UNIFIED SCHOOL DISTRICT NO. 389

Financial Statements
and
Supplemental Information

with Independent Auditor's Report

For the Year Ended June 30, 2021

Unified School District No. 389
Eureka, Kansas
Special Financial Statements
For the Fiscal Year Ended June 30, 2021

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Unified School District No. 389
Eureka, Kansas
Special Financial Statements
For the Fiscal Year Ended June 30, 2021

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Rodney M. Burns
CPA

RODNEY M. BURNS, CPA, LLC
CERTIFIED PUBLIC ACCOUNTANT
702 WEST MAIN * * * P.O.BOX 832
CHANUTE, KANSAS 66720

PHONE (620) 431-3410
FAX (620) 431-7719

INDEPENDENT AUDITORS' REPORT

Board of Education
Unified School District No. 389
Eureka, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 389, Eureka, Kansas, as of and for the year ended June 30, 2021, and the related notes to the financial statement.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States and the *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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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

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

As described in Note 1 of the Notes to Financial Statement, the financial statement is prepared by Unified School District No. 389, Eureka, 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 U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District No. 389, Eureka, Kansas, as of June 30, 2021, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of Unified School District No. 389, Eureka, Kansas, as of June 30, 2021, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 2, 2022 on our consideration of Unified School District No. 389, Eureka, 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 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. 389, Eureka, Kansas, internal control over financial reporting and compliance.

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 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 of Federal Awards, and is not a required part of the basic financial statements. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and expenditures-agency funds (Schedules 1, 2, 3 and 4 as listed in the table of contents), as required under the provisions of the *Kansas Municipal Audit and Accounting Guide*, are presented for analysis and are also not a required part of the basic 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. 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 basic financial statement as a whole, on the basis of accounting described in Note 1.

Prior Year Comparative Analysis

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of Unified School District No. 389, Eureka, Kansas, as of June 30, 2020 (not presented herein) and have issued our report thereon dated February 19, 2021, which contained an unmodified opinion on the basic financial statement. The 2020 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link http://www.admin.ks.gov/offices/chief-financial-officer/municipal-services. The 2020 actual column (2020 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget for the year ended June 30, 2021 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2020 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2020 financial statement. The 2020 comparative information was subjected to the auditing procedures applied in the audit of the 2020 financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2020 financial statement or to the 2020 financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2020 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole, for the year ended June 30, 2020, on the basis of accounting described in Note 1.

Respectfully Submitted,

Rodney M. Burns, CPA, LLC

March 2, 2022

Unified School District No. 389
Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2021

		Beginning Unencumbered Cash Balance	Beginning Balance Adjustment	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds:								
General		$		5,749,488	5,749,486	2		2
Supplemental General	(2)	104,256	65,664	1,758,652	1,756,076	172,496	323,796	496,292
Special Purpose:								
Pre-School Aged At-Risk				73,605	73,605			
At Risk K-12		437,818		667,559	801,719	303,658		303,658
Bilingual Education								
Capital Outlay	(2)	2,555,986	3,088	1,356,330	266,091	3,649,313	67,852	3,717,165
Driver Training		14,996		2,244	10,123	7,117		7,117
Food Service	(2)	133,406	6,674	446,564	372,056	214,588	14,506	229,094
Professional Development	(2)	58,449	350	3,080	16,408	45,471	1,371	46,842
Special Education	(2)	727,350	7	1,263,329	1,137,107	853,579	2,399	855,978
Career and Postsecondary Education	(2)	104,034	4,743	439,876	242,907	305,746	19,169	324,915
Gifts and Grants		11,617		6,760	6,640	11,737		11,737
KPERS Special Retirement Contribution				760,967	760,967			
Contingency Reserve		478,785				478,785		478,785
Textbook and Student Material Revolving		65,184		62,048	18,698	108,534		108,534
Recreation Commission		8,119		126,009	129,347	4,781		4,781
REAP Grant					8,604	(8,604)	8,604	
Title I		60		157,652	147,580	10,132		10,132
Title II				24,309	24,309		7,967	7,967
Title IV-A				17,122	17,122		14,367	14,367
Families and Schools Together Grant		4,765				4,765		4,765
Gate Receipts		20,236		34,515	36,637	18,114		18,114
Special Projects		130,206		72,992	67,716	135,482		135,482
Bond and Interest:								
Bond and Interest		875,344		872,723	928,055	820,012		820,012
Capital Projects:								
Gym Construction Project		427,244		5,865	432,062	1,047	113,422	114,469
Trusts:								
Bond Refinancing		664				664		664
Elementary/Secondary School Emergency Relief		(14,924)		138,989	386,522	(262,457)	73,842	(188,615)
SPARK Program				353,657	353,657			
Tornado Relief Donations		6,964				6,964		6,964
Total Primary Government	(1)	6,150,559	80,526	14,394,335	13,743,494	6,881,926	647,295	7,529,221

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

Unified School District No. 389
Summary Statement of Receipts, Expenditures, and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2021

	Beginning Unencumbered Cash Balance	Beginning Balance Adjustment	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Composition of Cash:							
Certificates of Deposit							84,623
Demand Deposits							7,426,498
Due from State of Kansas							392,279
Petty Cash Advance							3,300
Less: Agency Funds							(377,482)
Adjustment for Rounding							3
Total Primary Government (1)							7,529,221

(1) Excluding Agency Funds
(2) Beg Bal Adjust - Prior Year Encumbrances Cancelled

Note 1 Summary of Significant Accounting Policies

A. Reporting Entity

Principles Used in Determining Scope of Entity

The basic criterion used for including or excluding other governmental organizations as part of the financial statements of the School District is financial accountability. Financial accountability is derived from the District's powers and includes, but is not limited to, appointment of a voting majority of the governing body, imposition of will, financial benefit/burden on primary government and fiscal dependency. The District has waived the application of generally accepted accounting principles and as such, have not included any component units in these financial statements.

B. Basis of Presentation

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

The following Regulatory Basis Fund Types comprise the financial activities of the school district for the year ending June 30, 2021:

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

Special Purpose Funds -- used to account for the proceeds of specific tax levies and other revenue sources that are intended for specific purposes.

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

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

Trust Funds--funds used to report assets held in trust for the benefit of the municipal financial reporting entity.

Agency Funds -- funds used to report assets held by the municipal reporting entity in a purely custodial capacity.

C. Basis of Accounting

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

The Kansas Municipal Audit and Accounting Guide regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The Kansas Municipal Audit and Accounting Guide 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 School has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the School to use the regulatory basis of accounting.

D. Budgets

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds, and enterprise funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding 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 revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. During the year ended June 30, 2021, the District had no such amendments. However, the State of Kansas cut the budget of the General Fund from its original adopted amount of $5,929,191 to $5,749,486 and cut the budget of the Supplemental General Fund from its original adopted amount of $1,792,218 to $1,756,076. These cuts were made to reduce the adopted budgets to the legal maximum budget for the District based on audited FTE enrollment.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison 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 revenues are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

A legal operating budget is not required for capital project funds, fiduciary funds, and the following special purpose funds of the District:

Gifts and Grants Fund
Contingency Reserve Fund
Textbook and Student Material Revolving Fund
Rural and Low Income School Grant Fund
Title I Fund
Title II Fund
Title IV-A Fund
Families and Schools Together Grant Fund
Gate Receipts Fund
Special Projects Fund

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

E. Assets, Liabilities, and Fund Equity

Cash

To facilitate better management of the District's cash resources, excess cash is combined in pooled operating accounts. Each fund's portion of total cash is based on its equity in the pooled cash amount. Cash in excess of current operating needs is invested on a pooled investment basis and earnings thereon are credited to the special purpose funds designated by Kansas statutes.

Property Taxes and Other Receivables

Collection of current year property tax by the County Treasurer is not completed, apportioned nor distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes.

It is not practicable to apportion delinquent taxes held by the County Treasurer at the end of the audit period and further, the amounts thereof are not material in relationship to the financial statements taken as a whole.

F. Revenues and Expenditures

Property Tax Revenue Recognition

Property taxes become a lien against all property November 1st. Taxpayers have the option of paying in full or in two installments. The delinquency dates are December 20th and May 10th. Delinquent taxes are assessed interest at rates established by Kansas Statutes. This interest is retained by the county.

Taxes levied to finance the budget are made available to the school after January 1st and are distributed by the county treasurer approximately every month and a half. At least 50% of the taxes levied are available in January.

Reimbursed Expenses

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

Interfund Transactions

Quasi-external transactions are accounted for as revenue, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-recurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

Note 2 In-Substance Receipt in Transit

The District received $392,279 subsequent to June 30, 2021 and as required by K.S.A. 72-6417 and 72-6434, the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2021. $308,255 of these receipts were for the General Fund and $84.024 for the Supplemental General Fund. The total of these amounts is displayed in the "Composition of Cash" as "Due from State of Kansas".

Note 3 Deposits and Investments

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage.

K.S.A. 12-1675 allows the District to deposit idle funds in time deposits-open accounts, and certificates of deposit with allowable financial institutions; and to invest idle funds in U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool.

The District held no investments at June 30, 2021 and held no investments throughout the year.

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

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District has not designated any peak periods.

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, 2021, the carrying amount of the District's deposits was $7,511,121 and the bank balance was $8,244,137. Of the bank balance, $354,212 was covered by federal depository insurance and the remaining $7,889,925 was collateralized with securities held by the pledging financial institutions' agents in the School's name.

Note 4 Long-term Debt

2020 General Obligation Bonds

On January 7, 2020, the District issued $4,800,000 in General Obligations Bonds for the purpose of constructing a new gymnasium/athletic facility, to replace a former facility that had been destroyed by a tornado in 2018. Repayment of these bonds will be through an annual tax levy, with payments extending until September 1, 2035.

Changes in Long-Term Debt

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

Issue	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
General Obligation Bonds:									
G.O. Advance Refunding Bonds	3.00%	06/19/15	$ 3,425,000	10/01/20	730,000		730,000	0	10,950
G.O. Building Bonds	3-4.00%	01/07/20	4,800,000	09/01/35	4,800,000		0	4,800,000	187,105
Contracted Liabilities:									
Early Retirement Program					30,000	38,000	10,000	58,000	0
Total Contractual Indebtedness					5,560,000	38,000	740,000	4,858,000	198,055

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

	General Obligation Bonds		Contracted Liabilities		
Fiscal Year	Principal	Interest	Principal	Interest	Total
2021-22	$ 150,000	159,700	23,000		332,700
2022-23	260,000	151,500	15,000		426,500
2023-24	270,000	140,900	10,000		420,900
2024-25	280,000	129,900	10,000		419,900
2025-26	290,000	118,500			408,500
2026-27/2030-31	1,640,000	419,200			2,059,200
2031-32/2035-36	1,910,000	146,700			2,056,700
Total	4,800,000	1,266,400	58,000	0	6,124,400

Note 5 Claims and Judgments

The School participates in federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the School may be required to reimburse the grantor government. As of March 2, 2022, current year grant expenditures have not been audited, but the School believes disallowed expenditures or overpayments, if any, will not have a material effect on individual governmental funds or the overall financial position of the School.

During the course of its operations, the School is a party to various claims, legal actions and complaints. It is the opinion of the School's management that these matters are not anticipated to have a material impact on the School.

The School 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 School has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage from 2020 to 2021, and there were no settlements that exceeded insurance coverage in the past three years.

Note 6 Interfund Transfers

From	To	Authority		Amount
General Fund	Pre-School Aged At Risk Fund	K.S.A. 72-5167	$	73,605
General Fund	At Risk K-12 Fund	K.S.A. 72-5167		313,819
General Fund	Capital Outlay Fund	K.S.A. 72-5167		238,658
General Fund	Special Education Fund	K.S.A. 72-5167		1,022,097
General Fund	Career and Postsecondary Education Fund	K.S.A. 72-5167		439,876
Supplemental General Fund	At Risk K-12 Fund	K.S.A. 72-5143		353,740

Note 7 Other Long-Term Obligations from Operations

Compensated Absences.

The School District's policies regarding sick leave permit employees a maximum accumulation of 90 days. At the time of termination, if the employee has been with the District for at least five years, the employee is compensated for unused sick days at the rate of $25 per day for Certified personnel and $10 per day for all other personnel. Non-certified, full-time employees are granted a maximum of three weeks vacation per year after five years service. Unused vacation time is lost at the end of each year. Policies prohibit payment for vacation time in lieu of time off and require the cancellation of unused vacation at the time of employment termination.

Early Retirement Incentive Plan

The School District has adopted a local early retirement incentive plan for all personnel. Under this plan, certified personnel who have 15 or more years service with the District, 20 years of credited service with Kpers, and are between the age of 55 and 65 may retire and receive an annual benefit of $5,000. Persons who retire under this program between the ages of 55 and 61 will receive this benefit for 4 years. Persons retiring at 62 years of age will receive this benefit for 3 years. Persons retiring at 63 years of age will receive this benefit for 2 years, and persons retiring at 64 years of age will receive this benefit for 1 year.

Under this same plan, classified employees who have 15 or more years service with the District, 20 years of credited services with Kpers, and have met the age and service requirements of Kpers (85 points), may retire and receive an annual benefit of $3,000 for 12-month employees and $2,000 for 9- and 10-month employees. Persons who retire under this program between the ages of 53 and 61 will receive this benefit for 4 years. Persons retiring at 62 years of age will receive this benefit for 3 years. Persons retiring at 63 years of age will receive this benefit for 2 years, and persons retiring at 64 years of age will receive this benefit for 1 year.

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 (2611 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 15.59% and 14.23% , respectively, for the fiscal year ended June 30, 2021.

Senate Substitute for House Bill 2052 authorized the delay of $64.1 million in fiscal year 2017 contributions. These contributions were set up as a long-term receivable. Payment is scheduled to be made in a series of twenty annual payments of $6.4 million per year beginning in fiscal year 2018. Senate Substitute for House Bill 2002 authorized the delay of $194.0 million in fiscal year 2019 contributions. Payment is scheduled to be made in a series of twenty annual payments of $19.4 million starting in fiscal year 2020.

House Substitute for Senate Bill 109 from the 2018 Legislative session provided for additional funding for the KPERS School group. A payment of $56 million was paid in fiscal year 2018. This bill also authorized a payment of $82 million in fiscal year 2019. The 2019 Legislative session authorized an additional fiscal year payment for the KPERS School Group. 2019 Senate Bill 9 authorized a payment of $115 million for the KPERS School Group. House Substitute for Senate Bill 25 from the 2019 Legislative session authorized additional funding for the KPERS School Group in fiscal year 2020 of $51 million.

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled $760,967 from the State of Kansas for the year ended June 30, 2021.

Net Pension Liability. At June 30, 2021, the District's proportionate share of the collective net pension liability reported by KPERS was $6,118,478. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020, which was rolled forward to June 30, 2021. 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, 2021. Since the KMAAG regulatory basis of accounting does not recognize longterm debt, this liability is not reported in these financial statements.

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

Note 8 Stewardship, Compliance, and Accountability

Compliance with Kansas Cash Basis Law

The following funds have deficit fund balances as of June 30, 2021, in the amounts indicated. This deficit is caused by the District spending federal funding prior to year-end, which will then be reimbursed by the grantor in the next fiscal year. This is not a violation of the Kansas Cash Basis Law.

REAP Grant Fund	$	8,604
Elementary/Secondary School Emergency Relief Fund		262,457

Compliance with Kansas Budget Law

No violations.

Compliance with Kansas Depository Security Law

No violations.

Note 9 COVID-19

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

CRF and CARES Act Funding

As a result of COVID-19, the State of Kansas has received Coronavirus Relief Funds (CRF) under the Coronavirus Aid, Relief and Economic Security (CARES) Act. The CRF were passed through to the counties of Kansas through the Strengthening People and Revitalizing Kansas (SPARK) program. SPARK's first round distribution was to local governments in the amount of $400 million. During the year ending June 30, 2021, the District received CRF in the amount of $353,657, through Greenwood County, from the SPARK program. In addition to this, the District received an additional $138,989 from the State of Kansas through the Elementary/Secondary School Emergency Relief program (ESSER). The CRF and ESSER funds are to be used to strengthen health, to allow the economy to reopen safely and to remain open. The goals are to be fair, impactful and timely. Additional information and updates on SPARK, ESSER, the CARES Act and CRF, which includes audit requirements, can be found at https://covid.ks.gov/.

Note 10 Subsequent Events

The District has evaluated subsequent events through March 2, 2022, the date which the financial statement was available to be issued.

Unified School District No. 389
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021

Schedule 1

	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Favorable (Unfavorable)
Governmental Type Funds:						
General	$ 5,929,191	(179,705)		5,749,486	5,749,486	
Supplemental General	1,792,218	(36,142)		1,756,076	1,756,076	
Special Purpose:						
Pre-School Aged At-Risk	105,000			105,000	73,605	31,395
At Risk K-12	1,035,000			1,035,000	801,719	233,281
Bilingual Education	5,940			5,940		5,940
Capital Outlay	2,670,000		329	2,670,329	266,091	2,404,238
Driver Training	19,000			19,000	10,123	8,877
Food Service	427,400		150,016	577,416	372,056	205,360
Professional Development	25,000			25,000	16,408	8,592
Special Education	1,311,400		17,851	1,329,251	1,137,107	192,144
Career and Postsecondary Education	260,000			260,000	242,907	17,093
KPERS Special Retirement Contribution	909,033			909,033	760,967	148,066
Recreation Commission	129,347			129,347	129,347	
Bond and Interest:						
Bond and Interest	928,155			928,155	928,055	100
Totals	15,546,684	(215,847)	168,196	15,499,033	12,243,947	3,255,086

Unified School District No. 389
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Favorable (Unfavorable)
Cash Receipts				
Revenue from State Sources				
General State Aid	$ 5,129,454	5,068,696	5,078,747	(10,051)
State Aid Reimbursement	1,805			
Mineral Production Tax	88	99	250	(151)
Special Education Aid	590,754	672,351	661,959	10,392
Total Revenue from State Sources	5,722,101	5,741,146	5,740,956	190
Revenue from Federal Sources				
P.L. 382	9,360	8,342	8,530	(188)
Total Cash Receipts	5,731,461	5,749,488	5,749,486	2
Expenditures and Transfers				
Instruction				
Certified Salaries	1,766,701	1,796,911	1,819,006	22,095
Non-Certified Salaries	45,586	47,305	46,000	(1,305)
Social Security	140,276	144,089	145,000	911
Other Employee Benefits	1,367	2,465	2,000	(465)
Miscellaneous Supplies	6,054	7,668	7,000	(668)
Property (Equipment & Furnishings)	29,010		40,000	40,000
Total Instruction	1,988,994	1,998,438	2,059,006	60,568
Support Services - Students				
Certified Salaries	270,740	294,445	272,000	(22,445)
Social Security	18,949	17,974	19,000	1,026
Other Employee Benefits	232	218	250	32
Total Support Services - Students	289,921	312,637	291,250	(21,387)
Support Services - Instr. Staff				
Certified Salaries	128,661	137,867	132,000	(5,867)
Non-Certified Salaries			100	100
Other Employee Benefits	105	114		(114)
Books and Periodicals			5,000	5,000
Total Support Services - Instr. Staff	128,766	137,981	137,100	(881)
General Administration				
Certified Salaries	79,529	81,962	82,000	38
Non-Certified Salaries	11,526	12,477	12,000	(477)
Social Security	9,331	9,953	10,000	47
Other Employee Benefits	62	64	150	86
Other Official/Administrative Services		2,054		(2,054)
Insurance			150,046	150,046
Other Miscellaneous Purchased Services			10,000	10,000
Total General Administration	100,448	106,510	264,196	157,686
School Administration				
Certified Salaries	257,178	269,067	267,000	(2,067)
Non-Certified Salaries	162,198	170,452	165,000	(5,452)
Social Security	27,225	28,311	28,000	(311)
Other Employee Benefits	383	400	500	100
Total School Administration	446,984	468,230	460,500	(7,730)
Support Services - Business				
Non-Certified Salaries	70,664	76,517	75,000	(1,517)
Operations and Maintenance				
Non-Certified Salaries	338,563	366,648	345,000	(21,648)
Social Security	20,383	22,106	21,000	(1,106)
Other Employee Benefits	247	344	250	(94)
Repair of Buildings			265,580	265,580
Supplies and Materials	331,023		250,000	250,000
Total Operations and Maintenance	690,216	389,098	881,830	492,732

Unified School District No. 389
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Favorable (Unfavorable)
Vehicle Operation Services				
Non-Certified Salaries	$ 120,133	108,972	130,000	21,028
Social Security	7,880	7,246	9,000	1,754
Other Employee Benefits	126	120	250	130
Total Vehicle Operation Services	128,139	116,338	139,250	22,912
Vehicle Servicing/Maintenance				
Non-Certified Salaries	53,629	52,352	55,000	2,648
Social Security	3,440	3,290	4,000	710
Other Employee Benefits	42	40	100	60
Total Vehicle Servicing/Maintenance	57,111	55,682	59,100	3,418
Fund Transfers				
Pre-School Aged At-Risk	36,145	73,605	150,000	76,395
At Risk K-12	761,335	313,819	530,000	216,181
Capital Outlay	130,414	238,658		(238,658)
Driver Training			20,000	20,000
Special Education	590,754	1,022,097	661,959	(360,138)
Career and Postsecondary Education	311,570	439,876	200,000	(239,876)
Total Fund Transfers	1,830,218	2,088,055	1,561,959	(526,096)
Budget Adjustments				
Legal Max Adjustment			(179,705)	(179,705)
Total Expenditures and Transfers	5,731,461	5,749,486	5,749,486	
Receipts Over (Under) Expenditures and Transfers		2		
Unencumbered Cash, Beginning				
Prior Year Encumbrances Cancelled				
Unencumbered Cash, Ending		2		

Unified School District No. 389
Supplemental General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual	Current Year Budget	Variance Favorable (Unfavorable)
Cash Receipts				
Revenue from Local Sources				
Ad Valorem Taxes	$ 651,102	607,635	541,629	66,006
Delinquent Taxes	23,204	20,497	8,435	12,062
Watercraft Tax	1,392	1,615		1,615
Total Revenue from Local Sources	675,698	629,747	550,064	79,683
Revenue from County Sources				
Motor Vehicle Tax	85,812	88,732	78,810	9,922
Recreational Vehicle Tax	1,482	1,957	1,305	652
Commercial Vehicle Tax	2,550	2,584	2,344	240
Revenue in Lieu of Taxes	1,473	1,479		1,479
Total Revenue from County Sources	91,317	94,752	82,459	12,293
Revenue from State Sources				
Supplemental State Aid	1,025,292	1,034,153	1,019,295	14,858
Total Cash Receipts	1,792,307	1,758,652	1,651,818	106,834
Expenditures and Transfers				
Instruction				
Staff Travel	6,148	8,286		(8,286)
Other Miscellaneous Purchased Services			42,000	42,000
Supplies and Materials	49,201	65,031	45,000	(20,031)
Textbooks	38,611	25,835	30,000	4,165
Miscellaneous Supplies	180,482	208,331	75,000	(133,331)
Property (Equipment & Furnishings)	95,371	450	100,000	99,550
Other			93,000	93,000
Total Instruction	369,813	307,933	385,000	77,067
Support Services - Students				
Supplies and Materials	2,380	12,033	2,000	(10,033)
Support Services - Instr. Staff				
Books and Periodicals	12,159	8,956	8,000	(956)
General Administration				
Purchased Professional and Technical Services	107,479	81,286	95,000	13,714
Board of Education Services	966	156		(156)
Other Official/Administrative Services	3,486	3,274		(3,274)
Insurance	238,372	253,429	89,954	(163,475)
Other Miscellaneous Purchased Services			7,000	7,000
Supplies and Materials	5,512	11,423	7,500	(3,923)
Total General Administration	355,815	349,568	199,454	(150,114)
Support Services - Business				
Other Purchased Services			7,500	7,500
Postage	7,130	6,676		(6,676)
Total Support Services - Business	7,130	6,676	7,500	824
Operations and Maintenance				
Water/Sewer Services (Non-Energy)	4,534	5,451	10,950	5,499
Cleaning Services			15,000	15,000
Disposal Services	12,089	11,238		(11,238)
Repairs and Maintenance	106,164	118,997	100,000	(18,997)
Rentals/Leases	41,782	35,031	45,000	9,969
Communication Services	37,947	43,431		(43,431)
Other Miscellaneous Purchased Services			40,000	40,000
Supplies and Materials	250,539	82,750	250,000	167,250
Heating	27,845	50,662	45,500	(5,162)
Electricity	184,820	221,050	247,000	25,950
Motor Fuel	630	662	1,000	338
Other	10,000	48,821	10,000	(38,821)
Total Operations and Maintenance	676,350	618,093	764,450	146,357

Unified School District No. 389
Supplemental General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Favorable (Unfavorable)
Vehicle Operation Services				
Motor Fuel	$ 40,291	35,900	45,000	9,100
Other	1,593	2,943	20,000	17,057
Total Vehicle Operation Services	41,884	38,843	65,000	26,157
Vehicle Servicing/Maintenance				
Supplies and Materials	78,533	60,234	110,000	49,766
Other			4,000	4,000
Total Vehicle Servicing/Maintenance	78,533	60,234	114,000	53,766
Fund Transfers				
Bilingual Education	361		5,940	5,940
At Risk K-12	222,404	353,740	240,874	(112,866)
Total Fund Transfers	222,765	353,740	246,814	(106,926)
Budget Adjustments				
Legal Max Adjustment			(36,142)	(36,142)
Total Expenditures and Transfers	1,766,829	1,756,076	1,756,076	
Receipts Over (Under) Expenditures and Transfers	25,478	2,576		
Unencumbered Cash, Beginning	65,141	104,256		
Prior Year Encumbrances Cancelled	13,637	65,664		
Unencumbered Cash, Ending	104,256	172,496		

Unified School District No. 389
Pre-School Aged At-Risk Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Favorable (Unfavorable)
Cash Receipts				
Operating Transfers				
Transfer from General Fund	$ 36,145	73,605	150,000	(76,395)
Total Cash Receipts	36,145	73,605	150,000	(76,395)
Expenditures and Transfers				
Instruction				
Certified Salaries	76,746	69,091	60,000	(9,091)
Non-Certified Salaries			32,000	32,000
Social Security	5,158	4,514	6,000	1,486
General Supplies and Materials			7,000	7,000
Total Expenditures and Transfers	81,904	73,605	105,000	31,395
Receipts Over (Under) Expenditures and Transfers	(45,759)			
Unencumbered Cash, Beginning	45,759			
Unencumbered Cash, Ending				

Unified School District No. 389
At Risk K-12 Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Favorable (Unfavorable)
Cash Receipts				
Operating Transfers				
Transfer from General Fund	$ 761,335	313,819	530,000	(216,181)
Transfer from Supplemental General Fund	222,404	353,740	240,874	112,866
Total Cash Receipts	983,739	667,559	770,874	(103,315)
Expenditures and Transfers				
Instruction				
Certified Salaries	726,813	752,146	800,000	47,854
Non-Certified Salaries	630		150,000	150,000
Social Security	48,225	49,573	55,000	5,427
Property (Equipment & Furnishings)			30,000	30,000
Total Expenditures and Transfers	775,668	801,719	1,035,000	233,281
Receipts Over (Under) Expenditures and Transfers	208,071	(134,160)		
Unencumbered Cash, Beginning	229,747	437,818		
Prior Year Encumbrances Cancelled				
Unencumbered Cash, Ending	437,818	303,658		

Unified School District No. 389
Bilingual Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Favorable (Unfavorable)
Cash Receipts				
Operating Transfers				
Transfer from Supplemental General Fund	$ 361		5,940	(5,940)
Total Cash Receipts	361		5,940	(5,940)
Expenditures and Transfers				
Instruction				
Certified Salaries	361		5,940	5,940
Total Expenditures and Transfers	361		5,940	5,940
Receipts Over (Under) Expenditures and Transfers				
Unencumbered Cash, Beginning				
Unencumbered Cash, Ending				

Unified School District No. 389
Capital Outlay Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Favorable (Unfavorable)
Cash Receipts				
Revenue from Local Sources				
Ad Valorem Taxes	$ 280,129	270,131	266,640	3,491
Delinquent Taxes	8,665	8,264	3,630	4,634
Watercraft Tax	587	695		695
Other Revenue From Local Sources	30,213	642,881	100,000	542,881
Reimbursements	815,439			
Total Revenue from Local Sources	1,135,033	921,971	370,270	551,701
Revenue from County Sources				
Motor Vehicle Tax	33,919	37,040	33,627	3,413
Recreational Vehicle Tax	587	1,000	557	443
Commercial Vehicle Tax	1,027	1,096	1,001	95
Revenue in Lieu of Taxes	2,153	2,231		2,231
Total Revenue from County Sources	37,686	41,367	35,185	6,182
Revenue from State Sources				
General State Aid	152,352	150,430	150,989	(559)
Revenue from Federal Sources				
Federal Flood Control Allocation	328	329		329
P.L. 382	4,011	3,575		3,575
Total Revenue from Federal Sources	4,339	3,904		3,904
Operating Transfers				
Transfer from General Fund	130,414	238,658		238,658
Total Cash Receipts	1,459,824	1,356,330	556,444	799,886
Expenditures and Transfers				
Instruction				
Property (Equipment & Furnishings)			1,000,000	1,000,000
Support Services - Students				
Property (Equipment & Furnishings)			250,000	250,000
Operations and Maintenance				
Property (Equipment & Furnishings)	38,821	42,695	50,000	7,305
Vehicle Operation Services				
Property (Equipment & Furnishings)			230,000	230,000
Vehicle Servicing/Maintenance				
Property (Equipment & Furnishings)			50,000	50,000
Facilities Acquisition/Construction				
Site Improvement Services	1,640,387	223,396	90,000	(133,396)
Architecture and Engineering Services	692,208			
Other Facilities Acquisition/Construction			1,000,000	1,000,000
Total Facilities Acquisition/Construction	2,332,595	223,396	1,090,000	866,604
Budget Credit Adjustment			329	329
Total Expenditures and Transfers	2,371,416	266,091	2,670,329	2,404,238
Receipts Over (Under) Expenditures and Transfers	(911,592)	1,090,239		
Unencumbered Cash, Beginning	3,467,578	2,555,986		
Prior Year Encumbrances Cancelled		3,088		
Unencumbered Cash, Ending	2,555,986	3,649,313		

Unified School District No. 389
Driver Training Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Favorable (Unfavorable)
Cash Receipts				
Revenue from State Sources				
General State Aid	$ 4,419	2,244	1,650	594
Operating Transfers				
Transfer from General Fund			20,000	(20,000)
Total Cash Receipts	4,419	2,244	21,650	(19,406)
Expenditures and Transfers				
Instruction				
Certified Salaries	7,390	9,395	10,000	605
Social Security	565	719	850	131
Other Employee Benefits	7	9	150	141
Total Instruction	7,962	10,123	11,000	877
Vehicle Operation/Maintenance				
Motor Fuel	202		1,000	1,000
Other			7,000	7,000
Total Vehicle Operation/Maintenance	202		8,000	8,000
Total Expenditures and Transfers	8,164	10,123	19,000	8,877
Receipts Over (Under) Expenditures and Transfers	(3,745)	(7,879)		
Unencumbered Cash, Beginning	18,741	14,996		
Unencumbered Cash, Ending	14,996	7,117		

Unified School District No. 389
Food Service Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Favorable (Unfavorable)
Cash Receipts				
Revenue from Local Sources				
Student Sales	$ 57,112	7,202	72,357	(65,155)
Adults and Non-Reimbursable Programs	2,299	2,315	8,947	(6,632)
Other Revenue From Local Sources	8,394	7,148	7,500	(352)
Total Revenue from Local Sources	67,805	16,665	88,804	(72,139)
Revenue from State Sources				
General State Aid	3,486	4,276	3,045	1,231
Revenue from Federal Sources				
Federal Financial Assistance	272,713	425,623	275,607	150,016
Other Federal Financial Assistance	3,000			
Total Revenue from Federal Sources	275,713	425,623	275,607	150,016
Total Cash Receipts	347,004	446,564	367,456	79,108
Expenditures and Transfers				
Operations and Maintenance				
Water/Sewer Services (Non-Energy)	1,857	2,370	5,000	2,630
Food Service Operations				
Non-Certified Salaries	91,671	99,078	105,000	5,922
Social Security	6,303	6,792	7,200	408
Other Employee Benefits	77	82	200	118
Food and Milk	202,304	224,098	250,000	25,902
Miscellaneous Supplies	12,601	16,187	15,000	(1,187)
Property (Equipment & Furnishings)	28,187	19,543	35,000	15,457
Other	7,958	3,906	10,000	6,094
Total Food Service Operations	349,101	369,686	422,400	52,714
Budget Credit Adjustment			150,016	150,016
Total Expenditures and Transfers	350,958	372,056	577,416	205,360
Receipts Over (Under) Expenditures and Transfers	(3,954)	74,508		
Unencumbered Cash, Beginning	137,360	133,406		
Prior Year Encumbrances Cancelled		6,674		
Unencumbered Cash, Ending	133,406	214,588		

Unified School District No. 389
Professional Development Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Favorable (Unfavorable)
Cash Receipts				
Revenue from State Sources				
General State Aid	$ 1,548	3,080	3,750	(670)
Total Cash Receipts	1,548	3,080	3,750	(670)
Expenditures and Transfers				
Support Services - Instr. Staff				
Instructional Program Improvement Services	14,123	16,408	25,000	8,592
Total Expenditures and Transfers	14,123	16,408	25,000	8,592
Receipts Over (Under) Expenditures and Transfers	(12,575)	(13,328)		
Unencumbered Cash, Beginning	71,024	58,449		
Prior Year Encumbrances Cancelled		350		
Unencumbered Cash, Ending	58,449	45,471		

Unified School District No. 389
Special Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Favorable (Unfavorable)
Cash Receipts				
Revenue from Local Sources				
Interest on Investments	$ 88,577	17,698	75,000	(57,302)
Revenue from Federal Sources				
Federal Financial Assistance	181,449	200,242	182,391	17,851
Medicaid Title XIX	25,417	23,292	25,417	(2,125)
Total Revenue from Federal Sources	206,866	223,534	207,808	15,726
Operating Transfers				
Transfer from General Fund	590,754	1,022,097	661,959	360,138
Total Cash Receipts	886,197	1,263,329	944,767	318,562
Expenditures and Transfers				
Instruction				
Certified Salaries	469,701	506,744	631,000	124,256
Non-Certified Salaries	327,335	399,225	390,000	(9,225)
Social Security	52,229	58,009	57,000	(1,009)
Other Employee Benefits	635	704	1,000	296
Purchased Professional and Technical Services	18,197	10,097	15,000	4,903
Other Miscellaneous Purchased Services			2,500	2,500
Supplies and Materials	24,645	35,907	20,000	(15,907)
Textbooks			10,000	10,000
Miscellaneous Supplies	766	1,601	3,000	1,399
Other			800	800
Total Instruction	893,508	1,012,287	1,130,300	118,013
Support Services - Students				
Certified Salaries	56,000	58,240	70,000	11,760
Social Security	4,269	4,448	4,500	52
Other Employee Benefits	52	55		(55)
Purchased Professional and Technical Services	450		100	100
Total Support Services - Students	60,771	62,743	74,600	11,857
Vehicle Operation Services				
Non-Certified Salaries	26,208	28,678	40,000	11,322
Social Security	1,998	2,192	3,500	1,308
Motor Fuel	4,963	3,212	13,000	9,788
Property (Equipment & Furnishings)	102,917	27,995	50,000	22,005
Total Vehicle Operation Services	136,086	62,077	106,500	44,423
Budget Credit Adjustment			17,851	17,851
Total Expenditures and Transfers	1,090,365	1,137,107	1,329,251	192,144
Receipts Over (Under) Expenditures and Transfers	(204,168)	126,222		
Unencumbered Cash, Beginning	931,493	727,350		
Prior Year Encumbrances Cancelled	25	7		
Unencumbered Cash, Ending	727,350	853,579		

Unified School District No. 389
Career and Postsecondary Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Favorable (Unfavorable)
Cash Receipts				
Revenue from State Sources				
CTE Transportation State Aid	$ 14,829			
Operating Transfers				
Transfer from General Fund	311,570	439,876	200,000	239,876
Total Cash Receipts	326,399	439,876	200,000	239,876
Expenditures and Transfers				
Instruction				
Certified Salaries	210,048	214,193	210,000	(4,193)
Miscellaneous Supplies	21,904	28,714	35,000	6,286
Property (Equipment & Furnishings)			15,000	15,000
Total Expenditures and Transfers	231,952	242,907	260,000	17,093
Receipts Over (Under) Expenditures and Transfers	94,447	196,969		
Unencumbered Cash, Beginning	9,007	104,034		
Prior Year Encumbrances Cancelled	580	4,743		
Unencumbered Cash, Ending	104,034	305,746		

Unified School District No. 389
Gifts and Grants Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Local Sources		
Donations	$	6,760
Total Cash Receipts		6,760
Expenditures and Transfers		
Instruction		
Property (Equipment & Furnishings)		6,640
Total Expenditures and Transfers		6,640
Receipts Over (Under) Expenditures and Transfers		120
Unencumbered Cash, Beginning	11,617	11,617
Unencumbered Cash, Ending	11,617	11,737

Unified School District No. 389
KPERS Special Retirement Contribution Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Favorable (Unfavorable)
Cash Receipts				
Revenue from State Sources				
General State Aid	$ 787,997	760,967	909,033	(148,066)
Total Cash Receipts	787,997	760,967	909,033	(148,066)
Expenditures and Transfers				
Instruction				
Other Employee Benefits	525,653	507,568	606,393	98,825
Support Services - Students				
Other Employee Benefits	41,205	37,519	47,534	10,015
Support Services - Instr. Staff				
Other Employee Benefits	19,357	18,569	22,330	3,761
General Administration				
Other Employee Benefits	25,196	23,582	29,066	5,484
School Administration				
Other Employee Benefits	69,635	66,537	80,331	13,794
Support Services - Business				
Other Employee Benefits	12,354	12,017	14,252	2,235
Operations and Maintenance				
Other Employee Benefits	56,035	58,105	64,642	6,537
Vehicle Operation Services				
Other Employee Benefits	26,645	24,839	30,738	5,899
Operation of Non-Instruction Services				
Other Employee Benefits	11,917	12,231	13,747	1,516
Total Expenditures and Transfers	787,997	760,967	909,033	148,066
Receipts Over (Under) Expenditures and Transfers				
Unencumbered Cash, Beginning				
Unencumbered Cash, Ending				

Unified School District No. 389
Contingency Reserve Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual
Cash Receipts		
None	$	
Expenditures and Transfers		
None		
Receipts Over (Under) Expenditures and Transfers		
Unencumbered Cash, Beginning	478,785	478,785
Unencumbered Cash, Ending	478,785	478,785

Unified School District No. 389
Textbook and Student Material Revolving Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

		Prior Year Actual	Current Year Actual
Cash Receipts			
Revenue from Local Sources			
User Charges and Fines	$	19,773	20,275
Textbook Sales and Rentals		4,393	41,773
Total Cash Receipts		24,166	62,048
Expenditures and Transfers			
Instruction			
Supplies and Materials		12,593	18,698
Total Expenditures and Transfers		12,593	18,698
Receipts Over (Under) Expenditures and Transfers		11,573	43,350
Unencumbered Cash, Beginning		53,611	65,184
Unencumbered Cash, Ending		65,184	108,534

Unified School District No. 389
Recreation Commission Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance Favorable (Unfavorable)
Cash Receipts				
Revenue from Local Sources				
Ad Valorem Taxes	$ 110,628	106,702	105,897	805
Delinquent Taxes	3,654	3,328	1,434	1,894
Watercraft Tax	232	274		274
Total Revenue from Local Sources	114,514	110,304	107,331	2,973
Revenue from County Sources				
Motor Vehicle Tax	13,395	14,697	13,282	1,415
Recreational Vehicle Tax	232	324	220	104
Commercial Vehicle Tax	406	433	395	38
Revenue in Lieu of Taxes	247	251		251
Total Revenue from County Sources	14,280	15,705	13,897	1,808
Total Cash Receipts	128,794	126,009	121,228	4,781
Expenditures and Transfers				
Community Services Operations				
Community Service Operations	125,850	129,347	129,347	
Total Expenditures and Transfers	125,850	129,347	129,347	
Receipts Over (Under) Expenditures and Transfers	2,944	(3,338)		
Unencumbered Cash, Beginning	5,175	8,119		
Unencumbered Cash, Ending	8,119	4,781		

Unified School District No. 389
REAP Grant Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual
Cash Receipts		
None	$	
Expenditures and Transfers		
Support Services - Instr. Staff		
Purchased Professional and Technical Services		8,604
Total Expenditures and Transfers		8,604
Receipts Over (Under) Expenditures and Transfers		(8,604)
Unencumbered Cash, Beginning		
Unencumbered Cash, Ending		(8,604)

Unified School District No. 389
Title I Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

		Prior Year Actual	Current Year Actual
Cash Receipts			
Revenue from Federal Sources			
Federal Financial Assistance	$	155,353	157,652
Total Cash Receipts		155,353	157,652
Expenditures and Transfers			
Instruction			
Certified Salaries		132,920	132,321
Social Security		11,752	14,243
Supplies and Materials		10,225	709
Total Instruction		154,897	147,273
Support Services - Students			
Other		456	307
Total Expenditures and Transfers		155,353	147,580
Receipts Over (Under) Expenditures and Transfers			10,072
Unencumbered Cash, Beginning		60	60
Unencumbered Cash, Ending		60	10,132

Unified School District No. 389
Title II Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

		Prior Year Actual	Current Year Actual
Cash Receipts			
Revenue from Federal Sources			
Federal Financial Assistance	$	24,609	24,309
Total Cash Receipts		24,609	24,309
Expenditures and Transfers			
Support Services - Instr. Staff			
Instructional Program Improvement Services		24,609	24,309
Total Expenditures and Transfers		24,609	24,309
Receipts Over (Under) Expenditures and Transfers			
Unencumbered Cash, Beginning			
Unencumbered Cash, Ending			

Unified School District No. 389
Title IV-A Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

		Prior Year Actual	Current Year Actual
Cash Receipts			
Revenue from Federal Sources			
Federal Financial Assistance	$		17,122
Total Cash Receipts			17,122
Expenditures and Transfers			
Instruction			
Purchased Professional and Technical Services			17,122
Total Expenditures and Transfers			17,122
Receipts Over (Under) Expenditures and Transfers			
Unencumbered Cash, Beginning			
Unencumbered Cash, Ending			

Unified School District No. 389
Families and Schools Together Grant Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

		Prior Year Actual	Current Year Actual
Cash Receipts			
Revenue from State Sources			
General State Aid	$	1,388	
Total Cash Receipts		1,388	
Expenditures and Transfers			
None			
Receipts Over (Under) Expenditures and Transfers		1,388	
Unencumbered Cash, Beginning		3,377	4,765
Unencumbered Cash, Ending		4,765	4,765

Unified School District No. 389
Bond and Interest Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance Favorable (Unfavorable)
Cash Receipts				
Revenue from Local Sources				
Ad Valorem Taxes	$ 372,957	402,569	379,002	23,567
Delinquent Taxes	12,321	11,179	4,827	6,352
Watercraft Tax	297	925		925
Total Revenue from Local Sources	385,575	414,673	383,829	30,844
Revenue from County Sources				
Motor Vehicle Tax	40,651	50,463	45,297	5,166
Recreational Vehicle Tax	698	1,113	750	363
Commercial Vehicle Tax	1,823	1,474	1,347	127
Revenue in Lieu of Taxes	848	847		847
Total Revenue from County Sources	44,020	53,897	47,394	6,503
Revenue from State Sources				
General State Aid	398,931	404,153	404,222	(69)
Total Cash Receipts	828,526	872,723	835,445	37,278
Expenditures and Transfers				
Debt Service				
Redemption of Principal	720,000	730,000	730,000	
Interest (Coupons)	27,700	198,055	198,055	
Commission and Postage			100	100
Total Expenditures and Transfers	747,700	928,055	928,155	100
Receipts Over (Under) Expenditures and Transfers	80,826	(55,332)		
Unencumbered Cash, Beginning	794,518	875,344		
Unencumbered Cash, Ending	875,344	820,012		

Unified School District No. 389
Gym Construction Project Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Local Sources		
Interest on Investments	$ 18,826	5,865
Other Sources		
Sale of Bonds	5,158,980	
Total Cash Receipts	5,177,806	5,865
Expenditures and Transfers		
Facilities Acquisition/Construction		
Architecture and Engineering Services		68,559
New Buildings Acquisition and Construction	4,750,562	363,503
Total Expenditures and Transfers	4,750,562	432,062
Receipts Over (Under) Expenditures and Transfers	427,244	(426,197)
Unencumbered Cash, Beginning		427,244
Unencumbered Cash, Ending	427,244	1,047

Unified School District No. 389
Bond Refinancing Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual
Cash Receipts		
None	$	
Expenditures and Transfers		
Instruction		
Other Purchased Services	1,200	
Total Expenditures and Transfers	1,200	
Receipts Over (Under) Expenditures and Transfers	(1,200)	
Unencumbered Cash, Beginning	1,864	664
Unencumbered Cash, Ending	664	664

Unified School District No. 389
Elementary/Secondary School Emergency Relief Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Federal Financial Assistance	$	138,989
Total Cash Receipts		138,989
Expenditures and Transfers		
Instruction		
Certified Salaries	2,784	45,016
Non-Certified Salaries		9,682
General Supplies and Materials	881	249,487
Property (Equipment & Furnishings)	11,259	82,337
Total Expenditures and Transfers	14,924	386,522
Receipts Over (Under) Expenditures and Transfers	(14,924)	(247,533)
Unencumbered Cash, Beginning		(14,924)
Unencumbered Cash, Ending	(14,924)	(262,457)

Unified School District No. 389
SPARK Program Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Revenue from Federal Sources		
Federal Financial Assistance	$	353,657
Total Cash Receipts		353,657
Expenditures and Transfers		
Instruction		
Certified Salaries		48,652
Operations and Maintenance		
General Supplies and Materials		305,005
Total Expenditures and Transfers		353,657
Receipts Over (Under) Expenditures and Transfers		
Unencumbered Cash, Beginning		
Unencumbered Cash, Ending		

Unified School District No. 389
Tornado Relief Donations Fund
Summary of Receipts and Expenditures
Regulatory Basis
For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

		Prior Year Actual	Current Year Actual
Cash Receipts			
None	$		
Expenditures and Transfers			
None			
Receipts Over (Under) Expenditures and Transfers			
Unencumbered Cash, Beginning		6,964	6,964
Unencumbered Cash, Ending		6,964	6,964

Unified School District No. 389
Eureka, Kansas
Agency Funds
Schedule of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2021

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Student Organization Funds:				
High School:				
Ambassadors	$ 525	-	-	525
Art Club	1,836	4,131	2,495	3,472
Band	1,194	1,084	681	1,597
Band Fees and Rental	-	400	400	-
Baseball	1,116	278	-	1,394
Birkholz Memorial	300	-	-	300
Boys Basketball	2,897	745	3,226	416
Cheerleaders	1,810	6,595	6,114	2,291
Class of '17	672	-	-	672
Class of '18	951	-	-	951
Class of '19	186	-	-	186
Class of '20	1,711	-	130	1,581
Class of '21	4,913	-	1,994	2,919
Class of '22	2,201	2,915	3,596	1,520
Class of '23	2,689	200	-	2,889
Class of '24	1,493	300	3	1,790
Class of '25	667	-	-	667
Class of '26	-	214	-	214
Cross Country	1,379	540	558	1,361
E-Club	288	-	-	288
Educational Trips	940	-	-	940
English Eight	342	-	-	342
English Reading	1,168	-	-	1,168
Family & Consumer Science	-	664	664	-
FCA	15,506	2,304	4,139	13,671
FCCLA	1,424	4,403	4,343	1,484
FFA	20,123	42,538	38,221	24,440
Film Class Fee	-	100	100	-
Football	162	840	221	781
Foreign Language Club	1,325	1,004	1,228	1,101
Forensics	2,870	400	994	2,276
Girls Basketball	1,349.00	6,044	6,075	1,318
Girls Golf	538.00	-	280	258
High School Track	-	1,276	1,191	85
Junior High Cheerleaders	377	1,404	1,473	308
National Honor Society	315	-	315	-
Pep Club	1,520	-	-	1,520
Pop Chorale	1,623	50	151	1,522
Prom Partners	1,474	210	1,122	562
SADD	8,467	3,478	4,385	7,560
Safe	998	723	341	1,380
Scholar's Bowl	2,140	970	486	2,624
Science Club	2,439	5,558	4,825	3,172
Science Fund	-	2,222	2,222	-
Skills	495	62	144	413
Speech and Drama Club	6,076	394	-	6,470
Stuco Vending	488	2,766	2,398	856
Student Council	1,263	350	1,528	85
Student Council Pop	793	5,334	5,870	257
Testing Fees	340	-	-	340
Tornado Cave	8,678	6,120	5,365	9,433
Twisted Design	9,117	10,451	10,729	8,839
Vocal Music	-	221	221	-
Wrestling	1,563	1,114	1,562	1,115
Yearbook Club	311	-	38	273
Other Agency Funds				
Payroll Clearing	165,426	2,651,117	2,558,695	257,848
Sales Tax	6	3,931	3,929	8
Total Agency Funds	286,484	2,773,450	2,682,452	377,482

Unified School District No. 389
Eureka, Kansas
District Activity Funds
Schedule of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2021

Fund	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Gate Receipts:						
High School:						
Athletics	$ 14,842	28,932	29,829	13,945		13,945
Concessions	5,394	5,583	6,808	4,169	-	4,169
Subtotal Gate Receipts	20,236	34,515	36,637	18,114	-	18,114
Special Projects:						
Marshall Elementary:						
Book Fair	5,395	251	2,804	2,842		2,842
General Clearing	391	14,160	14,401	150		150
Pop Machine	10,761	6,617	6,594	10,784		10,784
Student Needs	5,983	1,749	3,889	3,843		3,843
High School:						
Activities Change Account	791	30,570	30,570	791		791
Athletic T-Shirts	560	652	950	262		262
Copy Center Equipment	2,463	7	-	2,470		2,470
Dual Credit Scholarship Loans	14,173	1,025	925	14,273		14,273
Larry Shue Memorial	4,013	13	-	4,026		4,026
Lift-a-thon	1,351	-	-	1,351		1,351
Scholarships	10,147	14,679	3,825	21,001		21,001
Scholarships - Williams/Nuessen	5,610	-	250	5,360		5,360
Scholarships-ETA	431	-	250	181		181
Scholarships-Ghyneth	34,180	205	200	34,185		34,185
Scholarships-Jean Gundy	25,858	-	-	25,858		25,858
Scholarships-John May	767	-	-	767		767
Scholarships-Larry Shue	638	-	200	438		438
Special Ed Program	6,017	618	12	6,623		6,623
Yearbook	677	2,446	2,846	277	-	277
Subtotal Special Projects	130,206	72,992	67,716	135,482	-	135,482
Total District Activity Funds	150,442	107,507	104,353	153,596	-	153,596

Rodney M. Burns
CPA

RODNEY M. BURNS, CPA, LLC
CERTIFIED PUBLIC ACCOUNTANT
702 WEST MAIN * * * P.O.BOX 832
CHANUTE, KANSAS 66720

PHONE (620) 431-3410
FAX (620) 431-7719

INDEPENDENT AUDITOR'S 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*

Board of Education
Unified School District No. 389
Eureka, Kansas

We have audited, 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*, the statutory basis financial statements of Unified School District No. 389, Eureka, Kansas, (the District) as of and for the year ended June 30, 2021, and have issued our report thereon dated March 2, 2022.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect 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 District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance

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

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully Submitted,

Rodney M. Burns, CPA, LLC

March 2, 2022

Rodney M. Burns
CPA

RODNEY M. BURNS, CPA, LLC
CERTIFIED PUBLIC ACCOUNTANT
702 WEST MAIN * * * P.O.BOX 832
CHANUTE, KANSAS 66720

PHONE (620) 431-3410
FAX (620) 431-7719

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

Board of Education
Unified School District No. 389
Eureka, Kansas

Report on Compliance for Each Major Federal Program

We have audited the compliance of Unified School District No. 389, Eureka, Kansas, (the District) with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

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

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

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

Purpose of this Report

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.

Respectfully Submitted,

Rodney M. Burns, CPA, LLC

March 2, 2022

Unified School District No. 389
Eureka, Kansas
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

I. Summary of Audit Results

Financial Statement:
The auditors' report expresses an adverse opinion on the financial statement of Unified School District No. 389 on the Generally Accepted Accounting Principles (GAAP) basis of accounting, but an unmodified opinion on the regulatory basis of accounting as prescribed by the State of Kansas.

Internal Control over Financial Reporting:

Material weakness(es) identified?	____ Yes	X No	
Significant deficiency(ies) identified?	____ Yes	X None reported	
Non compliance or other matters required to be reported under *Government Auditing Standards?*	____ Yes	X No	

Federal Awards:
Internal control over major programs:

Material weakness(es) identified?	____ Yes	X No	
Significant deficiency(ies) identified?	____ Yes	X None reported	

The auditors' report on compliance for the major federal award programs for Unified School District No. 389 expresses an unmodified opinion.

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance	____ Yes	X No

Identification of major programs:

U.S. Department of the Treasury	
Coronavirus Relief Fund	CFDA No. 21.019
U.S. Department of Education	
Elementary and Secondary School Emergency Relief Fund	CFDA No. 84.425D

The threshold for distinguishing Types A and B programs was $750,000.

Auditee qualified as a low risk auditee?	____ Yes	X No

II. Financial Statement Findings

None.

III. Federal Award Findings and Questioned Costs

None.

Unified School District No. 389
Eureka, Kansas
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Federal Grantor/Pass-through Grantor/Program Title	Pass-through Entity Identifying Number	Federal CFDA Number	Cash Receipts	Disbursements/ Expenditures
U.S. Department of Agriculture				
Passed through State Department of Education				
Child Nutrition Cluster:				
School Breakfast Program	DO389	10.553	$ 879	879
National School Lunch Program	DO389	10.555	35,133	35,133
Summer Food Service Program for Children	DO389	10.559	377,129	377,129
	Total Child Nutrition Cluster		413,141	413,141
Fresh Fruits and Vegetables Program	DO389	10.582	12,482	12,482
Total U.S. Department of Agriculture			425,623	425,623
U.S. Department of the Interior				
Passed through Greenwood County, Kansas				
Payments in Lieu of Taxes		15.226	4,809	4,809
Passed through Woodson County, Kansas				
Payments in Lieu of Taxes		15.226	329	329
Total U.S. Department of the Interior			5,138	5,138
U.S. Department of the Treasury				
Passed through Greenwood County, Kansas				
Coronavirus Relief Fund		21.019	353,657	353,657 (1)
U.S. Department of Education				
Passed through Kansas Department of Education				
Special Education Cluster				
Special Education - Grants to States	DO389	84.027	175,502	175,502
Special Education - Grants to States (Targeted)	DO389	84.024	17,805	17,805
Special Education - Preschool Grants	DO389	84.173	6,935	6,935
	Total Special Education Cluster		200,242	200,242
Title I Grant to Local Educational Agencies	DO389	84.010	157,651	147,579
Supporting Effective Instruction State Grants	DO389	84.367	24,309	24,309
Student Support and Academic Enrichment Program	DO389	84.424	17,122	17,122
Elementary and Secondary School Emergency Relief Fund	DO389	84.425D	138,990	386,523 (1)
Passed through Southeast Kansas Education Service Center				
Career and Technical Education - Basic Grants to States		84.048	5,284	4,953
Impact Aid		84.041	11,917	11,917
Rural Education		84.358	0	8,604
Total U.S. Department of Education			555,515	801,249
Total Federal Awards			1,339,933	1,585,667

(1) These programs were considered to be major programs

Note to the Schedule of Expenditures of Federal Awards:

Note A: General

The Schedule of Expenditures of Federal Awards presents the activity of all federal awards of Unified School District No. 389, Eureka, Kansas (the District). All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on this schedule.

Note B: Indirect Cost Rate

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

Note C: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the District, and is presented on the Kansas regulatory basis of accounting which includes cash disbursements, accounts payable and encumbrances. This is the same basis of accounting used in the District's regulatory basis financial statements. The information presented in this schedule is in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.