

**UNIFIED SCHOOL DISTRICT NO. 407
RUSSELL, KANSAS**

**FINANCIAL STATEMENT
JUNE 30, 2020**



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INDEPENDENT AUDITORS' REPORT

**Board of Education
Unified School District No. 407
Russell, Kansas**

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of **Unified School District No. 407, Russell, Kansas**, as of and for the year ended **June 30, 2020**, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

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

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditors' judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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

**Board of Education
Unified School District No. 407**

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

As described in Note 1 of the financial statement, the financial statement is prepared by **Unified School District No. 407, Russell, Kansas**, to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

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

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

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of **Unified School District No. 407, Russell, Kansas**, as of **June 30, 2020**, or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of **Unified School District No. 407, Russell, Kansas**, as of **June 30, 2020**, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual, agency funds schedules of regulatory basis cash receipts and disbursements and district activity funds schedules of regulatory basis cash receipts, expenditures and unencumbered cash (Regulatory-Required Supplementary Information as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement.

**Board of Education
Unified School District No. 407**

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 January 22, 2020. 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 March 2, 2021, on our consideration of by **Unified School District No. 407, Russell, 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 by **Unified School District No. 407, Russell, Kansas'** internal control over financial reporting and compliance.

BFR CPA, LLC

BFR CPA, LLC
March 2, 2021

UNIFIED SCHOOL DISTRICT NO. 407
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	\$ 875	\$ 0	\$ 6,931,365	\$ 6,932,240	\$ 0	\$ 0	\$ 0
Special Purpose Funds							
Supplemental General	94,502	3,827	2,354,414	2,323,421	129,322	105,443	234,765
At Risk (K-12)	0	0	815,636	791,322	24,314	13,983	38,297
Bilingual Education	0	0	0	0	0	0	0
Capital Outlay	756,253	256	881,078	800,785	836,802	252,694	1,089,496
Driver Training	25,141	0	8,660	8,494	25,307	0	25,307
Food Service	105,234	366	624,181	610,115	119,666	151	119,817
Professional Development	53,602	0	321	4,309	49,614	0	49,614
Special Education	414,261	3	1,472,723	1,448,380	438,607	5,233	443,840
Career and Postsecondary Education	32,596	0	237,679	230,338	39,937	157	40,094
KPERS Contribution	0	0	921,475	921,475	0	0	0
Federal Funds	(118,962)	0	695,054	790,464	(214,372)	711	(213,661)
Gifts and Grants	52,434	0	53,332	60,127	45,639	10,117	55,756
Special Reserve	1,307,662	0	4,224	19,722	1,292,164	0	1,292,164
Contingency Reserve	481,303	0	442,389	0	923,692	0	923,692
Textbook & Student Material							
Revolving	52,261	14	35,715	6,421	81,569	4	81,573
District Activity Funds	238,014	0	282,637	280,095	240,556	0	240,556
	<u>\$ 3,495,176</u>	<u>\$ 4,466</u>	<u>\$ 15,760,883</u>	<u>\$ 15,227,708</u>	<u>\$ 4,032,817</u>	<u>\$ 388,493</u>	<u>\$ 4,421,310</u>

Composition of Cash:

Checking Accounts	\$ 1,384,173
Certificate of Deposit	6,735
Money Market Accounts	<u>3,073,227</u>
	4,464,135
Agency Funds	<u>(42,825)</u>
	<u>\$ 4,421,310</u>

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

UNIFIED SCHOOL DISTRICT NO. 407
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2020

Note 1 - Summary of Significant Accounting Policies:

Financial Reporting Entity

Unified School District No. 407 is a municipal corporation established under State of Kansas statutes designed to meet educational requirements at the primary and secondary levels in and around Russell, 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.

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

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

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

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

**UNIFIED SCHOOL DISTRICT NO. 407
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 was one amendment 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
Special Reserve Fund	Contingency Reserve Fund
Textbook & Student Material Revolving Fund	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 \$372,774 subsequent to June 30, 2020, and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2020.

UNIFIED SCHOOL DISTRICT NO. 407
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2020

Note 3 - Defined Benefit Pension Plan:

Plan description

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

Contributions

K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009 and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate of 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

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

Per 2017 Senate Substitute for House Bill 2052, Section 37(a), state general fund employer contributions to KPERS were decreased by \$64.13 million for the fiscal year ended June 30, 2017. Section 43(17) of the bill also stipulated that repayments of the reduced contributions are to be amortized over twenty years at a level dollar amount commencing in fiscal year 2018. The level dollar amount was computed to be \$6.4 million dollars per year. The first year payment of \$6.4 million was received in July 2017 and appropriations for fiscal year 2018 were made for the State/School group at the statutory contribution rate of 12.01% for that year.

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

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

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

UNIFIED SCHOOL DISTRICT NO. 407
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2020

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled \$921,475 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 \$8,012,077. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018, which was rolled forward to June 30, 2019. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2019. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

Note 4 - Deposits:

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

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

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

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at June 30, 2020.

At June 30, 2020, the District's carrying amount of deposits was \$4,464,135 and the bank balance was \$5,065,116. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$750,000 was covered by federal depository insurance and the remaining \$4,315,116 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

UNIFIED SCHOOL DISTRICT NO. 407
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2020

Note 5 - 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.

Termination Benefits

A teacher is eligible for early retirement if such teacher is:

1. Currently a full-time employee of the school district;
2. has at least ten (10) years of eligible service with KPERS and with the school district; and
3. either qualified under applicable KPERS rules and regulations for full KPERS retirement benefits without reduction or not less than fifty-five (55) years and not more than sixty-four (64) years of age on September 1 of the school year in which the teacher submits application for early retirement benefits. Changes in KPERS retirement law will necessitate changes.

A teacher taking early retirement benefits shall have the option to maintain health insurance coverage through the school district's health insurance program by agreeing to pay their own monthly premium amounts.

Any teacher wishing to retire early before the normal retirement age of 65, will receive compensation as follows:

1. A benefit of \$9,000 will be paid for retirement at age sixty-two (62) or less. The teacher may receive the \$9,000 in three (3) annual payments consisting of \$5,000 the first year, \$2,500 the second year and \$1,500 the third year; in two annual payments of \$4,500 each; or in one (1) lump sum payment of \$9,000.
2. A benefit of \$7,500 will be paid for retirement at age sixty-three (63). The teacher may receive the \$7,500 in two (2) annual payments of \$3,750 each; or in one (1) lump sum payment of \$7,500.
3. A benefit of \$5,000 will be paid for retirement at age sixty-four (64). If retiring at age sixty-four (64), the teacher must take the \$5,000 in one (1) lump sum payment.

An eligible teacher who takes early retirement which is subject to KPERS reduction will be entitled to receive annually from the school district a sum of money, i.e., early retirement benefits, equal to the difference between the benefit the teacher would receive, through KPERS, if the teacher was at normal retirement age as defined by KPERS. The reduction (difference) will be calculated by the KPERS Board. This benefit will expire when the teacher reaches age 65. The estimated liability as of June 30, 2020, for employees eligible for early retirement was \$99,948.

At June 30, 2020, two employees took early retirement.

UNIFIED SCHOOL DISTRICT NO. 407
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2020

Note 6 - Compensated Absences:

Sick Leave

In recognition of service rendered, and accumulated sick leave which was unused, the separability pay shall be paid to any qualifying teacher, administrator, or classified employee under the following conditions:

Reduction in Force and Voluntary Separation

A teacher with ten or more years continuous employment shall be paid a stipend calculated as a percentage of the teacher's current daily rate of pay times the number of days accumulated, unused sick leave. The percentage used in the calculation shall equal the number of years of completed service not to exceed 20%.

Retirement

Any teacher with ten or more years continuous employment and is retiring through KPERS shall be paid a stipend calculated as a percentage of the teacher's current daily rate of pay times the number of days accumulated, unused sick leave. The percentage used in the calculation shall equal the number of years completed service, not to exceed 35%.

All separation stipends shall be subject to payroll taxes and will not apply to those whose employment is terminated for cause.

The District has employees eligible for separability pay who have accumulated a total of 2,603 unused sick leave days as of and for the year ended June 30, 2020. The estimated liability for unused sick leave at June 30, 2020, is \$111,558, of which \$64,404 is attributable to eighteen employees with twenty or more years of service who are eligible for retirement.

Note 7- Reimbursed Expenditures:

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

Note 8 - Interfund Transactions:

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

Transfer from:	Transfer to:					Total
	At Risk (K-12)	Food Service	Special Education	Career and Postsecondary Education	Contingency Reserve	
General Fund	\$ 107,055	\$ 48,000	\$ 857,054	\$ 38,000	\$ 442,389	\$ 1,492,498
Supplemental General Fund	708,581	99,362	552,665	191,271	0	1,551,879
	<u>\$ 815,636</u>	<u>\$ 147,362</u>	<u>\$ 1,409,719</u>	<u>\$ 229,271</u>	<u>\$ 442,389</u>	<u>\$ 3,044,377</u>

UNIFIED SCHOOL DISTRICT NO. 407
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 - Subsequent Events:

The District has evaluated subsequent events through March 2, 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**

UNIFIED SCHOOL DISTRICT NO. 407
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	\$ 6,926,370	\$ 0	\$ 5,870	\$ 6,932,240	\$ 6,932,240	\$ 0
Special Purpose Funds						
Supplemental General	2,323,421	0	0	2,323,421	2,323,421	0
At Risk (K-12)	890,581	0	0	890,581	791,322	(99,259)
Bilingual Education	2,323	0	0	2,323	0	(2,323)
Capital Outlay	1,499,392	0	0	1,499,392	800,785	(698,607)
Driver Training	11,380	0	0	11,380	8,494	(2,886)
Food Service	622,000	0	0	622,000	610,115	(11,885)
Professional Development	51,200	0	0	51,200	4,309	(46,891)
Special Education	1,650,933	0	0	1,650,933	1,448,380	(202,553)
Career and Postsecondary Education	230,338	0	0	230,338	230,338	0
KPERs Contribution	973,451	0	0	973,451	921,475	(51,976)
Federal Funds	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	790,464	XXXXXXXXXX
Gifts and Grants	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	60,127	XXXXXXXXXX
Special Reserve	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	19,722	XXXXXXXXXX
Contingency Reserve	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0	XXXXXXXXXX
Textbook & Student Material						
Revolving	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	6,421	XXXXXXXXXX
District Activity Funds	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	280,095	XXXXXXXXXX
	<u>\$ 15,181,389</u>	<u>\$ 0</u>	<u>\$ 5,870</u>	<u>\$ 15,187,259</u>	<u>\$ 15,227,708</u>	<u>\$ (1,116,380)</u>

UNIFIED SCHOOL DISTRICT NO. 407
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)

General Fund	Current Year			
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Local Sources	\$ 2,976	\$ 5,870	\$ 0	\$ 5,870
State Sources	6,439,544	6,925,495	6,925,916	(421)
	6,442,520	6,931,365	\$ 6,925,916	\$ 5,449
Expenditures				
Instruction	2,988,876	3,299,867	\$ 3,467,723	\$ (167,856)
Student Support Services	98,168	140,156	86,000	54,156
Instructional Support Staff	56,162	66,333	64,200	2,133
General Administration	316,715	204,331	318,800	(114,469)
School Administration	497,259	457,349	572,200	(114,851)
Central Services	292,360	299,762	268,000	31,762
Operations & Maintenance	543,037	808,295	478,000	330,295
Student Transportation Services	134,844	163,649	124,800	38,849
Transfers	1,520,367	1,492,498	1,546,647	(54,149)
Adjustment for Qualifying Budget Credits	0	0	5,870	(5,870)
	6,447,788	6,932,240	\$ 6,932,240	\$ 0
Receipts Over (Under) Expenditures	(5,268)	(875)		
Unencumbered Cash, Beginning	0	875		
Prior Year Canceled Encumbrances	6,143	0		
Unencumbered Cash, Ending	\$ 875	\$ 0		

UNIFIED SCHOOL DISTRICT NO. 407
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>	Prior Year	<u>Current Year</u>		Variance - Over (Under)
		<u>Actual</u>	<u>Actual</u>	
Cash Receipts				
Local Sources	\$ 1,348,824	\$ 1,348,954	\$ 1,233,029	\$ 115,925
County Sources	161,815	160,664	152,293	8,371
State Sources	756,196	844,796	844,796	0
	<u>2,266,835</u>	<u>2,354,414</u>	<u>\$ 2,230,118</u>	<u>\$ 124,296</u>
Expenditures				
Instruction	917,620	304,607	\$ 827,906	\$ (523,299)
Student Support Services	18,680	13,887	10,000	3,887
Instructional Support Staff	19,603	13,965	20,000	(6,035)
General Administration	68,054	161,373	0	161,373
School Administration	81,556	14,921	70,000	(55,079)
Central Services	103,673	87,017	102,892	(15,875)
Operations & Maintenance	395,542	160,571	440,000	(279,429)
Student Transportation Services	78,800	15,201	50,000	(34,799)
Transfers	612,148	1,551,879	802,623	749,256
	<u>2,295,676</u>	<u>2,323,421</u>	<u>\$ 2,323,421</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	(28,841)	30,993		
Unencumbered Cash, Beginning	121,960	94,502		
Prior Year Canceled Encumbrances	<u>1,383</u>	<u>3,827</u>		
Unencumbered Cash, Ending	\$ 94,502	\$ 129,322		

UNIFIED SCHOOL DISTRICT NO. 407
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				
Transfers	\$ 643,572	\$ 815,636	\$ 895,600	\$ (79,964)
	<u>643,572</u>	<u>815,636</u>	<u>\$ 895,600</u>	<u>\$ (79,964)</u>
Expenditures				
Instruction	326,889	464,713	\$ 666,781	\$ (202,068)
Student Support Services	314,817	159,554	217,300	(57,746)
Instructional Support Staff	436	2,447	0	2,447
School Administration	0	164,608	0	164,608
Central Services	1,430	0	0	0
Student Transportation Services	0	0	6,500	(6,500)
	<u>643,572</u>	<u>791,322</u>	<u>\$ 890,581</u>	<u>\$ (99,259)</u>
Receipts Over (Under) Expenditures	0	24,314		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 24,314</u>		

UNIFIED SCHOOL DISTRICT NO. 407
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)
	<u>Prior Year Actual</u>	<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Transfers	\$ 1,148	\$ 0	\$ 2,323	\$ (2,323)
	<u>1,148</u>	<u>0</u>	<u>\$ 2,323</u>	<u>\$ (2,323)</u>
Expenditures				
Instruction	1,148	0	\$ 2,323	\$ (2,323)
	<u>1,148</u>	<u>0</u>	<u>\$ 2,323</u>	<u>\$ (2,323)</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>		

UNIFIED SCHOOL DISTRICT NO. 407
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>	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources	\$ 674,272	\$ 678,344	\$ 555,451	\$ 122,893
County Sources	63,970	63,365	59,899	3,466
State Sources	111,966	139,369	141,811	(2,442)
	<u>850,208</u>	<u>881,078</u>	<u>\$ 757,161</u>	<u>\$ 123,917</u>
Expenditures				
Instruction	391,141	74,930	\$ 104,000	\$ (29,070)
Student Support Services	3,279	662	0	662
Instructional Support Services	83,843	0	135,392	(135,392)
School Administration	0	10,214	42,000	(31,786)
Central Services	28,440	91,599	0	91,599
Operations & Maintenance	478,258	522,510	550,000	(27,490)
Transportation	9,088	75,587	10,000	65,587
Other Support Services	6,122	18,065	287,000	(268,935)
Facility Acquisition & Construction Services	272,708	7,218	371,000	(363,782)
	<u>1,272,879</u>	<u>800,785</u>	<u>\$ 1,499,392</u>	<u>\$ (698,607)</u>
Receipts Over (Under) Expenditures	(422,671)	80,293		
Unencumbered Cash, Beginning	1,178,924	756,253		
Prior Year Canceled Encumbrances	<u>0</u>	<u>256</u>		
Unencumbered Cash, Ending	<u>\$ 756,253</u>	<u>\$ 836,802</u>		

UNIFIED SCHOOL DISTRICT NO. 407
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	\$ 6,108	\$ 5,557 \$ 0	\$ 5,557
State Sources	4,998	3,103 4,030	(927)
	<u> 11,106</u>	<u> 8,660 \$ 4,030</u>	<u> 4,630</u>
Expenditures			
Instruction	132	8,403 \$ 11,380	\$ (2,977)
Vehicle Operations, Maint. Serv.	256	91 0	91
	<u> 388</u>	<u> 8,494 \$ 11,380</u>	<u> (2,886)</u>
Receipts Over (Under) Expenditures	10,718	166	
Unencumbered Cash, Beginning	14,423	25,141	
Prior Year Canceled Encumbrances	<u> 0</u>	<u> 0</u>	
Unencumbered Cash, Ending	<u>\$ 25,141</u>	<u>\$ 25,307</u>	

UNIFIED SCHOOL DISTRICT NO. 407
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>		<u>Variance -</u> <u>Over (Under)</u>
	<u>Prior Year</u> <u>Actual</u>	<u>Actual</u> <u>Budget</u>	
Cash Receipts			
Local Sources	\$ 161,628	\$ 96,754 \$ 157,254	\$ (60,500)
State Sources	4,981	4,947 4,038	909
Federal Sources	283,394	375,118 270,232	104,886
Transfers	105,000	147,362 123,000	24,362
	<u>555,003</u>	<u>624,181</u> <u>\$ 554,524</u>	<u>\$ 69,657</u>
Expenditures			
Operations & Maintenance	4,746	2,796 \$ 0	\$ 2,796
Food Service Operation	569,145	607,319 622,000	(14,681)
	<u>573,891</u>	<u>610,115</u> <u>\$ 622,000</u>	<u>\$ (11,885)</u>
Receipts Over (Under) Expenditures	(18,888)	14,066	
Unencumbered Cash, Beginning	124,122	105,234	
Prior Year Canceled Encumbrances	<u>0</u>	<u>366</u>	
Unencumbered Cash, Ending	<u>\$ 105,234</u>	<u>\$ 119,666</u>	

UNIFIED SCHOOL DISTRICT NO. 407
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2020
(With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

<u>Professional Development Fund</u>	<u>Current Year</u>		Variance - Over (Under)
	Prior Year Actual	Actual Budget	
Cash Receipts			
State Sources	\$ 0	\$ 321 \$ 2,750	\$ (2,429)
	<u> 0</u>	<u> 321</u> <u>\$ 2,750</u>	<u>\$ (2,429)</u>
Expenditures			
Instructional Support Staff	2,439	2,394 \$ 51,200	\$ (48,806)
Central Services	<u> 0</u>	<u> 1,915</u> <u> 0</u>	<u> 1,915</u>
	<u> 2,439</u>	<u> 4,309</u> <u>\$ 51,200</u>	<u>\$ (46,891)</u>
Receipts Over (Under) Expenditures	(2,439)	(3,988)	
Unencumbered Cash, Beginning	51,341	53,602	
Prior Year Canceled Encumbrances	<u> 4,700</u>	<u> 0</u>	
Unencumbered Cash, Ending	<u>\$ 53,602</u>	<u>\$ 49,614</u>	

UNIFIED SCHOOL DISTRICT NO. 407
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2020
(With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

<u>Special Education Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	<u>Prior Year Actual</u>	<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Local Sources	\$ 31,556	\$ 34,979	\$ 0	\$ 34,979
Federal Sources	52,959	28,025	245,000	(216,975)
Transfers	<u>1,157,142</u>	<u>1,409,719</u>	<u>1,144,000</u>	<u>265,719</u>
	<u>1,241,657</u>	<u>1,472,723</u>	<u>\$ 1,389,000</u>	<u>\$ 83,723</u>
Expenditures				
Instruction	883,642	927,347	\$ 1,267,580	\$ (340,233)
Student Support Services	296,114	355,899	260,353	95,546
Instructional Support Staff	3,249	4,416	0	4,416
School Administration	157,455	159,296	123,000	36,296
Operations & Maintenance	166	15	0	15
Student Transportation	<u>2,030</u>	<u>1,407</u>	<u>0</u>	<u>1,407</u>
	<u>1,342,656</u>	<u>1,448,380</u>	<u>\$ 1,650,933</u>	<u>\$ (202,553)</u>
Receipts Over (Under) Expenditures	(100,999)	24,343		
Unencumbered Cash, Beginning	515,241	414,261		
Prior Year Canceled Encumbrances	<u>19</u>	<u>3</u>		
Unencumbered Cash, Ending	<u>\$ 414,261</u>	<u>\$ 438,607</u>		

UNIFIED SCHOOL DISTRICT NO. 407
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	\$ 0	\$ 0	\$ 61,000	\$ (61,000)
State Sources	8,709	6,173	6,338	(165)
Federal Sources	0	2,235	0	2,235
Transfers	225,653	229,271	125,349	103,922
	<u>234,362</u>	<u>237,679</u>	<u>\$ 192,687</u>	<u>\$ 44,992</u>
Expenditures				
Instruction	202,764	230,338	\$ 230,338	\$ 0
	<u>202,764</u>	<u>230,338</u>	<u>\$ 230,338</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	31,598	7,341		
Unencumbered Cash, Beginning	998	32,596		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 32,596</u>	<u>\$ 39,937</u>		

UNIFIED SCHOOL DISTRICT NO. 407
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2020
(With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

<u>KPERS Contribution Fund</u>	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
State Sources	\$ 592,661	\$ 921,475	\$ 973,451	\$ (51,976)
	<u>592,661</u>	<u>921,475</u>	<u>\$ 973,451</u>	<u>\$ (51,976)</u>
Expenditures				
Instruction	382,100	596,043	\$ 573,000	\$ 23,043
Student Support Services	59,241	62,188	89,551	(27,363)
Instructional Support Staff	2,953	5,811	3,445	2,366
General Administration	29,120	45,000	59,120	(14,120)
School Administration	38,752	73,783	78,000	(4,217)
Central Services	14,017	22,431	17,081	5,350
Operations & Maintenance	35,259	61,992	110,689	(48,697)
Student Transportation Services	7,178	17,627	11,283	6,344
Food Service Operation	24,041	36,600	31,282	5,318
	<u>592,661</u>	<u>921,475</u>	<u>\$ 973,451</u>	<u>\$ (51,976)</u>
Receipts Over (Under) Expenditures	0	0		
Unencumbered Cash, Beginning	0	0		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>		

UNIFIED SCHOOL DISTRICT NO. 407
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2020
(With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

<u>Federal Funds</u>	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources	\$ 345,697	\$ 695,054
	<u>345,697</u>	<u>695,054</u>
Expenditures		
Instruction	386,232	624,911
Student Support Services	5,781	16,231
Instructional Support Services	21,917	38,932
General Administration	7,163	51,391
School Administration	0	21,385
Central Services	0	22,137
Operations & Maintenance	0	15,477
	<u>421,093</u>	<u>790,464</u>
Receipts Over (Under) Expenditures	(75,396)	(95,410)
Unencumbered Cash, Beginning	(43,566)	(118,962)
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ (118,962)</u>	<u>\$ (214,372)</u>

UNIFIED SCHOOL DISTRICT NO. 407
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	\$ 40,058	\$ 53,332
	<u>40,058</u>	<u>53,332</u>
Expenditures		
Instruction	44,463	60,127
	<u>44,463</u>	<u>60,127</u>
Receipts Over (Under) Expenditures	(4,405)	(6,795)
Unencumbered Cash, Beginning	56,839	52,434
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 52,434</u>	<u>\$ 45,639</u>

UNIFIED SCHOOL DISTRICT NO. 407
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		
Local Sources	\$ 279,587	\$ 4,224
	<u>279,587</u>	<u>4,224</u>
Expenditures		
Health Care	327,806	19,722
	<u>327,806</u>	<u>19,722</u>
Receipts Over (Under) Expenditures	(48,219)	(15,498)
Unencumbered Cash, Beginning	1,355,881	1,307,662
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 1,307,662</u>	<u>\$ 1,292,164</u>

UNIFIED SCHOOL DISTRICT NO. 407
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	\$ 442,389
	<u>0</u>	<u>442,389</u>
Expenditures		
Transfers	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>
Receipts Over (Under) Expenditures	0	442,389
Unencumbered Cash, Beginning	481,303	481,303
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 481,303</u>	<u>\$ 923,692</u>

UNIFIED SCHOOL DISTRICT NO. 407
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	Current Year	
	Actual	Actual	
Cash Receipts			
Local Sources	\$ 44,438	\$ 35,715	
	<u>44,438</u>	<u>35,715</u>	
Expenditures			
Instruction	116,284	6,421	
	<u>116,284</u>	<u>6,421</u>	
Receipts Over (Under) Expenditures	(71,846)	29,294	
Unencumbered Cash, Beginning	123,987	52,261	
Prior Year Canceled Encumbrances	<u>120</u>	<u>14</u>	
Unencumbered Cash, Ending	<u>\$ 52,261</u>	<u>\$ 81,569</u>	

UNIFIED SCHOOL DISTRICT NO. 407
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
Russell High School				
Library Fund	\$ 120	\$ 24	\$ 0	\$ 144
Athletic Training Fund	283	0	0	283
Art Classes Fund	419	1,050	450	1,019
Band Account Fund	81	500	367	214
Scholars' Bowl Fund	1,986	0	464	1,522
Spanish Account	1	0	0	1
Bob Popp Memorial Fund	25	3,675	25	3,675
SADD	145	0	0	145
KAY Club	269	0	0	269
Letterman's Club	82	0	0	82
Open-1 Fund	417	791	775	433
Pep Club	300	0	300	0
Explorers Club	818	0	0	818
Counselor's Acc't Fund	1,040	820	1,482	378
Student Council	2,984	2,422	1,373	4,033
Vocal Music	2,010	977	1,204	1,783
Key Club	533	0	0	533
e-Sports Club Fund	134	0	52	82
FACS Fund	36	563	234	365
Class of 2021 - Sophomores	898	3,442	964	3,376
Class of 2020 - Juniors	2,919	807	299	3,427
Class of 2019 - Seniors	597	360	678	279
Class of 2022 - Freshmen	492	550	44	998
	<u>16,589</u>	<u>15,981</u>	<u>8,711</u>	<u>23,859</u>
Ruppenthal Middle School				
Bronco	4,823	640	1,961	3,502
Student Council	1,542	1,830	1,834	1,538
	<u>6,365</u>	<u>2,470</u>	<u>3,795</u>	<u>5,040</u>
Other				
Payroll Clearing	8,913	5,048	35	13,926
	<u>8,913</u>	<u>5,048</u>	<u>35</u>	<u>13,926</u>
Total Agency Funds	<u>\$ 31,867</u>	<u>\$ 23,499</u>	<u>\$ 12,541</u>	<u>\$ 42,825</u>

UNIFIED SCHOOL DISTRICT NO. 407
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
Russell High School							
Athletics Fund Bal	\$ 17,634	\$ 0	\$ 25,051	\$ 33,338	\$ 9,347	\$ 0	\$ 9,347
Athletics Clothing Fund	265	0	0	59	206	0	206
Gate Receipts Fund	23,750	0	20,715	30,322	14,143	0	14,143
Tournaments Fund	8,969	0	31,456	27,018	13,407	0	13,407
Entry Fees Fund	4,317	0	1,670	3,995	1,992	0	1,992
Football Fund	9,333	0	14,382	19,068	4,647	0	4,647
Volleyball Fund	2,233	0	5,681	5,702	2,212	0	2,212
Girls Tennis Fund	1,428	0	500	328	1,600	0	1,600
Cross Country Fund	778	0	386	260	904	0	904
Girls Golf Fund	2,225	0	730	594	2,361	0	2,361
Boys Basketball Fund	3,822	0	3,933	2,163	5,592	0	5,592
Girls Basketball Fund	8,628	0	2,200	812	10,016	0	10,016
Wrestling Fund	1,354	0	1,800	636	2,518	0	2,518
Boys and Girls Track Fund	6,910	0	3,000	500	9,410	0	9,410
Baseball Fund	460	0	2,088	2,182	366	0	366
Softball Fund	894	0	2,776	1,492	2,178	0	2,178
Boys Tennis Fund	2,147	0	400	221	2,326	0	2,326
Boys Golf Fund	16	0	700	0	716	0	716
Drama Club Fund	349	0	0	0	349	0	349
Faculty Fund	60	0	603	542	121	0	121
Nat'l BSNS Honor Society Fund	215	0	331	152	394	0	394
Electric Car Fund	494	0	0	0	494	0	494
Power Lifting Fund	130	0	278	25	383	0	383
	96,411	0	118,680	129,409	85,682	0	85,682

UNIFIED SCHOOL DISTRICT NO. 407
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
Russell High School (Continued)							
Bronco Media Fund	1,476	0	0	88	1,388	0	1,388
General Fund	103	0	0	103	0	0	0
FB Meals, T-shirts, Ins. Fund	47	0	0	0	47	0	47
Bldg. Fund	1,741	0	4,902	6,294	349	0	349
Scholarship Fund	14,179	0	6,395	15,100	5,474	0	5,474
Natural Helper Fund	46	0	0	0	46	0	46
School Pictures (Class of '54) Fund	569	0	0	0	569	0	569
S A F E Fund	1,222	0	0	0	1,222	0	1,222
All School Play Fund	3,788	0	5,477	4,955	4,310	0	4,310
Cheerleaders Fund	3,191	0	11,301	10,766	3,726	0	3,726
Dance Fund	264	0	2,867	2,611	520	0	520
Spirit Clinic Fund	402	0	96	372	126	0	126
Concessions Fund	7,080	0	18,553	20,432	5,201	0	5,201
Regional Music Fund	25	0	0	0	25	0	25
Project Management Fund	1,043	0	250	25	1,268	0	1,268
Theater - ITS Fund	100	0	0	0	100	0	100
FFA Fund	1,431	0	40,636	35,874	6,193	0	6,193
Holocaust Class Fund	5	0	0	0	5	0	5
Woodshop Fund	2,967	0	4,032	3,936	3,063	0	3,063
VOC Ag Fund	817	0	5,233	3,003	3,047	0	3,047
Yearbook/Journalism Fund	1,836	0	2,195	3,559	472	0	472
Touchstone Fund (Russell Wear)	651	0	0	0	651	0	651
	<u>139,394</u>	<u>0</u>	<u>220,617</u>	<u>236,527</u>	<u>123,484</u>	<u>0</u>	<u>123,484</u>

UNIFIED SCHOOL DISTRICT NO. 407
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
Ruppenthal Middle School							
Library Fund	352	0	1,095	1,046	401	0	401
Building Fund	2,734	0	0	0	2,734	0	2,734
Weight Room Fund	180	0	0	0	180	0	180
Classroom Instructional Fund	440	0	0	0	440	0	440
Lunch Card Replacement Fund	0	0	30	30	0	0	0
Ala Carte Fund	48	0	0	0	48	0	48
Kitchen Fund	369	0	0	221	148	0	148
Box Tops Fund	638	0	5	0	643	0	643
Art Fund	4,211	0	1,935	1,205	4,941	0	4,941
Bsns and Computer Ed Fund	953	0	0	0	953	0	953
Music Fund	1,621	0	2,737	950	3,408	0	3,408
Technology Fund	4,285	0	1,761	610	5,436	0	5,436
Technology in the Classroom Fund	255	0	2,697	1,311	1,641	0	1,641
FACS Fund	2,300	0	525	194	2,631	0	2,631
Math(Online) Enrichment Prgm Fund	100	0	0	0	100	0	100
Yearbook Fund	55	0	0	0	55	0	55
Gifts Fund	3,847	0	700	110	4,437	0	4,437
Band Gifts Fund	1,170	0	0	0	1,170	0	1,170
McDonald's Grant Fund	51	0	0	0	51	0	51
MTSS Fund	1,207	0	0	0	1,207	0	1,207
Counts After School Prgm Fund	4,584	0	0	297	4,287	0	4,287
	29,400	0	11,485	5,974	34,911	0	34,911

**UNIFIED SCHOOL DISTRICT NO. 407
DISTRICT ACTIVITY FUNDS
SCHEDULE OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2020**

	Beginning	Prior Year			Ending	Add	
	Unencumbered	Canceled			Unencumbered	Encumbrances	
Fund	Cash Balance	Encumbrances	Cash Receipts	Expenditures	Cash Balance	and Accounts Payable	Ending Cash Balance
Ruppenthal Middle School (Continued)							
Field Trips Fund	174	0	0	0	174	0	174
Bronco Brigade Fund	148	0	0	0	148	0	148
Builders Club Fund	130	0	0	0	130	0	130
Musicfest Fund	526	0	0	0	526	0	526
Owls Fund	2,595	0	72	0	2,667	0	2,667
Principal's Adv. Council Fund	1,159	0	0	0	1,159	0	1,159
Quiz Bowl Fund	2,383	0	721	655	2,449	0	2,449
Science Olympiad Fund	1,272	0	0	61	1,211	0	1,211
Student Activity Fund	1,838	0	1,258	54	3,042	0	3,042
Athletics-AD Fund	9,463	0	17,000	11,637	14,826	0	14,826
Boys Basketball Fund	1,494	0	514	500	1,508	0	1,508
Girls Basketball Fund	1,579	0	500	2,079	0	0	0
Cheerleading Fund	1,347	0	1,058	288	2,117	0	2,117
Football Fund	2,793	0	3,500	623	5,670	0	5,670
Track Fund	2,656	0	1,543	1,822	2,377	0	2,377
Volleyball Fund	1,184	0	500	834	850	0	850
Wrestling Fund	4,671	0	1,500	1,665	4,506	0	4,506
Concessions Fund	1,660	0	3,930	4,006	1,584	0	1,584
Gates and Receipts Fund	1,716	0	6,403	4,975	3,144	0	3,144
	68,188	0	49,984	35,173	82,999	0	82,999

UNIFIED SCHOOL DISTRICT NO. 407
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
Bickerdyke Elementary							
Pictures	1,993	0	1,422	1,920	1,495	0	1,495
Library	1,144	0	2,535	2,677	1,002	0	1,002
B. Bunch	(15)	0	136	231	(110)	0	(110)
Owls	154	0	0	0	154	0	154
Lunch Card Replacement Fund	7,848	0	3,967	244	11,571	0	11,571
	<u>11,124</u>	<u>0</u>	<u>8,060</u>	<u>5,072</u>	<u>14,112</u>	<u>0</u>	<u>14,112</u>
Simpson Elementary							
Pictures - Simpson	1,420	0	537	263	1,694	0	1,694
School Supplies	207	0	0	0	207	0	207
Building Fund	1,182	0	0	0	1,182	0	1,182
Pop Fund	0	0	0	0	0	0	0
Donations/Grants	6,543	0	2,568	1,764	7,347	0	7,347
Tutoring Supplies	944	0	0	0	944	0	944
Library - Simpson	901	0	0	56	845	0	845
Art Fund	99	0	0	0	99	0	99
School Activities	277	0	0	0	277	0	277
	<u>11,573</u>	<u>0</u>	<u>3,105</u>	<u>2,083</u>	<u>12,595</u>	<u>0</u>	<u>12,595</u>
Scholarship & Memorial	7,735	0	871	1,240	7,366	0	7,366
	<u>7,735</u>	<u>0</u>	<u>871</u>	<u>1,240</u>	<u>7,366</u>	<u>0</u>	<u>7,366</u>
Total District Activity Funds	<u>\$ 238,014</u>	<u>\$ 0</u>	<u>\$ 282,637</u>	<u>\$ 280,095</u>	<u>\$ 240,556</u>	<u>\$ 0</u>	<u>\$ 240,556</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
Unified School District No. 407
Russell, Kansas**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of **Unified School District No. 407, Russell, Kansas**, as of and for the year ended **June 30, 2020**, and the related notes to the financial statement, which collectively comprise **Unified School District No. 407, Russell, Kansas'** basic financial statement, and have issued our report thereon dated March 2, 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 **Unified School District No. 407, Russell, Kansas'** internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of **Unified School District No. 407, Russell, Kansas'** internal control. Accordingly, we do not express an opinion on the effectiveness of **Unified School District No. 407, Russell, 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

**Board of Education
Unified School District No. 407**

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether **Unified School District No. 407, Russell, 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
March 2, 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
Unified School District No. 407
Russell, Kansas**

Report on Compliance for Each Major Federal Program

We have audited the compliance of **Unified School District No. 407, Russell, Kansas**, with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of **Unified School District No. 407, Russell, Kansas'** major federal programs for the year ended **June 30, 2020**. **Unified School District No. 407, Russell, Kansas'** major federal financial programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of **Unified School District No. 407, Russell, Kansas'** major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the *Kansas Municipal Audit and Accounting Guide*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about **Unified School District No. 407, Russell, Kansas'** compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of **Unified School District No. 407, Russell, Kansas'** compliance.

**Board of Education
Unified School District No. 407**

Opinion on Each Major Federal Program

In our opinion, **Unified School District No. 407, Russell, Kansas** complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended **June 30, 2020**.

Report on Internal Control Over Compliance

Management of **Unified School District No. 407, Russell, Kansas** is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered **Unified School District No. 407, Russell, Kansas'** internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of **Unified School District No. 407, Russell, 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
March 2, 2021

UNIFIED SCHOOL DISTRICT NO. 407
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	\$ 44,601				
National School Lunch Program	10.555	190,744				
Summer Food Service Program for Children	10.559	139,773				
		<u>375,118</u>	<u>\$ 0</u>	<u>\$ 375,118</u>	<u>\$ 375,118</u>	<u>\$ 0</u>
Department of Education						
Special Education Cluster (IDEA)-Cluster						
Special Education Grants to States	84.027	219,783	(13,693)	233,476	219,783	0
Special Education Preschool Grants	84.173	5,555	0	5,555	5,555	0
		<u>225,338</u>	<u>(13,693)</u>	<u>239,031</u>	<u>225,338</u>	<u>0</u>
Title I Grants to Local Educational Agencies	84.010	235,482	(79,577)	314,123	235,482	(936)
Supporting Effective Instruction State Grants	84.367	47,450	(15,518)	62,968	47,450	0
Career and Technical Education - Basic Grants to States	84.048	2,235	0	2,235	2,235	0
Student Support and Academic Enrichment Program	84.424	23,758	(10,174)	33,932	23,758	0
COVID-19 - Education Stabilization Fund	84.425	142,736	0	45,000	50,245	(5,245)
		<u>451,661</u>	<u>(105,269)</u>	<u>458,258</u>	<u>359,170</u>	<u>(6,181)</u>
<u>(Passes Through Kansas Department of SRS)</u>						
Department of Health & Human Services						
Medical Assistance Program	93.778	28,025	0	28,025	28,025	0
<u>(Passes Through Russell County)</u>						
COVID-19 - Coronavirus Relief Fund	21.019	400,000	0	0	208,191	(208,191)
Total Federal Awards		<u>\$ 1,480,142</u>	<u>\$ (118,962)</u>	<u>\$ 1,100,432</u>	<u>\$ 1,195,842</u>	<u>\$ (214,372)</u>

The accompanying notes are an integral part of this schedule.

UNIFIED SCHOOL DISTRICT NO. 407
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

Note 1 - Basis of Presentation:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of **Unified School District No. 407, Russell, Kansas**, and is prepared on the basis of accounting as described in Note 1 of the notes to the financial statement. The information in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Note 2 - Indirect Cost Rate:

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

**UNIFIED SCHOOL DISTRICT NO. 407
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020**

SUMMARY OF AUDIT RESULTS

1. The independent auditors' report expresses an unmodified opinion on the financial statement of **Unified School District No. 407, Russell, Kansas**.
2. No significant deficiencies or material weaknesses were reported in the Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statement of **Unified School District No. 407, Russell, Kansas**, were disclosed during the audit.
4. No significant deficiencies or material weakness were reported in the Report On Compliance For Each Major Program And On Internal Control Over Compliance Required By The Uniform Guidance.
5. The independent auditors' report on compliance for the major federal award programs for **Unified School District No. 407, Russell, Kansas**, expresses an unmodified opinion on all major federal programs.
6. There were no audit findings relative to the major federal award programs for **Unified School District No. 407, Russell, 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
Title I Grants to Local Educational Agencies	84.010
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. **Unified School District No. 407, Russell, Kansas**, was determined not to be a low-risk auditee.

**UNIFIED SCHOOL DISTRICT NO. 407
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020**

There are no prior audit findings.