

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402  
AUGUSTA, KANSAS**

**FINANCIAL STATEMENT  
JUNE 30, 2020**



**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
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**JUNE 30, 2020**

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## INDEPENDENT AUDITORS' REPORT

**Board of Education  
Augusta Unified School District No. 402  
Augusta, Kansas**

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of **Augusta Unified School District No. 402, Augusta, 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.

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**Board of Education**  
**Augusta Unified School District No. 402**

*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 **Augusta Unified School District No. 402, Augusta, 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 **Augusta Unified School District No. 402, Augusta, 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 **Augusta Unified School District No. 402, Augusta, 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  
Augusta Unified School District No. 402**

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 December 12, 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 January 5, 2021, on our consideration of **Augusta Unified School District No. 402, Augusta, 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 **Augusta Unified School District No. 402, Augusta, Kansas'** internal control over financial reporting and compliance.

**BFR CPA, LLC**

BFR CPA, LLC  
January 5, 2021

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**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	\$ 256	\$ 0	\$ 13,674,757	\$ 13,675,013	\$ 0	\$ 144,147	\$ 144,147
Special Purpose Funds							
Supplemental General	123,830	0	4,637,798	4,613,570	148,058	85,329	233,387
Preschool-Aged At-Risk	0	0	59,886	59,886	0	1,441	1,441
At Risk (K-12)	0	0	1,395,122	1,395,122	0	0	0
Bilingual Education	0	0	17,526	17,526	0	0	0
Virtual Education	0	0	0	0	0	0	0
Capital Outlay	3,528,246	0	1,572,987	1,250,297	3,850,936	195,522	4,046,458
Driver Training	101,176	0	38,389	9,687	129,878	0	129,878
Food Service	263,664	0	868,529	853,178	279,015	10,633	289,648
Professional Development	78,495	0	46,961	54,211	71,245	85	71,330
Special Education	674,741	0	2,572,942	2,572,683	675,000	0	675,000
Career and Postsecondary Education	5,722	0	631,901	630,265	7,358	27,759	35,117
KPERS Contribution	0	0	1,736,670	1,736,670	0	0	0
Federal Funds	0	0	389,036	393,054	(4,018)	2,082	(1,936)
Gifts and Grants	52,558	0	204,179	201,525	55,212	12,977	68,189
Contingency Reserve	450,000	0	106,966	0	556,966	0	556,966
Textbook & Student Material Revolving	514,896	0	233,916	101,470	647,342	22,186	669,528
Special Reserve	0	0	0	0	0	0	0
District Activity Funds	11,539	0	88,542	66,618	33,463	0	33,463
Debt Service Funds							
Bond and Interest	6,394,863	0	4,980,907	3,965,822	7,409,948	0	7,409,948
Special Assessment	2,642	0	3	0	2,645	0	2,645
	<u>\$ 12,202,628</u>	<u>\$ 0</u>	<u>\$ 33,257,017</u>	<u>\$ 31,596,597</u>	<u>\$ 13,863,048</u>	<u>\$ 502,161</u>	<u>\$ 14,365,209</u>

Composition of Cash:

Checking Accounts	\$ 1,281,577
Money Market Accounts and CDs	7,644,691
Investments	5,654,461
	<u>14,580,729</u>
Agency Funds	(215,520)
	<u>\$ 14,365,209</u>

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

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**NOTES TO FINANCIAL STATEMENT**  
**JUNE 30, 2020**

**Note 1 - Summary of Significant Accounting Policies:**

Financial Reporting Entity

**Augusta Unified School District No. 402** is a municipal corporation established under State of Kansas statutes designed to meet educational requirements at the primary and secondary levels in and around Augusta, 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.

Debt Service Fund-To account for the accumulation of resources for and the payment of, interest and principal on 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.

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**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	Gifts and Grants Fund
Contingency Reserve Fund	Textbook & Student Material Revolving Fund
Special Reserve	District Activity Funds

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

**Note 2 - In Substance Receipt in Transit:**

The District received \$792,302 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.



**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**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](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 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.

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**NOTES TO FINANCIAL STATEMENT**  
**JUNE 30, 2020**

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 \$1,736,670 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 \$15,007,170. 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](http://www.kpers.org) or can be obtained as described above.

**Note 4 - Deposits and Investments:**

As of June 30, 2020, the District had the following investments and maturities:

Investment Type	Fair Value	Rating U.S.
Kansas Municipal Investment Pool	\$ 5,632,123	N/A
Memorial & Scholarships-Mutual Funds	17,918	N/A
Total Fair Value	<u>\$ 5,650,041</u>	

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. The rating of the District's investments is noted above.

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**NOTES TO FINANCIAL STATEMENT**  
**JUNE 30, 2020**

*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. The District's allocation of investments as of June 30, 2020, is as follows:

Investment Type	Percentage of Investments
Kansas Municipal Investment Pool	99%
Memorial & Scholarships-Mutual Funds	1%

*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 \$8,926,268 and the bank balance was \$9,985,070. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$532,110 was covered by federal depository insurance and the remaining \$9,452,960 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

*Custodial credit risk – investments.* For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

At June 30, 2020, the District had invested \$5,632,123 in the State's municipal investment pool. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

**Note 5 - 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.

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

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**NOTES TO FINANCIAL STATEMENT**  
**JUNE 30, 2020**

**Note 6 - 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.

The District has adopted an early retirement program. Under the program, a full-time employee must be at least 57 years of age with 15 or more years with the District and 20 or more years of service credit recognized by the Kansas Public Employees Retirement System (KPERS). Benefits under the plan are calculated by the number of years of service credit recognized by KPERS plus the number of years the employee was denied participation in KPERS due to part-time employment for such employee multiplied by the largest base salary received during any one of the five years immediately preceding planned retirement, multiplied by, a factor of 0.005. These benefits terminate at the end of the month in which the employee reaches the age of eligibility for being able to retire on a full social security benefit at normal social security retirement age or at death, if sooner.

It is the policy of the District to record these benefits as expenditures when paid. Total expenditures under the program for the year ended June 30, 2020, was 142,308 for eleven former employees.

**Note 7 - Interfund Transactions:**

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

Transfer from:	Transfer to:									Total
	Preschool- Aged At-Risk	At Risk (K-12)	Bilingual Education	Capital Outlay	Professional Development	Special Education	Career and Postsecondary Education	Contingency Reserve	Textbook & Student Material Revolving	
General Fund	\$ 59,886	\$ 935,149	\$ 12,912	\$ 14,038	\$ 0	\$ 2,548,567	\$ 587,601	\$ 106,966	\$ 80,000	\$ 4,345,119
Supplemental General Fund	0	459,973	4,614	0	40,000	24,375	0	0	0	528,962
	<u>\$ 59,886</u>	<u>\$ 1,395,122</u>	<u>\$ 17,526</u>	<u>\$ 14,038</u>	<u>\$ 40,000</u>	<u>\$ 2,572,942</u>	<u>\$ 587,601</u>	<u>\$ 106,966</u>	<u>\$ 80,000</u>	<u>\$ 4,874,081</u>

**Note 8 - 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.

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**NOTES TO FINANCIAL STATEMENT**  
**JUNE 30, 2020**

**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 - Advance Refunding of Bond Obligation:**

On November 1, 2019, the District issued \$9,735,000 of General Obligation Bonds with interest rates ranging from 2.050% to 2.625%. Of the issue \$9,573,130 was used to purchase U.S. government securities. Those securities were deposited with an escrow agent to provide for the future debt service payments on \$8,795,000 of principal amount of the 2012 Series Bonds until the redemption date of September 1, 2021, and \$490,000 of principal amount of the 2013 Series Bonds until the redemption date of September 1, 2024, at which time the bonds will be retired.

**Note 11 - Long-Term Debt:**

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

Principal and interest payments are due annually on the capital lease.

Terms for long-term liabilities for the District for the year ended June 30, 2019, were as follows:

Issue	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity
General Obligation Bonds				
2012 Series	2.00 - 3.00	12/27/12	\$ 9,570,000	9/1/32
2013 Series	1.50 - 4.00	4/1/13	\$ 8,965,000	9/1/31
2014 Series	2.00 - 3.00	7/15/14	\$ 4,050,000	9/1/25
2015 Series	4.00	1/14/15	\$ 8,620,000	9/1/28
2016 Series	3.00 - 4.00	1/6/16	\$ 8,615,000	9/1/30
2017 Series	3.00 - 4.00	1/5/17	\$ 6,500,000	9/1/30
2019 Series	2.05 - 2.625	11/1/19	\$ 9,735,000	9/1/28
Capital Lease				
Field Lighting System	2.39	10/15/18	\$ 190,000	11/19/21

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**NOTES TO FINANCIAL STATEMENT**  
**JUNE 30, 2020**

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
<b>General Obligation Bonds</b>					
2012 Series	\$ 9,570,000	\$ 0	\$ 8,895,000	\$ 675,000	\$ 143,964
2013 Series	8,965,000	0	550,000	8,415,000	304,431
2014 Series	4,050,000	0	50,000	4,000,000	119,850
2015 Series	8,620,000	0	0	8,620,000	344,800
2016 Series	8,615,000	0	325,000	8,290,000	292,175
2017 Series	6,500,000	0	1,975,000	4,525,000	175,825
2019 Series	0	9,735,000	0	9,735,000	74,777
	<u>46,320,000</u>	<u>9,735,000</u>	<u>11,795,000</u>	<u>44,260,000</u>	<u>1,455,822</u>
<b>Capital Lease</b>					
Field Lighting System	190,000	0	60,853	129,147	7,642
	<u>\$ 46,510,000</u>	<u>\$ 9,735,000</u>	<u>\$ 11,855,853</u>	<u>\$ 44,389,147</u>	<u>\$ 1,463,464</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			
	General Obligation Bonds	Capital Leases	Total Principal	General Obligation Bonds	Capital Leases	Total Interest	Total Principal and Interest
2021	\$ 3,450,000	\$ 63,300	\$ 3,513,300	\$ 1,384,963	\$ 5,195	\$ 1,390,158	\$ 4,903,458
2022	3,710,000	65,847	3,775,847	1,288,189	2,648	1,290,837	5,066,684
2023	3,840,000	0	3,840,000	1,180,764	0	1,180,764	5,020,764
2024	3,970,000	0	3,970,000	1,065,261	0	1,065,261	5,035,261
2025	4,090,000	0	4,090,000	939,064	0	939,064	5,029,064
2026 - 2030	21,465,000	0	21,465,000	2,646,502	0	2,646,502	24,111,502
2031	3,735,000	0	3,735,000	74,700	0	74,700	3,809,700
	<u>\$ 44,260,000</u>	<u>\$ 129,147</u>	<u>\$ 44,389,147</u>	<u>\$ 8,579,443</u>	<u>\$ 7,843</u>	<u>\$ 8,587,286</u>	<u>\$ 52,976,433</u>

**Note 12 - Subsequent Events:**

The District has evaluated subsequent events through January 5, 2021, 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.

**REGULATORY REQUIRED  
SUPPLEMENTARY INFORMATION**

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**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	\$ 13,872,823	\$ (202,928)	\$ 5,118	\$ 13,675,013	\$ 13,675,013	\$ 0
Special Purpose Funds						
Supplemental General	4,685,209	(71,639)	0	4,613,570	4,613,570	0
Preschool-Aged At-Risk	73,104	0	0	73,104	59,886	(13,218)
At Risk (K-12)	1,531,345	0	0	1,531,345	1,395,122	(136,223)
Bilingual Education	17,526	0	0	17,526	17,526	0
Virtual Education	5,000	0	0	5,000	0	(5,000)
Capital Outlay	2,000,000	0	0	2,000,000	1,250,297	(749,703)
Driver Training	45,000	0	0	45,000	9,687	(35,313)
Food Service	899,439	0	0	899,439	853,178	(46,261)
Professional Development	80,000	0	0	80,000	54,211	(25,789)
Special Education	2,634,202	0	0	2,634,202	2,572,683	(61,519)
Career and Postsecondary Education	718,789	0	0	718,789	630,265	(88,524)
KPERS Contribution	1,999,428	0	0	1,999,428	1,736,670	(262,758)
Federal Funds	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	393,054	XXXXXXXXXX
Gifts and Grants	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	201,525	XXXXXXXXXX
Contingency Reserve	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0	XXXXXXXXXX
Textbook & Student Material Revolving	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	101,470	XXXXXXXXXX
Special Reserve	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0	XXXXXXXXXX
District Activity Funds	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	66,618	XXXXXXXXXX
Debt Service Funds						
Bond and Interest	4,028,972	0	0	4,028,972	3,965,822	(63,150)
Special Assessment	2,642	0	0	2,642	0	(2,642)
	<u>\$ 32,593,479</u>	<u>\$ (274,567)</u>	<u>\$ 5,118</u>	<u>\$ 32,324,030</u>	<u>\$ 31,596,597</u>	<u>\$ (1,490,100)</u>



**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**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	\$ 5,722	\$ 5,118	\$ 0	\$ 5,118
State Sources	13,077,531	13,669,639	13,872,567	(202,928)
	<u>13,083,253</u>	<u>13,674,757</u>	<u>\$13,872,567</u>	<u>\$ (197,810)</u>
Expenditures				
Instruction	3,725,078	\$ 4,054,344	\$ 4,022,242	\$ 32,102
Student Support Services	583,588	606,574	606,722	(148)
Instructional Support Staff	436,362	461,925	515,542	(53,617)
General Administration	731,731	624,945	767,562	(142,617)
School Administration	1,145,882	1,214,311	1,198,135	16,176
Central Services	294,085	343,174	316,091	27,083
Operations & Maintenance	1,565,581	1,657,015	1,639,076	17,939
Student Transportation Services	331,779	351,333	339,690	11,643
Other Supplemental Services	23,057	16,273	23,919	(7,646)
Transfers	4,246,128	4,345,119	4,443,844	(98,725)
Adjustment to Comply with Legal Max	0	0	(202,928)	202,928
Adjustment for Qualifying Budget Credits	0	0	5,118	(5,118)
	<u>13,083,271</u>	<u>13,675,013</u>	<u>\$13,675,013</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	(18)	(256)		
Unencumbered Cash, Beginning	18	256		
Prior Year Canceled Encumbrances	<u>256</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 256</u>	<u>\$ 0</u>		

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**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	\$ 1,301,112	\$ 1,387,797	\$ 1,262,500	\$ 125,297
County Sources	192,598	186,129	187,432	(1,303)
State Sources	3,055,649	3,063,872	3,111,447	(47,575)
	<u>4,549,359</u>	<u>4,637,798</u>	<u>\$ 4,561,379</u>	<u>\$ 76,419</u>
Expenditures				
Instruction	3,746,675	3,748,449	\$ 3,831,074	\$ (82,625)
Instructional Support Staff	3,518	1,861	3,518	(1,657)
Central Services	274,024	290,081	327,872	(37,791)
Operations & Maintenance	22,545	44,217	22,545	21,672
Transfers	564,146	528,962	500,200	28,762
Adjustment to Comply with Legal Max	0	0	(71,639)	71,639
	<u>4,610,908</u>	<u>4,613,570</u>	<u>\$ 4,613,570</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	(61,549)	24,228		
Unencumbered Cash, Beginning	185,234	123,830		
Prior Year Canceled Encumbrances	<u>145</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 123,830</u>	<u>\$ 148,058</u>		

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**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)
	<u>Prior Year Actual</u>	<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Local Sources	\$ 0	\$ 0	\$ 10,000	\$ (10,000)
Transfers	50,895	59,886	63,104	(3,218)
	<u>50,895</u>	<u>59,886</u>	<u>\$ 73,104</u>	<u>\$ (13,218)</u>
Expenditures				
Instruction	49,585	58,843	\$ 71,638	\$ (12,795)
Instructional Support Staff	140	0	266	(266)
Other Supplemental Services	1,170	1,043	1,200	(157)
	<u>50,895</u>	<u>59,886</u>	<u>\$ 73,104</u>	<u>\$ (13,218)</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>		

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**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>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 0	\$ 0	\$ 20,000	\$ (20,000)
Transfers	<u>1,423,652</u>	<u>1,395,122</u>	<u>1,511,345</u>	<u>(116,223)</u>
	<u>1,423,652</u>	<u>1,395,122</u>	<u>\$ 1,531,345</u>	<u>\$ (136,223)</u>
Expenditures				
Instruction	1,422,032	1,382,794	\$ 1,529,721	\$ (146,927)
Student Support Services	<u>1,620</u>	<u>12,328</u>	<u>1,624</u>	<u>10,704</u>
	<u>1,423,652</u>	<u>1,395,122</u>	<u>\$ 1,531,345</u>	<u>\$ (136,223)</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>		

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**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>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 0	\$ 0	\$ 2,000	\$ (2,000)
Transfers	15,269	17,526	15,526	2,000
	<u>15,269</u>	<u>17,526</u>	<u>\$ 17,526</u>	<u>\$ 0</u>
Expenditures				
Instruction	15,269	17,526	\$ 17,526	\$ 0
	<u>15,269</u>	<u>17,526</u>	<u>\$ 17,526</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>		

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**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>Virtual Education Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 0	\$ 0	\$ 0	\$ 0
Transfers	0	0	5,000	(5,000)
	<u>0</u>	<u>0</u>	<u>\$ 5,000</u>	<u>\$ (5,000)</u>
Expenditures				
Instruction	0	0	\$ 5,000	\$ (5,000)
	<u>0</u>	<u>0</u>	<u>\$ 5,000</u>	<u>\$ (5,000)</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>		

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**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	\$ 981,995	\$ 955,272	\$ 804,766	\$ 150,506
County Sources	109,938	106,848	107,576	(728)
State Sources	448,651	496,829	501,932	(5,103)
Transfers	41,705	14,038	0	14,038
	<u>1,582,289</u>	<u>1,572,987</u>	<u>\$ 1,414,274</u>	<u>\$ 158,713</u>
Expenditures				
Instruction	91,032	133,366	\$ 260,000	\$ (126,634)
Student Support Services	7,695	0	20,000	(20,000)
Instructional Support Services	21,457	21,334	69,924	(48,590)
General Administration	0	1,113	0	1,113
Central Services	3,407	2,622	100,000	(97,378)
Operations & Maintenance	408,613	431,193	550,447	(119,254)
Transportation	120,144	214,073	251,629	(37,556)
Facility Acquisition & Construction Services	398,248	446,596	748,000	(301,404)
	<u>1,050,596</u>	<u>1,250,297</u>	<u>\$ 2,000,000</u>	<u>\$ (749,703)</u>
Receipts Over (Under) Expenditures	531,693	322,690		
Unencumbered Cash, Beginning	2,994,538	3,528,246		
Prior Year Canceled Encumbrances	<u>2,015</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 3,528,246</u>	<u>\$ 3,850,936</u>		

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**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>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 23,746	\$ 23,699	\$ 25,000	\$ (1,301)
State Sources	<u>17,052</u>	<u>14,690</u>	<u>15,860</u>	<u>(1,170)</u>
	<u>40,798</u>	<u>38,389</u>	<u>\$ 40,860</u>	<u>\$ (2,471)</u>
Expenditures				
Instruction	28,365	4,702	\$ 35,500	\$ (30,798)
Vehicle Operations, Maintenance Services	<u>1,982</u>	<u>4,985</u>	<u>9,500</u>	<u>(4,515)</u>
	<u>30,347</u>	<u>9,687</u>	<u>\$ 45,000</u>	<u>\$ (35,313)</u>
Receipts Over (Under) Expenditures	10,451	28,702		
Unencumbered Cash, Beginning	90,725	101,176		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 101,176</u>	<u>\$ 129,878</u>		



**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**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	\$ 360,612	\$ 310,371    \$ 379,690	\$ (69,319)
State Sources	8,870	8,698        7,407	1,291
Federal Sources	513,633	549,460     512,816	36,644
	<u>883,115</u>	<u>868,529</u> <u>\$ 899,913</u>	<u>\$ (31,384)</u>
Expenditures			
Operations & Maintenance	93	1,328    \$ 2,175	\$ (847)
Food Service Operation	838,099	851,850    897,264	(45,414)
	<u>838,192</u>	<u>853,178</u> <u>\$ 899,439</u>	<u>\$ (46,261)</u>
Receipts Over (Under) Expenditures	44,923	15,351	
Unencumbered Cash, Beginning	218,741	263,664	
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>	
Unencumbered Cash, Ending	<u>\$ 263,664</u>	<u>\$ 279,015</u>	

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**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)
	<u>Prior Year Actual</u>	<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Local Sources	\$ 0	\$ 2,063	\$ 0	\$ 2,063
State Sources	4,650	4,898	10,000	(5,102)
Transfers	60,000	40,000	20,000	20,000
	<u>64,650</u>	<u>46,961</u>	<u>\$ 30,000</u>	<u>\$ 16,961</u>
Expenditures				
Instructional Support Staff	31,334	54,067	\$ 80,000	\$ (25,933)
Central Services	0	144	0	144
	<u>31,334</u>	<u>54,211</u>	<u>\$ 80,000</u>	<u>\$ (25,789)</u>
Receipts Over (Under) Expenditures	33,316	(7,250)		
Unencumbered Cash, Beginning	45,179	78,495		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 78,495</u>	<u>\$ 71,245</u>		

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**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)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Transfers	<u>\$ 2,585,339</u>	<u>\$ 2,572,942</u>	<u>\$ 2,600,256</u>	<u>\$ (27,314)</u>
	<u>2,585,339</u>	<u>2,572,942</u>	<u>\$ 2,600,256</u>	<u>\$ (27,314)</u>
Expenditures				
Instruction	2,380,355	2,408,334	\$ 2,454,604	\$ (46,270)
Student Transportation Services	<u>171,037</u>	<u>164,349</u>	<u>179,598</u>	<u>(15,249)</u>
	<u>2,551,392</u>	<u>2,572,683</u>	<u>\$ 2,634,202</u>	<u>\$ (61,519)</u>
Receipts Over (Under) Expenditures	33,947	259		
Unencumbered Cash, Beginning	640,794	674,741		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 674,741</u>	<u>\$ 675,000</u>		

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**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	Current Year				Variance - Over (Under)
	Prior Year Actual	Actual	Budget		
Cash Receipts					
Local Sources	\$ 3,132	\$ 0	\$ 0	\$ 0	
State Sources	14,286	19,052	19,465	(413)	
Federal Sources	18,572	25,248	24,789	459	
Transfers	573,414	587,601	668,813	(81,212)	
	<u>609,404</u>	<u>631,901</u>	<u>\$ 713,067</u>	<u>\$ (81,166)</u>	
Expenditures					
Instruction	531,890	577,444	\$ 639,594	\$ (62,150)	
Instructional Support Staff	35,656	33,769	43,030	(9,261)	
Student Transportation Services	36,158	19,052	36,165	(17,113)	
	<u>603,704</u>	<u>630,265</u>	<u>\$ 718,789</u>	<u>\$ (88,524)</u>	
Receipts Over (Under) Expenditures	5,700	1,636			
Unencumbered Cash, Beginning	0	5,722			
Prior Year Canceled Encumbrances	<u>22</u>	<u>0</u>			
Unencumbered Cash, Ending	<u>\$ 5,722</u>	<u>\$ 7,358</u>			

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**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>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
State Sources	\$ 1,136,862	\$ 1,736,670	\$ 1,199,428	\$ 537,242
	<u>1,136,862</u>	<u>1,736,670</u>	<u>\$ 1,199,428</u>	<u>\$ 537,242</u>
Expenditures				
Instruction	768,403	1,160,493	\$ 1,336,076	\$ (175,583)
Student Support Services	49,209	79,481	91,506	(12,025)
Instructional Support Staff	32,451	64,488	74,244	(9,756)
General Administration	35,852	55,037	63,364	(8,327)
School Administration	92,086	136,162	156,764	(20,602)
Central Services	37,063	65,026	74,864	(9,838)
Operations & Maintenance	82,943	118,200	136,084	(17,884)
Student Transportation Services	34,535	50,595	58,250	(7,655)
Other Supplemental Services	1,491	2,868	3,302	(434)
Food Service Operation	2,829	4,320	4,974	(654)
	<u>1,136,862</u>	<u>1,736,670</u>	<u>\$ 1,999,428</u>	<u>\$ (262,758)</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>		

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**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>	Prior Year	<u>Current Year</u>		Variance -
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Over (Under)</u>
Cash Receipts				
Local Sources	\$ 2,123,612	\$ 2,196,423	\$ 2,034,947	\$ 161,476
County Sources	294,021	286,016	287,961	(1,945)
State Sources	<u>1,841,968</u>	<u>2,498,468</u>	<u>2,537,937</u>	<u>(39,469)</u>
	<u>4,259,601</u>	<u>4,980,907</u>	<u>\$ 4,860,845</u>	<u>\$ 120,062</u>
Expenditures				
Debt Service	<u>3,121,979</u>	<u>3,965,822</u>	<u>\$ 4,028,972</u>	<u>\$ (63,150)</u>
	<u>3,121,979</u>	<u>3,965,822</u>	<u>\$ 4,028,972</u>	<u>\$ (63,150)</u>
Receipts Over (Under) Expenditures	1,137,622	1,015,085		
Unencumbered Cash, Beginning	5,257,241	6,394,863		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 6,394,863</u>	<u>\$ 7,409,948</u>		

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**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 Assessment Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 50	\$ 3	\$ 0	\$ 3
	<u>50</u>	<u>3</u>	<u>0</u>	<u>3</u>
Expenditures				
Facilities Acquisition	<u>0</u>	<u>0</u>	<u>\$ 2,642</u>	<u>\$ (2,642)</u>
	<u>0</u>	<u>0</u>	<u>\$ 2,642</u>	<u>\$ (2,642)</u>
Receipts Over (Under) Expenditures	50	3		
Unencumbered Cash, Beginning	2,592	2,642		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 2,642</u>	<u>\$ 2,645</u>		

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**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			
Local Sources		\$ 11,379	\$ 0
Federal Sources		<u>366,998</u>	<u>389,036</u>
		<u>378,377</u>	<u>389,036</u>
Expenditures			
Instruction		302,716	314,579
Student Support Services		63,745	58,233
Instructional Support Staff		10,853	7,595
General Administration		1,063	1,423
Central Services		0	2,624
Operations & Maintenance		<u>0</u>	<u>8,600</u>
		<u>378,377</u>	<u>393,054</u>
Receipts Over (Under) Expenditures		0	(4,018)
Unencumbered Cash, Beginning		0	0
Prior Year Canceled Encumbrances		<u>0</u>	<u>0</u>
Unencumbered Cash, Ending		<u>\$ 0</u>	<u>\$ (4,018)</u>



**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**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	\$ 43,388	\$ 44,360
State Sources	41,633	127,269
Federal Sources	0	32,550
	<u>85,021</u>	<u>204,179</u>
Expenditures		
Instruction	68,134	137,843
Student Support Services	0	53,382
Instruction Support Staff	7,500	8,300
Food Service Operation	0	2,000
	<u>75,634</u>	<u>201,525</u>
Receipts Over (Under) Expenditures	9,387	2,654
Unencumbered Cash, Beginning	43,171	52,558
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 52,558</u>	<u>\$ 55,212</u>

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**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	\$ 106,966
	<u>0</u>	<u>106,966</u>
Expenditures	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>
Receipts Over (Under) Expenditures	0	106,966
Unencumbered Cash, Beginning	450,000	450,000
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 450,000</u>	<u>\$ 556,966</u>

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**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		
<u>Revolving Fund</u>		
	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	\$ 174,335	\$ 153,916
Transfers	<u>60,000</u>	<u>80,000</u>
	<u>234,335</u>	<u>233,916</u>
Expenditures		
Instruction	85,025	42,499
Student Support Services	<u>76,743</u>	<u>58,971</u>
	<u>161,768</u>	<u>101,470</u>
Receipts Over (Under) Expenditures	72,567	132,446
Unencumbered Cash, Beginning	442,317	514,896
Prior Year Canceled Encumbrances	<u>12</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 514,896</u>	<u>\$ 647,342</u>

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**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)**

Special Reserve Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers	\$ 0	\$ 0
	<u>0</u>	<u>0</u>
Expenditures	<u>12,706</u>	<u>0</u>
	<u>12,706</u>	<u>0</u>
Receipts Over (Under) Expenditures	(12,706)	0
Unencumbered Cash, Beginning	12,706	0
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**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
Student Organizations				
AHS General	\$ 1,223	\$ 3,813	\$ 3,995	\$ 1,041
AHS Band	20,453	42,948	50,325	13,076
AHS Scholars Bowl	1,025	240	240	1,025
AHS Flag Corp	2,023	2,214	1,238	2,999
AHS Forensics	491	4,669	2,329	2,831
AHS Library	2,212	918	619	2,511
AHS Music	11	0	0	11
AHS Drama	3,002	5,670	4,361	4,311
AHS Vocal Music	5,726	2,602	3,161	5,167
AHS Vocal Music Spec. Acct	640	0	12	628
AHS Varsity Athletic Club	177	0	0	177
AHS Student of the Month	416	358	774	0
AHS Spirit Club	477	0	100	377
AHS Art Club	4,085	501	2,979	1,607
AHS French Club	351	0	0	351
AHS Robotics	439	0	189	250
AHS Science Olympiad	270	0	260	10
AHS Family/Career/Comm	760	539	128	1,171
AHS FACS	0	75	0	75
AHS National Honor Society	1,273	3,338	2,391	2,220
AHS Spanish Club	1,312	150	391	1,071
AHS Youth Entrepreneurs	100	0	0	100
AHS Oriole Store	136	0	0	136
AHS Concessions	11,111	26,805	24,529	13,387
AHS STUCO Activities	7,198	5,777	2,589	10,386
AHS In House Training	180	400	345	235
AHS FBLA Future Business	4,911	7,844	5,230	7,525
AHS Advanced Placement	452	0	0	452
AHS SADD	10,673	2,618	2,618	10,673
AHS Renaissance Program	282	200	363	119
AHS JAG	413	922	1,011	324
AHS Skills USA VICA	8,110	5,044	4,364	8,790
AHS Educators Rising	311	147	365	93
AHS Hosa	627	185	172	640
AHS School Newspaper	136	380	0	516
AHS Yearbook	4,095	10,074	8,820	5,349
AHS Computer Fund	71	0	0	71
	95,172	128,431	123,898	99,705

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**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
Student Organizations (Continued)				
AHS Dance Team	196	8,804	7,709	1,291
AHS Weightlifting	190	0	0	190
AHS Powerlifting	315	0	0	315
Class of 1991	3	0	0	3
Class of 2009	100	0	0	100
Class of 2010	4,859	0	4,859	0
Class of 2011	1,919	0	0	1,919
Class of 2012	3,512	0	0	3,512
Class of 2013	1,164	0	0	1,164
Class of 2014	1,267	0	0	1,267
Class of 2015	455	0	0	455
Class of 2016	684	0	0	684
Class of 2017	1,740	0	0	1,740
Class of 2018	1,000	0	0	1,000
Class of 2019	1,853	0	0	1,853
Class of 2020	1,511	107	1,513	105
Class of 2021	2,516	5,135	3,584	4,067
Class of 2022	723	1,373	0	2,096
Class of 2023	0	589	81	508
Max Hendrickson	145	0	0	145
AHS Baseball Fundraiser	2,727	200	1,871	1,056
Girls Soccer Fundraiser	713	1,701	1,871	543
Soccer Fundraiser	312	4,743	4,651	404
Volleyball	8	2,216	771	1,453
AHS Football Fundraiser	655	18,965	19,054	566
Girls Tennis	0	140	139	1
AHS Wrestling	29	6,295	5,732	592
AHS Track	344	204	0	548
AHS Softball Fundraiser	5,211	751	973	4,989
Bowling	467	383	257	593
Boys Golf Fundraiser	54	589	551	92
Girls Golf Fundraiser	806	990	486	1,310
Boys Basketball Fundraiser	232	3,572	3,652	152
Girls Basketball Fundraiser	392	1,989	2,082	299
AHS Athletic Trainers	16	0	0	16
AHS Cheerleaders	587	4,207	3,486	1,308
AHS Summer Weight Pgrm	4,410	20	3,319	1,111
	41,115	62,973	66,641	37,447

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**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
Student Organizations (Continued)				
AMS General	103	5,416	2,210	3,309
AMS Academics	62	0	48	14
AMS Gifted	19	0	0	19
AMS Band	6,296	5,021	3,211	8,106
AMS Library	1,324	1,272	1,799	797
AMS 7th Grade ELA	500	789	789	500
AMS National Jr. Honor Society	1,044	804	691	1,157
AMS Vocal Music	778	0	317	461
AMS Yearbook	2,293	2,840	4,055	1,078
AMS 6th Grade Fundraising	2,264	6,968	6,125	3,107
AMS Stuco	5,633	10,286	11,096	4,823
AMS 7th Grade Science	406	0	0	406
AMS Avid	216	786	797	205
AMS Science Olympiad	449	0	77	372
AMS Scholars Bowl	143	0	0	143
AMS EMH Class	21	0	0	21
AMS Physical Ed. Activity	247	1,148	1,204	191
AMS Cheerleaders	4,326	1,975	4,799	1,502
AMS Volleyball	1,062	1,416	1,256	1,222
AMS Wrestling	4	1,016	1,013	7
AMS Football	887	2,071	2,222	736
AMS Girls Basketball	1,358	615	645	1,328
AMS Boys Basketball	50	108	0	158
	29,485	42,531	42,354	29,662

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**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
Student Organizations (Continued)				
Ewalt General	2,300	3,067	2,754	2,613
Ewalt Library	221	13	0	234
Ewalt Yearbook	418	2,155	2,307	266
Ewalt Student Council	572	892	1,029	435
Garfield General	603	1,882	2,353	132
Garfield Early Childhood	8	0	0	8
Garfield Library	4,341	743	333	4,751
Garfield School Store	200	220	56	364
Garfield Stuco	1,311	9,536	7,289	3,558
Garfield Owl's	7	0	0	7
Garfield Vocal Music	84	0	0	84
Lincoln General	2,795	1,392	1,654	2,533
Lincoln Library	3,283	1,465	4,019	729
Robinson General	3,025	848	288	3,585
Robinson Green Team	69	0	0	69
Robinson Library	1,673	1,040	2,585	128
Meet the Author	1,843	402	299	1,946
Battle of the Books	110	0	0	110
	<u>188,635</u>	<u>257,590</u>	<u>257,859</u>	<u>188,366</u>
Memorials & Scholarships				
Rodney Wheeler Scholarship	7,787	1,400	1,000	8,187
J.C. Hutter Scholarship	11,555	935	510	11,980
Jacque Hoefgen Grant	3,347	4,513	5,637	2,223
Jeanette McDaniel				
Scholarship	3,440	164	0	3,604
Gene Nusz Wrestling				
Scholarship	0	510	18	492
	<u>26,129</u>	<u>7,522</u>	<u>7,165</u>	<u>26,486</u>
Other				
Bank Charges/Interest	316	540	213	643
Sales Tax	107	15,578	15,660	25
	<u>423</u>	<u>16,118</u>	<u>15,873</u>	<u>668</u>
Total Agency Funds	<u>\$ 215,187</u>	<u>\$ 281,230</u>	<u>\$ 280,897</u>	<u>\$ 215,520</u>



**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**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
Gate Receipts							
Augusta High School	\$ 6,062	\$ 0	\$ 56,923	\$ 42,294	\$ 20,691	\$ 0	\$ 20,691
AHS Athletics Special	1,790	0	15,547	12,286	5,051	0	5,051
Augusta Middle School	3,687	0	16,072	12,038	7,721	0	7,721
Total District Activity Funds	<u>\$ 11,539</u>	<u>\$ 0</u>	<u>\$ 88,542</u>	<u>\$ 66,618</u>	<u>\$ 33,463</u>	<u>\$ 0</u>	<u>\$ 33,463</u>

## **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 GOVERNMENT AUDITING STANDARDS**

**INDEPENDENT AUDITORS' REPORT**

**Board of Education  
Augusta Unified School District No. 402  
Augusta, 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 **Augusta Unified School District No. 402, Augusta, Kansas**, as of and for the year ended **June 30, 2020**, and the related notes to the financial statement, which collectively comprise **Augusta Unified School District No. 402, Augusta, Kansas'** basic financial statement, and have issued our report thereon dated January 5, 2021. 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 **Augusta Unified School District No. 402, Augusta, 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 **Augusta Unified School District No. 402, Augusta, Kansas'** internal control. Accordingly, we do not express an opinion on the effectiveness of **Augusta Unified School District No. 402, Augusta, 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.

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**Board of Education  
Augusta Unified School District No. 402**

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 **Augusta Unified School District No. 402, Augusta, 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.

**BFR CPA, LLC**

BFR CPA, LLC  
January 5, 2021



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

**INDEPENDENT AUDITORS' REPORT**

**Board of Education  
Augusta Unified School District No. 402  
Augusta, Kansas**

Report on Compliance for Each Major Federal Program

We have audited the compliance of **Augusta Unified School District No. 402, Augusta, Kansas**, with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of **Augusta Unified School District No. 402, Augusta, Kansas'** major federal programs for the year ended **June 30, 2020**. **Augusta Unified School District No. 402, Augusta, 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 **Augusta Unified School District No. 402, Augusta, 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 **Augusta Unified School District No. 402, Augusta, 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 **Augusta Unified School District No. 402, Augusta, Kansas'** compliance.

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**Board of Education  
Augusta Unified School District No. 402**

Opinion on Each Major Federal Program

In our opinion, **Augusta Unified School District No. 402, Augusta, 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 **Augusta Unified School District No. 402, Augusta, 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 **Augusta Unified School District No. 402, Augusta, 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 **Augusta Unified School District No. 402, Augusta, 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.

**BFR CPA, LLC**  
BFR CPA, LLC  
January 5, 2021

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**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	\$ 83,644				
National School Lunch Program	10.555	304,686				
Summer Food Service Program for Children	10.559	159,348				
		547,678				
Child and Adult Care Food Program	10.558	1,782				
		549,460	\$ 0	\$ 549,460	\$ 549,460	\$ 0
Department of Education						
Title I Grants to Local Educational Agencies	84.010	297,612	0	297,612	297,612	0
Career and Technical Education - Basic Grants to States	84.048	25,248	0	25,248	25,248	0
Supporting Effective Instruction State Grants	84.367	52,519	0	52,519	52,519	0
Student Support and Academic Enrichment Program	84.424	20,651	0	20,651	20,651	0
Covid 19-Education Stabilization Fund	84.425	232,225	0	18,254	22,272	(4,018)
		628,255	0	414,284	418,302	(4,018)
Department of Health and Human Services						
Temporary Assistance for Needy Families Cluster-Cluster						
Temporary Assistance for Needy Families State Programs	93.558	32,550	0	32,550	32,550	0
Total Federal Awards		\$ 1,210,265	\$ 0	\$ 996,294	\$ 1,000,312	\$ (4,018)

The accompanying notes are an integral part of this schedule.

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402**  
**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 **Augusta Unified School District No. 402, Augusta, 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.



**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402  
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 **Augusta Unified School District No. 402, Augusta, 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 **Augusta Unified School District No. 402, Augusta, 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 **Augusta Unified School District No. 402, Augusta, Kansas**, expresses an unmodified opinion on all major federal programs.
6. There were no audit findings relative to the major federal award programs for **Augusta Unified School District No. 402, Augusta, 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. **Augusta Unified School District No. 402, Augusta, Kansas**, was determined not to be a low-risk auditee.

**AUGUSTA UNIFIED SCHOOL DISTRICT NO. 402  
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2020**

There are no prior audit findings.