

**Chase County Unified School District No. 284  
Chase County, Kansas**

**Regulatory Basis Financial Statement  
and Independent Auditors' Report  
Year Ended June 30, 2020**

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Chase County U.S.D. 284  
Chase County, Kansas

Regulatory Basis Financial Statement  
Year Ended June 30, 2020

Table of Contents

	Page
Independent Auditors' Report	1-2
Summary Statement of Receipts, Expenditures, and Unencumbered Cash	3
Notes to the Financial Statement	4-12
Regulatory – Required Supplementary Information:	
Schedule 1 – Summary of Expenditures – Actual & Budget	13
Schedule 2 – Schedule of Receipts and Expenditures	
General Fund	14
Supplemental General Fund	15
Special Purpose Funds	
At-Risk (K-12)	16
Capital Outlay	17
Food Service	18
Professional Development	19
Special Education	20
Vocational Education	21
KPERs Special Retirement Contribution	22
Contingency Reserve	23
Textbook Rental	24
Federal Grants	25
Kaltenbacher & Misc. Grants	26
Bond & Interest Fund	27
Capital Project Fund	28
Schedule 3 – Schedule of Receipts and Disbursements – Agency Funds	29
Schedule 4 – Schedule of Receipts, Expenditures & Unencumbered Cash – District Activity Funds	30

# Cindy Jensen

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### Independent Auditors' Report

Board of Education  
Chase County Unified School District No. 284  
Cottonwood Falls, Ks. 66845

I have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Chase County Unified School District No. 284, Chase County, 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; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement 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**

My responsibility is to express an opinion on the financial statement based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the Kansas Municipal Audit and Accounting Guide. Those standards and the Kansas Municipal Audit and Accounting Guide require that I plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit includes 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, I 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.

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

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

As described in Note 1 of the financial statement, the Chase County Unified School District No. 284, Chase County, Kansas, prepared this financial statement 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 the U.S. Generally Accepted Accounting Principles**

In my opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on the 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 Chase County Unified School District No. 284, Chase County, Kansas, as of June 30, 2020, or the changes in its financial position or cash flows for the year then ended.

**Unmodified Opinion on Regulatory Basis of Accounting**

In my opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of Chase County Unified School District No.284, Chase County, 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.

**Regulatory – Required Supplementary Information**

My 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, agency funds summary of receipts and disbursements, and district activity funds schedule of receipts and expenditures (Schedules 1, 2, 3, and 4 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement. However, they are required to be presented under the provisions of the Kansas Municipal Audit and Accounting Guide. The supplementary 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 itself, and other addition procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, 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.



Cindy Jensen, CPA  
December 23, 2020

Unified School District No. 284  
Chase County, Kansas

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

	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
General Funds						
General	\$ 0	\$ 3,150,803	\$ 3,150,803	\$ 0	\$ 7,700	\$ 7,700
Supplemental General	71,138	965,492	980,842	55,788	0	55,788
Special Purpose Funds						
At Risk	0	210,000	210,000	0	0	0
Capital Outlay	1,410,143	597,062	1,292,390	714,815	349,000	1,063,815
Food Service	56,891	196,607	197,219	56,279	0	56,279
Professional Development	16,562	7,355	9,175	14,742	0	14,742
Special Education	272,059	594,097	549,230	316,926	0	316,926
Vocational Education	0	170,000	170,000	0	0	0
KPERs Retirement	0	400,876	400,876	0	0	0
Contingency Reserve	100,000	0	0	100,000	0	100,000
Textbook Rental	256,123	28,568	44,777	239,914	0	239,914
Federal Grants	0	99,195	105,537	(6,342)	0	(6,342)
Kaltenbacher & Misc Grants	25,637	48,475	32,285	41,827	0	41,827
District Activity Funds	67,974	65,760	66,673	67,061	0	67,061
Bond & Interest Fund						
Bond & Interest	1,086,180	1,054,712	1,018,213	1,122,679	0	1,122,679
Capital Project Fund						
Capital Project	119,848	2,044	121,892	0	0	0
Total Reporting Entity <b>(Excluding Agency Funds)</b>	<u>\$ 3,482,555</u>	<u>\$ 7,591,046</u>	<u>\$ 8,349,912</u>	<u>\$ 2,723,689</u>	<u>\$ 356,700</u>	<u>\$ 3,080,389</u>

District Checking	\$ 478,356
District Petty Cash Account	800
Chase Co Jr/Sr High School	54,468
Chase Co Elementary School	35,061
Kansas Municipal Investment Pool	<u>2,562,662</u>

Total Cash & Investments	3,131,347
Less: Agency Funds per Schedule 3	(50,958)
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 3,080,389</u>

The accompanying notes are an integral part of this statement.

Chase County Unified School District No. 284  
Chase County, Kansas

Notes to the Financial Statement  
June 30, 2020

Note 1 – Summary of Significant Accounting Policies

Municipal Financial Reporting Entity

Chase County Unified School District No. 284 was organized in accordance with State statutes to provide a system of public education to elementary through high school students. The District is a municipal corporation governed by an elected seven-member board of education. The District's financial statement does not include any related municipal entities.

Regulatory Basis of Funds

The accounts of the District are organized and operated on the basis of funds, which are used to record the District's financial transactions. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Cash and other financial resources are recorded together with all related expenditures. A fund is used to segregate specific activities and for the purpose of attaining certain objectives in accordance with special regulations, restrictions, or limitations. The following types of funds comprise the financial activities of the District.

General Funds – the chief operating fund. Used to account for all financial 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 specific revenue sources (other than capital projects and tax levies for long-term debt) that are intended for specified purposes.

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

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

Agency Funds – used to report assets held by the municipal reporting entity in a purely custodial capacity (student organization accounts, etc.).

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

The Kansas Municipal Audit and Accounting Guide (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 accordance with K.S.A. 75-1120a (c), waiving the requirement for application of generally accepted accounting principles and allowing the District to use the regulatory basis of accounting.

Chase County Unified School District No. 284  
Chase County, Kansas

Notes to the Financial Statement  
June 30, 2020

Note 2 – Stewardship, Compliance, and Accountability

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond & interest funds, and business 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 1<sup>st</sup>.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5<sup>th</sup>.
3. Public hearing on or before August 15<sup>th</sup>, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25<sup>th</sup>.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held, and the governing body may amend the budget at that time. There were no such budget amendments for this year.

After the above procedures have been followed, the Kansas State Board of Education computes what the maximum legal general fund budget of operating expenses can be. For the fiscal year ended June 30, 2020, the State calculation of the legal maximum general fund budget was \$3,104,756 and the supplemental general fund was \$980,842. In accordance with Kansas statutes, a district will be penalized state aid equal to the amount expended in excess of the computed statutory limitation plus any qualifying budget credits.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented 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 prior year's 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. any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital project funds, trust funds, and certain other special purpose funds as noted in the presentation of the appropriate Schedule 2. Spending in funds, which are not subject to the legal annual operating budget requirement, is controlled by federal regulations, other statutes, or by use of internal spending limits established by the governing body.

Property Tax Receipts

The determination of assessed valuation and the collection of property taxes for all political subdivisions in the state of Kansas are the responsibility of the various counties. The County Appraiser annually determines assessed valuation and the County Clerk spreads the annual assessment onto the tax rolls. The County Treasurer is the tax collection agent for all taxing entities within the county. Property taxes are levied by the Kansas counties in which the School District resides on November 1 and are payable in 2 installments on December 20 and May 10 of the subsequent year. The counties collect and distribute in the succeeding year all property taxes collected for the District.

Chase County Unified School District No. 284  
Chase County, Kansas

Notes to the Financial Statement  
June 30, 2020

Note 2 – Stewardship, Compliance, and Accountability (Cont.)

Use of Estimates

The preparation of a financial statement in conformity with the regulatory basis of accounting requires management to make estimates and assumptions that affect the reported amounts of cash receipts, expenditures, and cash and unencumbered cash balances at the date of the financial statement. Accordingly, actual results could differ from those estimates.

Compliance with Finance-Related Legal and Contractual Obligations

References made herein to statutes are not intended as interpretations of law but are offered for consideration of the Director of Accounts and Reports, and interpretation by the legal representative of the District.

K.S.A. 9-1402 requires that the district deposits be adequately secured at all times. The District deposits were undersecured for a short time at the beginning of the year.

K.S.A. 10-1113 requires that no indebtedness be created in a fund in excess of monies available in that fund. The CARES fund was negative at year end. Expenditures were made on the reimbursement method and therefore, no violation occurred.

K.S.A. 60-1111 requires that contracts exceeding \$100,000 be properly bonded. The District did not request a bond for a project.

K.S.A. 79-2935 requires that expenditures be controlled within the budgeted limits. The District exceeded its budget in the capital outlay fund.

K.S.A. 72-6760 requires that the district get sealed bids for certain purchases. The district did not strictly follow procedures and obtained quotes or estimates rather than sealed bids in certain instances.

K.S.A. 75-3317 through 75-3322 require the district to make purchases offered by the Kansas industries for the blind and severely disabled. Such purchases were not made.

Management is not aware of any other regulatory violations for the period covered by the audit.

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, 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.



Chase County Unified School District No. 284  
Chase County, Kansas

Notes to the Financial Statement  
June 30, 2020

Note 3 – Deposits and Investments (Cont)

Custodial Credit Risk – Deposits

The risk that in the event of a bank failure, the District's deposits may not be entirely 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 of Topeka, except during designated peak periods when required coverage is 50%. The District has no designated peak periods. All deposits were legally secured at June 30, 2020.

At June 30, 2020, the District's carrying amount of deposits, including certificates of deposit was \$568,685 and the bank balance was \$695,004. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$347,923 was covered by FDIC insurance, and \$347,081 was collateralized with securities held by the pledging financial institutions' agents in USD 284's name.

Custodial Credit Risk – Investments

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

At June 30, 2020, the District had \$2,562,662 invested in the State's municipal investment pool with maturities of less than one year. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The Board is comprised of the State Treasurer and four additional members appointed by the State Governor. The Board reports annually to the Kansas Legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. No more than 10% of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

Note 4 – 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 laws establish and amend benefit provisions. KPERs issues a publicly available financial report that includes financial statements and required supplementary information. KPERs' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERs website at [www.kpers.org](http://www.kpers.org) or by writing to KPERs (611 S Kansas St. 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 contributions rates depending on whether the employee is a KPERs 1, KPERs 2, or KPERs 3 member. KPERs 1 members are active and contributing members hired before July 1, 2009. KPERs 2 members were first employed in a covered position on or after July 1, 2009, and KPERs 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERs member-employee contribution rate at 6% of covered salary for KPERs 1, KPERs 2, and KPERs 3 members. Member contributions are withheld by their employer and paid to KPERs according to the provisions of Section 414(h) of the Internal Revenue Code.

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.

Chase County Unified School District No. 284  
Chase County, Kansas

Notes to the Financial Statement  
June 30, 2020

Note 4 – Defined Benefit Pension Plan (Cont.)

The actuarially determined employer contribution rate and the statutory contribution rate (not including the 1.0% 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%, respectively, 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 of \$56 million was paid in fiscal year 2018. This bill also authorized a payment of \$82 million in fiscal year 2019.

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

The State of Kansas is required to contribute the statutory required employer's share except for the 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 \$400,876 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 \$3,474,198. 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 these financial statements.

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

Chase County Unified School District No. 284  
Chase County, Kansas

Notes to the Financial Statement  
June 30, 2020

Note 5 – Other Long-Term Obligations from Operations

Compensated Absences

The District's policies for certified staff under the master agreement allow for sick leave and personal leave. At the beginning of each school year, each certified staff member is credited with 7 days of sick leave. The unused portion of sick leave shall accumulate from year to year to a maximum of 40 days. The 40 days are in addition to the 10 days sick/discretionary leave credited at the beginning of each year. After accumulating 40 days of sick leave, the 10 current unused sick leave days granted for that year will be remunerated at the rate of \$25 per day. Upon retirement, \$25 reimbursement per day will be granted for unused sick leave if the employee has been in the District fifteen years or more and is eligible for retirement under KPERS. At the beginning of each school year, each certified staff member is also credited with 3 days of discretionary leave. The unused portion of discretionary leave shall accumulate from year to year as sick leave and be included in the maximum 40 days accumulation of sick leave.

The District's policies for classified staff under the handbook allow for sick leave, personal leave, and vacation leave. Each twelve-month classified employee shall be granted annually twelve days of sick leave which may be accumulated to a total of fifty days. Custodial and clerical employees not on a twelve-month contract, bus drivers, and lunchroom employees shall be granted annually ten days of sick leave which may be accumulated to a total of fifty days. Classified personnel are also granted two days of personal leave per year. Unused personal leave may be carried over annually, not to exceed five days. Accumulated personal leave in excess of five days will be compensated at a rate equal to 50% of the employee's compensation rate at the end of the contract year. Classified full-time employees on a twelve-month contract will be granted paid vacation time based upon years of service. All days from the previous year must be used by June 30<sup>th</sup> of the following year or the time will be lost.

The District has also established a sick leave bank for certified and administrator/classified staff members. At the beginning each school year, each staff member has the option of donating a maximum of 2 days of their sick leave to the Sick Leave bank. The maximum number of unused days in the Sick Leave bank shall be 165 days. When a donor member leaves the District, his/her days are withdrawn from the Sick Leave bank. Only those who donate days are eligible to draw unused days from the bank upon application and approval by the screening committee.

The District recognizes these benefits as paid; therefore, no provision for accumulated leave has been made in these financial statements. Compensated absence payments are made from the fund that corresponds to the employee's duties.

Other Post-Employment Benefits

As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. The District pays a portion of the premium for each eligible retiree and the retiree is responsible for the balance. Any remaining subsidy to retirees due to the plan's level premium structure has not been quantified in this 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. There is no cost to the District under this program.

Death & Disability Other Post Employment Benefits

As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended June 30, 2020.

Chase County Unified School District No. 284  
Chase County, Kansas

Notes to the Financial Statement  
June 30, 2020

Note 6 – I.R.C. Section 125 Flexible Benefit Plan

The Board adopted, by resolution, a salary-reduction flexible benefit plan (“Plan”) under Section 125 of the Internal Revenue Code. All employees of the District are eligible to participate in the Plan beginning the first day of the month following their employment. Each participant may elect to reduce his or her salary by an elected amount per month to purchase benefits offered through the Plan. In addition, the District contributes \$510 per month to the fringe benefit package for health insurance for full-time employees.

Note 7 – 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; and natural disasters for which the District carries commercial insurance. Insurance claims for the preceding 3 years have not exceeded insurance coverage. There were no significant reductions in insurance coverage from coverage in prior years.

Note 8 – Transfers

Transfers between budgetary funds are for the purpose of shifting resources from the fund legally required to receive the revenue to the fund authorized to expend the revenues. Operating transfers during the fiscal year ended June 30, 2020 consisted of the following:

<u>Transfer from:</u>	<u>Transfer to:</u>	<u>Authority</u>	<u>Amount</u>
General	At Risk	72-5167	\$50,000
General	Special Ed	72-5167	553,174
General	Vocational Ed	72-5167	50,000
General	Capital outlay	72-5167	40,923
Supplemental Gen	Food Service	72-5143	5,000
Supplemental Gen	Professional Development	72-5143	6,000
Supplemental Gen	Special Ed	72-5143	40,923
Supplemental Gen	Vocational Ed	72-5143	104,487
Supplemental Gen	At Risk	72-5143	160,000

Note 9 – Contingencies

The District receives significant financial assistance for numerous Federal and State governmental agencies in the form of grants and state pass-through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability of the General fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statements of the District at June 30, 2020.

Note 10 – In-Substance Receipt in Transit

The District received \$133,946 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.

Chase County Unified School District No. 284  
Chase County, Kansas

Notes to the Financial Statement  
June 30, 2020

Note 11 – General Long-Term Debt

General Obligation Bonds - The District issued General Obligation bonds Series 2016 in December 2016 in the amount of \$9,480,000, and again in March 2017 the District issued General Obligation bonds Series 2017 in the amount of \$2,520,000. These bond issues are to provide the funding source to make additions and renovations to both attendance centers in the District. The first interest payment was made on March 1, 2018 with semi-annual interest and principal payments due until the final payment scheduled September 1, 2032. Bond payments are levied and paid from the Bond & Interest fund.

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

	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>	<u>Balance Beginning</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Balance End of Yr</u>	<u>Interest Paid</u>
General Obligation Bonds:									
Series 2016	3-4%	12/29/2016	\$ 9,480,000	9/1/2032	\$9,480,000	\$0	\$0	\$9,480,000	\$601,613
Series 2017	4%	3/1/2017	2,520,000	9/1/2022	2,160,000	0	640,000	1,520,000	73,600
Total contractual indebtedness					<u>\$11,640,000</u>	<u>\$0</u>	<u>\$640,000</u>	<u>\$11,000,000</u>	<u>\$675,213</u>

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

	<u>Ser 2016 Principal</u>	<u>Ser 2016 Interest</u>	<u>Ser 2016 Total</u>	<u>Ser 2017 Principal</u>	<u>Ser 2017 Interest</u>	<u>Ser 2017 Total</u>
2021	\$ 0	\$ 304,613	\$ 304,613	\$ 695,000	\$ 46,900	\$ 741,900
2022	0	304,612	304,612	715,000	18,700	733,700
2023	620,000	295,313	915,313	110,000	2,200	112,200
2024	745,000	274,837	1,019,837	0	0	0
2025	775,000	252,038	1,027,038	0	0	0
2026-2030	4,340,000	886,312	5,226,312	0	0	0
2031-2033	3,000,000	174,794	3,174,794	0	0	0
Total Principal & Interest	<u>\$ 9,480,000</u>	<u>\$ 2,492,519</u>	<u>\$ 11,972,519</u>	<u>\$ 1,520,000</u>	<u>\$ 67,800</u>	<u>\$ 1,587,800</u>

Chase County Unified School District No. 284  
Chase County, Kansas

Notes to the Financial Statement  
June 30, 2020

Note 12 – Capital Projects

The District completed improvements and additions to the Chase County Jr/Sr High School and to the Chase County Elementary School in the fiscal year ended June 30, 2020. The total project cost was estimated at \$12,764,505. Actual construction, architectural, and engineering cash disbursements and accounts payable from inception to completion of the project was \$12,455,589.

Note 13 – CARES ACT

In fiscal year 2020-2021, the District received funds from the Coronavirus Aid, Relief, and Economic Security Act (CARES). The Kansas Department of Education awarded the District \$42,389. Chase County awarded the District additional CARES Act funds through its' SPARKS program in the amount of \$167,585.

Note 14 – Subsequent Events

Management has evaluated the effects on the financial statement of subsequent events occurring through the date of this report, which is the date that the financial statement was available to be issued.

**Regulatory – Required Supplementary Information**

Unified School District No. 284  
Chase County, Kansas

Schedule 1

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

Funds	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 Funds						
General	\$ 3,116,734	\$ (11,978)	\$ 46,047	\$ 3,150,803	\$ 3,150,803	\$ 0
Supplemental General	984,397	(3,555)	0	980,842	980,842	0
Special Purpose Funds						
At Risk	210,000			210,000	210,000	0
Capital Outlay	1,160,000			1,160,000	1,292,390	132,390
Food Service	229,037			229,037	197,219	(31,818)
Professional Development	17,812			17,812	9,175	(8,637)
Special Education	744,593			744,593	549,230	(195,363)
Vocational Education	170,000			170,000	170,000	0
KPERs Retirement	461,083			461,083	400,876	(60,207)
Bond & Interest Fund						
Bond & Interest	1,018,712			1,018,712	1,018,213	(499)

See accompanying Auditors' report.



Unified School District No. 284  
Chase County, Kansas

Schedule 2-A

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

GENERAL FUND

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts:			
State Aid	\$ 2,750,621	\$ 2,762,386	\$ (11,765)
Special Ed Pass Through	354,135	354,348	(213)
Reimbursements	46,047	0	46,047
Total Receipts	3,150,803	3,116,734	34,069
Expenditures			
Instruction	1,616,604	1,616,000	604
Student Support	55,994	60,000	(4,006)
Instructional Support	29,050	28,500	550
General Administration	166,398	174,000	(7,602)
School Administration	153,889	146,700	7,189
Operations & Maintenance	156,426	195,000	(38,574)
Transportation	278,345	309,000	(30,655)
Operating Transfers	694,097	587,534	106,563
Adjustment to Comply with Legal Max	0	(11,978)	11,978
Total legal general fund budget	3,150,803	3,104,756	46,047
Adjustment for qualifying budget credits	0	46,047	(46,047)
Total Expenditures	3,150,803	\$ 3,150,803	\$ 0
Receipts Over (Under) Expenditures	0		
Unencumbered Cash, July 1	0		
Unencumbered Cash, June 30	0		

See accompanying Auditors' report.

Unified School District No. 284  
Chase County, Kansas

Schedule 2-B

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

SUPPLEMENTAL GENERAL FUND

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts:			
County Tax Receipts	\$ 965,492	\$ 913,259	\$ 52,233
State Aid	0	0	0
Other Receipts	0	0	0
Total Receipts	965,492	913,259	52,233
Expenditures			
Instruction	189,969	223,400	(33,431)
Student Support	76,242	80,000	(3,758)
General Administration	102,700	95,000	7,700
School Administration	186,249	187,000	(751)
Operations & Maintenance	109,272	118,997	(9,725)
Operating Transfers	316,410	280,000	36,410
Adjustment to Comply with Legal Max	0	(3,555)	3,555
Total legal supplemental general fund budget	980,842	980,842	0
Adjustment for qualifying budget credits	0	0	0
Total Expenditures	980,842	\$ 980,842	\$ 0
Receipts Over (Under) Expenditures	(15,350)		
Unencumbered Cash, July 1	71,138		
Unencumbered Cash, June 30	\$ 55,788		

See accompanying Auditors' report.

Unified School District No. 284  
Chase County, Kansas

Schedule 2-C

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

AT RISK

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts:			
Other Receipts	\$ 0	\$ 0	\$ 0
Operating Transfers	210,000	210,000	0
Total Receipts	210,000	210,000	0
Expenditures			
Instruction	188,502	188,000	502
Student Support	21,498	22,000	(502)
Total Expenditures	210,000	\$ 210,000	\$ 0
Receipts Over (Under) Expenditures	0		
Unencumbered Cash, July 1	0		
Unencumbered Cash, June 30	\$ 0		

See accompanying Auditors' report.

Unified School District No. 284  
Chase County, Kansas

Schedule 2-D

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

CAPITAL OUTLAY

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts:			
County Tax Receipts	\$ 441,869	\$ 473,274	\$ (31,405)
Other Receipts	114,270	0	114,270
Operating Transfers	40,923	0	40,923
Total Receipts	597,062	473,274	123,788
Expenditures			
Property & Equipment	287,726	0	287,726
Operations & Maintenance	121,460	200,000	(78,540)
Transportation	209,649	300,000	(90,351)
Architectural & Engineering	0	0	0
Site Improvement	648,172	310,000	338,172
Other	25,383	350,000	(324,617)
Total Expenditures	1,292,390	\$ 1,160,000	\$ 132,390
Receipts Over (Under) Expenditures	(695,328)		
Unencumbered Cash, July 1	1,410,143		
Unencumbered Cash, June 30	\$ 714,815		

See accompanying Auditors' report.

Unified School District No. 284  
Chase County, Kansas

Schedule 2-E

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

FOOD SERVICE

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts:			
Student & Adult Sales	\$ 72,578	\$ 78,117	\$ (5,539)
State Aid	2,272	1,476	796
Federal Aid	116,757	77,553	39,204
Operating Transfers	5,000	15,000	(10,000)
Total Receipts	196,607	172,146	24,461
Expenditures			
Food Service Operation	197,219	229,037	(31,818)
Other	0	0	0
Total Expenditures	197,219	\$ 229,037	\$ (31,818)
Receipts Over (Under) Expenditures	(612)		
Unencumbered Cash, July 1	56,891		
Unencumbered Cash, June 30	\$ 56,279		

See accompanying Auditors' report.

Unified School District No. 284  
Chase County, Kansas

Schedule 2-F

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

PROFESSIONAL DEVELOPMENT

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts:			
Operating Transfers	\$ 6,000	\$ 0	\$ 6,000
Other Receipts	1,355	1,250	105
Total Receipts	7,355	1,250	6,105
Expenditures			
Instructional Staff Support	9,175	17,812	(8,637)
Other	0	0	0
Total Expenditures	9,175	17,812	(8,637)
Receipts Over (Under) Expenditures	(1,820)		
Unencumbered Cash, July 1	16,562		
Unencumbered Cash, June 30	\$ 14,742		

See accompanying Auditors' report.

Unified School District No. 284  
Chase County, Kansas

Schedule 2-G

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

SPECIAL EDUCATION

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts:			
Other Receipts	\$ 0	\$ 0	\$ 0
Operating Transfers	594,097	472,534	121,563
Total Receipts	594,097	472,534	121,563
Expenditures			
Instruction	526,077	660,000	(133,923)
Transportation	23,153	84,593	(61,440)
Total Expenditures	549,230	\$ 744,593	\$ (195,363)
Receipts Over (Under) Expenditures	44,867		
Unencumbered Cash, July 1	272,059		
Unencumbered Cash, June 30	\$ 316,926		

See accompanying Auditors' report.

Unified School District No. 284  
Chase County, Kansas

Schedule 2-H

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

VOCATIONAL EDUCATION

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts:			
Other Receipts	\$ 15,513	\$ 0	\$ 15,513
Operating Transfers	154,487	170,000	(15,513)
Total Receipts	170,000	170,000	0
Expenditures			
Instruction	170,000	170,000	0
Other	0	0	0
Total Expenditures	170,000	\$ 170,000	\$ 0
Receipts Over (Under) Expenditures	0		
Unencumbered Cash, July 1	0		
Unencumbered Cash, June 30	\$ 0		

See accompanying Auditors' report.



Unified School District No. 284  
Chase County, Kansas

Schedule 2-1

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

KPERS RETIREMENT

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts:			
Other Receipts	\$ 0	\$ 0	\$ 0
State Receipts	400,876	461,083	(60,207)
Total Receipts	400,876	461,083	(60,207)
Expenditures			
KPERS retirement	400,876	461,083	(60,207)
Other	0	0	0
Total Expenditures	400,876	\$ 461,083	\$ (60,207)
Receipts Over (Under) Expenditures	0		
Unencumbered Cash, July 1	0		
Unencumbered Cash, June 30	\$ 0		

See accompanying Auditors' report.

Unified School District No. 284  
Chase County, Kansas

Schedule 2-J

Schedule of Receipts and Expenditures-Actual  
Regulatory Basis  
For the Year Ended June 30, 2020

CONTINGENCY RESERVE

	<u>Current Year Actual</u>
Receipts:	
Other Receipts	\$ 0
Operating Transfers	<u>0</u>
Total Receipts	0
Expenditures	
Instruction	0
Transportation	<u>0</u>
Total Expenditures	<u>0</u>
Receipts Over (Under) Expenditures	0
Unencumbered Cash, July 1	<u>100,000</u>
Unencumbered Cash, June 30	<u><u>\$ 100,000</u></u>

See accompanying Auditors' report.

Unified School District No. 284  
Chase County, Kansas

Schedule 2-K

Schedule of Receipts and Expenditures-Actual  
Regulatory Basis  
For the Year Ended June 30, 2020

TEXTBOOK RENTAL

	<u>Current Year Actual</u>
Receipts:	
Rental fees & books	\$ 28,568
Operating Transfers	<u>0</u>
Total Receipts	28,568
Expenditures	
Instruction	44,777
Other	<u>0</u>
Total Expenditures	<u>44,777</u>
Receipts Over (Under) Expenditures	(16,209)
Unencumbered Cash, July 1	<u>256,123</u>
Unencumbered Cash, June 30	<u>\$ 239,914</u>

See accompanying Auditors' report.

Unified School District No. 284  
Chase County, Kansas

Schedule 2-L

Schedule of Receipts and Expenditures-Actual  
Regulatory Basis  
For the Year Ended June 30, 2020

FEDERAL GRANTS

	Title I	Title IIA	Title V	REAP	CARES	Total Federal Grants
Receipts:						
Federal Aid	\$ 44,233	\$ 12,412	\$ 11,682	\$ 30,868	\$ 0	\$ 99,195
Transfer from General	0	0	0	0	0	0
Total Receipts	44,233	12,412	11,682	30,868	0	99,195
Expenditures						
Instructional	44,233	12,412	11,682	30,868	0	99,195
Other	0	0	0	0	6,342	6,342
Total Expenditures	44,233	12,412	11,682	30,868	6,342	105,537
Receipts Over (Under) Expenditures	0	0	0	0	(6,342)	(6,342)
Unencumbered Cash, July 1	0	0	0	0	0	0
Unencumbered Cash, June 30	\$ 0	\$ 0	\$ 0	\$ 0	\$ (6,342)	\$ (6,342)

See accompanying Auditors' report.

Unified School District No. 284  
Chase County, Kansas

Schedule 2-M

Schedule of Receipts and Expenditures-Actual  
Regulatory Basis  
For the Year Ended June 30, 2020

KALTENBACHER AND MISCELLANEOUS GRANTS

	<u>Current Year Actual</u>
Receipts:	
Contributions	\$ 48,475
Other Receipts	<u>0</u>
Total Receipts	48,475
Expenditures	
Student Support Services	32,285
Other	<u>0</u>
Total Expenditures	<u>32,285</u>
Receipts Over (Under) Expenditures	16,190
Unencumbered Cash, July 1	<u>25,637</u>
Unencumbered Cash, June 30	<u><u>\$ 41,827</u></u>

See accompanying Auditors' report.

Unified School District No. 284  
Chase County, Kansas

Schedule 2-N

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

BOND AND INTEREST

	Current Year		Variance Over (Under)
	Actual	Budget	
Receipts:			
County Tax Receipts	\$ 1,054,331	\$ 1,024,705	\$ 29,626
Other Receipts	381	0	381
Total Receipts	1,054,712	1,024,705	30,007
Expenditures			
Principal, Interest, and fees	1,018,213	1,018,712	(499)
Other	0	0	0
Total Expenditures	1,018,213	\$ 1,018,712	\$ (499)
Receipts Over (Under) Expenditures	36,499		
Unencumbered Cash, July 1	1,086,180		
Unencumbered Cash, June 30	\$ 1,122,679		

See accompanying Auditors' report.

Unified School District No. 284  
Chase County, Kansas

Schedule 2-O

Schedule of Receipts and Expenditures-Actual  
Regulatory Basis  
For the Year Ended June 30, 2020

CAPITAL PROJECT FUND

	<u>Current Year Actual</u>
Receipts:	
Bond Proceeds and Accrued Interest	\$ 0
Investment Receipts	2,044
Other	<u>0</u>
Total Receipts	2,044
Expenditures	
Project expenditures	121,892
Bond Issuance Costs	<u>0</u>
Total Expenditures	<u>121,892</u>
Receipts Over (Under) Expenditures	(119,848)
Unencumbered Cash, July 1	<u>119,848</u>
Unencumbered Cash, June 30	<u><u>\$ 0</u></u>

See accompanying Auditors' report.

Unified School District No. 284  
Chase County, Kansas

Schedule 3

Schedule of Receipts and Disbursements  
Regulatory Basis  
For the Year Ended June 30, 2020

AGENCY FUNDS

	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Chase County High School/Middle				
Class of 2023	\$ 0	\$ 79	\$ 0	\$ 79
Class of 2022	913	3,595	2,200	2,308
Class of 2021	3,965	3,780	2,065	5,680
Class of 2020	2,486	0	2,486	0
Class of 2019	937	0	937	0
Class of 2018	485	0	0	485
FBLA	3,498	15,459	16,530	2,427
Cheerleaders	2,781	10,453	9,047	4,187
TSA	304	0	69	235
Kay Club	1,066	4,852	4,654	1,264
National Honor Society	845	2,561	1,886	1,520
Newspaper	676	0	510	166
Pompon	413	1,458	1,871	0
Quill & Scroll	127	50	154	23
Spanish Club	991	350	624	717
Student Council	1,695	2,123	2,094	1,724
Yearbook	2,059	18,369	20,218	210
Prin/counselor	0	1,898	0	1,898
Middle School Kay	716	2,345	2,293	768
Middle School Stuco	1,419	5,130	3,080	3,469
Total Student Organizations	25,376	72,502	70,718	27,160
Insurance Clearing	0	6,580	6,580	0
Recreation Commission	53,015	145,783	175,000	23,798
Total Agency Funds	\$ 78,391	\$ 224,865	\$ 252,298	\$ 50,958

See accompanying Auditors' report.



Unified School District No. 284  
Chase County, Kansas

Schedule 4

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

DISTRICT ACTIVITY FUNDS

	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Gate Receipts/Athletics						
CCHS/CCMS	\$ 3,423	\$ 43,899	\$ 36,176	\$ 11,146	\$ 0	\$ 11,146
	<u>3,423</u>	<u>43,899</u>	<u>36,176</u>	<u>11,146</u>	<u>0</u>	<u>11,146</u>
School Projects						
Photo Fund	5,158	1,175	1,641	4,692	0	4,692
CCHS/CCMS						
Ag	11,392	1,865	2,488	10,769	0	10,769
Honors Banquet	2,726	500	0	3,226	0	3,226
Musical	3,713	2,796	4,347	2,162	0	2,162
Sales Tax	0	4,880	4,880	0	0	0
Voices	494	2,054	2,543	5	0	5
CCES						
Activity	41,068	8,591	14,598	35,061	0	35,061
	<u>64,551</u>	<u>21,861</u>	<u>30,497</u>	<u>55,915</u>	<u>0</u>	<u>55,915</u>
Total Activity Funds	<u>\$ 67,974</u>	<u>\$ 65,760</u>	<u>\$ 66,673</u>	<u>\$ 67,061</u>	<u>\$ 0</u>	<u>\$ 67,061</u>

See accompanying Auditors' report.