UNIFIED SCHOOL DISTRICT NO. 416

Louisburg, Kansas

Financial Statements

For the Year Ended June 30, 2021

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UNIFIED SCHOOL DISTRICT NO. 416
Louisburg, Kansas
Financial Statements
For the Year Ended June 30, 2021

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Louisburg, Kansas
Financial Statements
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GORDONCPA
AUDITING
ACCOUNTING
CONSULTING

2500 W 31st St Ste G-1B
Lawrence, KS 66047

(785) 371-4847
cpagordon.com

INDEPENDENT AUDITOR'S REPORT

Board of Education
Unified School District No. 416
Louisburg, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 416, Louisburg, Kansas (the District), as of and for the year ended June 30, 2021, and the related notes to the financial statement.

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles
In our opinion, because of the significance of the matter discussed in the "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 the District as of June 30, 2021, 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 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.

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 balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory receipts and expenditures-actual and budget, summary of regulatory receipts and disbursements-agency funds, and the schedule of regulatory receipts, expenditures and unencumbered cash-district 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 statements, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements*, *Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. 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 information is fairly stated in all material respects in relation to the financial statement as a whole, on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards
In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2021, 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 grants 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 the District'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 the District's internal control over financial reporting and compliance.

Other Matters
The 2020 Actual column presented in the individual fund financial schedules of regulatory basis receipts and expenditures—actual and budget (Schedule 2 as listed in the table of contents) for the year ended June 30, 2021 is presented for purposes of additional analysis and is not a required part of the basic financial statement.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the District as of and for the year ended June 30, 2020 (not presented herein), and have issued our report thereon dated October 16, 2020 which contained an unmodified opinion on the basic financial statement. The 2020 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link https://admin.ks.gov/offices/oar/municipal-services. The 2020 actual column (2020 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget 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 2020 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 2020 basic financial statement. The 2020 comparative information was subjected to the auditing procedures applied in the audit of the 2020 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 2020 basic financial statement or to the 2020 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 2020 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, 2020, on the basis of accounting described in Note 1.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

October 27, 2021

UNIFIED SCHOOL DISTRICT NO. 416
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2021

Fund	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Type Funds:							
General Funds							
General	$ -	$ -	$ 11,772,707	$ 11,772,707	$ -	$ 15	$ 15
Supplemental General	179,449	-	3,760,673	3,638,278	301,844	76,876	378,720
Special Purpose Funds							
At Risk (4 Year Old)	20,000	-	-	-	20,000	-	20,000
At Risk (K-12)	430,001	-	437,585	437,585	430,001	-	430,001
Bilingual Education	35,379	-	13,895	13,772	35,502	-	35,502
Capital Outlay	1,496,162	-	2,166,553	2,622,016	1,040,699	1,247,492	2,288,191
Driver Training	58,867	-	30,042	12,417	76,492	-	76,492
Food Service	240,897	-	1,687,262	932,427	995,732	3,011	998,743
Professional Development	79,068	-	17,219	16,326	79,961	414	80,375
Special Education	1,182,827	-	2,638,906	2,604,585	1,217,148	18,579	1,235,727
Special Assessment	27,372	-	3,673	10,262	20,783	-	20,783
Cost of Living	2,380	-	349,805	313,775	38,410	-	38,410
Career and Postsecondary Education	549,243	-	320,077	309,180	560,140	920	561,060
Grant	[13,158]	-	473,829	644,803	[184,132]	1,574	[182,558]
Textbook	49,737	-	306,886	254,143	102,480	212,939	315,419
Contingency	1,100,000	-	-	-	1,100,000	-	1,100,000
KPERS	-	-	1,194,146	1,194,146	-	-	-
Gifts and Grants	183,580	-	69,148	52,066	200,662	402	201,064
Virtual Education	21,000	-	140,711	140,711	21,000	-	21,000
Recreation Commission	4,576	-	166,993	159,747	11,822	-	11,822
District Activity	55,873	-	583,972	561,145	78,700	-	78,700
Capital Project Funds:							
2020 Bond Issuance Construction		-	26,437,260	3,999,261	22,437,999	-	22,437,999
Bond and Interest Funds:							
Bond and Interest	6,014,190	-	1,796,890	3,896,700	3,914,380	1,408,971	5,323,351
Trust Fund	307	-	-	-	307	-	307
Total	$ 11,717,750	$ -	$ 54,368,232	$ 33,586,052	$ 32,499,930	$ 2,971,193	$ 35,471,123

Composition of Cash	
Security Bank of Kansas City	
Commercial Paper	$ 13,396,154
U.S. Government & Agency Obligations	5,199,608
Money Market	253,500
First Option Bank	
District Checking Accounts	15,201,369
Money Market	1,341,792
Activity Fund - Checking	48,053
Petty Cash	1,000
Bank Midwest	
Activity Fund - Checking	125,158
First National Bank	
Activity Fund - Checking	296,990
Total Cash	35,863,624
Less Agency Funds per Schedule 3	[392,500]
Total Reporting Entity (excluding Agency Funds)	$ 35,471,123

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

NOTE 1 - Summary of Significant Accounting Policies

Reporting Entity

Unified School District No. 416 is a municipal corporation governed by an elected seven-member board. These financial statements include all the accounts for which the District is considered to be financially accountable. The District's only related municipal entity, the Recreation Commission, has not been presented.

The District's Recreation Commission oversees recreational activities. The Recreation Commission operates as a separate governing body but the District levies taxes for the Recreation Commission and the Recreation Commission has only the powers granted by statute K.S.A. 12-1928. The five members of the Recreation Commission's governing body are appointed as follows: two by the District, two by the City of Louisburg, and one at-large member appointed by the other members. Separate audited financial statements for the Recreation Commission are available upon request at the Recreation Commission office.

Reimbursed Expenses

Expenditures in the amount of $501,132 and $443,256 and are classified as reimbursed expenses in the General Fund and the Capital Outlay Fund, respectively. 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 statements 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.

Basis of Accounting

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.

Regulatory Basis Fund Types

The following types of funds comprise the financial activities of the District for the year ended June 30, 2021:

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

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

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

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

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

NOTE 1 - Summary of Significant Accounting Policies - (Continued)

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

Budgetary Information

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

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

The statues 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 the publication the hearing may be held and the governing body may amend the budget at that time. The budget for the year ended June 30, 2021 was not amended.

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

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

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

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

NOTE 2 - Substance Receipt In Transit

The District received $545,071 in General State Aid and $103,501 in Supplemental General State Aid subsequent to June 30, 2021 and, as required by K.S.A. 72-6466, the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2021.

NOTE 3 - Deposits and Investments

As of June 30, 2021, the District had the following investments and maturities:

		Investment Maturities (in Years)		
Investment Type	Fair Value	Less than 1	Greater than 1	Rating U.S.
Commercial Paper	$13,396,154	$ 11,512,106	$ 1,884,048	Various
U.S. Treasury Notes	2,503,236	-	2,503,236	S&P AA+
U.S. Treasury Bills	1,899,582	1,899,582	-	S&P AA+
Federal Home Loan Bank Consolidated Obligation	750,908	750,908	-	S&P A-1
Federated Governmental Obligation	45,883	45,883	-	N/A
Total investments measured at Fair Value	$18,595,762	$ 14,208,478	$ 4,387,284	

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

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

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

The District's allocation of investments as of June 30, 2021, was as follows:

Investments	Percentage of Investment
Commercial Paper	71.04%
U.S. Treasury Notes	13.46%
U.S. Treasury Bills	10.22%
Federal Home Loan Bank Consolidated Obligation	4.04%
Federated Governmental Obligation	0.25%

Custodial credit risk - deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District has no designated "peak periods." All deposits were legally secured at June 30, 2021.

At June 30, 2021, the District's carrying amount of deposits was $17,267,861 and the bank balance was $19,619,682. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, $876,986 was covered by federal depository insurance and the balance of $18,742,696 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

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

NOTE 4 - Compensated Absences

Full-time classified employees are awarded ten days of vacation annually after one year of employment. No carryover is allowed from one year to the next. No compensation is awarded upon termination for unused vacation.

Certified personnel are awarded twelve sick days annually, while classified personnel are awarded twelve to fifteen sick days annually, depending on their position. Unused sick days are accumulated up to a maximum of 90 days. Upon death or retirement, these unused sick days are paid to employees, with ten years or more of service, at a rate of $45/per day for certified employees and $35/per day for classified employees. Total unused sick days accumulated as of June 30, 2021 amounts to $129,368.

NOTE 5 - 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 $1,194,146 for the year ended June 30, 2021.

NOTE 5 - 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 $12,438,078. 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 these financial statements.

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

NOTE 6 - 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. There is no cost to the District under this program.

Death and Disability Other Post-Employment Benefits. As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended June 30, 2021.

NOTE 7 - Commitments and Contingencies

The District receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statements of the District at June 30, 2021.

The District's general obligation bond issues are subject to the arbitrage provisions of Section 148 of the Internal Revenue Code. These provisions include the potential for rebates to the Federal Government of the earnings on the bond proceeds in excess of the yield on the bonds. The amounts of any future rebates due on other bonds or temporary notes have not been determined.

NOTE 8 - Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which it carries commercial insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 9 - Interfund Transactions

Transfers for the year ended June 30, 2021, are approved by the Board of Education and are as follows:

From	To	Amount	Regulatory Authority
General Fund	Special Education Fund	$ 1,687,849	K.S.A. 72-6478
General Fund	Career and Postsecondary Education Fund	320,077	K.S.A. 72-6478
General Fund	Textbook Rental Fund	215,000	K.S.A. 72-6478
Supplemental General Fund	Bilingual Education Fund	13,895	K.S.A. 72-6478
Supplemental General Fund	Special Education Fund	815,724	K.S.A. 72-6478
Supplemental General Fund	At Risk (K-12) Fund	437,585	K.S.A. 72-6478
Supplemental General Fund	Virtual Education Fund	140,711	K.S.A. 72-6478
Supplemental General Fund	Textbook Rental Fund	520	K.S.A. 72-6478
Supplemental General Fund	Professional Development Fund	13,637	K.S.A. 72-6478
		$ 3,644,998	

NOTE 10 - Long-Term Debt

The following table summarizes changes in long-term debt for the year ended June 30, 2021:

Issue	Principal Outstanding July 1, 2020	Additions to Principal	Reductions of Principal	Principal Outstanding June 30, 2021	Interest Paid
General Obligation Bonds:					
Series 2012	$ 8,470,000	$ -	$ 3,770,000	$ 4,700,000	$ 131,700
Series 2020	-	24,000,000	-	24,000,000	-
Total General Obligation Bonds	8,470,000	24,000,000	3,770,000	28,700,000	131,700
Revelving Loans:					
Building Improvements	951,462	-	951,462	-	20,456
Total Revelving Loans	951,462	-	951,462	-	20,456
Capital Leases:					
Dodge Caravans	11,071	-	11,071	-	366
Ford Fusion	12,094	-	5,948	6,146	400
Ford Transit Van	17,658	-	8,685	8,973	583
LED Lighting	-	400,000	328,789	71,211	-
Total Capital Leases	40,823	400,000	354,493	86,330	1,349
Total Long Term Debt	$ 9,462,285	$ 24,400,000	$ 5,075,955	$ 28,786,330	$ 153,505

General Obligation Bonds. The following table details the District's outstanding general obligation bonds as of June 30, 2021:

Issue	Date of Issue	Date of Final Maturity	Interest Rates	Amount of Issue	Principal Outstanding June 30, 2021
General Obligation Bonds:					
Series 2012	12/1/2012	9/1/2022	2.00%	$ 9,680,000	$ 4,700,000
Series 2020	12/22/2020	9/1/2041	3.00%	24,000,000	24,000,000
				$ 33,680,000	$ 28,700,000

NOTE 10 - Long-Term Debt (Continued)

The annual debt service requirements to maturity for the general obligation bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2022	$ 3,850,000	$ 913,500	$ 4,763,500
2023	850,000	728,500	1,578,500
2024	955,000	705,675	1,660,675
2025	985,000	676,575	1,661,575
2026	1,015,000	646,575	1,661,575
2027 - 2031	5,545,000	2,750,625	8,295,625
2032 - 2036	6,420,000	1,854,750	8,274,750
2037 - 2041	7,455,000	816,075	8,271,075
2042	1,625,000	24,375	1,649,375
Total	$28,700,000	$ 9,116,650	$37,816,650

On December 22, 2020 the District issued $24,000,000 of Series 2020 General Obligation Bonds, with a final maturity date of September 1, 2041. Interest on the Series 2020-A General Obligation Bonds is due semi-annually on March 1 and September 1 at a rate of 3.00%. The purpose of the Series 2020-A General Obligation Bonds was to fund District wide building improvements.

Capital Leases. The following table details the District's outstanding capital leases as of June 30, 2021:

Issue	Date of Issue	Date of Final Maturity	Interest Rates	Amount of Issue	Principal Outstanding June 30, 2021
Capital Leases:					
Ford Fusion	7/1/2019	7/1/2021	3.25%	$ 18,429	$ 6,146
Ford Transit Van	9/30/2019	10/1/2021	3.25%	26,924	8,973
LED Lighting	3/1/2021	8/1/2025	1.33%	400,000	71,211
				$ 445,353	$ 86,330

The annual debt service requirements to maturity for the capital leases are as follows:

Year Ending June 30,	Principal	Interest	Total
2022	$ 15,118	$ 498	$ 15,616
2023	-	-	-
2024	-	-	-
2025	-	-	-
2026	71,212	11,375	82,587
Total	$ 86,330	$ 11,873	$ 98,203

On February 26, 2021 the District entered into a capital lease agreement with a local bank to finance a building improvement project. The lease carries an interest rate of 1.33% and requires annual payments of $82,587. Final maturity is scheduled for August 1, 2025. On June 30, 2021 the District made an additional principal-only payment of $328,789.

Legal Debt Margin. The District is subject to the municipal finance laws of the State of Kansas which limits the net bonded debt (exclusive of revenue bonds and special assessment bonds) the District may have outstanding to 14% of the assessed value of all tangible taxable property within the District, as certified to the County Clerk on the preceding August 25. The District obtained permission from the Kansas State Board of Education to issue bonds in excess of its statutory limit.

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Schedule 1

UNIFIED SCHOOL DISTRICT NO. 416
Summary of Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021

Fund	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance-Over [Under]
Governmental Type Funds:						
General Funds						
General	$ 11,976,851	$ [705,276]	$ 501,132	$ 11,772,707	$ 11,772,707	$ -
Supplemental General	3,892,374	[254,096]	-	3,638,278	3,638,278	-
Special Purpose Funds:						
At Risk (4 Year Old)	75,000	-	-	75,000	-	[75,000]
At Risk (K-12)	870,596	-	-	870,596	437,585	[433,011]
Bilingual Education	27,100	-	-	27,100	13,772	[13,328]
Capital Outlay	2,700,000	-	443,256	3,143,256	2,622,016	[521,240]
Driver Training	52,720	-	-	52,720	12,417	[40,303]
Food Service	986,500	-	-	986,500	932,427	[54,073]
Professional Development	75,000	-	-	75,000	16,326	[58,674]
Special Education	3,700,000	-	-	3,700,000	2,604,585	[1,095,415]
Special Assessment	10,262	-	-	10,262	10,262	-
Cost of Living	333,128	-	-	333,128	313,775	[19,353]
Career and Postsecondary Education	550,500	-	-	550,500	309,180	[241,320]
Grants	130,780	-	-	130,780	644,803	514,023
KPERS	1,418,909	-	-	1,418,909	1,194,146	[224,763]
Gifts and Grants	150,000	-	-	150,000	52,066	[97,934]
Virtual Education	266,000	-	-	266,000	140,711	[125,289]
Recreation Commission	159,747	-	-	159,747	159,747	-
Debt Service Fund:						
Bond and Interest	3,901,700	-	-	3,901,700	3,896,700	[5,000]

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 416
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance-Over [Under]
Receipts				
State Aid	$ 9,215,312	$ 9,774,912	$ 10,072,688	$ [297,776]
Special Education Aid	1,423,959	1,496,663	1,904,000	[407,337]
Reimbursed Expenses	335,394	501,132	-	501,132
Total Receipts	10,974,665	11,772,707	$ 11,976,688	$ [203,981]
Expenditures				
Instruction	5,966,188	6,438,946	$ 6,681,000	$ [242,054]
Instructional Support Staff	131,290	174,250	142,400	31,850
General Administration	698,971	1,391,830	859,000	532,830
School Administration	738,342	663,645	775,700	[112,055]
Operations and Maintenance	907,805	881,110	938,000	[56,890]
Transportation	-	-	11,500	[11,500]
Transfers Out	2,532,069	2,222,926	2,569,251	[346,325]
Adjustment to Comply with Legal Max	-	-	[705,276]	705,276
Adjustment for Qualifying Budget Credits	-	-	501,132	[501,132]
Total Expenditures	10,974,665	11,772,707	$ 11,772,707	$ -
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

UNIFIED SCHOOL DISTRICT NO. 416
Supplemental General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance-Over [Under]
Receipts				
Taxes and Shared Revenue:				
Ad Valorem Property	$ 1,851,237	$ 1,952,264	$ 2,052,905	$ [100,641]
Delinquent	38,460	30,291	17,311	12,980
Motor Vehicle	226,994	228,970	199,388	29,582
Recreational Vehicle	3,509	4,081	3,015	1,066
Commercial Vehicle	1,034	4,256	10,867	[6,611]
State Aid	1,509,001	1,540,811	1,648,420	[107,609]
Total Receipts	3,630,235	3,760,673	$ 3,931,906	$ [171,233]
Expenditures				
Instruction	244,341	315,947	$ 244,750	$ 71,197
Student Support Services	143,832	141,784	178,500	[36,716]
Instructional Support Staff	3,758	2,880	5,000	[2,120]
General Administration	234,484	311,154	324,000	[12,846]
School Administration	14,509	183	20,000	[19,817]
Central Services	132,164	141,477	145,130	[3,653]
Operations and Maintenance	909,997	958,376	1,107,700	[149,324]
Student Transportation Services	349,866	344,405	387,500	[43,095]
Building Improvements	578,225	-	-	-
Transfers Out	994,561	1,422,072	1,479,794	[57,722]
Adjustment to Comply with Legal Max	-	-	[254,096]	254,096
Total Expenditures	3,605,737	3,638,278	$ 3,638,278	$ -
Receipts Over [Under] Expenditures	24,498	122,395		
Unencumbered Cash, Beginning	154,951	179,449		
Unencumbered Cash, Ending	$ 179,449	$ 301,844		

UNIFIED SCHOOL DISTRICT NO. 416
At Risk (4 Year Old) Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance-Over [Under]
Receipts				
Transfer In	$ -	$ -	$ 75,000	$ [75,000]
Total Receipts	-	-	$ 75,000	$ [75,000]
Expenditures				
Instruction	-	-	$ 75,000	$ [75,000]
Total Expenditures	-	-	$ 75,000	$ [75,000]
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	20,000	20,000		
Unencumbered Cash, Ending	$ 20,000	$ 20,000		

UNIFIED SCHOOL DISTRICT NO. 416
At Risk (K-12) Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance-Over [Under]
Receipts				
Transfer In	$ 452,709	$ 437,585	$ 509,595	$ [72,010]
Total Receipts	452,709	437,585	$ 509,595	$ [72,010]
Expenditures				
Instruction	429,390	437,585	$ 870,596	$ [433,011]
Total Expenditures	429,390	437,585	$ 870,596	$ [433,011]
Receipts Over [Under] Expenditures	23,319	-		
Unencumbered Cash, Beginning	406,682	430,001		
Unencumbered Cash, Ending	$ 430,001	$ 430,001		

UNIFIED SCHOOL DISTRICT NO. 416
Bilingual Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance-Over [Under]
Receipts				
Transfer In	$ 14,000	$ 13,895	$ 5,839	$ 8,056
Total Receipts	14,000	13,895	$ 5,839	$ 8,056
Expenditures				
Instruction	13,561	13,772	$ 27,100	$ [13,328]
Total Expenditures	13,561	13,772	$ 27,100	$ [13,328]
Receipts Over [Under] Expenditures	439	123		
Unencumbered Cash, Beginning	34,940	35,379		
Unencumbered Cash, Ending	$ 35,379	$ 35,502		

UNIFIED SCHOOL DISTRICT NO. 416
Capital Outlay Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance-Over [Under]
Receipts				
Taxes and Shared Revenue:				
Ad Valorem Property	$ 1,095,948	$ 1,180,401	$ 1,123,265	$ 57,136
Delinquent	22,125	17,225	10,262	6,963
Motor Vehicle	121,842	134,524	117,401	17,123
Recreational Vehicle	1,890	2,398	1,775	623
Commercial Vehicle	2,582	2,480	6,399	[3,919]
State Aid	336,818	311,163	311,474	[311]
Investment Income	60,421	45,948	-	45,948
Miscellaneous	-	29,158	-	29,158
Loan Proceeds	-	400,000	-	400,000
Reimbursements	143,893	43,256	-	43,256
Total Receipts	1,785,519	2,166,553	$ 1,570,576	$ 595,977
Expenditures				
Instruction	501,326	252,720	$ 500,000	$ [247,280]
Student Support Services	18,473	132,553	100,000	32,553
Instructional Support Staff	394	1,669	600,000	[598,331]
Operations and Maintenance	87,224	206,959	-	206,959
Facility Acquisition and Construction Services	363,402	1,682,887	1,000,000	682,887
Building Improvements	271,745	345,228	500,000	[154,772]
Adjustment for Qualifying Budget Credits	-	-	443,256	[443,256]
Total Expenditures	1,242,564	2,622,016	$ 3,143,256	$ [521,240]
Receipts Over [Under] Expenditures	542,955	[455,463]		
Unencumbered Cash, Beginning	953,207	1,496,162		
Unencumbered Cash, Ending	$ 1,496,162	$ 1,040,699		

UNIFIED SCHOOL DISTRICT NO. 416
Driver Training Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance-Over [Under]
Receipts				
State Aid	$ 10,920	$ 7,242	$ 6,000	$ 1,242
Charges for Services	18,660	22,800	-	22,800
Total Receipts	29,580	30,042	$ 6,000	$ 24,042
Expenditures				
Instruction	11,999	12,417	$ 52,720	$ [40,303]
Operations and Maintenance	40,276	-	-	-
Total Expenditures	52,275	12,417	$ 52,720	$ [40,303]
Receipts Over [Under] Expenditures	[22,695]	17,625		
Unencumbered Cash, Beginning	81,562	58,867		
Unencumbered Cash, Ending	$ 58,867	$ 76,492		

UNIFIED SCHOOL DISTRICT NO. 416
Food Service Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance-Over [Under]
Receipts				
Federal Aid	$ 394,939	$ 1,585,583	$ 393,373	$ 1,192,210
State Aid	32,310	13,792	7,960	5,832
Charges for Services	378,649	87,330	482,990	[395,660]
Miscellaneous	185	316	-	316
Reimbursed Expenses	2,425	241	-	241
Transfers In	241	-	-	-
Total Receipts	808,749	1,687,262	$ 884,323	$ 802,939
Expenditures				
Food Service Operation	735,277	932,427	$ 986,500	$ [54,073]
Total Expenditures	735,277	932,427	$ 986,500	$ [54,073]
Receipts Over [Under] Expenditures	73,472	754,835		
Unencumbered Cash, Beginning	167,425	240,897		
Unencumbered Cash, Ending	$ 240,897	$ 995,732		

UNIFIED SCHOOL DISTRICT NO. 416
Professional Development Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance-Over [Under]
Receipts				
Transfers In	$ 45,000	$ 13,637	$ 64,272	$ [50,635]
State Aid	8,104	3,582	15,000	[11,418]
Total Receipts	53,104	17,219	$ 79,272	$ [62,053]
Expenditures				
Instructional Support Staff	27,235	15,826	$ 75,000	$ [59,174]
General Administration	22,776	500	-	500
Central Services	475	-	-	-
Total Expenditures	50,486	16,326	$ 75,000	$ [58,674]
Receipts Over [Under] Expenditures	2,618	893		
Unencumbered Cash, Beginning	76,450	79,068		
Unencumbered Cash, Ending	$ 79,068	$ 79,961		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 416
Special Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance-Over [Under]
Receipts				
Transfers In	$ 2,406,811	$ 2,503,573	$ 2,869,339	$ [365,766]
Federal Aid	72,318	135,333	-	135,333
Loan Proceeds	45,353	-	-	-
Total Receipts	2,524,482	2,638,906	$ 2,869,339	$ [230,433]
Expenditures				
Instruction	2,094,687	2,357,917	$ 3,500,000	$ [1,142,083]
Vehicle Operating Services	239,891	246,668	200,000	46,668
Total Expenditures	2,334,578	2,604,585	$ 3,700,000	$ [1,095,415]
Receipts Over [Under] Expenditures	189,904	34,321		
Unencumbered Cash, Beginning	992,923	1,182,827		
Unencumbered Cash, Ending	$ 1,182,827	$ 1,217,148		

UNIFIED SCHOOL DISTRICT NO. 416
Special Assessment Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance-Over [Under]
Receipts				
Taxes	$ 3,491	$ 3,673	$ -	$ 3,673
Total Receipts	3,491	3,673	$ -	$ 3,673
Expenditures				
Site Improvement	10,262	10,262	$ 10,262	$ -
Total Expenditures	10,262	10,262	$ 10,262	$ -
Receipts Over [Under] Expenditures	[6,771]	[6,589]		
Unencumbered Cash, Beginning	34,143	27,372		
Unencumbered Cash, Ending	$ 27,372	$ 20,783		

UNIFIED SCHOOL DISTRICT NO. 416
Cost of Living Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance-Over [Under]
Receipts				
Taxes and Shared Revenue:				
Ad Valorem Property	$ 260,955	$ 314,574	$ 357,636	$ [43,062]
Delinquent	2,806	3,184	-	3,184
Motor Vehicle	-	22,395	-	22,395
Commercial Vehicle	-	9,652	-	9,652
Total Receipts	263,761	349,805	$ 357,636	$ [7,831]
Expenditures				
State Payment	263,663	313,775	$ 333,128	$ [19,353]
Total Expenditures	263,663	313,775	$ 333,128	$ [19,353]
Receipts Over [Under] Expenditures	98	36,030		
Unencumbered Cash, Beginning	2,282	2,380		
Unencumbered Cash, Ending	$ 2,380	$ 38,410		

UNIFIED SCHOOL DISTRICT NO. 416
Career and Postsecondary Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance-Over [Under]
Receipts				
State Aid	$ 2,206	$ -	$ -	$ -
Transfers In	456,741	320,077	225,000	95,077
Total Receipts	458,947	320,077	$ 225,000	$ 95,077
Expenditures				
Instruction	396,209	309,180	$ 550,500	$ [241,320]
Total Expenditures	396,209	309,180	$ 550,500	$ [241,320]
Receipts Over [Under] Expenditures	62,738	10,897		
Unencumbered Cash, Beginning	486,505	549,243		
Unencumbered Cash, Ending	$ 549,243	$ 560,140		

UNIFIED SCHOOL DISTRICT NO. 416
Grant Funds
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021

	Title I	Title II A	Carl Perkins	CARES Act	ESSER I	ESSER II	Total Actual	Budget	Variance-Over [Under]
Receipts									
Federal Aid	$ -	$ -	$ 4,536	$ 387,918	$ 81,375	$ -	$ 473,829	$ 236,635	$ 237,194
Total Receipts	-	-	4,536	387,918	81,375	-	473,829	$ 236,635	$ 237,194
Expenditures									
Instruction	126,554	-	3,273	387,918	81,375	13,613	612,733	$ 130,780	$ 481,953
Instructional Support Staff	-	30,971	1,099	-	-	-	32,070	-	32,070
Total Expenditures	126,554	30,971	4,372	387,918	81,375	13,613	644,803	$ 130,780	$ 514,023
Receipts Over [Under] Expenditures	[126,554]	[30,971]	164	-	-	[13,613]	[170,974]		
Unencumbered Cash, Beginning	[122]	850	[13,886]	-	-	-	[13,158]		
Unencumbered Cash, Ending	$ [126,676]	$ [30,121]	$ [13,722]	$ -	$ -	$ [13,613]	$ [184,132]		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 416
Textbook Fund*
Schedule of Receipts and Expenditures - Actual Only
Regulatory Basis
For the Years Ended June 30, 2021 and 2020

	2020	2021
Receipts		
Charges for Services	$ 88,802	$ 91,366
Transfers In	-	215,520
Total Receipts	88,802	306,886
Expenditures		
Instruction	111,335	254,143
Total Expenditures	111,335	254,143
Receipts Over [Under] Expenditures	[22,533]	52,743
Unencumbered Cash, Beginning	72,270	49,737
Unencumbered Cash, Ending	$ 49,737	$ 102,480

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 416
Contingency Fund*
Schedule of Receipts and Expenditures - Actual Only
Regulatory Basis
For the Years Ended June 30, 2021 and 2020

	2020	2021
Receipts		
Transfers In	$ -	$ -
Total Receipts	-	-
Expenditures		
Transfer Out	-	-
Total Expenditures	-	-
Receipts Over [Under] Expenditures	-	-
Unencumbered Cash, Beginning	1,100,000	1,100,000
Unencumbered Cash, Ending	$ 1,100,000	$ 1,100,000

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 416
KPERS Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance-Over [Under]
Receipts				
State Aid	$ 1,252,347	$ 1,194,146	$ 1,418,909	$ [224,763]
Total Receipts	1,252,347	1,194,146	$ 1,418,909	$ [224,763]
Expenditures				
Instruction	651,221	620,956	$ 700,000	$ [79,044]
Student Support Services	62,617	59,707	75,000	[15,293]
Instructional Support	75,141	71,649	85,000	[13,351]
General Administration	87,664	83,590	95,000	[11,410]
School Administration	125,235	119,415	150,000	[30,585]
Central Services	75,141	71,649	85,000	[13,351]
Student Transportation Services	75,141	71,649	85,000	[13,351]
Other Support Services	62,617	59,707	75,000	[15,293]
Food Service	37,570	35,824	68,909	[33,085]
Total Expenditures	1,252,347	1,194,146	$ 1,418,909	$ [224,763]
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	$ -	$ -		

UNIFIED SCHOOL DISTRICT NO. 416
Gifts and Grants Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance-Over [Under]
Receipts				
Gifts and Grants	$ 109,976	$ 69,148	$ -	$ 69,148
Total Receipts	109,976	69,148	$ -	$ 69,148
Expenditures				
Instruction	56,104	52,066	$ 150,000	$ [97,934]
Total Expenditures	56,104	52,066	$ 150,000	$ [97,934]
Receipts Over [Under] Expenditures	53,872	17,082		
Unencumbered Cash, Beginning	129,708	183,580		
Unencumbered Cash, Ending	$ 183,580	$ 200,662		

UNIFIED SCHOOL DISTRICT NO. 416
Virtual Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance-Over [Under]
Receipts				
Transfers In	$ 151,127	$ 140,711	$ 300,000	$ [159,289]
Total Receipts	151,127	140,711	$ 300,000	$ [159,289]
Expenditures				
Instruction	30,000	14,700	$ 266,000	$ [251,300]
Instructional Support Staff	120,869	126,011	-	126,011
Total Expenditures	150,869	140,711	$ 266,000	$ [125,289]
Receipts Over [Under] Expenditures	258	-		
Unencumbered Cash, Beginning	20,742	21,000		
Unencumbered Cash, Ending	$ 21,000	$ 21,000		

UNIFIED SCHOOL DISTRICT NO. 416
Recreation Commission Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual	Current Year Budget	Current Year Variance-Over [Under]
Receipts				
Taxes and Shared Revenue:				
Ad Valorem Property	$ 136,891	$ 147,554	$ 140,379	$ 7,175
Delinquent Tax	2,069	2,013	1,283	730
Motor Vehicle	3,054	9,920	14,606	[4,686]
Recreational Vehicle Tax	12,411	7,196	221	6,975
Commercial Vehicle Tax	318	310	796	[486]
Total Receipts	154,743	166,993	$ 157,285	$ 9,708
Expenditures				
Community Service Operations	159,000	159,747	$ 159,747	$ -
Total Expenditures	159,000	159,747	$ 159,747	$ -
Receipts Over [Under] Expenditures	[4,257]	7,246		
Unencumbered Cash, Beginning	8,833	4,576		
Unencumbered Cash, Ending	$ 4,576	$ 11,822		

UNIFIED SCHOOL DISTRICT NO. 416
2020 Bond Issuance Construction Fund*
Schedule of Receipts and Expenditures - Actual Only
Regulatory Basis
For the Year Ended June 30, 2021

	2021
Receipts	
Bond Proceeds	$ 24,000,000
Original Issue Premium	2,459,712
Investment Income	[22,452]
Total Receipts	26,437,260
Expenditures	
Instruction	227,837
Facility Acquisition and Construction Services	1,930,635
Building Improvements	1,510,643
Cost of Issuance	325,146
Interest	5,000
Total Expenditures	3,999,261
Receipts Over [Under] Expenditures	22,437,999
Unencumbered Cash, Beginning	-
Unencumbered Cash, Ending	$ 22,437,999

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 416
Bond and Interest Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance-Over [Under]
Receipts				
Taxes and Shared Revenue:				
Ad Valorem Property	$ 2,962,756	$ 374,994	$ 361,626	$ 13,368
Delinquent Tax	38,678	37,513	27,619	9,894
Motor Vehicle Tax	233,099	357,055	315,099	41,956
Recreational Vehicle Tax	94,820	6,367	4,765	1,602
Commercial Vehicle Tax	6,883	6,519	17,173	[10,654]
State Aid	1,122,064	1,014,442	1,014,442	-
Total Receipts	4,458,300	1,796,890	$ 1,740,724	$ 56,166
Expenditures				
Principal	3,670,000	3,770,000	$ 3,770,000	$ -
Interest	206,100	126,700	131,700	[5,000]
Total Expenditures	3,876,100	3,896,700	$ 3,901,700	$ [5,000]
Receipts Over [Under] Expenditures	582,200	[2,099,810]		
Unencumbered Cash, Beginning	5,431,990	6,014,190		
Unencumbered Cash, Ending	$ 6,014,190	$ 3,914,380		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 416
Trust Fund-Pepsi Scholarship Fund*
Schedule of Receipts and Expenditures - Actual Only
Regulatory Basis
For the Years Ended June 30, 2021 and 2020

	2020	2021
Receipts		
Donations	$ -	$ -
Total Receipts	-	-
Expenditures		
Instruction	-	-
Total Expenditures	-	-
Receipts Over [Under] Expenditures	-	-
Unencumbered Cash, Beginning	307	307
Unencumbered Cash, Ending	$ 307	$ 307

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 416
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2021

Fund	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
BROADMOOR ELEMENTARY SCHOOL				
Candy	$ 188	$ -	$ -	$ 188
Juice	1,783	-	-	1,783
Field Trips	4,290	-	440	3,850
BES	1,759	438	497	1,700
Box Tops for Education	2,091	96	312	1,875
Faculty	59	-	-	59
Library	2,734	66	329	2,471
Choir	3,376	1,510	1,885	3,001
Band	63	-	-	63
Fundraising	14,716	-	400	14,316
Gift to Classroom	100	650	391	359
Yearbook	10,501	1,420	-	11,921
Art	553	1,812	-	2,365
Agenda Book	7,475	1,992	1,883	7,584
Level II	1,193	-	-	1,193
Title I	30	-	-	30
3rd Grade Class	33	-	-	33
5th Grade Class	899	-	115	784
BES Eraser	2,099	-	243	1,856
Grade Foundation	452	-	-	452
SADD	1,144	-	-	1,144
Social Workshop	677	-	-	677
T-Shirts	2	-	-	2
Tech Headphones	4,729	25	477	4,277
P.E.	976	5,039	4,374	1,641
Pictures	5,339	100	3,113	2,326
Total Broadmoor Elementary School	67,261	13,148	14,459	65,950
ROCKVILLE ELEMENTARY SCHOOL				
Candy	95	-	33	62
P.E.	4,640	3,975	3,768	4,847
Tech headphones	859	600	-	1,459
OWLS	37	-	-	37
Library	1,197	3,373	328	4,242
RES	29	-	-	29
Box Tops for Education	3,410	146	464	3,092
G.R.A.D.E. Foundation	1,207	-	-	1,207
Music	3,031	2,297	3,227	2,101
Lunch Donations	702	-	-	702
Fundraising	13,107	3,977	4,384	12,700
Field Trip	748	-	-	748
Walking Trail	84	-	-	84
Yearbook	3,586	1,598	2,584	2,600
Pictures	47	28	307	[232]
Total Rockville Elementary School	32,779	15,994	15,095	33,678
LOUISBURG MIDDLE SCHOOL				
Business Essentials	560	-	27	533
Choir	2,517	1,400	2,379	1,538
Concessions	9,007	1,112	4,298	5,821
Schience General	721	-	44	677
Library	616	1,450	1,493	573
Paras	393	-	127	266
Counselor	420	-	-	420
Lit/Ar	138	1,182	955	365
6th Lit	207	-	109	98
6th Math	240	-	40	200
6th LA	165	-	10	155
7th Math	219	-	-	219
8th LA	219	-	-	219
8th Science	916	-	110	806
8th Math	883	-	883	-
8th History	701	883	484	1,100
Computers 101	33	-	-	33
Computers 102	22	-	26	[4]
Read Right	22	-	-	22
Cheerleading	14,040	12,165	18,862	7,343
Edgenuity	-	800	800	-
FBLA	731	450	705	476
FCA	242	-	-	242
Musical	1,068	451	750	769
7th Grade LIT	91	-	7	84
8th Grade LIT	318	-	-	318
6th Grade Science	182	-	-	182
SADD	377	157	203	331
SADD Grant	1,837	-	-	1,837
Spanish	807	10	488	329
Spanish Grant	126	4	-	130
Student Council	6,431	1,444	4,908	2,967
Yearbook	2,673	10,685	10,487	2,871
Total Louisburg Middle School	46,922	32,193	48,195	30,920

UNIFIED SCHOOL DISTRICT NO. 416
Agency Funds
Summary of Receipts and Disbursements (Continued)
Regulatory Basis
For the Year Ended June 30, 2021

Fund	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
HIGH SCHOOL				
Art Club	$ 4,933	$ 5,733	$ 4,634	$ 6,032
ACT Prep Class	70	-	-	70
AP	2,842	2,661	190	5,313
A/V Product Fundamentals	230	735	39	926
Band	4,027	9,031	9,277	3,781
Band Trip	62,355	31,046	3,272	90,129
Baseball Club	2,200	7,281	5,761	3,720
Boys Basketball Club	53	409	462	-
Cabinet Making	995	-	98	897
Cheerleaders	5,995	17,553	16,946	6,602
Choir	676	3,900	1,923	2,653
Class of '18	3,392	-	-	3,392
Concessions	1,648	575	894	1,329
Cross Country	163	-	-	163
Culinary Arts	10,383	4,520	4,172	10,731
Dance Team	6,544	6,176	9,281	3,439
Drafting	273	345	-	618
Digital Medial Technology	840	280	-	1,120
Drama	9,248	13,368	13,679	8,937
E2020	225	10,384	10,385	224
FBLA	521	10,919	6,242	5,198
FCA	383	-	-	383
FCCLA	639	1,175	1,203	611
FFA	14,720	29,598	26,483	17,835
Field Trip Reimbursement	313	-	-	313
Football Club	7,397	11,236	6,448	12,185
Forensics	3,415	1,296	659	4,052
Golf	1,556	-	-	1,556
Holiday Mart	9,186	4,100	472	12,814
Interact Club	350	1,855	1,684	521
Interior Design	-	460	62	398
Introduction to Ind Technology	788	1,856	1,838	806
Journalism	616	-	120	496
Kansas State Music Festival	32	-	-	32
Keylee Sanders Fund	3,824	2,150	3,881	2,093
Lady Cats Basketball Club	30	23,648	19,030	4,648
Letterman Club	897	-	-	897
Library Activities	535	130	325	340
LOMIKA	17,010	30,807	30,088	17,729
Math Club	155	-	-	155
Model U.N.	250	-	-	250
National Honor Society	-	2,145	1,313	832
Parking Permits	270	1,001	629	642
Personal Consumer Finance	4,545	-	-	4,545
Photo Video Club	611	-	-	611
Prom	8,870	1,278	6,858	3,290
Post Prom	628	-	-	628
Renaissance - LEO	394	-	-	394
Scholar Bowl	844	170	58	956
Small Engines	2,545	600	-	3,145
Softball Club	1,187	1,959	2,875	271
Spanish Club	945	-	-	945
Special Education	-	500	-	500
Student Council	580	4,399	4,903	76
Student Council 2	1,213	3,217	3,642	788
TSA	1,316	-	165	1,151
Track Club	195	-	-	195
Video Production	598	645	375	868
Welding	2,577	2,074	3,268	1,383
Wrestling Club	3,562	4,495	1,485	6,572
Wildcat Soccer	397	1,174	1,224	347
Wildcat Volleyball	425	4,650	4,650	425
Total High School	211,411	261,534	210,993	261,952
TOTAL ALL STUDENT ORGANIZATION FUNDS	$ 358,373	$ 322,869	$ 288,742	$ 392,500

Schedule 4

UNIFIED SCHOOL DISTRICT NO. 416
District Activity Funds
Schedule of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2021

Fund	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Broadmoor Elementary School							
School Projects							
Book Fee	$ -	$ -	$ 15,615	$ 15,615	$ -	$ -	$ -
Student Lunch	-	-	8,974	8,974	-	-	-
Adult Lunch	-	-	317	317	-	-	-
RevTrak	-	-	55	14	41	-	41
Library Book Fees	582	-	100	27	655	-	655
Petty Cash	500	-	-	-	500	-	500
Interest	880	-	41	-	921	-	921
Pop Machine	98	-	-	-	98	-	98
Health	1,437	-	1,485	1,669	1,253	-	1,253
STEM	1,407	-	1,485	789	2,103	-	2,103
Rockville Elementary School							
School Projects							
Student Lunch	-	-	12,187	12,187	-	-	-
Adult Lunch	-	-	140	140	-	-	-
Book Fee	18	-	17,643	17,495	166	-	166
Stem	601	-	852	794	659	-	659
Chromebook Fees	-	-	640	640	-	-	-
Library Book Fees	92	-	750	-	842	-	842
Pre-K Fees	-	-	137,108	130,578	6,530	-	6,530
Petty Cash	500	-	-	-	500	-	500
Art Fee	3,318	-	1,752	2,328	2,742	-	2,742
Agenda Fee	1,559	-	1,824	1,724	1,659	-	1,659
Interest	1,070	-	206	-	1,276	-	1,276
Middle School							
Gate Receipts							
Athletics	2,954	-	12,100	11,021	4,033	-	4,033
Activity Sports Fee	-	-	19,452	19,452	-	-	-
School Projects							
Sales Tax	-	-	154	-	154	-	154
Art Fee	1,057	-	1,672	2,237	492	-	492
Book Fee	-	-	26,902	26,902	-	-	-
Bus	-	-	5,658	5,658	-	-	-
Laptop Fee	-	-	7,921	7,921	-	-	-
Laptop Repair	-	-	534	534	-	-	-
Student Lunch	-	-	9,789	9,789	-	-	-
Adult Lunch	-	-	41	41	-	-	-
RevTrak Fees	-	-	6	-	6	-	6
Petty Cash	500	-	-	-	500	-	500
Planner	2,129	-	2,950	5,072	7	-	7
Interest	154	-	38	-	192	-	192
Pop Machine	344	-	3,965	3,907	402	-	402
Field Trips	1,591	-	-	-	1,591	-	1,591
LMS School Store	207	-	-	-	207	-	207
FACS	8,025	-	2,166	1,769	8,422	-	8,422
Lion's Quest	157	-	-	-	157	-	157
Tech Fee	1,100	-	4,043	4,011	1,132	-	1,132
Band	4,889	-	2,111	1,578	5,422	-	5,422
High School							
Gate Receipts							
Athletics	10,486	-	85,948	79,820	16,614	-	16,614
A.D. Activities	895	-	16,917	11,606	6,206	-	6,206
Sales Tax	-	-	14,673	11,092	3,581	-	3,581
School Projects							
Enrollment Deposits	3,807	-	1,006	680	4,133	-	4,133
RevTrak Fees	570	-	5,720	5,808	482	-	482
Textbook Fees	-	-	36,828	36,828	-	-	-
Laptop Fees	-	-	20,887	20,887	-	-	-
Laptop Repair	40	-	3,005	3,045	-	-	-
Industrial Art	371	-	148	-	519	-	519
VoAg	3,029	-	6,840	6,866	3,003	-	3,003
Student Lunch	-	-	52,726	52,726	-	-	-
Adult Lunch	-	-	3,120	3,120	-	-	-
Sales Tax	-	-	1,320	1,320	-	-	-
Testing	6	-	656	662	-	-	-
Transportation	-	-	992	992	-	-	-
Petty Cash	500	-	-	-	500	-	500
Activity Fee	-	-	32,510	32,510	-	-	-
District Office	1,000	-	-	-	1,000	-	1,000
Total District Activity Funds	$ 55,873	$ -	$ 583,972	$ 561,145	$ 78,700	$ -	$ 78,700

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 416
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Beginning Unencumbered Cash	Receipts	Expenditures	Ending Unencumbered Cash
U.S. Department of Education					
Passed Through State Department of Education:					
Title I Grants to Local Educational Agencies	84.010	$ [122]	$ -	$ 126,554	$ [126,676]
Vocational Education Basic Grants to States	84.048	[164]	4,536	4,372	-
Supporting Effective Instruction State Grants	84.367	850	-	30,971	[30,121]
Elementary and Secondary School Emergency Relief Fund	84.425D	-	103,250	103,250	-
Total U.S. Department of Education			107,786	265,147	
U.S. Department of the Treasury					
Passed Through Miami County, Kansas					
Coronavirus Relief Fund	21.019	-	387,918	387,918	-
Total U.S. Department of the Treasury			387,918	387,918	
U.S. Department of Agriculture					
Passed Through State Department of Education:					
Child Nutrition Cluster:					
National School Lunch Program	10.555	-	313,484	313,484	-
Summer Food Service Program for Children	10.559	-	1,272,099	1,272,099	-
Total Child Nutrition Cluster		-	1,585,583	1,585,583	-
Total U.S. Department of Agriculture			1,585,583	1,585,583	
Total Expenditures of Federal Awards			$ 2,081,287	$ 2,238,648	

The accompanying notes are an integral part of this schedule.

Unified School District No. 416
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

1. Organization

Unified School District No. 416 (the District) is the recipient of several federal awards. All federal awards received directly from federal agencies as well as those awards that are passed through other government agencies, are included on the Schedule of Expenditures of Federal Awards.

2. Basis of Presentation

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

3. Local Government Contributions

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

4. Additional Audits

Grantor agencies reserve the right to conduct additional audits of the District's grant programs for economy and efficiency and program results that may result in disallowed costs to the District. However, management does not believe such audits would result in any disallowed costs that would be material to the District's financial position at June 30, 2021.

5. Outstanding Loans

The District did not have any outstanding loans under any federal grants at June 30, 2021.

6. Pass Through Numbers

Pass through numbers have not been assigned to pass through grants on the Schedule of Expenditures of Federal Awards.

UNIFIED SCHOOL DISTRICT NO. 416
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified (Regulatory Basis) Adverse (GAAP)			
Internal control over financial reporting:				
Material weakness(es) identified?		Yes	X	No
Significant deficiency(ies) identified that are not considered to be material weaknesses?		Yes	X	None reported
Noncompliance material to financial statements noted?		Yes	X	No

Federal Awards

Internal control over major programs:				
Material weakness(es) identified?		Yes	X	No
Significant deficiency(ies) identified that are 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 section 510(a) of Uniform Guidance?		Yes	X	No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
10.555, 10.559	Child Nutrition Cluster

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

Auditee qualified as low-risk auditee?	Yes	X	No

UNIFIED SCHOOL DISTRICT NO. 416
Schedule of Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2021

Section II - Financial Statement Findings

Prior Year Findings

None Noted.

Current Year Findings

None Noted.

Section III - Federal Award Findings and Questioned Costs

Prior Year Findings

None Noted.

Current Year Findings

None Noted.

GORDONCPA
AUDITING
ACCOUNTING
CONSULTING

2500 W 31st St Ste G-1B
Lawrence, KS 66047

(785) 371-4847
cpagordon.com

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. 416
Louisburg, Kansas

We have audited, 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*, the financial statements of Unified School District No. 416 (the District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 27, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District'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 opinions on the financial statements, 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 controls 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 financial statements 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 charge with governance.

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

October 27, 2021

GORDONCPA
AUDITING
ACCOUNTING
CONSULTING

2500 W 31st St Ste G-1B
Lawrence, KS 66047

(785) 371-4847
cpagordon.com

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

Board of Education
Unified School District No. 416
Louisburg, Kansas

Report on Compliance for Each Major Federal Program

We have audited the compliance of Unified School District No. 416 (the District), with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended June 30, 2021. The District's major federal program is 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 the District's major federal program 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 State of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the *Kansas Municipal Audit and Accounting Guide*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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 the major federal program. However, our audit does not provide a legal determination on 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 its major federal program for the year ended June 30, 2021.

Report on Internal Control Over Compliance

The 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 the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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 the 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 the 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.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

October 27, 2021