,778	1,373	5,000	(3,627)
	<u>928,581</u>	<u>962,657</u>	<u>\$ 967,641</u>	<u>\$ (4,984)</u>
Expenditures				
Operations & Maintenance	73,851	49,561	\$ 205,300	\$ (155,739)
Food Service Operation	895,560	982,289	1,071,495	(89,206)
	<u>969,411</u>	<u>1,031,850</u>	<u>\$ 1,276,795</u>	<u>\$ (244,945)</u>
Receipts Over (Under) Expenditures	(40,830)	(69,193)		
Unencumbered Cash, Beginning	349,984	309,154		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 309,154</u>	<u>\$ 239,961</u>		

UNIFIED SCHOOL DISTRICT NO. 263
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2020
(With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

<u>Professional Development Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 8,000	\$ 6,000	\$ 0	\$ 6,000
State Sources	2,653	2,492	5,000	(2,508)
Transfers	8,597	16,180	10,000	6,180
	<u>19,250</u>	<u>24,672</u>	<u>\$ 15,000</u>	<u>\$ 9,672</u>
Expenditures				
Instructional Support Staff	29,746	18,672	\$ 45,000	\$ (26,328)
	<u>29,746</u>	<u>18,672</u>	<u>\$ 45,000</u>	<u>\$ (26,328)</u>
Receipts Over (Under) Expenditures	(10,496)	6,000		
Unencumbered Cash, Beginning	40,496	30,000		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 30,000</u>	<u>\$ 36,000</u>		

UNIFIED SCHOOL DISTRICT NO. 263
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2020
(With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

<u>Parent Education Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 0	\$ 1,346	\$ 5,315	\$ (3,969)
State Sources	23,123	26,093	23,123	2,970
Transfers	12,392	13,889	11,562	2,327
	<u>35,515</u>	<u>41,328</u>	<u>\$ 40,000</u>	<u>\$ 1,328</u>
Expenditures				
Student Support Services	33,079	36,452	\$ 32,357	\$ 4,095
Instructional Support Staff	2,436	3,530	7,643	(4,113)
	<u>35,515</u>	<u>39,982</u>	<u>\$ 40,000</u>	<u>\$ (18)</u>
Receipts Over (Under) Expenditures	0	1,346		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 1,346</u>		

UNIFIED SCHOOL DISTRICT NO. 263
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2020
(With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

<u>Special Education Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	<u>Prior Year Actual</u>	<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Local Sources	\$ 104,333	\$ 25,894	\$ 50,000	\$ (24,106)
Federal Sources	396,956	404,042	449,238	(45,196)
Transfers	2,636,018	2,927,254	2,651,280	275,974
	<u>3,137,307</u>	<u>3,357,190</u>	<u>\$ 3,150,518</u>	<u>\$ 206,672</u>
Expenditures				
Instruction	2,199,816	2,366,305	\$ 2,489,100	\$ (122,795)
Student Support Services	678,317	659,708	688,000	(28,292)
Instructional Support Staff	0	25,164	36,000	(10,836)
General Administration	141,689	208,343	155,500	52,843
Student Transportation Services	115,945	97,668	131,400	(33,732)
	<u>3,135,767</u>	<u>3,357,188</u>	<u>\$ 3,500,000</u>	<u>\$ (142,812)</u>
Receipts Over (Under) Expenditures	1,540	2		
Unencumbered Cash, Beginning	1,198,459	1,199,999		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 1,199,999</u>	<u>\$ 1,200,001</u>		

UNIFIED SCHOOL DISTRICT NO. 263
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2020
(With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

Career and Postsecondary Education Fund	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources	\$ 1,500	\$ 0	\$ 0	\$ 0
Transfers	348,584	366,686	450,000	(83,314)
	<u>350,084</u>	<u>366,686</u>	<u>\$ 450,000</u>	<u>\$ (83,314)</u>
Expenditures				
Instruction	350,576	365,917	\$ 550,000	\$ (184,083)
	<u>350,576</u>	<u>365,917</u>	<u>\$ 550,000</u>	<u>\$ (184,083)</u>
Receipts Over (Under) Expenditures	(492)	769		
Unencumbered Cash, Beginning	100,492	100,000		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 100,000</u>	<u>\$ 100,769</u>		

UNIFIED SCHOOL DISTRICT NO. 263
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2020
(With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

<u>KPERS Contribution Fund</u>	Prior Year	Current Year		Variance -
	Actual	Actual	Budget	Over (Under)
Cash Receipts				
State Sources	\$ 1,218,064	\$ 1,915,670	\$ 2,101,153	\$ (185,483)
	<u>1,218,064</u>	<u>1,915,670</u>	<u>\$ 2,101,153</u>	<u>\$ (185,483)</u>
Expenditures				
Instruction	934,064	1,200,670	\$ 1,511,153	\$ (310,483)
Student Support Services	38,000	50,000	80,000	(30,000)
Instructional Support Staff	30,000	50,000	70,000	(20,000)
General Administration	30,000	100,000	70,000	30,000
School Administration	115,000	315,000	170,000	145,000
Other Supplemental Services	6,000	50,000	50,000	0
Operations & Maintenance	60,000	100,000	100,000	0
Student Transportation Services	5,000	50,000	50,000	0
	<u>1,218,064</u>	<u>1,915,670</u>	<u>\$ 2,101,153</u>	<u>\$ (185,483)</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>		

UNIFIED SCHOOL DISTRICT NO. 263
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2020
(With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

<u>Historical Museum Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 70,132	\$ 103,857	\$ 85,022	\$ 18,835
County Sources	6,815	7,612	7,015	597
	<u>76,947</u>	<u>111,469</u>	<u>\$ 92,037</u>	<u>\$ 19,432</u>
Expenditures				
Community Services Operations	85,500	93,520	\$ 93,520	\$ 0
	<u>85,500</u>	<u>93,520</u>	<u>\$ 93,520</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	(8,553)	17,949		
Unencumbered Cash, Beginning	14,689	6,136		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 6,136</u>	<u>\$ 24,085</u>		

UNIFIED SCHOOL DISTRICT NO. 263
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2020
(With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

<u>Recreation Commission Fund</u>	Prior Year	<u>Current Year</u>		Variance -
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Over (Under)</u>
Cash Receipts				
Local Sources	\$ 527,522	\$ 669,361	\$ 588,703	\$ 80,658
County Sources	66,501	68,182	59,247	8,935
	<u>594,023</u>	<u>737,543</u>	<u>\$ 647,950</u>	<u>\$ 89,593</u>
Expenditures				
Community Service Operations	684,800	650,000	\$ 650,000	\$ 0
	<u>684,800</u>	<u>650,000</u>	<u>\$ 650,000</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	(90,777)	87,543		
Unencumbered Cash, Beginning	93,908	3,131		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 3,131</u>	<u>\$ 90,674</u>		

UNIFIED SCHOOL DISTRICT NO. 263
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2020
(With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

Recreation Commission Employee Benefits Fund		Current Year		Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 36,309	\$ 75,801	\$ 61,692	\$ 14,109
County Sources	110	99	4,578	(4,479)
	<u>36,419</u>	<u>75,900</u>	<u>\$ 66,270</u>	<u>\$ 9,630</u>
Expenditures				
Community Service Operations	35,134	65,000	\$ 65,000	\$ 0
	<u>35,134</u>	<u>65,000</u>	<u>\$ 65,000</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	1,285	10,900		
Unencumbered Cash, Beginning	1,090	2,375		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 2,375</u>	<u>\$ 13,275</u>		

UNIFIED SCHOOL DISTRICT NO. 263
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2020
(With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

<u>Bond and Interest Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 1,231,077	\$ 1,435,399	\$ 1,192,306	\$ 243,093
County Sources	133,876	125,323	115,571	9,752
State Sources	740,316	832,967	832,967	0
	<u>2,105,269</u>	<u>2,393,689</u>	<u>\$ 2,140,844</u>	<u>\$ 252,845</u>
Expenditures				
Debt Service	<u>2,115,187</u>	<u>2,135,813</u>	<u>\$ 2,135,813</u>	<u>\$ 0</u>
	<u>2,115,187</u>	<u>2,135,813</u>	<u>\$ 2,135,813</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	(9,918)	257,876		
Unencumbered Cash, Beginning	1,550,564	1,540,646		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 1,540,646</u>	<u>\$ 1,798,522</u>		

UNIFIED SCHOOL DISTRICT NO. 263
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2020
(With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

<u>Federal Funds</u>			
		Prior Year Actual	Current Year Actual
Cash Receipts			
Federal Sources		\$ 288,403	\$ 294,756
		<u>288,403</u>	<u>294,756</u>
Expenditures			
Instruction		265,008	272,947
Instructional Support Services		14,032	15,168
Student Support Services		0	7,974
School Administration		<u>0</u>	<u>1,912</u>
		<u>279,040</u>	<u>298,001</u>
Receipts Over (Under) Expenditures		9,363	(3,245)
Unencumbered Cash, Beginning		5,847	15,210
Prior Year Canceled Encumbrances		<u>0</u>	<u>0</u>
Unencumbered Cash, Ending		<u>\$ 15,210</u>	<u>\$ 11,965</u>

UNIFIED SCHOOL DISTRICT NO. 263
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2020
(With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

Gifts and Grants Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	\$ 190,372	\$ 89,678
State Sources	72,307	32,178
Federal Sources	<u>0</u>	<u>32,178</u>
	<u>262,679</u>	<u>154,034</u>
 Expenditures		
Instruction	<u>300,642</u>	<u>182,465</u>
	<u>300,642</u>	<u>182,465</u>
 Receipts Over (Under) Expenditures	(37,963)	(28,431)
 Unencumbered Cash, Beginning	138,769	100,806
 Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
 Unencumbered Cash, Ending	<u>\$ 100,806</u>	<u>\$ 72,375</u>

UNIFIED SCHOOL DISTRICT NO. 263
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2020
(With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

Contingency Reserve Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers	\$ 0	\$ 253,369
	<u>0</u>	<u>253,369</u>
Expenditures		
General Administration	<u>6,980</u>	<u>7,200</u>
	<u>6,980</u>	<u>7,200</u>
Receipts Over (Under) Expenditures	(6,980)	246,169
Unencumbered Cash, Beginning	710,128	703,148
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 703,148</u>	<u>\$ 949,317</u>

UNIFIED SCHOOL DISTRICT NO. 263
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2020
(With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

Textbook & Student Material			
Revolving Fund			
		Prior Year	Current Year
		Actual	Actual
Cash Receipts			
Local Sources	\$ 178,898	\$ 179,100	
Transfers	111,140	167,000	
	<u>290,038</u>	<u>346,100</u>	
Expenditures			
Instruction	58,155	227,245	
Operations & Maintenance	0	8,094	
	<u>58,155</u>	<u>235,339</u>	
Receipts Over (Under) Expenditures	231,883	110,761	
Unencumbered Cash, Beginning	93,490	325,373	
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>	
Unencumbered Cash, Ending	<u>\$ 325,373</u>	<u>\$ 436,134</u>	

UNIFIED SCHOOL DISTRICT NO. 263
AGENCY FUNDS
SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2020

Mulvane High School				
Athletic Fund Raising	\$ 13,747	\$ 4,186	\$ 2,367	\$ 15,566
Community Support Network	843	0	0	843
Sales Tax	105	9,384	9,215	274
Refund	0	400	400	0
Booster Club Donations	741	0	213	528
Baseball	4,895	398	2,377	2,916
Basketball-Girls	2,085	2,003	1,935	2,153
Basketball - Boys	1,822	6,643	6,363	2,102
Bowling	60	850	716	194
Cheerleading Club	10,699	7,555	13,701	4,553
Cross Country - MHS	1,900	313	131	2,082
Flag Team	887	414	1,252	49
Football	2,061	12,056	7,458	6,659
Golf - Boys Club	1	395	396	0
Golf - Girls Club	0	459	394	65
Klassy Kat Dance Club	1,107	6,331	5,315	2,123
Soccer - Boys	2,881	992	303	3,570
Soccer - Girls	1,067	646	0	1,713
Softball	2,899	615	2,626	888
Track and Field	575	66	0	641
Volleyball	951	749	761	939
Wrestling	2,652	2,614	2,794	2,472
Band/Percussion Club	2,400	3,099	1,524	3,975
Class of 2019	726	0	726	0
Class of 2020	948	0	948	0
Class of 2021	100	4,427	2,569	1,958
Class of 2023	0	150	50	100
Jr Class Service Project	425	0	133	292
Debate/Forensics/NFL	1,383	474	1,605	252
Drama	200	4,299	4,495	4
Future Business Leaders of America	116	1,881	979	1,018
FCCLA	514	3,470	3,506	478
FFA	13,533	21,657	23,710	11,480
Circle of Friends	598	41	146	493
Kay Club	354	1,585	1,423	516
KCAT	411	0	141	270
	<u>73,686</u>	<u>98,152</u>	<u>100,672</u>	<u>71,166</u>

UNIFIED SCHOOL DISTRICT NO. 263
AGENCY FUNDS
SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2020

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Mulvane High School (continued)				
National Honor Society	926	1,620	1,699	847
Rowdie Crowd Pep Club	704	1,874	1,942	636
SADD/RAD Club	1,764	2,037	1,107	2,694
Scholars Bowl	201	489	113	577
Sch Newspaper Club (Cat Tracks)	23	0	0	23
Skills USA	1,915	805	581	2,139
Student Council	219	5,683	5,494	408
Thespians	160	1,024	1,050	134
Vocal Music/Espirit Club	7,283	4,471	2,493	9,261
Wildcat Café	5,151	636	2,225	3,562
Yearbook Club	0	21,532	21,476	56
	<u>92,032</u>	<u>138,323</u>	<u>138,852</u>	<u>91,503</u>
Mulvane Middle School				
Student Achievement - Donation	2,129	445	403	2,171
Basketball - Girls	674	0	280	394
Basketball - Boys	567	467	0	1,034
Cheerleaders	3,615	13,014	12,454	4,175
Cross Country	65	109	0	174
Football	916	933	80	1,769
Track	1,693	0	0	1,693
Volleyball	238	777	254	761
Wrestling Club	627	0	126	501
Team 6A	181	69	119	131
Team 6B	0	337	95	242
Careers	0	2,254	1,410	844
National Honor Society	483	439	485	437
SADD/RAD Club	2,056	365	941	1,480
Sevenettes Club	153	550	539	164
Student Council	2,338	1,903	2,021	2,220
Yearbook Club	2,074	8,013	7,936	2,151
	<u>17,809</u>	<u>29,675</u>	<u>27,143</u>	<u>20,341</u>
Total Agency Funds	<u>\$ 109,841</u>	<u>\$ 167,998</u>	<u>\$ 165,995</u>	<u>\$ 111,844</u>

UNIFIED SCHOOL DISTRICT NO. 263
DISTRICT ACTIVITY FUNDS
SCHEDULE OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2020

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Mulvane High School							
Activity Passes - Patrons	\$ 0	\$ 0	\$ 1,866	\$ 1,866	\$ 0	\$ 0	\$ 0
Gate Receipts/Ath/Unif Replace	500	0	43,264	43,729	35	0	35
Concessions	14,659	0	25,524	31,482	8,701	0	8,701
Interest	40	0	38	40	38	0	38
Clearing Account	2,906	0	6,445	5,309	4,042	0	4,042
Library (Fines & Book Fairs)	679	0	381	985	75	0	75
	<u>18,784</u>	<u>0</u>	<u>77,518</u>	<u>83,411</u>	<u>12,891</u>	<u>0</u>	<u>12,891</u>
Mulvane Middle School							
Activity Passes - Patrons	0	0	1,583	1,583	0	0	0
Gate Receipts/Athlete/Uniform Replace	0	0	16,316	16,316	0	0	0
Athletic Entry Fees	0	0	950	950	0	0	0
Concessions	2,744	0	12,682	14,329	1,097	0	1,097
Interest	18	0	9	0	27	0	27
Refund	0	0	231	231	0	0	0
Donations - Misc.	316	0	108	141	283	0	283
Pop/Vending	419	0	1,083	1,270	232	0	232
Band/Percussion Club	0	0	719	719	0	0	0
	<u>3,497</u>	<u>0</u>	<u>33,681</u>	<u>35,539</u>	<u>1,639</u>	<u>0</u>	<u>1,639</u>

**UNIFIED SCHOOL DISTRICT NO. 263
DISTRICT ACTIVITY FUNDS
SCHEDULE OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2020**

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Mulvane Grade School							
Library	1,438	0	10,460	7,807	4,091	0	4,091
IOTA CHI Donation	33	0	0	0	33	0	33
Donation - Misc.	2,650	0	2,089	917	3,822	0	3,822
T.A.P.E Donation	8,626	0	3,353	5,390	6,589	0	6,589
	<u>12,747</u>	<u>0</u>	<u>15,902</u>	<u>14,114</u>	<u>14,535</u>	<u>0</u>	<u>14,535</u>
Munsion Primary School							
Library	5,410	0	10,756	7,587	8,579	0	8,579
IOTA CHI Donation	934	0	95	1,020	9	0	9
Refund	0	0	30	30	0	0	0
Donation - Misc.	0	0	0	0	0	0	0
T.A.P.E Donation	9,041	0	4,074	6,136	6,979	0	6,979
Just Give - Donation	2,577	0	1,835	3,232	1,180	0	1,180
	<u>17,962</u>	<u>0</u>	<u>16,790</u>	<u>18,005</u>	<u>16,747</u>	<u>0</u>	<u>16,747</u>
Total District Activity Funds	<u>\$ 52,990</u>	<u>\$ 0</u>	<u>\$ 143,891</u>	<u>\$ 151,069</u>	<u>\$ 45,812</u>	<u>\$ 0</u>	<u>\$ 45,812</u>

FEDERAL AWARD INFORMATION



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

INDEPENDENT AUDITORS' REPORT

**Board of Education
Unified School District No. 263
Mulvane, Kansas**

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 of **Unified School District No. 263, Mulvane, Kansas**, as of and for the year ended **June 30, 2020**, and the related notes to the financial statement, which collectively comprise **Unified School District No. 263, Mulvane, Kansas'** basic financial statement, and have issued our report thereon dated December 2, 2020. In our report, our opinion on the financial statement was unmodified based on the prescribed basis of accounting that demonstrates compliance with the *Kansas Municipal Audit and Accounting Guide* which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered **Unified School District No. 263, Mulvane, Kansas'** internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of **Unified School District No. 263, Mulvane, Kansas'** internal control. Accordingly, we do not express an opinion on the effectiveness of **Unified School District No. 263, Mulvane, Kansas'** 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

**Board of Education
Unified School District No. 263**

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether **Unified School District No. 263, Mulvane, Kansas'** financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Busby Ford & Reimer, LLC

Busby Ford & Reimer, LLC
December 2, 2020



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

INDEPENDENT AUDITORS' REPORT

**Board of Education
Unified School District No. 263
Mulvane, Kansas**

Report on Compliance for Each Major Federal Program

We have audited the compliance of **Unified School District No. 263, Mulvane, Kansas**, with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of **Unified School District No. 263, Mulvane, Kansas'** major federal programs for the year ended **June 30, 2020**. **Unified School District No. 263, Mulvane, Kansas'** major federal financial programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of **Unified School District No. 263, Mulvane, Kansas'** 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), and the *Kansas Municipal Audit and Accounting Guide*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about **Unified School District No. 263, Mulvane, Kansas'** compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of **Unified School District No. 263, Mulvane, Kansas'** compliance.

**Board of Education
Unified School District No. 263**

Opinion on Each Major Federal Program

In our opinion, **Unified School District No. 263, Mulvane, Kansas** 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 **Unified School District No. 263, Mulvane, Kansas** is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered **Unified School District No. 263, Mulvane, Kansas'** 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 **Unified School District No. 263, Mulvane, Kansas'** 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weakness 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.

Busby Ford & Reimer, LLC

Busby Ford & Reimer, LLC
December 2, 2020

UNIFIED SCHOOL DISTRICT NO. 263
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

Grant Title	Federal CFDA No.	Program Amount	Unencumbered Cash 7-1-19	Receipts	Expenditures	Unencumbered Cash 6-30-20
<u>(Passes Through Kansas Department of Education)</u>						
Department of Agriculture						
Child Nutrition Cluster-Cluster						
School Breakfast Program	10.553	\$ 85,684				
National School Lunch Program	10.555	298,837				
Summer Food Service Program for Children	10.559	223,225				
		<u>607,746</u>	<u>\$ 0</u>	<u>\$ 607,746</u>	<u>\$ 607,746</u>	<u>\$ 0</u>
Department of Education						
Title I Grants to Local Educational Agencies	84.010	194,436	0	194,436	194,436	0
Career and Technical Education - Basic Grants to States	84.048	38,311	0	38,311	38,311	0
Supporting Effective Instruction State Grants	84.367	45,657	8,810	44,613	45,657	7,766
Student Support and Academic Enrichment Program	84.424	19,597	6,400	17,396	19,597	4,199
Special Education Cluster (IDEA)-Cluster						
Special Education Grants to States	84.027	336,591	0	336,591	336,591	0
Special Education Preschool Grants	84.173	12,647	0	12,647	12,647	0
		<u>647,239</u>	<u>15,210</u>	<u>643,994</u>	<u>647,239</u>	<u>11,965</u>
Department of Health and Human Services						
Temporary Assistance for Needy Families State Programs	93.558	32,178	0	32,178	32,178	0
<u>(Passes Through Kansas Department of SRS)</u>						
Department of Health and Human Services						
Medicaid Cluster-Cluster						
Medical Assistance Program	93.778	54,804	0	54,804	54,804	0
Total Federal Awards		<u>\$ 1,341,967</u>	<u>\$ 15,210</u>	<u>\$ 1,338,722</u>	<u>\$ 1,341,967</u>	<u>\$ 11,965</u>

The accompanying notes are an integral part of this schedule.

**UNIFIED SCHOOL DISTRICT NO. 263
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020**

Note 1 - Basis of Presentation:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of **Unified School District No. 263, Mulvane, Kansas**, and is prepared on the basis of accounting as described in Note 1 of the notes to the financial statement. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Note 2 - Indirect Cost Rate:

The District has elected not to use the 10% de minimis cost rate allowed under Section 200.414(f) of the Uniform Guidance.

**UNIFIED SCHOOL DISTRICT NO. 263
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020**

SUMMARY OF AUDIT RESULTS

1. The independent auditors' report expresses an unmodified opinion on the financial statement of **Unified School District No. 263, Mulvane, Kansas**.
2. No significant deficiencies or material weaknesses were reported in the Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statement of **Unified School District No. 263, Mulvane, Kansas**, were disclosed during the audit.
4. No significant deficiencies or material weakness were reported in the Report On Compliance For Each Major Program And On Internal Control Over Compliance Required By The Uniform Guidance.
5. The independent auditors' report on compliance for the major federal award programs for **Unified School District No. 263, Mulvane, Kansas**, expresses an unmodified opinion on all major federal programs.
6. There were no audit findings relative to the major federal award programs for **Unified School District No. 263, Mulvane, Kansas**.
7. The programs tested as major programs were:

Child Nutrition Cluster-Cluster	
School Breakfast Program	10.553
National School Lunch Program	10.555
Summer Food Service Program for Children	10.559
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. **Unified School District No. 263, Mulvane, Kansas**, was determined not to be a low-risk auditee.

**UNIFIED SCHOOL DISTRICT NO. 263
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020**

There are no prior audit findings.