

UNIFIED SCHOOL DISTRICT NO. 253

Emporia, Kansas

FINANCIAL STATEMENT

WITH REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

and

INDEPENDENT AUDITOR'S REPORT

June 30, 2020

UNIFIED SCHOOL DISTRICT NO. 253
Emporia, Kansas
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December 4, 2020

Board of Education
Unified School District No. 253
Emporia, Kansas

Independent Auditor's Report

We have audited the accompanying fund summary statement of regulatory receipts, expenditures, and unencumbered cash - regulatory basis of the Unified School District No. 253 (the District) as of and for the year ended June 30, 2020 and the related notes to the financial statement which collectively comprise the District's basic financial statement as listed in the table of contents.

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

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the *Kansas Municipal Audit and Accounting Guide*, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from 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 the auditor's judgment, including 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 District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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

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

As described in Note 1 of the financial statement, the financial statement is prepared by the District to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the previous paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2020, or changes in financial position or 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 the District 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 Regulatory-Required 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 as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures - actual and budget, summary of receipts and disbursements - non-budgeted funds, summary of receipts and disbursements - agency funds, and schedule of regulatory basis receipts and expenditures - activity funds (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 are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

Report on Schedule of Expenditures of Federal Awards Required by Uniform Guidance

Our audit was performed for the purpose of forming an opinion on the regulatory basis financial statement of the District, taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by 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 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 financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects in relation to the financial statement as a whole.

December 4, 2020
Unified School District No. 253
(continued)

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2020 on our consideration of the District's 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 the District's internal control over financial reporting and compliance.

Additional Information

The basic financial statement for the year ended June 30, 2019 (not presented herein), was audited by other auditors whose report dated October 16, 2019, expressed an unmodified opinion on the financial statement. The 2019 financial statement and the other auditor's report are available in electronic form from the web site of the Kansas Department of Education at the following link <https://datacentral.ksde.org>. The report of the other auditors stated that the individual fund schedules of regulatory basis receipts and expenditures for the year ended June 30, 2019 was subjected to the auditing procedures applied in the audit of the 2019 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 financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and in their opinion, was fairly stated in all material respects in relation to the financial statement as a whole for the year ended June 30, 2019, on the basis of accounting described in Note 1.

Varney & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

UNIFIED SCHOOL DISTRICT NO. 253
Emporia, Kansas
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended June 30, 2020

	<u>Beginning Unencumbered Cash Balance</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add Outstanding Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
GOVERNMENTAL TYPE FUNDS						
General Funds						
General	\$ -	\$ 32,198,591	\$ 32,198,591	\$ -	\$ 126,412	\$ 126,412
Supplemental General	338,699	9,896,316	9,834,431	400,584	35,959	436,543
Special Purpose Funds						
Adult Education Fund	4,088	110,677	109,661	5,104	-	5,104
Bilingual Education Fund	-	1,471,814	1,471,814	-	-	-
At-Risk (K-12) Fund	-	6,134,773	6,134,773	-	34,991	34,991
Preschool-Aged At-Risk Fund	-	429,078	429,078	-	184	184
Capital Outlay Fund	3,584,149	3,283,146	3,700,738	3,166,557	748,209	3,914,766
Driver Training Fund	34,857	10,660	26,400	19,117	-	19,117
Extraordinary School Program Fund	179,442	19,217	198,307	352	-	352
Food Service Fund	140,407	233,780	247,821	-	60,053	60,053
Professional Development Fund	79,473	96,225	173,548	2,150	25,083	27,233
Summer School Fund	78,036	500	5,452	73,084	-	73,084
Special Education Fund	360,934	6,603,212	6,889,316	74,830	-	74,830
Career and Postsecondary Education Fund	56,913	609,135	666,048	-	8,943	8,943
KPERs Special Retirement Contribution Fund	-	5,724,878	5,724,878	-	-	-
Virtual Education Fund	15,067	-	-	15,067	-	15,067
Flint Hills Special Education Cooperative Fund	369,343	12,411,437	12,345,289	435,491	62,712	498,203
Contingency Reserve Fund	1,637,867	-	-	1,637,867	-	1,637,867
Textbook Rental Fee	173,655	-	108,869	64,786	-	64,786
Other Federal, State and Local Grant Funds	260,026	1,611,961	1,736,189	135,798	115,522	251,320
District Activities Fund	95,081	227,924	205,201	117,804	-	117,804
Bond and Interest Fund						
Bond and Interest Fund	5,445,044	4,359,445	3,086,750	6,717,739	-	6,717,739
Capital Project Fund						
Facility Acquisition and Construction Fund	-	83,226,060	1,161,366	82,064,694	35,240	82,099,934
Trust Funds						
Daisy Ferguson Grimes Trust	36,049	4,178	1,408	38,819	-	38,819
Total Reporting Entity (Excluding Agency Funds)	<u>\$ 12,889,130</u>	<u>\$ 170,767,032</u>	<u>\$ 88,686,319</u>	<u>\$ 94,969,843</u>	<u>\$ 1,253,308</u>	<u>\$ 96,223,151</u>

UNIFIED SCHOOL DISTRICT NO. 253
 Emporia, Kansas
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH (CONTINUED)
 Regulatory Basis
 For the Year Ended June 30, 2020

Composition of Cash

Lyon County Bank		
Checking	\$	111,940
Emporia State Federal Credit Union		
Checking		4,138
Savings		9,690
ESB Financial		
Checking		4,833,845
Kansas Municipal Investment Pool		
Investment pool		14,964,138
Bank of Oklahoma		
Early Retirement Deferred Benefit Account		7,744,427
Escrow Bank of Kansas City		
Series 2019 Improvement Fund		82,057,194
Total Cash		\$ 109,725,372
Less: Agency funds per Schedule 3		(13,502,221)
Total Reporting Entity (Excluding Agency Funds)		\$ 96,223,151

UNIFIED SCHOOL DISTRICT NO. 253
Emporia, Kansas
NOTES TO FINANCIAL STATEMENT
June 30, 2020

Note 1: Summary of Significant Accounting Policies
Municipal Financial Reporting Entity

Unified School District No. 253 (the District) is a municipal corporation governed by an elected seven member board. These financial statement include all the funds for which the District is considered to be financially accountable. The District has no related municipal entities.

The Emporia Recreation Commission (the Commission) was established as a jointly governed organization between the City of Emporia, Kansas and Unified School District No. 253, Emporia, Kansas. The governing board consists of two members from the Emporia City Commission, two members from the Unified School District No. 253 Board of Education, two members appointed by the Emporia City Commission, two members appointed by the Unified School District No. 253 Board of Education and one at large board member appointed by the other eight appointed members of the Recreation Commission Board.

The Commission utilizes the tax authority and tax base of Unified School District No. 253, Emporia, Kansas to levy ad valorem taxes to fund its general and employee benefit fund budgets. The City of Emporia, Kansas has issued general obligation bonds, the proceeds of which were used to construct a portion of the facility used by the Commission.

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United State 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 compliance with K.S.A. 75-1120a(c), waiving the requirement of application of generally accepted accounting principles and allowing the District to use the regulatory basis of accounting.

Regulatory Basis Fund Types

The following types of funds comprise the financial activities of the District for the year ended June 30, 2020:

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

Special Purpose fund -- used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

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

Trust Fund - used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.).

Agency Fund - used to report assets held by a municipal reporting entity in a purely custodial capacity (i.e. payroll clearing fund, student organization funds, etc.).

UNIFIED SCHOOL DISTRICT NO. 253
Emporia, Kansas
NOTES TO FINANCIAL STATEMENT (CONTINUED)
June 30, 2020

Note 1: Summary of Significant Accounting Policies (Continued)
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) and bond and interest funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding twelve month period on or before August 1st of each year.
2. Publication in a local newspaper of the proposed budget and notice of public hearing on the budget.
3. Public hearing at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time.

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 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 revenues 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 District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budget expenditure authority lapses at year end.

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

Contingency Reserve Fund	District Activity Fund
Textbook Rental Fund	Other Federal, State and Local Grant Funds

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

Note 2: Deposits and Investments

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.

Investments. 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.

UNIFIED SCHOOL DISTRICT NO. 253
Emporia, Kansas
NOTES TO FINANCIAL STATEMENT (CONTINUED)
June 30, 2020

Note 2: Deposits and Investments (Continued)

Some of the District's investments are of bond proceeds invested pursuant to K.S.A. 10-131. This statute allows additional investment authority beyond that of K.S.A. 12-1675. Investments of bond proceeds may follow K.S.A. 12-1675 or include other investments such as the KMIP, direct obligations of the U.S. government or any agency thereof, and various other investments as specified in K.S.A. 10-131.

At June 30, 2020, the District had invested \$14,964,138 in the State's municipal investment pool. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest by the U.S. government or any agency thereof, with maturities up to four years. No more than 10 percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

During 2019, the District received bond proceeds from general obligation series 2019 bonds which are held in an account with the Escrow Bank of Kansas City. These funds have been invested in accordance with K.S.A. 12-1675.

The following is a summary of the District's investments at June 30, 2020:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u>	
		<u>(in Years)</u>	
		<u>Less than 1</u>	<u>1 - 2</u>
Kansas Municipal Investment Pool	\$ 14,964,138	\$ 14,964,138	\$ -
Escrow Bank of Kansas City			
US Govt. & Agency Bond Obligations	\$ 33,812,405	\$ 24,801,365	\$ 9,011,040
Other Bond Obligations	48,673,122	22,495,221	26,177,901
Money Market Funds	328,682	328,682	-
Total Escrow Bank of Kansas City	<u>\$ 82,814,209</u>	<u>\$ 47,625,268</u>	<u>\$35,188,941</u>
Total Investments	<u>\$ 97,778,347</u>	<u>\$ 62,589,406</u>	<u>\$35,188,941</u>

Concentration of credit risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The District's allocation of investments as of June 30, 2020, is as follows:

<u>Investment Type</u>	<u>Percent of Investment</u>
Kansas Municipal Investment Pool	15%
Escrow Bank of Kansas City	85%

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District has no designated "peak periods". All deposits were legally secured at June 30, 2020.

UNIFIED SCHOOL DISTRICT NO. 253
Emporia, Kansas
NOTES TO FINANCIAL STATEMENT (CONTINUED)
June 30, 2020

Note 2: Deposits and Investments (Continued)

At June 30, 2020, the District's carrying amount of deposits was \$4,960,587 and the bank balance was \$3,358,750. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$378,336 was covered by federal depository insurance and the remaining balance of \$2,980,414 was collateralized with securities held by the pledging financial institutions' agents in the District's name with a fair value of \$3,343,483.

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

Note 3: Substance Receipt in Transit

The District received \$1,196,456 in General State Aid and \$438,559 in Supplemental General State Aid subsequent to June 30, 2020 and as required by K.S.A. 72-5135(d), these cash receipts were recorded as in-substance receipts in transit and included in the reporting for the year ended June 30, 2020.

UNIFIED SCHOOL DISTRICT NO. 253
Emporia, Kansas
NOTES TO FINANCIAL STATEMENT (CONTINUED)
June 30, 2020

Note 4: Long-Term Debt

Following is a summary of long-term debt transactions of the District for the year ended June 30, 2020:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Beginning of Year	Additions	Reductions/ Payments	End of Year	Interest Paid
General Obligation Bonds To Be Paid by Revenues									
Series 2010	2.00 to 3.25%	09/15/2020	14,890,000	09/01/2021	\$ 3,035,000	\$ -	\$ 2,130,000	\$ 905,000	\$ 69,025
Series 2017	3.00%	06/07/2017	4,150,000	09/01/2021	4,150,000	-	785,000	3,365,000	112,725
Series 2019	3.00% to 4.00%	12/18/2019	78,000,000	09/01/2048	-	78,000,000	-	78,000,000	-
Certificates of Participation									
Series 2009 QSCB	2.23%	10/29/2009	6,840,000	09/01/2025	6,840,000	-	-	6,840,000	152,532
Total Long-Term Debt					<u>\$ 14,025,000</u>	<u>\$ 78,000,000</u>	<u>\$ 2,915,000</u>	<u>\$ 89,110,000</u>	<u>\$ 334,282</u>

Current maturities of general obligation bonds and interest for the next five years and in five year increments through maturity are as follows:

Year(s) Ended June 30,	Principal Due	Interest Due	Minimum QSCB Deposits	Total
2021	\$ 2,945,000	\$ 3,752,797	\$ 325,371	\$ 7,023,168
2022	1,325,000	3,111,601	325,371	4,761,972
2023	1,680,000	3,058,032	325,371	5,063,403
2024	1,750,000	2,989,432	325,371	5,064,803
2025	1,820,000	2,918,032	325,371	5,063,403
2026 - 2030	17,090,000	12,805,432	-	29,895,432
2031 - 2035	12,470,000	10,387,900	-	22,857,900
2036 - 2040	15,165,000	7,632,600	-	22,797,600
2041 - 2045	18,090,000	4,744,000	-	22,834,000
2046 - 2048	16,775,000	1,374,900	-	18,149,900
	<u>\$ 89,110,000</u>	<u>\$ 52,774,726</u>	<u>\$ 1,626,855</u>	<u>\$ 143,511,581</u>

UNIFIED SCHOOL DISTRICT NO. 253
Emporia, Kansas
NOTES TO FINANCIAL STATEMENT (CONTINUED)
June 30, 2020

Note 4: Long-Term Debt (Continued)

General Obligation Bonds. The District issues General Obligation Bonds to provide funds for the acquisition and construction of major capital facilities.

General Obligation Bonds are direct obligations and pledge the full faith and credit of the District. These bonds generally are issued with equal amounts of principal maturing each year.

Certificates of Participation. The Series 2009 QSCB Certificates of Participation (COPS) are payable in full on September 1, 2025 in the amount of \$6,840,000, with interest payable annually to that date of \$152,532. The District is required to make annual sinking fund deposits annually through September 1, 2025 of amounts necessary to satisfy the minimum required accumulated balance under the Lease and Declaration of Trust. The District's annual deposits will consist of (1) the District's expected annual cash deposit in the base amount of \$325,371 (the "Base Cash Deposit") plus (2) the estimated investment earnings on the accumulated balance (the "Investment Earnings"). In the event the District's Base Cash Deposit plus Investment Earnings is insufficient to meet the required accumulated balance on a given September 1st, the District is required to make up the difference with an additional cash deposit to the sinking fund. In the event the accumulated balance exceeds the required accumulated balance on a given September 1st the excess will be withdrawn from the sinking fund. During the year ended June 30, 2020 the District was required to make total principal, interest and service fee payments of \$510,481.

K.S.A. 72-5457 restricts the level of authorized and outstanding bond indebtedness of the District to not more than 14% of the assessed valuation of tangible taxable property within the District without obtaining approval from the State Board of Education. The assessed valuation as of June 30, 2020 is \$212,136,801 which creates a general legal debt limit of \$29,699,152 for 2020-2021 budgeting purposes. The State of Kansas Department of Education authorized the District to conduct a bond election in the amount of \$78,000,000 for District wide facility renovations and improvements. The voting electorate approved this bond issue thereby increasing the maximum legal debt limit.

Note 5: Compensated Absences

The District's policy is to recognize the costs of compensated absences when actually paid.

The District's policies regarding professional leaves and absences permit employees to accumulate a maximum of 9 to 108 days of chargeable leave depending on the number of days worked per year. Policies require the cancellation of accumulated leave pay on the date of employment termination if the employee has less than ten years of service.

Classified personnel retiring or resigning from the District with ten years or more of service in the District will be compensated for unused accumulated leave at the rate of \$15 per day up to a maximum of 90 days.

Certified personnel retiring from the District with ten years or more of service in the District will be compensated for unused accumulated leave at the rate of .4 times the current substitute rate per day up to a maximum of 90 days.

Twelve-month administrative personnel may accumulate a maximum of 40 days vacation leave and classified personnel may accumulate a maximum of 30 days vacation leave depending upon the years of service. Policies permit payment of vacation pay upon termination of employment if sufficient notice of termination is given.

UNIFIED SCHOOL DISTRICT NO. 253
Emporia, Kansas
NOTES TO FINANCIAL STATEMENT (CONTINUED)
June 30, 2020

Note 6: 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 \$64,130,234 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 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 \$5,724,878 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 \$49,257,671. 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 or can be obtained as described above.

UNIFIED SCHOOL DISTRICT NO. 253
Emporia, Kansas
NOTES TO FINANCIAL STATEMENT (CONTINUED)
June 30, 2020

Note 7: Flexible Benefit Plan

The Board adopted by resolution a salary-reduction flexible benefit plan ("Plan") under Section 125 of the Internal Revenue Code. All non-certified employees of the District who work a minimum of 20 hours per week and all certified employees with a .5 full-time equivalency are eligible to participate in the Plan. 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, on average, the District contributes \$402 per month for both certified and classified employees working greater than 30 hours per month to the fringe benefit package for employees electing to participate. Alternatively, employees may elect to enroll in a low premium high deductible option where the District also contributes \$402 per month. Currently, benefits offered through the Plan include health insurance coverage.

Note 8: 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; natural disasters and other events for which the District carries commercial insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past fiscal years.

Note 9: Commitments and Contingencies

The District receives significant financial assistance from 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 is 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 negative effect on the financial statement of the District at June 30, 2020.

Note 10: Interfund Transfers

The District made the following operating transfers during fiscal year ended June 30, 2020. The transfers were approved by the Board of Education.

<u>Fund From</u>	<u>Fund To</u>	<u>Statutory Authority</u>	<u>Amount</u>
General fund	At-Risk (K-12)	K.S.A. 72-5167	\$ 4,716,773
General fund	Preschool-Aged At-Risk	K.S.A. 72-5167	429,078
General fund	Bilingual Education	K.S.A. 72-5167	1,127,814
General fund	Special Education	K.S.A. 72-5167	6,183,262
General fund	Career and Postsecondary Education	K.S.A. 72-5167	443,642
General fund	Food Service	K.S.A. 72-5167	204,185
General fund	Extraordinary School Program	K.S.A. 72-5167	18,000
General fund	Professional Development	K.S.A. 72-5167	73,974
Supplemental	At-Risk (K-12)	K.S.A. 72-5143	1,418,000
Supplemental	Bilingual Education	K.S.A. 72-5143	344,000
Supplemental	Special Education	K.S.A. 72-5143	419,950
Total Transfers			<u>\$ 15,378,678</u>

UNIFIED SCHOOL DISTRICT NO. 253
Emporia, Kansas
NOTES TO FINANCIAL STATEMENT (CONTINUED)
June 30, 2020

Note 11: Termination Benefits

The District has obligations to make payments as follows on behalf of employees who retired early:

<u>Year Ended June 30,</u>	<u>Amount</u>
2021	\$ 546,320
2022	350,266
2023	243,808
2024	107,152
2025	86,649
	<u>\$ 1,334,195</u>

The total payment made on behalf of early retirees in the fiscal year ended June 30, 2020 was \$517,381.

Note 12: Other Post-Employment Benefits

As provided by K.S.A. 12-5040, the local government allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the local government 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 this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government 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 government under this program.

Note 13: Death and 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.

Note 14: Capital Project Authorizations

The District had the following capital project authorizations outstanding as of June 30, 2020:

	<u>Project Budget</u>	<u>Actual</u>	<u>Remaining</u>
Early Childhood Learning Center	\$ 7,381,584	\$ 252,383	\$ 7,129,201
Emporia High School	22,445,608	465,895	21,979,713
Emporia Middle School	18,432,594	145,790	18,286,804
Logan Ave. Elementary School	5,721,498	-	5,721,498
Riverside Elementary School	1,912,115	1,100	1,911,015
Timmerman Elementary School	1,912,115	3,050	1,909,065
Village Elementary School	6,625,056	-	6,625,056
Walnut Elementary School	7,203,738	282,878	6,920,860
William Allen White Elementary School	6,348,191	-	6,348,191
Other	17,501	-	17,501
	<u>\$ 78,000,000</u>	<u>\$ 1,151,096</u>	<u>\$ 76,848,904</u>

REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

UNIFIED SCHOOL DISTRICT NO. 253
 Emporia, Kansas
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
 For the Year Ended June 30, 2020

Funds	<u>Certified Budget</u>	<u>Adjustment to Comply with Legal Max</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance - Over (Under)</u>
Governmental Type Funds						
General Funds						
General	\$ 33,460,304	\$ (1,443,474)	\$ 181,761	\$ 32,198,591	\$ 32,198,591	\$ -
Supplemental General	10,278,250	(443,819)	-	9,834,431	9,834,431	-
Special Purpose Funds						
Adult Education Fund	109,661	-	-	109,661	109,661	-
Bilingual Education Fund	1,875,517	-	-	1,875,517	1,471,814	(403,703)
At-Risk (K-12) Fund	6,973,992	-	-	6,973,992	6,134,773	(839,219)
Preschool-Aged At-Risk Fund	593,153	-	-	593,153	429,078	(164,075)
Capital Outlay Fund	6,621,968	-	-	6,621,968	3,700,738	(2,921,230)
Driver Training Fund	83,857	-	-	83,857	26,400	(57,457)
Extraordinary School Program Fund	257,442	-	-	257,442	198,307	(59,135)
Food Service Fund	3,081,082	-	-	3,081,082	2,478,212	(602,870)
Professional Development Fund	211,600	-	-	211,600	173,548	(38,052)
Summer School Fund	78,037	-	-	78,037	5,452	(72,585)
Special Education Fund	6,825,167	-	-	6,825,167	6,889,316	64,149
Career and Postsecondary Education Fund	725,000	-	-	725,000	666,048	(58,952)
KPERS Special Retirement Contribution Fund	6,480,349	-	-	6,480,349	5,724,878	(755,471)
Virtual Education Fund	15,067	-	-	15,067	-	(15,067)
Flint Hills Special Education Cooperative Fund	12,411,314	-	-	12,411,314	12,345,289	(66,025)
Bond and Interest Fund						
Bond and Interest Fund	3,091,750	-	-	3,091,750	3,086,750	(5,000)
Total of all Funds	<u>\$ 93,173,510</u>	<u>\$ (1,887,293)</u>	<u>\$ 181,761</u>	<u>\$ 91,467,978</u>	<u>\$ 85,473,286</u>	<u>\$ (5,994,692)</u>

UNIFIED SCHOOL DISTRICT NO. 253

Emporia, Kansas

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended June 30, 2020

	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
CASH RECEIPTS			
Local Sources			
Reimbursed expenditures	\$ 170,207	\$ -	\$ 170,207
Other local revenue	11,554	-	11,554
State Sources			
State aid	27,809,496	29,115,905	(1,306,409)
Special education aid	4,207,334	4,344,399	(137,065)
Total Cash Receipts	<u>\$ 32,198,591</u>	<u>\$ 33,460,304</u>	<u>\$ (1,261,713)</u>
 EXPENDITURES			
Instruction	\$ 10,399,670	\$ 9,882,631	\$ 517,039
Student support services	13,698	13,500	198
Instructional support staff	847,864	995,284	(147,420)
General administration	745,630	722,664	22,966
School administration	2,617,398	2,655,583	(38,185)
Central services	361,815	359,060	2,755
Operations and maintenance	2,750,791	3,254,813	(504,022)
Student transportation service	1,264,997	1,209,321	55,676
Transfers out	13,196,728	14,367,448	(1,170,720)
Adjustment to comply with legal maximum	-	(1,443,474)	1,443,474
Adjustments for qualifying budget credits	-	181,761	(181,761)
Total Expenditures	<u>\$ 32,198,591</u>	<u>\$ 32,198,591</u>	<u>\$ -</u>
 RECEIPTS OVER (UNDER) EXPENDITURES	 \$ -		
 UNENCUMBERED CASH - BEGINNING	 <u>-</u>		
 UNENCUMBERED CASH - ENDING	 <u>\$ -</u>		

UNIFIED SCHOOL DISTRICT NO. 253
Emporia, Kansas
SUPPLEMENTAL GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2020

**SCHEDULE 2
(CONTINUED)**

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Local sources			
Ad valorem taxes	\$ 2,823,906	\$ 55,447	\$ 2,768,459
Delinquent taxes	63,972	47,177	16,795
County Sources			
Motor vehicle tax	357,345	354,970	2,375
Recreational vehicle tax	4,562	4,559	3
Commercial vehicle tax	15,174	15,355	(181)
State Sources			
Supplemental state aid	6,631,357	6,930,624	(299,267)
Total Cash Receipts	\$ 9,896,316	\$ 7,408,132	\$ 2,488,184
EXPENDITURES			
Instruction	\$ 4,093,277	\$ 4,501,021	\$ (407,744)
Student support services	488,375	237,704	250,671
Instructional support staff	1,225,044	1,335,039	(109,995)
General administration	185,498	121,700	63,798
School administration	916	45,002	(44,086)
Central services	807,057	801,805	5,252
Operations and maintenance	852,314	897,114	(44,800)
Transfers out	2,181,950	2,338,865	(156,915)
Adjustment to comply with legal max budget	-	(443,819)	443,819
Total Expenditures	\$ 9,834,431	\$ 9,834,431	\$ -
RECEIPTS OVER (UNDER)			
EXPENDITURES	\$ 61,885		
UNENCUMBERED CASH - BEGINNING	338,699		
UNENCUMBERED CASH - ENDING	\$ 400,584		

UNIFIED SCHOOL DISTRICT NO. 253

Emporia, Kansas

ADULT EDUCATION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended June 30, 2020

SCHEDULE 2
(CONTINUED)

	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
CASH RECEIPTS			
Local sources			
Ad valorem taxes	\$ 97,248	\$ 91,906	\$ 5,342
Delinquent taxes	1,957	1,455	502
County Sources			
Motor vehicle tax	10,865	10,783	82
Recreational vehicle tax	140	139	1
Commercial vehicle tax	467	467	-
Total Cash Receipts	<u>\$ 110,677</u>	<u>\$ 104,750</u>	<u>\$ 5,927</u>
EXPENDITURES			
Instruction	<u>\$ 109,661</u>	<u>\$ 109,661</u>	<u>\$ -</u>
RECEIPTS OVER (UNDER) EXPENDITURES	\$ 1,016		
UNENCUMBERED CASH - BEGINNING	<u>4,088</u>		
UNENCUMBERED CASH - ENDING	<u>\$ 5,104</u>		

UNIFIED SCHOOL DISTRICT NO. 253
 Emporia, Kansas
BILINGUAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 Regulatory Basis
 For the Year Ended June 30, 2020

**SCHEDULE 2
(CONTINUED)**

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Other Sources			
Transfers in	\$ 1,471,814	\$ 1,875,517	\$ (403,703)
EXPENDITURES			
Instruction	\$ 1,471,603	\$ 1,841,708	\$ (370,105)
Student support services	211	33,809	(33,598)
Total Expenditures	\$ 1,471,814	\$ 1,875,517	\$ (403,703)
RECEIPTS OVER (UNDER) EXPENDITURES	\$ -		
UNENCUMBERED CASH - BEGINNING	-		
UNENCUMBERED CASH - ENDING	\$ -		

UNIFIED SCHOOL DISTRICT NO. 253
 Emporia, Kansas
AT-RISK (K-12) FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 Regulatory Basis
 For the Year Ended June 30, 2020

SCHEDULE 2
(CONTINUED)

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Other Sources			
Transfers in	\$ 6,134,773	\$ 6,973,992	\$ (839,219)
EXPENDITURES			
Instruction	\$ 4,844,752	\$ 5,295,144	\$ (450,392)
Student support services	910,957	1,268,720	(357,763)
Instructional support staff	340,922	366,978	(26,056)
School administration	38,142	43,150	(5,008)
Total Expenditures	\$ 6,134,773	\$ 6,973,992	\$ (839,219)
RECEIPTS OVER (UNDER) EXPENDITURES	\$ -		
UNENCUMBERED CASH - BEGINNING	-		
UNENCUMBERED CASH - ENDING	\$ -		

UNIFIED SCHOOL DISTRICT NO. 253
 Emporia, Kansas
PRESCHOOL-AGED AT-RISK FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 Regulatory Basis
 For the Year Ended June 30, 2020

SCHEDULE 2
(CONTINUED)

	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
CASH RECEIPTS			
Other Sources			
Transfers in	\$ 429,078	\$ 593,153	\$ (164,075)
EXPENDITURES			
Instruction	\$ 288,783	\$ 426,132	\$ (137,349)
Student support services	-	2,500	(2,500)
Student transportation service	140,295	164,521	(24,226)
Total Expenditures	<u>\$ 429,078</u>	<u>\$ 593,153</u>	<u>\$ (164,075)</u>
RECEIPTS OVER (UNDER)			
EXPENDITURES	\$ -		
UNENCUMBERED CASH - BEGINNING	<u>-</u>		
UNENCUMBERED CASH - ENDING	<u>\$ -</u>		

UNIFIED SCHOOL DISTRICT NO. 253

Emporia, Kansas

SCHEDULE 2
(CONTINUED)

CAPITAL OUTLAY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended June 30, 2020

	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
CASH RECEIPTS			
Local Sources			
Ad valorem property taxes	\$ 1,563,487	\$ 1,469,236	\$ 94,251
Delinquent tax	30,995	23,274	7,721
Interest on idle funds	182,420	301,000	(118,580)
Other	289,792	-	289,792
County Sources			
Motor vehicle taxes	173,832	172,814	1,018
Recreational vehicle tax	2,219	2,219	-
Commercial vehicle tax	7,477	7,475	2
State Sources			
State aid	1,032,924	1,048,623	(15,699)
Total Cash Receipts	<u>\$ 3,283,146</u>	<u>\$ 3,024,641</u>	<u>\$ 258,505</u>
EXPENDITURES			
Instruction	\$ 231,573	\$ 2,080,030	\$ (1,848,457)
Student support services	-	75,000	(75,000)
Instructional support staff	599,581	150,000	449,581
General administration	18,997	150,000	(131,003)
School administration	-	50,000	(50,000)
Central services	-	50,000	(50,000)
Operations and maintenance	24,418	225,000	(200,582)
Student transportation	549,413	532,000	17,413
Facility acquisition and construction	1,766,275	2,743,938	(977,663)
Debt service	510,481	566,000	(55,519)
Total Expenditures	<u>\$ 3,700,738</u>	<u>\$ 6,621,968</u>	<u>\$ (2,921,230)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	<u>\$ (417,592)</u>		
UNENCUMBERED CASH - BEGINNING	<u>3,584,149</u>		
UNENCUMBERED CASH - ENDING	<u>\$ 3,166,557</u>		

UNIFIED SCHOOL DISTRICT NO. 253

Emporia, Kansas

DRIVER TRAINING FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended June 30, 2020

**SCHEDULE 2
(CONTINUED)**

	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
CASH RECEIPTS			
Local Sources			
Other	\$ -	\$ 23,000	\$ (23,000)
State Sources			
General state aid	10,660	26,000	(15,340)
Total Cash Receipts	<u>\$ 10,660</u>	<u>\$ 49,000</u>	<u>\$ (38,340)</u>
 EXPENDITURES			
Instruction	\$ 26,400	\$ 67,857	\$ (41,457)
Operations and maintenance	-	16,000	(16,000)
Total Expenditures	<u>\$ 26,400</u>	<u>\$ 83,857</u>	<u>\$ (57,457)</u>
 RECEIPTS OVER (UNDER) EXPENDITURES	\$ (15,740)		
 UNENCUMBERED CASH - BEGINNING	<u>34,857</u>		
 UNENCUMBERED CASH - ENDING	<u>\$ 19,117</u>		

UNIFIED SCHOOL DISTRICT NO. 253
 Emporia, Kansas
EXTRAORDINARY SCHOOL PROGRAM FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 Regulatory Basis
 For the Year Ended June 30, 2020

SCHEDULE 2
(CONTINUED)

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Local Sources			
Other	\$ 1,217	\$ -	\$ 1,217
Other Sources			
Transfers in	18,000	78,000	(60,000)
Total Cash Receipts	\$ 19,217	\$ 78,000	\$ (58,783)
 EXPENDITURES			
Instruction	\$ 4,359	\$ 4,560	\$ (201)
Student support services	193,948	252,882	(58,934)
Total Expenditures	\$ 198,307	\$ 257,442	\$ (59,135)
 RECEIPTS OVER (UNDER) EXPENDITURES			\$ (179,090)
 UNENCUMBERED CASH - BEGINNING	179,442		
 UNENCUMBERED CASH - ENDING	\$ 352		

UNIFIED SCHOOL DISTRICT NO. 253

Emporia, Kansas

FOOD SERVICE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended June 30, 2020

**SCHEDULE 2
(CONTINUED)**

	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
CASH RECEIPTS			
Local Sources			
Interest on idle funds	\$ 2,318	\$ 6,200	\$ (3,882)
Charges for service	460,339	691,055	(230,716)
Other	59,575	68,100	(8,525)
State Sources			
School food assistance	20,474	21,580	(1,106)
Federal Sources			
Child nutrition programs	1,590,914	2,053,739	(462,825)
Other Sources			
Transfers in	204,185	100,000	104,185
Total Cash Receipts	<u>\$ 2,337,805</u>	<u>\$ 2,940,674</u>	<u>\$ (602,869)</u>
EXPENDITURES			
Operations and maintenance	\$ 102,577	\$ 153,042	\$ (50,465)
Food service	2,375,635	2,928,040	(552,405)
Total Expenditures	<u>\$ 2,478,212</u>	<u>\$ 3,081,082</u>	<u>\$ (602,870)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	\$ (140,407)		
UNENCUMBERED CASH - BEGINNING	<u>140,407</u>		
UNENCUMBERED CASH - ENDING	<u>\$ -</u>		

UNIFIED SCHOOL DISTRICT NO. 253
 Emporia, Kansas
PROFESSIONAL DEVELOPMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 Regulatory Basis
 For the Year Ended June 30, 2020

SCHEDULE 2
(CONTINUED)

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
State Sources			
General state aid	\$ 22,251	\$ 37,500	\$ (15,249)
Other Sources			
Transfers in	73,974	94,627	(20,653)
Total Cash Receipts	\$ 96,225	\$ 132,127	\$ (35,902)
 EXPENDITURES			
Instructional support staff	\$ 173,548	\$ 211,600	\$ (38,052)
 RECEIPTS OVER (UNDER) EXPENDITURES	\$ (77,323)		
 UNENCUMBERED CASH - BEGINNING	79,473		
 UNENCUMBERED CASH - ENDING	\$ 2,150		

UNIFIED SCHOOL DISTRICT NO. 253

Emporia, Kansas

SUMMER SCHOOL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended June 30, 2020

SCHEDULE 2
(CONTINUED)

	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
CASH RECEIPTS			
Local Sources			
Tuition	\$ 500	\$ -	\$ 500
EXPENDITURES			
Instruction	\$ 5,452	<u>78,037</u>	<u>(72,585)</u>
RECEIPTS OVER (UNDER) EXPENDITURES	\$ (4,952)		
UNENCUMBERED CASH - BEGINNING	<u>78,036</u>		
UNENCUMBERED CASH - ENDING	<u>\$ 73,084</u>		

UNIFIED SCHOOL DISTRICT NO. 253
 Emporia, Kansas
SPECIAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 Regulatory Basis
 For the Year Ended June 30, 2020

SCHEDULE 2
(CONTINUED)

	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
CASH RECEIPTS			
Other Sources			
Transfers in	\$ 6,603,212	\$ 6,464,232	\$ 138,980
EXPENDITURES			
Instruction	\$ 6,284,205	\$ 6,228,421	\$ 55,784
Student transportation services	605,111	596,746	8,365
Total Expenditures	<u>\$ 6,889,316</u>	<u>\$ 6,825,167</u>	<u>\$ 64,149</u>
RECEIPTS OVER (UNDER) EXPENDITURES	\$ (286,104)		
UNENCUMBERED CASH - BEGINNING	<u>360,934</u>		
UNENCUMBERED CASH - ENDING	<u>\$ 74,830</u>		

UNIFIED SCHOOL DISTRICT NO. 253
Emporia, Kansas
CAREER AND POSTSECONDARY EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2020

SCHEDULE 2
(CONTINUED)

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Local Sources			
Other	\$ 107,957	\$ 80,141	\$ 27,816
Federal Sources			
Vocational aid	57,536	61,154	(3,618)
Other Sources			
Transfers in	443,642	526,792	(83,150)
Total Cash Receipts	\$ 609,135	\$ 668,087	\$ (58,952)
EXPENDITURES			
Instruction	\$ 651,261	\$ 693,771	\$ (42,510)
Instructional support staff	10,284	29,479	(19,195)
School administration	4,503	1,750	2,753
Total Expenditures	\$ 666,048	\$ 725,000	\$ (58,952)
RECEIPTS OVER (UNDER) EXPENDITURES	\$ (56,913)		
UNENCUMBERED CASH - BEGINNING	56,913		
UNENCUMBERED CASH - ENDING	\$ -		

UNIFIED SCHOOL DISTRICT NO. 253
 Emporia, Kansas
KPERS SPECIAL RETIREMENT CONTRIBUTION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 Regulatory Basis
 For the Year Ended June 30, 2020

SCHEDULE 2
(CONTINUED)

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
State Sources			
General state aid	\$ 5,724,878	\$ 6,480,349	\$ (755,471)
EXPENDITURES			
Instruction	\$ 3,677,425	\$ 4,354,191	\$ (676,766)
Student support services	311,288	366,755	(55,467)
Instructional support staff	380,050	400,601	(20,551)
General administration	111,190	106,121	5,069
School administration	383,246	374,093	9,153
Central services	167,676	160,793	6,883
Operations and maintenance	313,078	321,202	(8,124)
Student transportation services	224,963	224,533	430
Food service	155,962	172,060	(16,098)
Total Expenditures	\$ 5,724,878	\$ 6,480,349	\$ (755,471)
RECEIPTS OVER (UNDER)			
EXPENDITURES	\$ -		
UNENCUMBERED CASH - BEGINNING	-		
UNENCUMBERED CASH - ENDING	\$ -		

UNIFIED SCHOOL DISTRICT NO. 253

Emporia, Kansas

VIRTUAL EDUCATION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended June 30, 2020

SCHEDULE 2
(CONTINUED)

	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
CASH RECEIPTS			
Transfers in	\$ -	\$ -	\$ -
EXPENDITURES			
Instruction	\$ -	\$ 15,067	\$ (15,067)
RECEIPTS OVER (UNDER) EXPENDITURES	\$ -		
UNENCUMBERED CASH - BEGINNING	<u>15,067</u>		
UNENCUMBERED CASH - ENDING	<u>\$ 15,067</u>		

UNIFIED SCHOOL DISTRICT NO. 253
 Emporia, Kansas
FLINT HILLS SPECIAL EDUCATION COOPERATIVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
 Regulatory Basis
 For the Year Ended June 30, 2020

SCHEDULE 2
(CONTINUED)

	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Local Sources			
Payment from other districts/govt sources	\$ 4,097,434	\$ 7,432,213	\$ (3,334,779)
Other revenue	-	2,583,058	(2,583,058)
State Sources			
State aid	6,339,133	-	6,339,133
Federal Sources			
Federal aid	1,667,251	1,701,700	(34,449)
Medicaid	307,619	325,000	(17,381)
Total Cash Receipts	\$ 12,411,437	\$ 12,041,971	\$ 369,466
 EXPENDITURES			
Instruction	\$ 9,264,270	\$ 9,459,466	\$ (195,196)
Student support services	2,344,985	2,182,394	162,591
Instructional support services	459,590	469,875	(10,285)
General administration	219,637	241,473	(21,836)
School administration	53,824	55,186	(1,362)
Operations and maintenance	2,983	2,920	63
Total Expenditures	\$ 12,345,289	\$ 12,411,314	\$ (66,025)
 RECEIPTS OVER (UNDER) EXPENDITURES	\$ 66,148		
 UNENCUMBERED CASH - BEGINNING	369,343		
 UNENCUMBERED CASH - ENDING	\$ 435,491		

UNIFIED SCHOOL DISTRICT NO. 253
 Emporia, Kansas
CONTINGENCY RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
 Regulatory Basis
 For the Year Ended June 30, 2020

SCHEDULE 2
(CONTINUED)

CASH RECEIPTS	
Other Sources	
Transfer in	\$ -
 EXPENDITURES	
Instruction	-
	<hr/>
RECEIPTS OVER (UNDER)	
EXPENDITURES	\$ -
 UNENCUMBERED CASH - BEGINNING	 <hr/>
	1,637,867
 UNENCUMBERED CASH - ENDING	 <hr/> <hr/>
	\$ 1,637,867

UNIFIED SCHOOL DISTRICT NO. 253
Emporia, Kansas
TEXTBOOK RENTAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended June 30, 2020

SCHEDULE 2
(CONTINUED)

CASH RECEIPTS	
Local Sources	
Reimbursed expenditures	\$ -
EXPENDITURES	
Instruction	<u>108,869</u>
RECEIPTS OVER (UNDER)	
EXPENDITURES	\$ (108,869)
UNENCUMBERED CASH - BEGINNING	<u>173,655</u>
UNENCUMBERED CASH - ENDING	<u><u>\$ 64,786</u></u>

UNIFIED SCHOOL DISTRICT NO. 253
Emporia, Kansas
OTHER FEDERAL, STATE AND LOCAL GRANT FUNDS
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended June 30, 2020

	<u>Title I</u>	<u>Title II-A</u>	<u>Title III</u>	<u>Migrant</u>	<u>Safe and Secure Schools</u>	<u>21st Century Community Learning</u>	<u>Mobilizing Literacy</u>
CASH RECEIPTS							
Local Sources							
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 211,058
State Sources							
State aid	-	-	-	-	86,055	-	-
Federal Sources							
Federal aid	835,399	166,382	113,970	106,687	-	-	-
Total Cash Receipts	<u>\$ 835,399</u>	<u>\$ 166,382</u>	<u>\$ 113,970</u>	<u>\$ 106,687</u>	<u>\$ 86,055</u>	<u>\$ -</u>	<u>\$ 211,058</u>
EXPENDITURES							
Instruction	\$ 771,496	\$ 1,393	\$ 65,688	\$ 6,278	\$ 3,678	\$ -	\$ 40,801
Student support services	3,683	-	-	89,443	-	-	81,028
Instructional support staff	10,807	114,651	46,853	-	12	-	86,095
Other supplemental service	49,414	2,591	1,432	11,106	-	-	-
Operations and maintenance	-	-	-	-	1,420	-	-
Student transportation	-	-	-	(140)	-	-	200
Food service	-	-	-	-	-	-	-
Facility acquisition and construction	-	-	-	-	80,945	-	-
Total Expenditures	<u>\$ 835,400</u>	<u>\$ 118,635</u>	<u>\$ 113,973</u>	<u>\$ 106,687</u>	<u>\$ 86,055</u>	<u>\$ -</u>	<u>\$ 208,124</u>
RECEIPTS OVER (UNDER) EXPENDITURES	\$ (1)	\$ 47,747	\$ (3)	\$ -	\$ -	\$ -	\$ 2,934
UNENCUMBERED CASH - BEGINNING	<u>1</u>	<u>23,536</u>	<u>3</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,316</u>
UNENCUMBERED CASH - ENDING	<u><u>\$ -</u></u>	<u><u>\$ 71,283</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 61,250</u></u>

UNIFIED SCHOOL DISTRICT NO. 253
Emporia, Kansas
OTHER FEDERAL, STATE AND LOCAL GRANT FUNDS
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH (CONTINUED)
Regulatory Basis
For the Year Ended June 30, 2020

	<u>ESSERF</u>	<u>Kansas Masonic Literacy</u>	<u>Camp Hope</u>	<u>Gifts and Grants Fund</u>	<u>Total</u>
CASH RECEIPTS					
Local Sources					
Other	\$ -	\$ 7,500	\$ 15,500	\$ 22,077	\$ 256,135
State Sources					
State aid	-	-	-	-	86,055
Federal Sources					
Federal aid	47,333	-	-	-	1,269,771
Total Cash Receipts	<u>\$ 47,333</u>	<u>\$ 7,500</u>	<u>\$ 15,500</u>	<u>\$ 22,077</u>	<u>\$ 1,611,961</u>
EXPENDITURES					
Instruction	\$ 101,518	\$ 3,292	\$ 6,842	\$ 4,248	\$ 1,005,234
Student support services	-	379	-	5,665	180,198
Instructional support staff	41,237	-	-	(444)	299,211
Other supplemental service	4,578	-	-	-	69,121
Operations and maintenance	-	-	-	-	1,420
Student transportation	-	-	-	-	60
Food service	100,000	-	-	-	100,000
Facility acquisition and construction	-	-	-	-	80,945
Total Expenditures	<u>\$ 247,333</u>	<u>\$ 3,671</u>	<u>\$ 6,842</u>	<u>\$ 9,469</u>	<u>\$ 1,736,189</u>
RECEIPTS OVER (UNDER) EXPENDITURES	\$ (200,000)	\$ 3,829	\$ 8,658	\$ 12,608	\$ (124,228)
UNENCUMBERED CASH - BEGINNING	-	14,059	14,208	149,903	260,026
UNENCUMBERED CASH - ENDING	<u>\$ (200,000)</u>	<u>\$ 17,888</u>	<u>\$ 22,866</u>	<u>\$ 162,511</u>	<u>\$ 135,798</u>

UNIFIED SCHOOL DISTRICT NO. 253

Emporia, Kansas

BOND AND INTEREST

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended June 30, 2020

**SCHEDULE 2
(CONTINUED)**

	<u>Actual</u>	<u>Budget</u>	<u>Variance - Over (Under)</u>
CASH RECEIPTS			
Local Sources			
Ad valorem taxes	\$ 2,135,185	\$ 2,000,953	\$ 134,232
Delinquent tax	36,418	27,018	9,400
County Sources			
Motor vehicle tax	197,930	196,761	1,169
Recreational vehicle tax	2,527	2,527	-
Commercial vehicle tax	8,665	8,512	153
State Sources			
State aid	1,978,720	1,978,720	-
Total Cash Receipts	<u>\$ 4,359,445</u>	<u>\$ 4,214,491</u>	<u>\$ 144,954</u>
 EXPENDITURES			
Debt service	<u>\$ 3,086,750</u>	<u>\$ 3,091,750</u>	<u>\$ (5,000)</u>
 RECEIPTS OVER (UNDER) EXPENDITURES	\$ 1,272,695		
 UNENCUMBERED CASH - BEGINNING	<u>5,445,044</u>		
 UNENCUMBERED CASH - ENDING	<u>\$ 6,717,739</u>		

UNIFIED SCHOOL DISTRICT NO. 253
 Emporia, Kansas
FACILITY ACQUISITION AND CONSTRUCTION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
 Regulatory Basis
 For the Year Ended June 30, 2020

SCHEDULE 2
(CONTINUED)

CASH RECEIPTS

Net Bond Proceeds

Bond proceeds at par value	\$ 78,000,000
Bond issue premium	5,733,233
Bond underwriter's discount	(780,000)
Other cost of issuance	(155,341)
Net Bond Proceeds	<u>\$ 82,797,892</u>

Net Investment Return

Interest on idle funds	\$ 336,230
Realized gain on sale of securities	91,938
Total Net Investment Return	<u>\$ 428,168</u>

Total Cash Receipts

\$ 83,226,060

EXPENDITURES

Facility acquisition and construction	<u>\$ 1,161,366</u>
---------------------------------------	---------------------

RECEIPTS OVER (UNDER)

EXPENDITURES	\$ 82,064,694
---------------------	---------------

UNENCUMBERED CASH - BEGINNING

-

UNENCUMBERED CASH - ENDING

\$ 82,064,694

UNIFIED SCHOOL DISTRICT NO. 253
Emporia, Kansas
DAISY FERGUSON GRIMES TRUST
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended June 30, 2020

SCHEDULE 2
(CONTINUED)

CASH RECEIPTS

Local Sources

Grants received from Daisy Ferguson Grimes Trust

\$ 4,178

EXPENDITURES

Grants and financial assistance for qualifying individuals

1,408

RECEIPTS OVER (UNDER)

EXPENDITURES

\$ 2,770

UNENCUMBERED CASH - BEGINNING

36,049

UNENCUMBERED CASH - ENDING

\$ 38,819

UNIFIED SCHOOL DISTRICT NO. 253
AGENCY FUNDS
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CASH BALANCE
 Regulatory Basis
 For the Year Ended June 30, 2020

SCHEDULE 3

	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Ending Cash Balance</u>
Student Clubs and Activities				
Emporia High School	\$ 92,819	\$ 149,531	\$ 165,211	\$ 77,139
Emporia Middle School	44,348	26,047	20,714	49,681
Total Student Clubs and Activities	<u>\$ 137,167</u>	<u>\$ 175,578</u>	<u>\$ 185,925</u>	<u>\$ 126,820</u>
Early Retirement Funding Account	\$ 7,503,935	\$ 757,873	\$ 517,381	\$ 7,744,427
Payroll Clearing Fund	-	5,630,594	-	5,630,594
Other Agency Funds	<u>1,232</u>	<u>36</u>	<u>888</u>	<u>380</u>
Total Agency Funds	<u>\$ 7,642,334</u>	<u>\$ 6,564,081</u>	<u>\$ 704,194</u>	<u>\$ 13,502,221</u>

UNIFIED SCHOOL DISTRICT NO. 253
DISTRICT ACTIVITIES FUND
SCHEDULE OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended June 30, 2020

	<u>Beginning Unencumbered Cash Balance</u>	<u>Prior Year Cancelled Encumbrances</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add Outstanding Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance Unencumbered Cash Balance</u>
Emporia High School	\$ 70,058	\$ -	\$ 203,666	\$ 182,480	\$ 91,244	\$ -	\$ 91,244
Emporia Middle School	25,023	-	24,258	22,721	26,560	-	26,560
Total District Activity Funds	<u>\$ 95,081</u>	<u>\$ -</u>	<u>\$ 227,924</u>	<u>\$ 205,201</u>	<u>\$ 117,804</u>	<u>\$ -</u>	<u>\$ 117,804</u>

UNIFIED SCHOOL DISTRICT NO. 253
Emporia, Kansas
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures
U.S. Department of Agriculture			
Passed through Kansas Department of Education			
Child Nutrition Cluster			
School Breakfast Program	10.533	DO253	\$ 239,623
National School Lunch Program	10.555	DO253	933,218
Summer Food Service Program for Children	10.559	DO253	330,015
Total Child Nutrition Cluster			<u>\$ 1,502,856</u>
Child and Adult Care Food Program	10.558	DO253	\$ 36,469
Fresh Fruit and Vegetable Program	10.582	DO253	43,461
Total U.S. Department of Agriculture			<u>\$ 1,582,786</u>
U.S. Department of Education			
Passed through Kansas Department of Education			
Special Education (IDEA) Cluster			
Special Education Grants to States	84.027	DO253	\$ 1,479,405
Special Education Preschool Grants	84.173	DO253	30,971
Total Special Education (IDEA) Cluster)			<u>\$ 1,510,376</u>
Career and Technical Education - Basic Grants to States	84.048	DO253	\$ 53,802
English Language Acquisition State Grants	84.365	DO253	116,986
Supporting Effective Instruction State Grants	84.367	DO253	94,313
Title I - Grants to Local Educational Agencies	84.010	DO253	818,250
Migrant Education State Grant Program	84.011	DO253	106,323
Special Education - Grants for Infants and Families	84.181A	DO253	155,932
Education Stabilization Fund	84.425D	DO253	247,333
Total U.S. Department of Education			<u>\$ 3,103,315</u>
TOTAL FEDERAL EXPENDITURES			<u>\$ 4,686,101</u>

UNIFIED SCHOOL DISTRICT NO. 253
Emporia, Kansas
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2020

Note 1: Organization

Unified School District No. 253, Emporia, Kansas, (the District), is the recipient of several federal awards. All federal awards received directly from federal agencies as well as those awards that are passed through other government agencies, are included on the schedule of Expenditures of Federal Awards.

Note 2: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the District, and is presented on the Kansas regulatory basis of accounting which includes cash disbursements, accounts payable and encumbrances. The information presented in this schedule is in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statement. The District elected not to use the 10% de minimis indirect cost rate.

Note 3: Local Government Contributions

Local cost sharing is required by certain federal grants. The amount of cost sharing varies with each program. Only the federal share of expenditures is presented in the Schedule of Expenditures of Federal Awards.

Note 4: Additional Audits

Grantor agencies reserve the right to conduct additional audits of the District's grant programs for economy and efficiency and program results that may result in disallowed costs to the District. However, management does not believe such audits would result in any disallowed costs that would be material to the District's financial position at June 30, 2020.

Note 5: Outstanding Loans

The District did not have any outstanding loans under any federal grants at June 30, 2020.

Note 6: Sub-recipient Grants

No federal awards were passed through to subrecipients

UNIFIED SCHOOL DISTRICT NO. 253
 Emporia, Kansas
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 June 30, 2020

Section I - Summary of Auditor's Results

Financial Statement

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified? Yes None

Reportable conditions identified not considered to be material weaknesses? Yes None reported

Noncompliance material to financial statement noted? Yes None

Federal Awards

Internal controls over major programs:

Material weaknesses identified? Yes No

Reportable conditions identified not considered to be material weaknesses? Yes None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200.516(a)? Yes No

Identification of major programs:

<u>Name of Federal program</u>	<u>CFDA Number</u>
Special Education Cluster (IDEA)	84.027 and 84.173
Title I - Low Income	84.010

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as a low-risk auditee? Yes No

Note:

Beginning with the year ended June 30, 2016, the criteria for determination of low-risk auditee status was changed by the U.S. Office of Management and Budget (OMB). Specifically, the regulatory basis of accounting prescribed by the State of Kansas does not meet the criteria established by OMB in the Uniform Grant Guidance (UGG). The District continues, however, to meet each of the other criteria for low-risk auditee status.

Section II - Financial Statement Findings

No matters were reported

Section III - Federal Award Findings and Questioned Costs

There were no current year findings or questioned costs.



December 4, 2020

Board of Education
Unified School District No. 253
Emporia, Kansas

**Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial Statement
Performed in Accordance With *Government Auditing Standards***

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. 253 (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statement, which collectively comprise the District's basic financial statement, and have issued our report thereon dated December 4, 2020.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or 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.

Our consideration of internal control over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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.

Varney & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas



December 4, 2020

Board of Education
Unified School District No. 253
Emporia, Kansas

**Independent Auditor's Report on Compliance for Each
Major Program and on Internal Control Over
Compliance In Accordance With the Uniform Guidance**

Report on Compliance for Each Major Federal Program

We have audited the compliance of Unified School District No. 253's (the District) compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2020. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above.

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

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

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

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

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

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

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 Uniform Guidance. According, this report is not suitable for any other purpose.

Varyney & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas