

**UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS**

**FINANCIAL STATEMENT
with
INDEPENDENT AUDITOR'S REPORT
and
UNIFORM GUIDANCE REPORTS
YEAR ENDED JUNE 30, 2020**

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Unified School District No. 363
Holcomb, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash of Unified School District No. 363, as of and for the year ended June 30, 2020, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note A; 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 the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

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

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

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

As described in Note A, the financial statement is prepared by Unified School District No. 363 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 A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District No. 363 as of June 30, 2020, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balances of Unified School District No. 363 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 A.

Other Matters

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 (basic financial statement) as a whole. The summary of regulatory basis expenditures – actual and budget, individual fund schedules of regulatory basis receipts and expenditures, schedule of regulatory basis receipts, expenditures and unencumbered cash – district activity funds, and summary of regulatory basis receipts and disbursements – agency 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*. The schedule of expenditures of federal awards is presented for additional analysis as required by the Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note A.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of Unified School District No. 363 as of and for the year ended June 30, 2019 (not presented herein), and have issued our report thereon dated February 7, 2020, which contained an unmodified opinion on the basic financial statement. The 2019 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the website of the Kansas Department of Administration at the following link: <https://admin.ks.gov/offices/oar/municipal-services/municipal-audits>. The 2019 actual column (2019 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures for the year ended June 30, 2020 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2019 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2019 basic financial statement. The 2019 comparative information was subjected to the auditing procedures applied in the audit of the 2019 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2019 basic financial statement or to the 2019 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2019 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole, for the year ended June 30, 2019, on the basis of accounting described in Note A.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 4, 2021, on our consideration of Unified School District No. 363'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 solely 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 effectiveness of Unified School District No. 363's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Unified School District No. 363's internal control over financial reporting and compliance.

Kennedy McKee & Company LLP

February 4, 2021

**UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS**

**SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH
REGULATORY BASIS**

For the Year Ended June 30, 2020

<u>Fund</u>	Beginning unencumbered cash balance (deficit)	Prior year canceled encumbrances
General funds:		
General	\$ -	\$ -
Supplemental general	147,146	4,400
Total general funds	<u>147,146</u>	<u>4,400</u>
Special purpose funds:		
Bilingual education	2,181	-
Capital outlay	1,701,286	31,048
Driver training	30,147	-
Food service	84,077	-
Professional development	49,317	-
Parents as teachers	25,000	-
Special education	563,862	-
Career and postsecondary education	68,342	-
At-risk (4-year-old)	2,141	-
At-risk (K-12)	15,218	-
KPERs special retirement contribution	-	-
Recreation commission	-	-
Recreation commission employee benefits	-	-
Non-budgeted special purpose funds:		
Title II-A	-	-
Gift	12,919	-
Migrant grant	(5,232)	-
Title I-A	-	-
Title I-migrant	-	-
ESSER grant	-	-
Holowach estate	597,636	-
Health council	6,728	-
Contingency reserve	686,918	-
Student materials	89,849	-
Title III ESL	-	-
District activity funds	<u>20,700</u>	<u>-</u>
Total special purpose funds	<u>3,951,089</u>	<u>31,048</u>
Bond and interest fund:		
Bond and interest	<u>722,582</u>	<u>-</u>
Capital project fund:		
Capital improvement	<u>-</u>	<u>-</u>
Total Unified School District No. 363 (excluding agency funds)	<u>\$ 4,820,817</u>	<u>\$ 35,448</u>

<u>Receipts</u>	<u>Expenditures</u>	<u>Ending unencumbered cash balance (deficit)</u>	<u>Add encumbrances and accounts payable</u>	<u>Ending cash balance</u>
\$ 7,162,267	\$ 7,162,267	\$ -	\$ 261,157	\$ 261,157
2,395,420	2,422,435	124,531	26,182	150,713
<u>9,557,687</u>	<u>9,584,702</u>	<u>124,531</u>	<u>287,339</u>	<u>411,870</u>
181,116	154,817	28,480	7,249	35,729
863,817	574,287	2,021,864	130,732	2,152,596
11,265	11,387	30,025	5,512	35,537
592,121	572,121	104,077	21,275	125,352
50,856	30,856	69,317	483	69,800
95,000	75,000	45,000	1,261	46,261
911,802	881,802	593,862	-	593,862
324,331	193,959	198,714	14,917	213,631
93,264	83,264	12,141	6,381	18,522
845,505	835,505	25,218	42,106	67,324
890,111	890,111	-	-	-
395,214	395,214	-	-	-
109,832	109,832	-	-	-
22,551	22,551	-	1,976	1,976
171,270	179,448	4,741	2,412	7,153
10,300	5,068	-	-	-
179,945	179,945	-	9,059	9,059
37,000	37,000	-	3,247	3,247
-	604	(604)	604	-
3,246	1,500	599,382	-	599,382
-	-	6,728	-	6,728
61,000	-	747,918	-	747,918
83,072	47,174	125,747	1,521	127,268
10,973	10,973	-	2,735	2,735
108,715	110,804	18,611	-	18,611
<u>6,052,306</u>	<u>5,403,222</u>	<u>4,631,221</u>	<u>251,470</u>	<u>4,882,691</u>
<u>332,649</u>	<u>195,075</u>	<u>860,156</u>	<u>-</u>	<u>860,156</u>
<u>337</u>	<u>337</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 15,942,979</u>	<u>\$ 15,183,336</u>	<u>\$ 5,615,908</u>	<u>\$ 538,809</u>	<u>\$ 6,154,717</u>

**UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS**

**SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH
REGULATORY BASIS**

For the Year Ended June 30, 2020

	<u>Ending cash balance</u>
Composition of cash:	
Demand deposits	\$ 5,517,720
Certificates of deposit	<u>750,000</u>
	6,267,720
Agency funds	<u>(113,003)</u>
Total Unified School District No. 363 (excluding agency funds)	<u><u>\$ 6,154,717</u></u>

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

**UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS**

NOTES TO THE FINANCIAL STATEMENT

June 30, 2020

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies applied in the preparation of the accompanying financial statement is presented to assist in understanding the District's financial statement. The financial statement, schedules, and notes are representations of the District's management, which is responsible for their integrity and objectivity.

1. Municipal Financial Reporting Entity

Unified School District No. 363 is a municipal corporation governed by an elected seven-member board. A related municipal entity is an entity established to benefit the District and/or its constituents. This financial statement does not include the following related municipal entity:

Holcomb Recreation Commission. The Commission oversees recreational activities. Four of the five members of the governing board are appointed by the Board of Education. The Commission operates as a separate governing body, but the District levies the taxes for the Commission and the Commission has only the powers granted by K.S.A. 12-1928. The Commission cannot purchase real property but can acquire real property by gift.

2. Basis of Presentation – Fund Accounting

The accounts of the District are organized and operated on the basis of funds. In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

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

REGULATORY BASIS FUND TYPES

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

Special Purpose funds – used to account for the proceeds of specific tax levies and other specific regulatory receipt 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, etc.) and payment of general long-term debt.

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

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Basis of Presentation – Fund Accounting (Continued)

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

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

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

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

4. Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for general funds, special purpose funds (unless specifically exempted by statute) and bond and interest funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

- a. Preparation of the budget for the succeeding fiscal year on or before August 1st.
- b. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
- c. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
- d. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held, and the governing body may amend the budget at that time. There were no such budget amendments for the year ended June 30, 2020.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Budgetary Information (Continued)

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received, and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

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

Gift	Contingency Reserve
Holowach Estate	Student Materials
Health Council	District Activity Funds

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

5. In-Substance Receipt in Transit

The District received \$331,244 subsequent to June 30, 2020 and, as required by K.S.A. 72-6417 and 72-6434, the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2020.

B. COMPLIANCE WITH KANSAS STATUTES

References made herein to the statutes are not intended as interpretations of law but are offered for consideration of the Director of Accounts and Reports, the State Department of Education, and legal representatives of the District.

The cash basis law provided by K.S.A. 10-1113 prohibits the creation of indebtedness in any fund in excess of monies available in that fund. Although the ESSER Grant fund overspent its cash by \$604, according to K.S.A. 12-1664, the District is not prohibited from financing the federal share of a local program from current funds, if available.

C. DEPOSITS AND INVESTMENTS

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

C. DEPOSITS AND INVESTMENTS (CONTINUED)

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.

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. All deposits were legally secured at June 30, 2020.

At June 30, 2020, the District's carrying amount of deposits was \$6,267,720, and the bank balance was \$6,455,718. Of the bank balance, \$500,000 was covered by federal depository insurance and \$5,955,718 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

D. CAPITAL PROJECTS

Capital project authorizations with approved change orders compared with cash disbursements and accounts payable from inception are as follows:

	Project commitments authorized	Cash disbursements and accounts payable to date	Remaining financial commitment
WES,HES,HMS Safety and Security Upgrades	\$ 1,834,140	\$ 1,834,140	\$ -
HHS Additions and Renovations	4,268,086	4,214,212	53,874
LED Light Upgrades	325,149	325,149	-
Football Grandstand Upgrades	44,833	44,833	-
	<u>\$ 6,472,208</u>	<u>\$ 6,418,334</u>	<u>\$ 53,874</u>

E. LONG-TERM DEBT

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

Issue	Balance beginning of year	Additions/ net change	Reductions/ net change	Balance end of year	Interest paid
General obligation bonds: Series 2017 Issued December 28, 2017 In the amount of \$4,040,000 At interest rate of 3.00% Maturing September 1, 2033	<u>\$4,040,000</u>	<u>\$ -</u>	<u>\$ 75,000</u>	<u>\$3,965,000</u>	<u>\$ 120,075</u>

E. LONG-TERM DEBT (CONTINUED)

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

	Principal due	Interest due	Total due
2021	\$ 225,000	\$ 115,575	\$ 340,575
2022	230,000	108,750	338,750
2023	240,000	101,700	341,700
2024	250,000	94,350	344,350
2025	260,000	86,700	346,700
2026-2030	1,435,000	308,925	1,743,925
2031-2034	1,325,000	81,225	1,406,225
Total	<u>\$ 3,965,000</u>	<u>\$ 897,225</u>	<u>\$ 4,862,225</u>

F. DEFINED BENEFIT PENSION PLAN

General Information about the 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, 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 the House Bill 2052, Section 37(a), state general fund employer contributions to KPERS were decreased by \$64.13 million for the fiscal year ended June 30, 2017. Section 43(17) of the bill also stipulated that repayments of the reduced contributions are to be amortized over twenty years at a level dollar amount commencing in fiscal year 2018. The level dollar amount was computed to be \$6.4 million 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.

F. DEFINED BENEFIT PENSION PLAN (CONTINUED)

General Information about the Pension Plan (Continued)

Per 2017 Senate Substitute for House Bill 2002, Section 51(a), state general fund employer contributions to KPERS were decreased by \$194 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 the fiscal year 2020. The level dollar amount was computed to be \$19.4 million per year.

2018 House Substitute for Senate Bill 109 provided 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 \$890,111 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 \$7,736,229. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018, which was rolled forward to June 30, 2019. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2019. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

G. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

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.

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 was set at 1% for the year ended June 30, 2020.

G. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS (CONTINUED)

Section 125 plan. The District offers a Section 125 Flexible Benefit Plan to employees electing to participate. It is used for unreimbursed medical and dependent care expenses. The plan is administered by an independent company.

Compensated absences. The District's policy is to recognize the costs of compensated absences when actually paid. District policies address vacation for employees on twelve-month contracts and sick leave for all full-time employees. Employees on twelve-month contracts receive two weeks of vacation per year. After an employee has worked for the District for five years, they receive an additional day of vacation for each year until they receive a maximum of fifteen days of vacation. The Superintendent's vacation is noted in his contract and is normally twenty days. Vacation may be accumulated to twice the employee's annual allotment and if not used it will be lost. Upon retirement, termination, or resignation, the District pays for any accumulated vacation days. Certified employees on salary receive fifteen days of sick leave annually. Classified employees receive one sick day per month worked. An employee may not carry over more than one hundred sick days from year to year. Policies permit unused sick leave to be reimbursed if the employee has been with the District for more than fifteen years and retires or resigns at the end of the school year. The District pays for accumulated sick leave at a rate of \$1.00 per day per year of service. After twenty-five years of service the rate increases to \$1.50 per day per year of service.

The potential liability for vacation and sick leave for the years ended June 30, 2020 and 2019 was \$67,521 and \$68,668, respectively.

H. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Amount	Regulatory authority
General fund	Bilingual education fund	\$ 100	K.S.A. 72-5167
General fund	Capital outlay fund	280,000	K.S.A. 72-5167
General fund	Special education fund	721,279	K.S.A. 72-5167
General fund	Contingency reserve fund	<u>61,000</u>	K.S.A. 72-5167
Total general fund		<u>1,062,379</u>	
Supplemental general fund	Bilingual education fund	181,016	K.S.A. 72-5143
Supplemental general fund	Food service fund	123,606	K.S.A. 72-5143
Supplemental general fund	Professional development fund	46,995	K.S.A. 72-5143
Supplemental general fund	Parents as teachers fund	45,000	K.S.A. 72-5143
Supplemental general fund	Special education fund	178,268	K.S.A. 72-5143
Supplemental general fund	Career and postsecondary education fund	324,331	K.S.A. 72-5143
Supplemental general fund	At risk (4-year-old) fund	93,264	K.S.A. 72-5143
Supplemental general fund	At risk (K-12) fund	845,505	K.S.A. 72-5143
Supplemental general fund	Student materials fund	<u>10,000</u>	K.S.A. 72-5143
Total supplemental general fund		<u>1,847,985</u>	
Total operating transfers		<u>\$ 2,910,364</u>	

I. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases commercial insurance to cover these risks. There have been no significant reductions in coverage from the prior year. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three years.

J. CONTINGENCIES

The District receives significant financial assistance from numerous Federal and State governmental agencies in the form of grants and 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 effect on this financial statement.

K. CORONAVIRUS (COVID-19)

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. On March 12, 2020, the Governor issued Executive Order No. 20-07 which required school buildings and facilities to close and cease in-person instruction. On March 27, 2020 the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was passed by Congress and signed into law by the President to provide economic assistance to individuals, businesses, and municipalities affected by the pandemic. In response to the CARES Act, the Governor formed the Strengthening People and Revitalizing Kansas (SPARK) Taskforce to oversee the statewide distribution of CARES Act funding. On June 16, 2020 the State Finance Council approved the SPARK Taskforce's proposal to distribute money to the various counties to help address the health and economic challenges inflicted by COVID-19 based on the county's population and impact from COVID-19. To ensure that all educational and municipal entities within counties receive the Coronavirus Relief Funds, the SPARK Taskforce directed counties to allocate and share Coronavirus Relief Funds with public educational and municipal entities within their counties to help meet their respective health and economic challenges.

While management cannot quantify the financial and other impacts to the District, management believes that an impact on the District's financial position and results of future operations is reasonably possible.

L. SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 4, 2021 and does not believe any events have occurred which affect the financial statement as presented except for the ongoing concern regarding the novel strain of coronavirus (COVID-19) as discussed in Note K above.

**REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION**

**UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS**

**SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS**

For the Year Ended June 30, 2020

<u>Fund</u>	<u>Certified budget</u>	<u>Adjustment to comply with legal maximum budget</u>	<u>Adjustment for qualifying budget credits</u>	<u>Total budget for comparison</u>	<u>Expenditures chargeable to current year</u>	<u>Variance favorable (unfavorable)</u>
General funds:						
General	\$ 7,280,807	\$ (121,547)	\$ 3,007	\$ 7,162,267	\$ 7,162,267	\$ -
Supplemental general	2,462,958	(40,523)	-	2,422,435	2,422,435	-
Special purpose funds:						
Bilingual education	165,019	-	-	165,019	154,817	10,202
Capital outlay	2,388,545	-	-	2,388,545	574,287	1,814,258
Driver training	21,025	-	-	21,025	11,387	9,638
Food service	649,567	-	-	649,567	572,121	77,446
Professional development	93,800	-	-	93,800	30,856	62,944
Parents as teachers	75,000	-	-	75,000	75,000	-
Special education	1,032,813	-	-	1,032,813	881,802	151,011
Career and postsecondary education	254,195	-	-	254,195	193,959	60,236
At-risk (4-year-old)	86,013	-	-	86,013	83,264	2,749
At-risk (K-12)	892,255	-	-	892,255	835,505	56,750
KPERs special retirement contribution	1,059,052	-	-	1,059,052	890,111	168,941
Recreation commission	402,000	-	-	402,000	395,214	6,786
Recreation commission employee benefits	111,700	-	-	111,700	109,832	1,868
Bond and interest fund:						
Bond and interest	195,075	-	-	195,075	195,075	-
Total	<u>\$ 17,169,824</u>	<u>\$ (162,070)</u>	<u>\$ 3,007</u>	<u>\$ 17,010,761</u>	<u>\$ 14,587,932</u>	<u>\$ 2,422,829</u>

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS**

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2020
(With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

	2019	2020		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Taxes:				
In lieu of tax	\$ 2,372	\$ 3,795	\$ -	\$ 3,795
State sources:				
State aid	6,056,572	6,551,549	6,557,006	(5,457)
Special education aid	578,910	553,851	633,801	(79,950)
State aid - reimbursement	-	3,007	-	3,007
Mineral production tax	86,122	50,065	90,000	(39,935)
Total receipts	<u>6,723,976</u>	<u>7,162,267</u>	<u>\$ 7,280,807</u>	<u>\$ (118,540)</u>
Expenditures:				
Instruction	3,296,677	3,457,705	\$ 3,670,762	\$ 213,057
Student support services	15,215	15,720	15,500	(220)
Instructional support staff	118,483	154,065	125,830	(28,235)
General administration	294,806	306,824	312,085	5,261
School administration	524,894	570,646	608,729	38,083
Central services	318,672	337,391	411,793	74,402
Operations and maintenance	808,976	918,929	851,651	(67,278)
Student transportation services:				
Supervision	32,153	33,314	33,411	97
Vehicle operating services	224,211	206,519	248,601	42,082
Vehicle and maintenance services	96,798	98,775	115,594	16,819
Operating transfers	993,091	1,062,379	886,851	(175,528)
Adjustment to comply with legal maximum budget	-	-	(121,547)	(121,547)
Legal general fund budget	6,723,976	7,162,267	7,159,260	(3,007)
Adjustment for qualifying budget credit	-	-	3,007	3,007
Total expenditures	<u>6,723,976</u>	<u>7,162,267</u>	<u>\$ 7,162,267</u>	<u>\$ -</u>
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning of year	-	-		
Unencumbered cash, end of year	<u>\$ -</u>	<u>\$ -</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS**

SUPPLEMENTAL GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2020
(With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

	2019	2020		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Taxes:				
Ad valorem	\$ 2,037,050	\$ 2,197,776	\$ 2,177,357	\$ 20,419
Delinquent	18,051	17,155	13,502	3,653
Motor vehicle	76,863	73,600	48,735	24,865
Recreational vehicle	1,512	1,391	956	435
In lieu of tax	3,392	3,998	-	3,998
State sources:				
Supplemental state aid	-	101,500	103,198	(1,698)
Total receipts	<u>2,136,868</u>	<u>2,395,420</u>	<u>\$ 2,343,748</u>	<u>\$ 51,672</u>
Expenditures:				
Instruction	57,447	87,742	\$ 139,969	\$ 52,227
Student support services	101,585	105,867	106,396	529
School administration	-	1,752	-	(1,752)
Operations and maintenance	532,245	379,089	652,298	273,209
Operating transfers	1,469,760	1,847,985	1,564,295	(283,690)
Adjustment to comply with legal maximum budget	-	-	(40,523)	(40,523)
Total expenditures	<u>2,161,037</u>	<u>2,422,435</u>	<u>\$ 2,422,435</u>	<u>\$ -</u>
Receipts over (under) expenditures	(24,169)	(27,015)		
Unencumbered cash, beginning of year	171,315	147,146		
Prior year canceled encumbrances	-	4,400		
Unencumbered cash, end of year	<u>\$ 147,146</u>	<u>\$ 124,531</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS**

BILINGUAL EDUCATION FUND

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS**

For the Year Ended June 30, 2020
(With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

	2019	2020		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Transfer from general	\$ -	\$ 100	\$ -	\$ 100
Transfer from supplemental general	<u>160,058</u>	<u>181,016</u>	<u>163,019</u>	<u>17,997</u>
Total receipts	160,058	181,116	<u>\$ 163,019</u>	<u>\$ 18,097</u>
Expenditures:				
Instruction	<u>160,058</u>	<u>154,817</u>	<u>\$ 165,019</u>	<u>\$ 10,202</u>
Receipts over (under) expenditures	-	26,299		
Unencumbered cash, beginning of year	<u>2,181</u>	<u>2,181</u>		
Unencumbered cash, end of year	<u>\$ 2,181</u>	<u>\$ 28,480</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS**

CAPITAL OUTLAY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2020
(With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

	2019	2020		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Taxes:				
Ad valorem	\$ 916,825	\$ 495,639	\$ 490,519	\$ 5,120
Delinquent	8,633	7,731	6,078	1,653
Motor vehicle	37,797	33,087	21,910	11,177
Recreational vehicle	748	625	430	195
In lieu of tax	1,527	900	-	900
Interest	14,501	9,553	15,000	(5,447)
Miscellaneous	42,983	36,282	45,000	(8,718)
Transfer from general	-	280,000	-	280,000
Total receipts	<u>1,023,014</u>	<u>863,817</u>	<u>\$ 578,937</u>	<u>\$ 284,880</u>
Expenditures:				
Instruction	245,678	99,353	\$ 475,837	\$ 376,484
Student support services	104	130	-	(130)
General administration	6,326	681	-	(681)
School administration	2,463	-	-	-
Central services	-	5,064	-	(5,064)
Operations and maintenance	236,358	175,161	-	(175,161)
Transportation	51,945	2,574	100,000	97,426
Facility acquisition and construction services	<u>2,445,466</u>	<u>291,324</u>	<u>1,812,708</u>	<u>1,521,384</u>
Total expenditures	<u>2,988,340</u>	<u>574,287</u>	<u>\$ 2,388,545</u>	<u>\$ 1,814,258</u>
Receipts over (under) expenditures	(1,965,326)	289,530		
Unencumbered cash, beginning of year	3,666,190	1,701,286		
Prior year canceled encumbrances	<u>422</u>	<u>31,048</u>		
Unencumbered cash, end of year	<u>\$ 1,701,286</u>	<u>\$ 2,021,864</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS**

DRIVER TRAINING FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2020
(With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

	2019	2020		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
State aid	\$ 10,584	\$ 5,070	\$ 6,500	\$ (1,430)
Other	<u>5,850</u>	<u>6,195</u>	<u>8,000</u>	<u>(1,805)</u>
Total receipts	16,434	11,265	<u>\$ 14,500</u>	<u>\$ (3,235)</u>
Expenditures:				
Instruction	<u>9,299</u>	<u>11,387</u>	<u>\$ 21,025</u>	<u>\$ 9,638</u>
Receipts over (under) expenditures	7,135	(122)		
Unencumbered cash, beginning of year	<u>23,012</u>	<u>30,147</u>		
Unencumbered cash, end of year	<u>\$ 30,147</u>	<u>\$ 30,025</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS**

FOOD SERVICE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2020
(With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

	2019	2020		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Federal aid	\$ 313,268	\$ 349,350	\$ 313,316	\$ 36,034
State aid	4,831	4,633	4,112	521
Charges for services	139,451	114,300	143,220	(28,920)
Other	4,270	232	5,000	(4,768)
Transfer from general	96,082	-	68,619	(68,619)
Transfer from supplemental general	75,651	123,606	33,093	90,513
Total receipts	633,553	592,121	<u>\$ 567,360</u>	<u>\$ 24,761</u>
Expenditures:				
Food service operations	578,330	572,121	<u>\$ 649,567</u>	<u>\$ 77,446</u>
Receipts over (under) expenditures	55,223	20,000		
Unencumbered cash, beginning of year	28,854	84,077		
Unencumbered cash, end of year	<u>\$ 84,077</u>	<u>\$ 104,077</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS**

PROFESSIONAL DEVELOPMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2020
(With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

	2019	2020		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
State aid	\$ 4,432	\$ 3,861	\$ 6,125	\$ (2,264)
Transfer from supplemental general	<u>58,389</u>	<u>46,995</u>	<u>38,800</u>	<u>8,195</u>
Total receipts	62,821	50,856	<u>\$ 44,925</u>	<u>\$ 5,931</u>
Expenditures:				
Instructional support staff	<u>38,747</u>	<u>30,856</u>	<u>\$ 93,800</u>	<u>\$ 62,944</u>
Receipts over (under) expenditures	24,074	20,000		
Unencumbered cash, beginning of year	25,152	49,317		
Prior year canceled encumbrances	<u>91</u>	<u>-</u>		
Unencumbered cash, end of year	<u>\$ 49,317</u>	<u>\$ 69,317</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS**

PARENTS AS TEACHERS

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2020
(With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

	2019	2020		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
State aid	\$ -	\$ 50,000	\$ 50,000	\$ -
Transfer from supplemental general	25,000	45,000	-	45,000
Total receipts	<u>25,000</u>	<u>95,000</u>	<u>\$ 50,000</u>	<u>\$ 45,000</u>
Expenditures:				
Student support services	-	69,374	\$ 75,000	\$ 5,626
Instructional support staff	-	5,626	-	(5,626)
Total expenditures	<u>-</u>	<u>75,000</u>	<u>\$ 75,000</u>	<u>\$ -</u>
Receipts over (under) expenditures	25,000	20,000		
Unencumbered cash, beginning of year	<u>-</u>	<u>25,000</u>		
Unencumbered cash, end of year	<u>\$ 25,000</u>	<u>\$ 45,000</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS**

SPECIAL EDUCATION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2020
(With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

	2019	2020		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Interest	\$ 12,231	\$ 12,255	\$ 10,000	\$ 2,255
Transfer from general	897,009	721,279	818,232	(96,953)
Transfer from supplemental general	-	178,268	164,581	13,687
Total receipts	<u>909,240</u>	<u>911,802</u>	<u>\$ 992,813</u>	<u>\$ (81,011)</u>
Expenditures:				
Instruction	839,222	878,326	\$ 1,025,057	\$ 146,731
Student transportation services	<u>4,018</u>	<u>3,476</u>	<u>7,756</u>	<u>4,280</u>
Total expenditures	<u>843,240</u>	<u>881,802</u>	<u>\$ 1,032,813</u>	<u>\$ 151,011</u>
Receipts over (under) expenditures	66,000	30,000		
Unencumbered cash, beginning of year	<u>497,862</u>	<u>563,862</u>		
Unencumbered cash, end of year	<u>\$ 563,862</u>	<u>\$ 593,862</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS**

CAREER AND POSTSECONDARY EDUCATION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2020
(With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

	2019	2020		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Other	\$ 611	\$ -	\$ -	\$ -
Transfer from supplemental general	187,310	324,331	194,195	130,136
Total receipts	187,921	324,331	<u>\$ 194,195</u>	<u>\$ 130,136</u>
Expenditures:				
Instruction	187,995	193,959	<u>\$ 254,195</u>	<u>\$ 60,236</u>
Receipts over (under) expenditures	(74)	130,372		
Unencumbered cash, beginning of year	68,342	68,342		
Prior year canceled encumbrances	74	-		
Unencumbered cash, end of year	<u>\$ 68,342</u>	<u>\$ 198,714</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS**

AT-RISK (4-YEAR-OLD) FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2020
(With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

	<u>2019</u>	<u>2020</u>		<u>Variance favorable (unfavorable)</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts:				
Transfer from supplemental general	\$ 78,147	\$ 93,264	<u>\$ 84,013</u>	<u>\$ 9,251</u>
Expenditures:				
Instruction	<u>78,147</u>	<u>83,264</u>	<u>\$ 86,013</u>	<u>\$ 2,749</u>
Receipts over (under) expenditures	-	10,000		
Unencumbered cash, beginning of year	<u>2,141</u>	<u>2,141</u>		
Unencumbered cash, end of year	<u>\$ 2,141</u>	<u>\$ 12,141</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS**

AT-RISK (K-12) FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2020
(With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

	2019	2020		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Transfer from supplemental general	\$ 869,699	\$ 845,505	\$ 877,255	\$ (31,750)
Expenditures:				
Instruction	659,716	568,832	\$ 628,308	\$ 59,476
Student support services	209,983	266,673	263,947	(2,726)
Total expenditures	869,699	835,505	\$ 892,255	\$ 56,750
Receipts over (under) expenditures	-	10,000		
Unencumbered cash, beginning of year	15,218	15,218		
Unencumbered cash, end of year	\$ 15,218	\$ 25,218		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS**

KPERs SPECIAL RETIREMENT CONTRIBUTION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2020
(With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

	2020		Variance favorable (unfavorable)	
	2019	Actual		Budget
Receipts:				
State aid	\$ 597,312	\$ 890,111	\$ 1,059,052	\$ (168,941)
Expenditures:				
Instruction	377,127	543,949	\$ 643,876	\$ 99,927
Student support services	26,424	55,880	56,206	326
Instructional support staff	7,163	14,826	12,175	(2,651)
General administration	20,918	31,387	36,401	5,014
School administration	44,220	69,700	84,772	15,072
Central services	26,055	40,364	56,044	15,680
Operations and maintenance	55,523	76,702	94,295	17,593
Student transportation services	19,645	28,009	39,034	11,025
Food service operations	20,237	29,294	36,249	6,955
Total expenditures	597,312	890,111	\$ 1,059,052	\$ 168,941
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning of year	-	-		
Unencumbered cash, end of year	\$ -	\$ -		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS**

RECREATION COMMISSION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2020
(With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

	2019	2020		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Taxes:				
Ad valorem	\$ 412,628	\$ 375,877	\$ 372,288	\$ 3,589
Delinquent	3,913	3,480	2,735	745
Motor vehicle	17,012	14,892	9,860	5,032
Recreational vehicle	337	281	194	87
In lieu of tax	687	684	-	684
Other	-	-	16,923	(16,923)
Total receipts	434,577	395,214	<u>\$ 402,000</u>	<u>\$ (6,786)</u>
Expenditures:				
Community service operations	451,732	395,214	<u>\$ 402,000</u>	<u>\$ 6,786</u>
Receipts over (under) expenditures	(17,155)	-		
Unencumbered cash, beginning of year	17,155	-		
Unencumbered cash, end of year	<u>\$ -</u>	<u>\$ -</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS**

RECREATION COMMISSION EMPLOYEE BENEFITS FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2020
(With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

	2019	2020		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Taxes:				
Ad valorem	\$ 114,689	\$ 104,457	\$ 103,441	\$ 1,016
Delinquent	1,045	966	760	206
Motor vehicle	4,729	4,141	2,741	1,400
Recreational vehicle	94	78	54	24
In lieu of tax	191	190	-	190
Other	-	-	4,704	(4,704)
Total receipts	120,748	109,832	<u>\$ 111,700</u>	<u>\$ (1,868)</u>
Expenditures:				
Community service operations	124,980	109,832	<u>\$ 111,700</u>	<u>\$ 1,868</u>
Receipts over (under) expenditures	(4,232)	-		
Unencumbered cash, beginning of year	4,232	-		
Unencumbered cash, end of year	<u>\$ -</u>	<u>\$ -</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS**

NON-BUDGETED SPECIAL PURPOSE FUNDS

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the Year Ended June 30, 2020

	Title II-A	Gift	Migrant grant	Title I-A	Title I- migrant
Receipts:					
Federal aid	\$ 22,551	\$ 142,959	\$ 10,300	\$ 179,945	\$ 37,000
State aid	-	20,323	-	-	-
Interest	-	-	-	-	-
Rental fees and books	-	-	-	-	-
Other grants and donations	-	7,988	-	-	-
Transfer from general	-	-	-	-	-
Transfer from supplemental general	-	-	-	-	-
Total receipts	22,551	171,270	10,300	179,945	37,000
Expenditures:					
Instruction	22,551	101,899	2,579	179,945	37,000
Student support services	-	40,646	-	-	-
Instructional support staff	-	32,304	539	-	-
General administration	-	600	-	-	-
Operations and maintenance	-	3,999	1,500	-	-
Vehicle operating services	-	-	450	-	-
Scholarships	-	-	-	-	-
Total expenditures	22,551	179,448	5,068	179,945	37,000
Receipts over (under) expenditures	-	(8,178)	5,232	-	-
Unencumbered cash (deficit), beginning of year	-	12,919	(5,232)	-	-
Unencumbered cash (deficit), end of year	\$ -	\$ 4,741	\$ -	\$ -	\$ -

See Independent Auditor's Report.

<u>ESSER grant</u>	<u>Holowach estate</u>	<u>Health council</u>	<u>Contingency reserve</u>	<u>Student materials</u>	<u>Title III ESL</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,973	\$ 403,728
-	-	-	-	-	-	20,323
-	3,246	-	-	-	-	3,246
-	-	-	-	73,072	-	73,072
-	-	-	-	-	-	7,988
-	-	-	61,000	-	-	61,000
-	-	-	-	10,000	-	10,000
<u>-</u>	<u>3,246</u>	<u>-</u>	<u>61,000</u>	<u>83,072</u>	<u>10,973</u>	<u>579,357</u>
604	-	-	-	47,174	7,328	399,080
-	-	-	-	-	-	40,646
-	-	-	-	-	3,645	36,488
-	-	-	-	-	-	600
-	-	-	-	-	-	5,499
-	-	-	-	-	-	450
-	1,500	-	-	-	-	1,500
<u>604</u>	<u>1,500</u>	<u>-</u>	<u>-</u>	<u>47,174</u>	<u>10,973</u>	<u>484,263</u>
(604)	1,746	-	61,000	35,898	-	95,094
-	597,636	6,728	686,918	89,849	-	1,388,818
<u>\$ (604)</u>	<u>\$ 599,382</u>	<u>\$ 6,728</u>	<u>\$ 747,918</u>	<u>\$ 125,747</u>	<u>\$ -</u>	<u>\$ 1,483,912</u>

**UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS**

BOND AND INTEREST FUND

**SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS**

For the Year Ended June 30, 2020
(With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

	2019	2020		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Taxes:				
Ad valorem	\$ 358,176	\$ 326,302	\$ 324,631	\$ 1,671
Delinquent	450	2,567	2,371	196
Motor vehicle	-	3,145	2,642	503
Recreational vehicle	-	42	52	(10)
In lieu of tax	596	593	-	593
Total receipts	<u>359,222</u>	<u>332,649</u>	<u>\$ 329,696</u>	<u>\$ 2,953</u>
Expenditures:				
Debt service:				
Principal	-	75,000	\$ 75,000	\$ -
Interest	142,410	120,075	120,075	-
Total expenditures	<u>142,410</u>	<u>195,075</u>	<u>\$ 195,075</u>	<u>\$ -</u>
Receipts over (under) expenditures	216,812	137,574		
Unencumbered cash, beginning of year	<u>505,770</u>	<u>722,582</u>		
Unencumbered cash, end of year	<u>\$ 722,582</u>	<u>\$ 860,156</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS**

CAPITAL IMPROVEMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the Year Ended June 30, 2020
(With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

	<u>2019</u>	<u>2020</u>
Receipts:		
Interest	\$ 6,694	\$ 337
Expenditures:		
Architectural services	65,573	-
Building improvements	1,973,309	337
Total expenditures	<u>2,038,882</u>	<u>337</u>
Receipts over (under) expenditures	(2,032,188)	-
Unencumbered cash, beginning of year	<u>2,032,188</u>	<u>-</u>
Unencumbered cash, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS**

DISTRICT ACTIVITY FUNDS

SCHEDULE OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
REGULATORY BASIS

For the Year Ended June 30, 2020

<u>Fund</u>	<u>Beginning unencumbered cash balance</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Ending unencumbered cash balance</u>	<u>Add encumbrances and accounts payable</u>	<u>Ending cash balance</u>
Gate receipts:						
High school:						
Gate receipts	\$ 623	\$ 16,556	\$ 17,059	\$ 120	\$ -	\$ 120
Activities director	491	3,532	3,494	529	-	529
MS gate receipt	-	8,522	8,518	4	-	4
Subtotal high school	<u>1,114</u>	<u>28,610</u>	<u>29,071</u>	<u>653</u>	<u>-</u>	<u>653</u>
School projects:						
High school:						
Fees	-	15,005	15,005	-	-	-
363 degree design	-	13,151	12,635	516	-	516
Yearbook	9,951	10,835	14,569	6,217	-	6,217
Concession	5,997	26,029	25,793	6,233	-	6,233
All sports tournament	1,280	4,979	4,614	1,645	-	1,645
Holcomb coaches	296	1,000	850	446	-	446
Subtotal high school	<u>17,524</u>	<u>70,999</u>	<u>73,466</u>	<u>15,057</u>	<u>-</u>	<u>15,057</u>
Middle school:						
Fees	-	4,620	4,620	-	-	-
School store	-	4,486	3,443	1,043	-	1,043
Morning stepper	140	-	-	140	-	140
MS concessions	1,922	-	204	1,718	-	1,718
Subtotal middle school	<u>2,062</u>	<u>9,106</u>	<u>8,267</u>	<u>2,901</u>	<u>-</u>	<u>2,901</u>
Subtotal school projects	<u>19,586</u>	<u>80,105</u>	<u>81,733</u>	<u>17,958</u>	<u>-</u>	<u>17,958</u>
Total district activity funds	<u>\$ 20,700</u>	<u>\$ 108,715</u>	<u>\$ 110,804</u>	<u>\$ 18,611</u>	<u>\$ -</u>	<u>\$ 18,611</u>

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS**

AGENCY FUNDS

SUMMARY OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS

For the Year Ended June 30, 2020

<u>Fund</u>	<u>Beginning cash balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending cash balance</u>
Student organization funds:				
High school:				
Class of 2015	\$ 192	\$ -	\$ -	\$ 192
Class of 2016	724	-	-	724
Class of 2017	800	-	-	800
AP test	-	510	357	153
CBI SB	1,567	771	749	1,589
Girls swim	23	2,272	1,167	1,128
Art club	1,306	106	493	919
JAG	715	3,388	871	3,232
Girls basketball	93	187	55	225
Class of 2020	874	-	249	625
Class of 2021	-	5,481	4,372	1,109
Class of 2022	1,404	453	147	1,710
Track	69	750	-	819
FFA	37,367	29,044	35,470	30,941
FCCLA	1,334	873	648	1,559
Chorus	2,214	3,175	1,529	3,860
Band	2,318	139	448	2,009
Boys golf fundraiser	396	232	75	553
Girls golf fundraiser	3,779	2,533	147	6,165
RIA metal	1,803	125	148	1,780
Drama club	4,398	1,251	714	4,935
Cheerleaders	913	432	147	1,198
Dance	1,328	432	-	1,760
FCA fundraiser	1,701	-	-	1,701
Bowling fundraiser	1,881	1,218	2,227	872
Gifted resource	59	-	-	59
Photo journalism	228	-	-	228
Anime	-	316	-	316
Odyssey of the Mind	1,893	-	1,477	416
CBI JA	970	-	459	511
Student council	3,326	1,480	2,313	2,493
KAY club	967	3,266	3,280	953
Book club	244	10	254	-
Class of 2012	345	-	-	345
Class of 2014	185	-	-	185
Class of 2011	379	-	-	379
Football fundraiser	-	303	102	201
Leadership program	501	-	501	-
HALO	860	1,740	1,245	1,355
Student activity fund	1,669	9,319	9,138	1,850
SADD	1,638	70	445	1,263
Forensics	786	39	118	707
Science club	3,137	1,795	1,292	3,640
Cross country	882	1,311	1,011	1,182
Baseball fundraiser	75	263	71	267
Wrestling fundraiser	548	-	405	143
Boys basketball fundraiser	819	565	1,384	-
Softball fundraiser	688	260	119	829
Foreign language	5,988	-	154	5,834
Subtotal high school	93,386	74,109	73,781	93,714

**UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS**

AGENCY FUNDS

SUMMARY OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS

For the Year Ended June 30, 2020

<u>Fund</u>	<u>Beginning cash balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending cash balance</u>
Student organization funds (continued):				
Middle school:				
Cheerleaders	\$ 120	\$ -	\$ -	\$ 120
Student council	1,589	1,996	2,345	1,240
HMS art club	506	554	-	1,060
Middle school kay club	536	1,040	1,220	356
W.A.W.	2,240	-	-	2,240
7th grade class	3	-	-	3
Anime club	316	-	316	-
A.R. reading	317	-	-	317
Middle school math	39	-	-	39
Poetry slam	30	-	-	30
National history day	334	-	70	264
MS track club	495	-	-	495
MS track	598	-	-	598
MS girls basketball	97	1,958	1,990	65
MS weights	-	227	32	195
Crafting club	274	-	-	274
8th grade lock-in	167	-	-	167
SAP	-	299	-	299
Geography club	-	73	-	73
Subtotal middle school	<u>7,661</u>	<u>6,147</u>	<u>5,973</u>	<u>7,835</u>
Elementary school:				
2nd grade teacher	17	-	-	17
Elementary fun	2,621	2,408	1,480	3,549
4th Grade Acct	165	-	-	165
Elementary music	746	-	746	-
Elementary STUCO	3,662	289	205	3,746
Elementary craft fair	542	-	-	542
5th grade special projects	7,254	2,038	6,626	2,666
Elementary PTO book fair	992	3,895	4,128	759
Subtotal elementary school	<u>15,999</u>	<u>8,630</u>	<u>13,185</u>	<u>11,444</u>
Total student organization funds	<u>117,046</u>	<u>88,886</u>	<u>92,939</u>	<u>112,993</u>
Clearing funds:				
High school sales tax	-	6,299	6,289	10
Middle school sales tax	192	555	747	-
Total clearing funds	<u>192</u>	<u>6,854</u>	<u>7,036</u>	<u>10</u>
Total agency funds	<u>\$ 117,238</u>	<u>\$ 95,740</u>	<u>\$ 99,975</u>	<u>\$ 113,003</u>

See Independent Auditor's Report.

APPENDICES

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Education
Unified School District No. 363
Holcomb, Kansas

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 Unified School District No. 363, Holcomb, Kansas as of and for the year ended June 30, 2020, and the related notes to the financial statement, and have issued our report thereon dated February 4, 2021. Our report on the financial statement disclosed that, as described in Note A to the financial statement, the District has prepared this financial statement 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.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered Unified School District No. 363's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Unified School District No. 363'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 financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Unified School District No. 363'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.

Kennedy McKee & Company LLP

February 4, 2021

Kennedy
McKee & Company LLP Certified Public Accountants

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

Board of Education
Unified School District No. 363
Holcomb, Kansas

Report on Compliance for Each Major Federal Program

We have audited Unified School District No. 363's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Unified School District No. 363'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; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the *Kansas Municipal Audit and Accounting Guide*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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 Unified School District No. 363's compliance.

Opinion on Each Major Federal Program

In our opinion, Unified School District No. 363 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control over Compliance

Management of Unified School District No. 363 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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

Kennedy McKee & Company LLP

February 4, 2021

**UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, 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 grantor's number	Unencumbered cash (deficit) beginning of year	Canceled encumbrances	Receipts	Expenditures	Unencumbered cash (deficit) end of year
<u>U.S. Department of Education</u>							
Passed through Kansas Department of Education:							
Title I	84.010A	N/A	\$ -	\$ -	\$ 163,718	\$ 163,718	\$ -
Student Support and Academic Enrichment	84.424A	N/A	-	-	16,227	16,227	-
Title I - Migrant Education	84.011A	N/A	(5,232)	-	10,300	5,068	-
Title I - Migrant Education	84.011A	N/A	-	-	37,000	37,000	-
Supportive Effective Instruction	84.367A	N/A	-	-	22,551	22,551	-
Title III - English Language Acquisition	84.365A	N/A	-	-	10,973	10,973	-
COVID-19 Elementary & Secondary School Emergency Relief	84.425D	N/A	-	-	-	604	(604)
			(5,232)	-	260,769	256,141	(604)
Passed through The Curators of the University of Missouri:							
Supporting Effective Educator Development Program	84.423A	C00063283-16	-	-	128,265	121,537	6,728
			(5,232)	-	389,034	377,678	6,124
<u>U.S. Department of Health and Human Services</u>							
Passed through Kansas Department of Education:							
Youth Risk Behavior Survey	93.938	N/A	-	-	200	200	-
Temporary Assistance for Needy Families	93.558	N/A	-	-	14,694	20,323	(5,629)
			-	-	14,894	20,523	(5,629)
<u>U.S. Department of Homeland Security</u>							
Passed through Kansas Adjutant General:							
COVID-19 Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	N/A	-	-	-	3,999	(3,999)

**UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

For the Year Ended June 30, 2020

Federal grantor/ pass-through grantor/ program title	Federal CFDA number	Pass-through grantor's number	Unencumbered cash beginning of year	Canceled encumbrances	Receipts	Expenditures	Unencumbered cash end of year
<u>U.S. Department of Agriculture</u>							
Passed through Kansas Department of Education:							
School Breakfast Program	10.553	N/A	\$ -	\$ -	\$ 47,942	\$ 47,942	\$ -
National School Lunch Program	10.555	N/A	-	-	188,480	188,480	-
Summer Food Service Program for Children	10.559	N/A	-	-	112,928	112,928	-
			-	-	349,350	349,350	-
<u>U.S. Department of the Treasury</u>							
Pass through Kansas Governor's Office:							
Pass through Finney County:							
COVID-19 Strengthening People and Revitalizing Kansas	21.019	N/A	-	-	-	6,150	(6,150)
Total federal assistance			<u>\$ (5,232)</u>	<u>\$ -</u>	<u>\$ 753,278</u>	<u>\$ 757,700</u>	<u>\$ (9,654)</u>

Note - The Schedule of Expenditures of Federal Awards is prepared in conformity with the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas.

**UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS**

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2020

A. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Unified School District No. 363 under programs of the federal government for the year ended June 30, 2020. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the District. The Schedule is presented using a regulatory basis of accounting prescribed by the *Kansas Municipal Audit and Accounting Guide* (as described in Note A to the financial statement), which is the same basis of accounting as the financial statement accompanying this schedule.

B. BASIS OF ACCOUNTING

Expenditures reported on the Schedule are prepared using the regulatory basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances.

C. INDIRECT COST RATE

The District has not elected to use the 10% de minimis cost rate as allowed under the Uniform Guidance.

D. AWARDS PASSED THROUGH TO SUBRECIPIENTS

The District did not pass-through any awards to subrecipients.

**UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended June 30, 2020

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an adverse opinion on whether the financial statement of Unified School District No. 363 was prepared in accordance with GAAP.
2. No significant deficiencies or material weaknesses relating to the audit of the financial statement are reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statement of Unified School District No. 363, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies or material weaknesses in internal control over major federal programs were reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal award programs for Unified School District No. 363 expresses an unmodified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in this Schedule.
7. The programs tested as a major program included:

Child Nutrition Cluster:	
School Breakfast Program	CFDA 10.553
National School Lunch Program	CFDA 10.555
Summer Food Service Program for Children	CFDA 10.559
8. The threshold for distinguishing Type A and B programs was \$750,000.
9. Unified School District No. 363 did not qualify as a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

None noted.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS

None noted.