UNIFIED SCHOOL DISTRICT NO. 409

Atchison, Kansas

FINANCIAL STATEMENT

WITH

INDEPENDENT AUDITOR'S REPORT

June 30, 2021

VARNEY & ASSOCIATES, CPAs, LLC
Manhattan, Kansas

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas
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June 1, 2022

Board of Education
Unified School District No. 409
Atchison, Kansas

Independent Auditor's Report

We have audited the accompanying summary statement of receipts, expenditures, and unencumbered cash - regulatory basis of Unified School District No. 409 (the District), as of and for the year ended June 30, 2021 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 Statements
Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1 to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles
As described in Note 1 of the 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.

1501 Poyntz Avenue
Manhattan, KS 66502

785-537-2202 • fax 785-537-1877
http://www.varney.com

1020 Commercial St., Suite A
Emporia, KS 66801

Adverse Opinion on U.S. Generally Accepted Accounting Principles
In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2021, 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, 2021, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated June 1, 2022, on our consideration of the District's internal control over financial reporting and 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 reporting 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.

Varney & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended June 30, 2021

	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
GOVERNMENTAL TYPE FUNDS						
General Funds:						
General Fund	$ -	$ 12,409,501	$ 12,409,501	$ -	$ -	$ -
Supplemental General Fund	255,655	3,817,012	3,727,953	344,714	-	344,714
Special Purpose Funds						
At-Risk (4 year old)	38,567	65,927	65,923	38,571	-	38,571
At-Risk (K-12)	245,524	3,796,212	3,796,212	245,524	-	245,524
Bilingual Education	-	5,940	5,940	-	-	-
Capital Outlay	3,640,630	878,557	392,776	4,126,411	-	4,126,411
Driver Education	21,285	-	135	21,150	-	21,150
Food Service	445,063	1,016,253	912,096	549,220	-	549,220
KPERS Special Retirement Contribution	-	1,715,613	1,715,613	-	-	-
Professional Development	35,796	66,559	15,678	86,677	-	86,677
Parent Education	-	15,000	15,000	-	-	-
Special Education	543,707	3,928,141	3,919,962	551,886	-	551,886
Career and Postsecondary Education Fund	77,485	290,999	290,979	77,505	-	77,505
Gifts and Grants	67,033	79,729	66,660	80,102	-	80,102
Contingency Reserve	812,480	-	-	812,480	-	812,480
Textbook Rental	257,077	51,057	156,685	151,449	-	151,449
Carl Perkins	3,150	13,850	20,963	(3,963)	-	(3,963)
Title I	-	478,917	500,843	(21,926)	-	(21,926)
Title IIA	1,687	55,384	53,009	4,062	-	4,062
Title IVA	-	19,284	18,884	400	-	400
ESSER I	-	374,877	364,299	10,578	-	10,578
ESSER II	-	-	315,144	(315,144)	-	(315,144)
Sparks funds	(370,735)	519,457	148,722	-	-	-
District Activity funds	103,109	156,190	151,709	107,590	-	107,590
Debt Service Fund						
Bond and Interest	3,487,599	2,436,802	1,808,940	4,115,461	-	4,115,461
Capital Project						
Bond Proceeds	221,787	-	-	221,787	-	221,787
Total Primary Government	$ 9,886,899	$ 32,191,261	$ 30,873,626	$ 11,204,534	$ -	$ 11,204,534

(Continued)

The accompanying notes are an integral part of this financial statement.
See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended June 30, 2021

	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
GOVERNMENTAL TYPE FUNDS (CONTINUED)						
Component Unit						
Atchison Recreation Commission General	$ 202,808	$ 414,745	$ 377,933	$ 239,620	$ -	$ 239,620
Atchison Recreation Commission Employee Benefit	34,565	90,120	84,513	40,172	-	40,172
	$ 237,373	$ 504,865	$ 462,446	$ 279,792	$ -	$ 279,792
Total Reporting Entity (Excluding Agency Funds)	$ 10,124,272	$ 32,696,126	$ 31,336,072	$ 11,484,326	$ -	$ 11,484,326

Composition of Cash	
Checking Account	$ 11,409,174
Total Component Unit	279,792
Total Cash	$ 11,688,966
Less: Agency Funds per Statement 4	(204,640)
Total Reporting Entity	$ 11,484,326

STATEMENT 1 (CONTINUED)

The accompanying notes are an integral part of this financial statement.
See Independent Auditor's Report.

Note 1: Summary of Significant Accounting Policies

Unified School District No. 409 (the District) is a municipal corporation governed by an elected seven member board. The District as an entity has been defined to include, on a combined basis, (a) the District (b) organizations for which the District is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity's financial statement to be misleading or incomplete.

Discretely presented component unit - The component unit section of this financial statement includes the financial data of the discretely presented component unit. This component unit is reported separately to emphasize that it is legally separate from the District. The governing body of this component unit is appointed by the District.

Recreation Commission - The Recreation Commission oversees recreational activities: The Recreation commission operates a separate governing body but the District levies, the taxes for the Recreation Commission and the Recreation commission has only the powers granted by statute, K.S.A. 12-1928. The Recreation Commission cannot purchase real property, but can acquire real property by gift. The accounting policies of the Recreation Commission are the same as those of the District.

Basis of Presentation

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 balances on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

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

Fund Descriptions

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

The following types of funds comprise the financial activities of the District:

Governmental Funds

General Fund is used to account for all unrestricted resources except those required to be accounted for in another fund.

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

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

Bond and Interest Fund is used to account for the accumulation of resources for and the payment of interest and principal on general long-term debt.

Agency Fund is used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund; activity accounts, etc.).

Note 1: Summary of Significant Accounting Policies (Continued)

Reimbursed Expenses

Expenditures in the amount of $70,003 are classified as reimbursed expenses in the General Fund. The purpose of these expenditures is payment for goods and services in which fees are collected and such expenditures are exempt from the budget law under K.S.A. 79-2934.

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

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 1 of each year.
2. Publication in a local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5.
3. Public hearing on or before August 15, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25.

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 amendments this year.

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 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 budgeted expenditure authority lapses at year-end.

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

Textbook Rental	Title IIA	Spark
Carl Perkins	Contingency Reserve	Title IVA
District Activity	ESSER I	Title I Carryover
Title I	ESSER II	Title IIA Carryover

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

Note 1: Summary of Significant Accounting Policies (Continued)

Inventories and Prepaid Expenses

Inventories and prepaid expenses which benefit future periods are recorded as expenditures.

Use of Estimates

The process of preparing the financial statement requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates relate primarily to unsettled transactions and events as of the date of the financial statement. Accordingly, upon settlement, actual results may differ from estimated amounts.

Deficit Cash/Unencumbered Cash for Individual Funds

Funds with a Deficit Unencumbered Cash Balance- Generally, school districts are required by K.S.A. 10-1113 to limit fund expenditures to the available monies in that fund. K.S.A 12-1663, however, provides an exception for those funds which are to be financed by Federal government sources and other grants and gifts. This exception allows these funds to expend in excess of currently available resources with the expectation that the District will be reimbursed for qualifying grant expenditures.

The following funds had a deficit balance of unencumbered cash as of June 30, 2021: Carl Perkins, Title I, and ESSER II. These funds are financed by Federal and State governmental agencies and the District is expecting reimbursement of qualifying grant expenditures.

Note 2: Deposits and Investments

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

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

Custodial credit risk-deposits - Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may 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 District, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District did not utilize peak periods. All deposits were legally secured at June 30, 2021.

At June 30, 2021, the District's carrying amount of deposits was $11,409,174 and the bank balance was $12,429,438. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, $250,000 was covered by the federal depository insurance, and the remaining $12,179,438 was collateralized with bank pledged securities whose fair value on June 30, 2021 was $14,387,996. The pledged securities are held by a third party bank.

Note 3: In-Substance Receipt in Transit

The District received $787,069 subsequent to June 30, 2021 and as required by KS.A. 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2021.

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 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 16.15% and 14.41%, respectively, for the fiscal year ended June 30, 2020. The actuarially determined employer contribution rate and the statutory contribution rate was 15.59% and 14.23% for the fiscal year ended June 30, 2021.

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

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

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled $1,715,613 for the year ended June 30, 2021.

Note 4: Defined Benefit Pension Plan (Continued)

Net Pension Liability

At June 30, 2021, the District's proportionate share of the collective net pension liability reported by KPERS was $19,675,690. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019, which was rolled forward to June 30, 2020. 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, 2020. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement. The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described previously.

Note 5: 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. There have been no significant reductions in coverage from prior years and settlements have not exceeded coverage in the past three years.

Note 6: Stewardship, Compliance and Accountability

There were no violations noted of Kansas Statutes for the period under examination.

Note 7: Compensated Absences

Full time, twelve month, non-certified employees earn ten days of vacation time per year. After twelve years, fifteen days of vacation time are earned per year. Vacation time does not accumulate. Sick and emergency leave is accrued at the rate of one day per month worked during the year for all employees, with a maximum accumulation of ninety days. Any days accumulated over ninety are paid the following year at 65% of the beginning pay scale rates. Such pay is made in November after the end of the fiscal year. Certified Staff members who retire and apply for KPERS receive their unused sick and emergency leave at their daily rate. The District has not computed or recorded the liability at year end.

Note 8: Contingency

The District receives federal and state grants for specific purposes that are subject to review and audit by federal and state agencies. Such audits could result in a request for reimbursement by federal and state agencies for expenditures disallowed under the terms and conditions of the appropriate agency. In the opinion of the District's management, such disallowances, if any, will not be significant to the District's financial statement.

Note 9: Other Post Employment Benefits

As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the District is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in 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.

Note 10: Interfund Transfers

From	To	Statutory Authority	Amount
General Fund	Bilingual Fund	K.S.A. 72-6428	$ 5,940
General Fund	At-Risk (4 Year Old) Fund	K.S.A. 72-6428	59,927
General Fund	Special Education Fund	K.S.A. 72-6428	2,328,608
General Fund	At-Risk (K-12) Fund	K.S.A. 72-6428	1,880,325
General Fund	Professional Development Fund	K.S.A. 72-6428	64,147
General Fund	Career and Postsecondary	K.S.A. 72-6428	222,999
Supplemental General Fund	Special Education Fund	K.S.A. 72-6425	843,000
Supplemental General Fund	Career and Postsecondary	K.S.A. 72-6425	68,000
Supplemental General Fund	Parent Education Fund	K.S.A. 72-6425	15,000
Supplemental General Fund	At-Risk (K-12) Fund	K.S.A. 72-6425	1,915,887
Supplemental General Fund	At-Risk (4 Year Old) Fund	K.S.A. 72-6425	6,000
			$ 7,409,833

Note 11: Subsequent Events

Subsequent events for management's review have been evaluated through June 1, 2022. The date in the prior sentence is the date the financial statement is available to be issued.

Note 12: COVID-19

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

Note 13: CRF and CARES Act Funding

As a result of COVID-19, the State of Kansas has received Coronavirus Relief Funds (CRF) under the Coronavirus Aid, Relief and Economic Security (CARES) Act. The CRF were passed through to the counties of Kansas through Strengthening People and Revitalizing Kansas (SPARK). SPARK’s first round distribution was to local governments in the amount of $400 million. The District received CRF in the amount of $519,457 during fiscal year 2021. The CRF are to be used to strengthen health, to allow the economy to reopen safely and to remain open. Additional information and updates on SPARK, the CARES Act and CRF, which includes audit requirements, can be found at https://covid.ks.gov/.

Note 14: Long-Term Debt

General Long-Term Debt

The District is subject to statutes of the State of Kansas, which limit the bonded debt outstanding to 14% of the assessed valuation. The District requested and received approval under K.S.A. 75-2315 which allows the issuance of bonded debt in excess of the general bond debt limitation.

Following is a summary of long-term debt transactions of the District's for the year ended June 30, 2021:

	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Changes	Balance End of Year	Interest Paid
General Obligation Bonds										
Series 2011-B	3.00%	12/15/11	$ 6,080,000	9/1/22	$ 3,780,000.0	$ -	$ 1,260,000	$ (1,260,000)	$ 2,520,000	$ 94,500
Series 2013-A	3.00%	9/1/13	14,515,000	9/1/31	10,115,000	-	85,000	(85,000)	10,030,000	337,593
Series 2013-B	3.00%	3/1/14	980,000	9/1/34	805,000	-	-	-	805,000	31,847
Lease Purchase										
Computer Equipment - Teachers	2.25%	5/17/20	$ 200,666	5/17/23	$ 149,831.0	$ -	$ 49,502	$ (49,502)	$ 100,329	$ 1,334
Computer Equipment - iPads	0.00%	4/25/19	386,120	4/25/22	193,060	-	96,530	(96,530)	96,530	-
Total Long-Term Debt					$ 15,042,891	$ -	$ 1,491,032	$ (1,491,032)	$ 13,551,859	$ 465,274

Note 14: Long-Term Debt (Continued)

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

	2022	2023	2024	2025	2026	2027-2031	2032-2035	Total
Principal								
General Obligation Bonds	$ 1,430,000	$ 1,540,000	$ 1,170,000	$ 1,270,000	$ 1,315,000	$ 5,635,000	$ 995,000	$ 13,355,000
Capital Leases	146,472	50,387	-	-	-	-	-	196,859
Total Principal	$ 1,576,472	$ 1,590,387	$ 1,170,000	$ 1,270,000	$ 1,315,000	$ 5,635,000	$ 995,000	$ 13,551,859
Interest								
General Obligation Bonds	$ 422,315	$ 1,846,203	$ 340,264	$ 297,589	$ 246,389	$ 561,382	$ 38,685	$ 3,752,827
Capital Leases	893	448	-	-	-	-	-	1,341
Total Interest	$ 423,208	$ 1,846,651	$ 340,264	$ 297,589	$ 246,389	$ 561,382	$ 38,685	$ 3,754,168
TOTAL PRINCIPAL AND INTEREST	$ 1,999,680	$ 3,437,038	$ 1,510,264	$ 1,567,589	$ 1,561,389	$ 6,196,382	$ 1,033,685	$ 17,306,027

REGULATORY-REQUIRED SUPPLEMENTAL INFORMATION

ATCHISON UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021

Funds	Certified Budget	Adjustments to Comply with Legal Max	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
Governmental Type Funds:						
General Fund	$ 13,117,599	$ (778,101)	$ 70,003	$ 12,409,501	$ 12,409,501	$ -
Supplemental General Fund	3,962,546	(234,593)	-	3,727,953	3,727,953	-
Special Revenue Funds						
At-Risk (4 year old)	109,777	-	-	109,777	65,923	(43,854)
At-Risk (K-12)	4,117,339	-	-	4,117,339	3,796,212	(321,127)
Bilingual Education	20,000	-	-	20,000	5,940	(14,060)
Capital Outlay	4,138,108	-	-	4,138,108	392,776	(3,745,332)
Driver Education	25,785	-	-	25,785	135	(25,650)
Food Service	1,409,345	-	-	1,409,345	912,096	(497,249)
KPERS Special Retirement Contribution	2,605,459	-	-	2,605,459	1,715,613	(889,846)
Professional Development	72,094	-	-	72,094	15,678	(56,416)
Parent Education	15,000	-	-	15,000	15,000	-
Special Education	5,153,895	-	-	5,153,895	3,919,962	(1,233,933)
Career and Post Secondary Education Fund	380,444	-	-	380,444	290,979	(89,465)
Gifts and Grants	317,033	-	-	317,033	66,660	(250,373)
Bond and Interest	1,808,945	-	-	1,808,945	1,808,940	(5)
Component Units						
Atchison Recreation Commission General	481,893	-	-	481,893	377,933	(103,960)
Atchison Recreation Commission Employee Benefit	85,150	-	-	85,150	84,513	(637)
Total Funds	$ 37,820,412	$ (1,012,694)	$ 70,003	$ 36,877,721	$ 29,605,814	$ (7,271,907)

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas
GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021

	Current Year		
	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Local Sources			
Reimbursement	$ 70,003	$ -	$ 70,003
State Sources			
State Aid	10,187,448	10,643,447	(455,999)
Special Education Aid	2,152,050	2,474,152	(322,102)
Total Cash Receipts	$ 12,409,501	$ 13,117,599	$ (708,098)
EXPENDITURES			
Instruction	$ 3,693,491	$ 3,630,668	$ 62,823
Student support services	291,209	276,116	15,093
Instruction support staff	101,222	113,925	(12,703)
General administration	410,661	459,175	(48,514)
School administration	1,064,700	1,067,289	(2,589)
Central services	105,832	106,334	(502)
Operations and maintenance	1,753,606	1,704,845	48,761
Student transportation services	426,834	463,283	(36,449)
Operating transfers	4,561,946	5,295,964	(734,018)
Adjustments for qualifying budget credits	-	70,003	(70,003)
Adjustment to comply with legal maximum	-	(778,101)	778,101
Total Expenditures	$ 12,409,501	$ 12,409,501	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ -		
UNENCUMBERED CASH - BEGINNING	-		
UNENCUMBERED CASH - ENDING	$ -		

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas
SUPPLEMENTAL GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021

	Current Year		
	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Local Sources			
Ad valorem property tax	$ 1,369,977	$ 1,437,774	$ (67,797)
Delinquent tax	-	7,407	(7,407)
Motor vehicle tax	165,905	137,973	27,932
RV tax	1,750	1,306	444
CV tax	-	2,366	(2,366)
Miscellaneous	110	-	110
State Sources			
Special Education Aid	2,279,270	2,422,701	(143,431)
Total Cash Receipts	$ 3,817,012	$ 4,009,527	$ (192,515)
EXPENDITURES			
Instruction	$ 295,816	$ 267,378	$ 28,438
Instruction support staff	262,371	255,660	6,711
School administration	250,976	413,000	(162,024)
Operations and maintenance	70,903	70,000	903
Operating transfers	2,847,887	2,956,508	(108,621)
Adjustments for qualifying budget credits	-	-	-
Adjustment to comply with legal maximum	-	(234,593)	234,593
Total Expenditures	$ 3,727,953	$ 3,727,953	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ 89,059		
UNENCUMBERED CASH - BEGINNING	255,655		
UNENCUMBERED CASH - ENDING	$ 344,714		

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas
AT-RISK FUND (4 YEAR OLD)
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021

	Current Year		
	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Operating transfers	$ 65,927	$ 71,211	$ (5,284)
EXPENDITURES			
Instruction	$ 65,923	$ 109,777	$ (43,854)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 4	$ (38,566)	$ 38,570
UNENCUMBERED CASH - BEGINNING	38,567		
UNENCUMBERED CASH - ENDING	$ 38,571		

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas
AT-RISK FUND (K-12)
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021

	Current Year		
	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Operating transfers	$ 3,796,212	$ 3,871,819	$ (75,607)
EXPENDITURES			
Instruction	$ 3,386,196	$ 3,717,428	$ (331,232)
Student support services	173,423	163,553	9,870
Instruction support staff	103,435	101,663	1,772
School administration	132,593	134,130	(1,537)
Operations and maintenance	565	565	-
Total Expenditures	$ 3,796,212	$ 4,117,339	$ (321,127)
RECEIPTS OVER (UNDER) EXPENDITURES	$ -		
UNENCUMBERED CASH - BEGINNING	245,524		
UNENCUMBERED CASH - ENDING	$ 245,524		

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas
BILINGUAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021

	Current Year		
	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Operating transfers	$ 5,940	$ 20,000	$ (14,060)
EXPENDITURES			
Instruction	$ 5,940	$ 20,000	$ (14,060)
RECEIPTS OVER (UNDER) EXPENDITURES	$ -		
UNENCUMBERED CASH - BEGINNING	-		
UNENCUMBERED CASH - ENDING	$ -		

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas
CAPITAL OUTLAY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021

	Current Year		
	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	$ 461,751	$ 399,050	$ 62,701
Delinquent tax	-	2,379	(2,379)
Interest on idle funds	33,925	125,000	(91,075)
Motor vehicle tax	53,305	44,321	8,984
RV tax	562	420	142
CV tax	-	760	(760)
Other	75,080	760	74,320
State Sources			
State Aid	253,934	266,619	(12,685)
Total Cash Receipts	$ 878,557	$ 839,309	$ 39,248
EXPENDITURES			
Instruction	$ 231,873	$ 2,000,000	$ (1,768,127)
Operations and maintenance	160,903	2,138,108	(1,977,205)
Total Expenditures	$ 392,776	$ 4,138,108	$ (3,745,332)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 485,781		
UNENCUMBERED CASH - BEGINNING	3,640,630		
UNENCUMBERED CASH - ENDING	$ 4,126,411		

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas
DRIVER TRAINING FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021

	Current Year		
	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
State Sources			
State Aid	$ -	$ 4,500	$ (4,500)
EXPENDITURES			
Instruction	$ 135	$ 15,000	$ (14,865)
Operations and maintenance	-	10,785	(10,785)
Total Expenditures	$ 135	$ 25,785	$ (25,650)
RECEIPTS OVER (UNDER) EXPENDITURES	$ (135)		
UNENCUMBERED CASH - BEGINNING	21,285		
UNENCUMBERED CASH - ENDING	$ 21,150		

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas
FOOD SERVICE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021

	Current Year		
	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Local Sources			
Charges for services	$ 8,229	$ 163,691	$ (155,462)
Interest on idle fund	1,414	10,000	(8,586)
Gifts and grants	9,948	-	9,948
Miscellaneous revenues	33,856	50,169	(16,313)
State Sources			
School food assistance	9,060	7,720	1,340
Federal Sources			
Child nutrition programs	953,746	732,872	220,874
Total Cash Receipts	$ 1,016,253	$ 964,452	$ 51,801
EXPENDITURES			
Food service operations	$ 912,096	$ 1,409,345	$ (497,249)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 104,157		
UNENCUMBERED CASH - BEGINNING	445,063		
UNENCUMBERED CASH - ENDING	$ 549,220		

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas
KPERS SPECIAL RETIREMENT CONTRIBUTION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021

	Current Year		
	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
State Sources			
State Aid	$ 1,715,613	$ 2,605,459	$ (889,846)
EXPENDITURES			
Instruction	$ 1,203,031	$ 1,827,012	$ (623,981)
Student support services	92,529	140,521	(47,992)
Instruction support staff	53,960	81,948	(27,988)
General administration	65,276	99,133	(33,857)
School administration	132,679	201,496	(68,817)
Operations and maintenance	107,876	163,829	(55,953)
Central support services	10,657	16,185	(5,528)
Food service operations	49,605	75,335	(25,730)
Total Expenditures	$ 1,715,613	$ 2,605,459	$ (889,846)
RECEIPTS OVER (UNDER) EXPENDITURES	$ -		
UNENCUMBERED CASH - BEGINNING	-		
UNENCUMBERED CASH - ENDING	$ -		

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas
PROFESSIONAL DEVELOPMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021

	Current Year		
	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Local Sources			
Other	$ 350	$ -	$ 350
State Sources			
Professional Development Aid	2,062	12,000	(9,938)
Operating transfers	64,147	30,000	34,147
Total Cash Receipts	$ 66,559	$ 42,000	$ 24,559
EXPENDITURES			
Instruction	$ 15,678	$ 72,094	$ (56,416)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 50,881		
UNENCUMBERED CASH - BEGINNING	35,796		
UNENCUMBERED CASH - ENDING	$ 86,677		

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas
PARENT EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021

	Current Year		
	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Operating transfers	$ 15,000	$ 15,000	$ -
EXPENDITURES			
Student support services	$ 15,000	$ 15,000	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ -	$ -	$ -
UNENCUMBERED CASH - BEGINNING	-		
UNENCUMBERED CASH - ENDING	$ -		

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas
SPECIAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021

	Current Year		
	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Local Sources			
Other	$ 52,679	$ 68,608	$ (15,929)
Federal Sources			
Federal Aid	703,854	600,097	103,757
Operating transfers	3,171,608	3,941,483	(769,875)
Total Cash Receipts	$ 3,928,141	$ 4,610,188	$ (682,047)
EXPENDITURES			
Instruction	$ 2,683,659	$ 3,873,016	$ (1,189,357)
Student support services	782,165	779,519	2,646
General administration	147,554	144,009	3,545
Student transportation services	306,584	357,351	(50,767)
Total Expenditures	$ 3,919,962	$ 5,153,895	$ (1,233,933)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 8,179		
UNENCUMBERED CASH - BEGINNING	543,707		
UNENCUMBERED CASH - ENDING	$ 551,886		

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas
CAREER AND POSTSECONDARY EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021

	Current Year		
	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Operating transfers	$ 290,999	$ 302,959	$ (11,960)
EXPENDITURES			
Instruction	$ 290,979	$ 380,444	$ (89,465)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 20		
UNENCUMBERED CASH - BEGINNING	77,485		
UNENCUMBERED CASH - ENDING	$ 77,505		

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas
GIFTS AND GRANTS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021

	Current Year		
	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Local Sources			
Gifts and grants	$ 79,729	$ 250,000	$ (170,271)
EXPENDITURES			
Instruction	$ 66,660	$ 317,033	$ (250,373)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 13,069		
UNENCUMBERED CASH - BEGINNING	67,033		
UNENCUMBERED CASH - ENDING	$ 80,102		

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas
BOND AND INTEREST FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021

	Current Year		
	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Local Sources			
Ad valorem property tax	$ 1,292,821	$ 1,117,413	$ 175,408
Delinquent tax	-	6,573	(6,573)
Motor vehicle tax	147,508	122,706	24,802
RV tax	1,556	1,161	395
CV tax	-	2,104	(2,104)
State Sources			
State aid	994,917	994,918	(1)
Total Cash Receipts	$ 2,436,802	$ 2,244,875	$ 191,927
EXPENDITURES			
Debt service	$ 1,808,940	$ 1,808,945	$ (5)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 627,862		
UNENCUMBERED CASH - BEGINNING	3,487,599		
UNENCUMBERED CASH - ENDING	$ 4,115,461		

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas
BOND PROCEEDS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
Regulatory Basis
For the Year Ended June 30, 2021

	2020 Actual	2021 Actual
CASH RECEIPTS		
Local Sources		
Interest on idle funds	$ -	$ -
EXPENDITURES		
Facility acquisition and construction	$ -	$ -
RECEIPTS OVER (UNDER) EXPENDITURES	$ -	$ -
UNENCUMBERED CASH - BEGINNING	-	221,787
UNENCUMBERED CASH - ENDING	$ -	$ 221,787

*This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas
RECREATION COMMISSION - GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021

	Current Year		
	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	$ 296,224	$ 251,604	$ 44,620
Delinquent tax	-	1,111	(1,111)
Motor vehicle tax	27,485	23,127	4,358
RV tax	361	219	142
CV tax	604	397	207
Local - Other	48,790	75,000	(26,210)
Miscellaneous revenues	41,281	-	41,281
Total Cash Receipts	$ 414,745	$ 351,458	$ 63,287
EXPENDITURES			
Community service operations	$ 377,933	$ 481,893	$ (103,960)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 36,812		
UNENCUMBERED CASH - BEGINNING	202,808		
UNENCUMBERED CASH - ENDING	$ 239,620		

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas
RECREATION COMMISSION - EMPLOYEE BENEFITS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis
For the Year Ended June 30, 2021

	Current Year		
	Actual	Budget	Variance - Over (Under)
CASH RECEIPTS			
Taxes and Shared Revenue			
Ad valorem property tax	$ 81,840	$ 69,605	$ 12,235
Delinquent tax	-	346	(346)
Motor vehicle tax	8,013	6,721	1,292
RV tax	101	63	38
CV tax	166	115	51
Total Cash Receipts	$ 90,120	$ 76,850	$ 13,270
EXPENDITURES			
Community service operations	$ 84,513	$ 85,150	$ (637)
RECEIPTS OVER (UNDER) EXPENDITURES	$ 5,607		
UNENCUMBERED CASH - BEGINNING	34,565		
UNENCUMBERED CASH - ENDING	$ 40,172		

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended June 30, 2021

	Carl Perkins	Contingency Reserve	ESSER I	ESSER II	Textbook	Title I
CASH RECEIPTS						
Other	$ -	$ -	$ -	$ -	$ 51,057	$ -
Federal aid	13,850	-	374,877	-	-	70,141
Agency						
Total Cash Receipts	$ 13,850	$ -	$ 374,877	$ -	$ 51,057	$ 70,141
EXPENDITURES						
Instruction	$ 20,963	$ -	$ 364,299	$ 291,069	$ 152,912	$ 70,140
Student support services	-	-	-	338	-	-
Instruction support staff	-	-	-	15,695	3,773	-
Student transportation services	-	-	-	8,042	-	-
Total Expenditures	$ 20,963	$ -	$ 364,299	$ 315,144	$ 156,685	$ 70,140
RECEIPTS OVER (UNDER) EXPENDITURES	$ (7,113)	$ -	$ 10,578	$ (315,144)	$ (105,628)	$ 1
UNENCUMBERED CASH - BEGINNING	3,150	812,480	-	-	257,077	-
UNENCUMBERED CASH - ENDING	$ (3,963)	$ 812,480	$ 10,578	$ (315,144)	$ 151,449	$ 1

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended June 30, 2021

	Title I Carryover	Title IIA	Title IIA Carryover	Title IVA 2021-2022	Sparks Funds
CASH RECEIPTS					
Other	$ -	$ -	$ -	$ -	$ -
Federal aid	408,776	8,268	47,116	19,284	519,457
Agency	-	-	-	-	-
Total Cash Receipts	$ 408,776	$ 8,268	$ 47,116	$ 19,284	$ 519,457
EXPENDITURES					
Instruction	$ 430,703	$ 9,955	$ 43,054	$ 18,884	$ 148,722
Student support services	-	-	-	-	-
Instruction support staff	-	-	-	-	-
Student transportation services	-	-	-	-	-
Total Expenditures	$ 430,703	$ 9,955	$ 43,054	$ 18,884	$ 148,722
RECEIPTS OVER (UNDER) EXPENDITURES	$ (21,927)	$ (1,687)	$ 4,062	$ 400	$ 370,735
UNENCUMBERED CASH - BEGINNING	-	1,687	-	-	(370,735)
UNENCUMBERED CASH - ENDING	$ (21,927)	$ -	$ 4,062	$ 400	$ -

SCHEDULE 2-S (CONTINUED)

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas
AGENCY FUNDS
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
Regulatory Basis
For the Year Ended June 30, 2021

	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Payroll liabilities				
Revolving	$ 93,331	$ 98,121	$ 90,007	$ 101,445
Flex Spending	40,297	55,394	65,606	30,085
Total Payroll Funds	$ 133,628	$ 153,515	$ 155,613	$ 131,530
Atchison High School	$ 37,198	$ 35,527	$ 25,480	$ 47,245
Atchison Middle School	23,077	12,530	16,957	18,650
Atchison Elementary School	7,255	3,126	3,321	7,060
Atchison Alternative School	672	3,354	3,871	155
Total School Funds	$ 68,202	$ 54,537	$ 49,629	$ 73,110
Total Agency Funds	$ 201,830	$ 208,052	$ 205,242	$ 204,640

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas
DISTRICT ACTIVITY FUNDS
SCHEDULE OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH
Regulatory Basis
For the Year Ended June 30, 2021

	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Ending Cash Balance
Gate Receipts					
Atchison Middle School	$ 1,786	$ 10,401	$ 11,799	$ 388	$ 388
Atchison High School	14,149	47,405	45,942	15,612	15,612
Total Gate Receipts	$ 15,935	$ 57,806	$ 57,741	$ 16,000	$ 16,000
School Projects					
Atchison High School	$ 58,198	$ 64,522	$ 55,901	$ 66,819	$ 66,819
Atchison Middle School	21,070	14,864	20,137	15,797	15,797
Atchison Elementary School	7,906	18,998	17,930	8,974	8,974
Total School Projects	$ 87,174	$ 98,384	$ 93,968	$ 91,590	$ 91,590
Total District Activity	$ 103,109	$ 156,190	$ 151,709	$ 107,590	$ 107,590

VARNEY
& ASSOCIATES, CPAs, LLC

June 1, 2022

Board of Education
Unified School District No. 409
Atchison, 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 the 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 the Unified School District No. 409 (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statement, which collectively comprise the District's basic financial statement, and have issued our report thereon dated June 1, 2022.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a deficiency, or combination of control 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 the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be material weaknesses or significant deficiencies. Given these limitations during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

1501 Poyntz Avenue
Manhattan, KS 66502

785-537-2202 • fax 785-537-1877
http://www.varney.com

1020 Commercial St., Suite A
Emporia, KS 66801

June 1, 2022
Unified School District No. 409
Atchison, Kansas

Compliance and Other Matters

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

Purpose of this Report

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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Varney & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

June 1, 2022

Board of Education
Unified School District No. 409
Atchison, Kansas

Independent Auditor's Report on Compliance for Each Major Federal Program and Report 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. 409 (the District) 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, 2021. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management'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 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 a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

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

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Manhattan, KS 66502

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http://www.varney.com

1020 Commercial St., Suite A
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June 1, 2022
Unified School District No. 409
Atchison, Kansas

Report on Internal Control Over Compliance

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

A *deficiency in internal control over compliance* exists when the design or operation of a control 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.

This purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. According, this report is not suitable for any other purpose.

Varney & Associates, CPAs, LLC

Certified Public Accountants
Manhattan, Kansas

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

	Federal AL Number		Pass-Thru Entity Identifying Number	Federal Award Expenditures	Subrecipient Expenditures
U.S. Dept. of Education					
Passed through State Department of Education					
Special Education (IDEA) Cluster					
EHC Flo-Thru	84.027A		DO409	$ 496,693	$ -
ED Flo-Thru	84.173A		DO409	22,439	-
Total Special Education (IDEA) Cluster				$ 519,132	$ -
Title I	84.010A		DO409	$ 478,917	$ -
Program Improvement	84.048A		DO409	13,850	-
Title II - Teacher Quality	84.367A		DO409	53,009	-
ESSA Student Support	84.424A		DO409	18,884	-
Covid-19 ESSER I	84.425D		DO409	364,299	-
Total U.S. Dept. of Education				$ 1,448,091	$ -
U.S. Dept. of Agriculture					
Passed through State Department of Agriculture					
Child Nutrition Cluster					
Covid-19 Nat'l School Lunch Program	10.555	*	DO409	$ 106,627	$ -
SFS - Food	10.559	*	DO409	783,892	-
Total Child Nutrition Cluster				$ 890,519	$ -
Fresh Fruits and Vegetables	10.582		DO409	$ 21,577	$ -
Total U.S. Dept. of Agriculture				$ 912,096	$ -
TOTAL FEDERAL ASSISTANCE				$ 2,360,187	$ -

* Major Program

NOTE A: BASIS OF PRESENTATION

This schedule is prepared on a basis of accounting that demonstrates compliance with the cash basis. Cash receipts are recognized when the cash balance of a fund is increased. Cash disbursements are recognized when the cash balance of a fund is decreased. Expenditures include disbursements, accounts payable and encumbrances. The information in this schedule is presented 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 (Uniform Guidance).

NOTE B: INDIRECT COST RATE

The District does not allocate indirect costs to its federal award program. Accordingly, use of the 10% de minimis indirect cost rate provisioned by the Uniform Guidance, Section 414, is not applicable.

NOTE C: NON-CASH ASSISTANCE, INSURANCE, AND LOANS

The District did not receive or expend any federal awards in the form of non-cash assistance, insurance, loans or loan guarantees, including interest subsidies during the year ended June 30, 2021.

UNIFIED SCHOOL DISTRICT NO. 409
Atchison, Kansas
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2021

Section I - Summary of Auditor's Results

Financial Statements

Type of auditors' report issued:	Unmodified	
Internal control over financial reporting:		
Material weaknesses identified?	___ Yes	X None
Significant deficiencies identified not considered to be material weaknesses?	___ Yes	X None reported
Noncompliance material to financial statements noted?	___ Yes	X None

Federal Awards

Internal controls over major programs:		
Material weaknesses identified?	___ Yes	X No
Significant deficiencies identified not considered to be material weaknesses?	___ Yes	X 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	X No

Identification of major programs:

Name of Federal Program	CFDA Number
Food Assistance - Lunch	10.555
Food Assistance - Summer Food	10.559

Dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000	
Auditee qualified as a low-risk auditee?	___ Yes	X No

NOTE: Beginning with the year ended June 30, 2016, the criteria for determination of low-risk auditee status changed by the U.S. Office of Management and Budget (OMB). Specifically, the auditee status 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

No matters were reported