

UNIFIED SCHOOL DISTRICT NO. 491

Eudora, Kansas

Financial Statements

For the Year Ended June 30, 2020

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UNIFIED SCHOOL DISTRICT NO. 491
 Financial Statements
 For the Year Ended June 30, 2020

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Unified School District No. 491
Eudora, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the Unified School District No. 491 (the District), Eudora, Kansas, as of and for the year ended June 30, 2020 and the related notes to the financial statement.

Management's Responsibility for the Financial 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; 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 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 do 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, 2020, or the respective changes in financial position and changes in cash flows, where applicable, 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, 2020, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

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 December 1, 2020, 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 2019 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, 2020 is presented for purposes of additional analysis and is not a required part of the basic financial statement.

The District’s basic financial statement for the year ended June 30, 2019 (not presented herein), were audited by other auditors whose report dated October 29, 2019, expressed an unmodified opinion on the basic financial statement. The 2019 basic financial statement and the other auditor’s report are available in electronic form from the website of the Kansas Department of Administration at the following link <http://www.admin.ks.gov/offices/chief-financial-officer/municipal-services>. The report of the other auditors dated October 29, 2019, stated that the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended June 30, 2019, were subjected to auditing procedures applied in the audit of the 2019 basic financial statement and certain additional procedures, including comparing and reconciling such information 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, and in their opinion, was 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 1.

Gordon CPA LLC

Certified Public Accountant
Lawrence, Kansas

December 1, 2020

UNIFIED SCHOOL DISTRICT NO. 491
Summary Statement of Receipts, Expenditures and Unencumbered Cash
Regulatory Basis
For the Year Ended June 30, 2020

<u>Funds</u>	Beginning Unencumbered Cash <u>Balance</u>	Prior Year Cancelled Encumbrances	<u>Receipts</u>	<u>Expenditures</u>	Ending Unencumbered Cash <u>Balance</u>	Outstanding Encumbrances and Accounts Payable	Ending Cash <u>Balance</u>
General Funds:							
General	\$ -	\$ -	\$ 11,251,981	\$ 11,251,981	\$ -	\$ -	\$ -
Supplemental General	26,069	-	3,533,738	3,474,234	85,573	-	85,573
Special Purpose Funds:							
At Risk (K-12)	-	-	731,836	731,836	-	-	-
Bilingual Education	-	-	5,008	5,008	-	-	-
Virtual Education	-	-	74,761	74,761	-	-	-
Capital Outlay	557,080	-	1,253,122	1,322,706	487,496	-	487,496
Driver Training	1,414	-	12,833	14,247	-	-	-
Food Service	214,374	-	802,091	867,680	148,785	-	148,785
Professional Development	-	-	67,440	67,440	-	-	-
Parent Education	-	-	14,000	14,000	-	-	-
Special Education	-	-	3,134,364	3,134,364	-	-	-
Vocational Education	-	-	639,308	639,308	-	-	-
Gifts and Grants	2,756	-	199,869	204,666	[2,041]	-	[2,041]
KPERs Special Retirement Contribution	-	-	1,470,158	1,470,158	-	-	-
Federal Grant	-	-	917,385	875,646	41,739	-	41,739
Contingency Reserve	110,207	-	-	-	110,207	-	110,207
Textbook and Student Material Revolving	19,082	-	210,710	157,953	71,839	-	71,839
District Activity	21,073	-	126,757	147,830	-	-	-
Bond and Interest Funds:							
Bond and Interest #1	4,766,726	-	22,727,388	22,290,793	5,203,321	-	5,203,321
Total	\$ 5,718,781	\$ -	\$ 47,172,749	\$ 46,744,611	\$ 6,146,919	\$ -	\$ 6,146,919

Composition of Cash:		
Kaw Valley State Bank		
Checking Accounts		\$ 2,761,594
Money Market		378,989
Central Bank of the Midwest		
Money Market		<u>3,319,277</u>
Cash Balance		6,459,860
Less: Agency Funds per Schedule 3		<u>[312,941]</u>
Total Reporting Entity (Excluding Agency Funds)		<u>\$ 6,146,919</u>

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

UNIFIED SCHOOL DISTRICT NO. 491
Notes to the Financial Statements
For the Year Ended June 30, 2020

NOTE 1 – Summary of Significant Accounting Policies

Municipal Financial Reporting Entity

Unified School District No. 491 (the District) is a municipal corporation governed by an elected seven-member board.

The District receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities. However, the District is not included in any other governmental reporting entity, since Board members are elected by the public and have decision-making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations, and primary accountability for fiscal matters. In addition, there are no related municipal entities that are included in the District's reporting entity.

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, 2020:

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

Special Purpose Fund - used to account for the proceeds of specific tax levies and other 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 and payment of general long-term debt.

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

UNIFIED SCHOOL DISTRICT NO. 491
Notes to the Financial Statements
For the Year Ended June 30, 2020

NOTE 1 – Summary of Significant Accounting Policies (Continued)

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), 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 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. The budget was not amended for the year ended June 30, 2020.

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

A legal operating budget is not required for capital project funds, agency funds, and the following special purpose funds: Textbook and Student Material Revolving, Contingency Reserve, and District Activities.

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.

Expenditures in the amount of \$237,058, \$4,017 and \$84,782 are classified as reimbursed expenses in the General, Supplemental General and Special Education funds, respectively. The purpose of these expenditures is payments 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.

UNIFIED SCHOOL DISTRICT NO. 491
Notes to the Financial Statements
For the Year Ended June 30, 2020

NOTE 2 – Deposits and Investments

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

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

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

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District's designated "peak periods" are from January 1 through February 28, April 16 through April 17, May 1 through May 15, and June 15 through July 10 at Kaw Valley Bank, and January 20 through February 13, May 1 through May 18, and June 5 through July 31 at Central Bank of the Midwest. All deposits were legally secured at June 30, 2020.

At June 30, 2020, the District's carrying amount of deposits was \$6,459,860 and the bank balance was \$6,984,596. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$500,000 was covered by federal depository insurance and \$6,484,596 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

NOTE 3 – In-Substance Receipt in Transit

The District received \$430,223 in General State Aid and \$168,235 in Supplemental General State Aid subsequent to June 30, 2020 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, 2020.

UNIFIED SCHOOL DISTRICT NO. 491
Notes to the Financial Statements
For the Year Ended June 30, 2020

NOTE 4 – Long-Term Debt

The following is a summary of changes in long-term debt for the year ended June 30, 2020:

	Beginning Principal Outstanding, <u>Restated</u>	Additions to <u>Principal</u>	Reductions of <u>Principal</u>	Ending Principal <u>Outstanding</u>	Interest <u>Paid</u>
General Obligation Bonds:					
Series 2009-A	\$ 225,000	\$ -	\$ 225,000	\$ -	\$ 4,500
Series 2009-B	700,000	-	150,000	550,000	32,075
Series 2009-C	5,500,000	-	5,500,000	-	182,188
Series 2010-A	6,670,000	-	4,005,000	2,665,000	204,683
Series 2011-A	6,655,000	-	6,340,000	315,000	172,100
Series 2012	3,745,000	-	815,000	2,930,000	80,231
Series 2014	2,220,000	-	2,220,000	-	33,300
Series 2016	31,105,000	-	-	31,105,000	834,369
Series 2019-A	-	9,950,000	-	9,950,000	50,613
Series 2019-B	-	4,965,000	-	4,965,000	44,385
Total General Obligation Bonds	<u>56,820,000</u>	<u>14,915,000</u>	<u>19,255,000</u>	<u>52,480,000</u>	<u>1,638,443</u>
Capital Leases:					
TAC Energy Conservation Program	187,294	-	187,294	-	4,950
Konica Minolta Copiers	67,584	-	33,792	33,792	-
Technology Sustainability Computers	221,690	-	56,303	165,388	935
Total Capital Leases	<u>476,568</u>	<u>-</u>	<u>277,389</u>	<u>199,180</u>	<u>5,884</u>
Total Long Term Debt	<u>\$ 57,296,568</u>	<u>\$ 14,915,000</u>	<u>\$ 19,532,389</u>	<u>\$ 52,679,180</u>	<u>\$ 1,644,327</u>

General Obligation Bonds. The following is a detailed listing of the District's general obligation bonds:

	Interest <u>Rates</u>	Date of <u>Issue</u>	Amount of <u>Issue</u>	Current Balance <u>Outstanding</u>	Date of Final <u>Maturity</u>
General Obligation Bonds:					
Series 2009-B	3.00 to 5.25%	8/1/2009	\$ 5,490,000	\$ 550,000	9/1/2025
Series 2010-A	2.00 to 5.50%	2/1/2010	13,875,000	2,665,000	9/1/2029
Series 2011-A	4.00 to 5.00%	3/1/2011	6,655,000	315,000	9/1/2029
Series 2012	2.00 to 2.50%	6/5/2012	6,495,000	2,930,000	9/1/2022
Series 2016	1.75 to 3.00%	9/8/2016	32,330,000	31,105,000	9/1/2034
Series 2019-A	2.00 to 2.83%	12/17/2019	9,950,000	9,950,000	9/1/2029
Series 2019-B	4.00 to 4.75%	12/17/2019	4,965,000	4,965,000	9/1/2029
			<u>\$ 79,760,000</u>	<u>\$ 52,480,000</u>	

UNIFIED SCHOOL DISTRICT NO. 491
Notes to the Financial Statements
For the Year Ended June 30, 2020

NOTE 4 – Long-Term Debt (Continued)

On August 1, 2009, the District issued \$5,490,000 in Series 2009-B General Obligation Refunding and School Building Bonds, with maturity dates of September 1, 2011 through September 1, 2025, and interest rates from 3% to 5.25%. The purpose of the Series 2009-B Bonds was to pay in full the Series 2007 General Obligation Temporary Notes and to pay in full the outstanding bonds for the Series 2001 General Obligation Bonds. Interest on the Series 2009-B Bonds is paid semi-annually on March 1 and September 1.

On February 1, 2010, the District issued \$13,875,000 in Series 2010-A General Obligation Refunding and School Building Bonds, with maturity dates of September 1, 2012 through September 1, 2029 and interest rates from 2% to 5.5%. The purpose of the Series 2010-A Bonds was to pay in full the outstanding bonds for the Series 2001 General Obligation Bonds and to pay in full the outstanding bonds for the Series 2003 General Obligation Bonds. Interest on the Series 2010-A Bonds is paid semi-annually on March 1 and September 1.

On March 1, 2011, the District issued \$6,655,000 in Series 2011-A General Obligation Refunding and School Building Bonds, with maturity dates of September 1, 2020 through September 1, 2029 and interest rates from 4% to 5%. The purpose of the Series 2011-A Bonds was to pay in full the Series 2009-1 General Obligation Temporary Notes and to pay in full the outstanding bonds for the Series 2003 General Obligation Bonds. Interest on the Series 2011-A Bonds is paid semi-annually on March 1 and September 1.

On June 5, 2012, the District issued \$6,495,000 in Series 2012 General Obligation Refunding Bonds, with maturity dates of September 1, 2014 through September 1, 2022 and interest rates of 2% to 2.5%. The purpose of the Series 2012 Bonds was to pay in full the remaining outstanding bonds for the Series 2003 General Obligation Bonds. Interest on the Series 2012 Bonds is paid semi-annually on March 1 and September 1.

On September 8, 2016, the District issued \$32,330,000 in Series 2016 General Obligation Refunding Bonds, with a maturity date of September 1, 2034 and interest rates of 1.75% to 3.00%. The purpose of the Series 2016 Bonds is to partially pay the outstanding bonds for the Series 2008-A, Series 2009-A, Series 2009-B and Series 2010-A General Obligation Bonds. Interest on the Series 2016 Bonds is paid semi-annually on March 1 and September 1.

On December 17, 2019, the District issued \$9,950,000 in Series 2019-A General Obligation Refunding Bonds, with a maturity date of September 1, 2029 and interest rates of 2.00% to 2.83%. The purpose of the Series 2019-A Bonds is to partially pay the outstanding bonds for the Series 2010-A and Series 2011-A General Obligation Bonds. Interest on the Series 2019-A Bonds is paid semi-annually on March 1 and September 1.

On December 17, 2019, the District issued \$4,965,000 in Series 2019-B General Obligation Refunding Bonds, with a maturity date of September 1, 2029 and interest rates of 4.00% to 4.75%. The purpose of the Series 2019-B Bonds is to partially pay the outstanding bonds for the Series 2009-C General Obligation School Building Bonds. Interest on the Series 2019-B Bonds is paid semi-annually on March 1 and September 1.

At June 30, 2020, the remaining principal balance of outstanding debt issues previously defeased is \$22,200,000.

UNIFIED SCHOOL DISTRICT NO. 491
Notes to the Financial Statements
For the Year Ended June 30, 2020

NOTE 4 – Long-Term Debt (Continued)

The following are the annual debt service requirements to maturity for the above long-term debt:

Year Ended <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 2,555,000	\$ 1,476,097	\$ 4,031,097
2022	2,980,000	1,395,898	4,375,898
2023	3,060,000	1,314,329	4,374,329
2024	3,260,000	1,233,998	4,493,998
2025	3,605,000	1,144,098	4,749,098
2026-2030	18,465,000	4,083,753	22,548,753
2031-2035	<u>18,555,000</u>	<u>1,369,738</u>	<u>19,924,738</u>
Total	<u>\$ 52,480,000</u>	<u>\$ 12,017,910</u>	<u>\$ 64,497,910</u>

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.

Capital Leases. On June 29, 2016, the District entered into an agreement to lease-purchase 15 copiers for District-wide usage. The agreement calls for monthly payments with the last payment scheduled for June 2021.

On April 25, 2019, the District entered into an agreement to lease-purchase tablets, laptops and related accessories for District-wide usage. The agreement calls for annual payments with the last payment scheduled for July 2022.

The following is the annual debt service requirement to maturity for the long-term lease agreements:

Ended <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 87,887	\$ 3,142	\$ 91,029
2022	55,123	2,115	57,237
2023	<u>56,170</u>	<u>1,067</u>	<u>57,237</u>
Total	<u>\$ 199,180</u>	<u>\$ 6,324</u>	<u>\$ 205,504</u>

UNIFIED SCHOOL DISTRICT NO. 491
Notes to the Financial Statements
For the Year Ended June 30, 2020

NOTE 5 – Interfund Transfers

Transfers for the year ended June 30, 2020, are approved by the Board of Education and are as follows:

From	To	Amount	Regulatory Authority
General Fund	Special Education Fund	\$ 1,960,195	K.S.A. 72-6478
Supplemental General Fund	Virtual Education Fund	74,761	K.S.A. 72-6478
Supplemental General Fund	Bilingual Education Fund	5,008	K.S.A. 72-6478
Supplemental General Fund	Parent Education Fund	14,000	K.S.A. 72-6478
Supplemental General Fund	Special Education Fund	1,089,387	K.S.A. 72-6478
Supplemental General Fund	Vocational Education Fund	398,134	K.S.A. 72-6478
Supplemental General Fund	Driver Training Fund	5,553	K.S.A. 72-6478
Supplemental General Fund	Professional Development Fund	62,582	K.S.A. 72-6478
Supplemental General Fund	At Risk (K-12) Fund	731,791	K.S.A. 72-6478
		<u>\$ 4,341,411</u>	

NOTE 6 – Defined Benefit Pension Plan

Plan Description. The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.* Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report, which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establishes 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 contribution rates are withheld by their employer and paid to KPERS according to provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate and the statutory contribution rate (not including the 1% contribution rate for the Death and Disability Program) was 14.59% and 13.21%, respectively, for the fiscal year ended June 30, 2019. The actuarially determined employer contribution rate and the statutory contribution rate was 16.15% and 14.41% for the fiscal year ended June 30, 2020.

Per 2017 Senate Substitute for House Bill 2052, Section 37(a), state general fund employer contributions to KPERS were decreased by \$64.13 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.

Per 2017 Senate Substitute for House Bill 2002, Section 51(a), state general fund employer contributions to KPERS were decreased by \$194.0 million for the fiscal year ended June 30, 2020. Section 56(19) of the bill also stipulates that repayments of the reduced contributions are to be amortized over twenty years at a level dollar amount commencing in fiscal year 2020. The level dollar amount was computed to be \$19.4 million per year.

UNIFIED SCHOOL DISTRICT NO. 491
Notes to the Financial Statements
For the Year Ended June 30, 2020

NOTE 6 – Defined Benefit Pension Plan (Continued)

2018 House Substitute for Senate Bill 109 provided for additional funding for KPERS School group. A payment of \$56 million was paid in fiscal year 2018. The 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 employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled \$1,470,158 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 \$12,583,911. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018, which was rolled forward to June 30, 2019. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2019. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

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

NOTE 7 – Compensated Absences

The District's policies regarding vacation pay permit full-time classified employees to accumulate vacation days as follows:

<u>Years of Service</u>	<u>Days per Year</u>
1 – 5	12
6 – 10	15
11 – 15	18
16 or more	21

Unused vacation to be carried over at the end of the year may not exceed 10 days. The total possible accumulation of unused vacation is 31 days.

The District's leave policies are as follows:

Classified Employees – Classified employees earn leave at the rate of one day for each month of service. Employees with 35 or more days of accumulated leave may, at their option, be paid for unused current leave days at the rate of \$20 per day and will be paid at the conclusion of each school year.

Classified employees terminating their employment will be paid based on their ending daily rate for each day of adjusted accumulated leave, but only to the limit of accumulation their job allows.

Certified Personnel – A teacher with at least 15 years' experience within U.S.D. No. 491 will receive payment for all accumulated leave days at \$75 per day upon leaving the District's employment.

Each teacher shall have the option of receiving payment for unused current leave or the teacher may transfer one or more days of the unused leave to his or her personal leave account. Payment for unused leave shall be \$50 per day.

The estimated unused compensated absences at June 30, 2020 is \$331,709.

UNIFIED SCHOOL DISTRICT NO. 491
Notes to the Financial Statements
For the Year Ended June 30, 2020

NOTE 8 – 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 disbursements of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on the financial statements of the District as of June 30, 2020.

NOTE 9 – Risk Management

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

NOTE 10 – 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 local government is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the 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 is set at 1% for the year ended June 30, 2020.

NOTE 11 – Statutory Violations

Actual exceeded budgeted expenditures in the Professional Development Fund, which is a violation of K.S.A. 79-2935.

The Gifts and Grants Fund had negative ending unencumbered cash as of June 30, 2020, which is a violation of K.S.A. 10-1113.

NOTE 12 – Related Party Transactions

A Board of Education member's wife is the executive director of a District-related Foundation. The Foundation receives a portion of its funding from the District.

UNIFIED SCHOOL DISTRICT NO. 491
 Summary of Expenditures - Actual and Budget
 Regulatory Basis
 For the Year Ended June 30, 2020

<u>Funds</u>	<u>Certified Budget</u>	<u>Adjustment to Comply with Legal Max</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year Budget</u>	<u>Variance Over [Under]</u>
General Funds:						
General	\$ 11,570,585	\$ [555,662]	\$ 237,058	11,251,981	\$ 11,251,981	\$ -
Supplemental General	3,639,802	[169,585]	4,017	3,474,234	3,474,234	-
Special Purpose Funds:						
At Risk (K-12)	750,000	-	-	750,000	731,836	18,164
Bilingual Education	12,011	-	-	12,011	5,008	7,003
Virtual Education	120,635	-	-	120,635	74,761	45,874
Capital Outlay	1,608,234	-	-	1,608,234	1,322,706	285,528
Driver Training	27,736	-	-	27,736	14,247	13,489
Food Service	1,246,000	-	-	1,246,000	867,680	378,320
Professional Development	28,750	-	-	28,750	67,440	[38,690]
Parent Education	14,100	-	-	14,100	14,000	100
Special Education	3,159,106	-	84,782	3,243,888	3,134,364	109,524
Vocational Education	670,344	-	-	670,344	639,308	31,036
Gifts and Grants	229,797	-	-	229,797	204,666	25,131
KPERs Special Retirement Contribution	1,604,293	-	-	1,604,293	1,470,158	134,135
Federal Grant	918,430	-	-	918,430	875,646	42,784
Debt Service Funds:						
Bond and Interest #1	6,400,357	-	15,936,517	22,336,874	22,290,793	46,081

UNIFIED SCHOOL DISTRICT NO. 491
General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2020
(With Comparative Actual Amounts for the Year Ended June 30, 2019)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
General state aid	\$ 8,541,188	\$ 9,054,728	\$ 9,667,276	\$ [612,548]
Special education state aid	1,893,091	1,946,162	1,903,309	42,853
Reimbursements	202,074	237,058	-	237,058
Miscellaneous	-	14,033	-	14,033
Total Receipts	<u>10,636,353</u>	<u>11,251,981</u>	<u>11,570,585</u>	<u>\$ [318,604]</u>
Expenditures				
Instruction	5,430,152	5,708,600	\$ 5,635,750	\$ [72,850]
Student support services	457,825	467,929	483,708	15,779
Instructional support staff	266,678	303,792	314,403	10,611
General administration	350,331	412,084	404,600	[7,484]
School administration	631,456	669,956	719,450	49,494
Central services	229,057	307,451	235,000	[72,451]
Operations and maintenance	1,017,593	1,023,796	1,322,700	298,904
Transportation	360,170	398,178	432,530	34,352
Transfers out	1,893,091	1,960,195	2,022,444	62,249
Adjustments to comply with legal max	-	-	[555,662]	[555,662]
Adjustments for qualifying budget credits	-	-	237,058	237,058
Total Expenditures	<u>10,636,353</u>	<u>11,251,981</u>	<u>\$ 11,251,981</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

UNIFIED SCHOOL DISTRICT NO. 491
Supplemental General Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2020
(With Comparative Actual Amounts for the Year Ended June 30, 2019)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	\$ 872,216	\$ 910,675	\$ 896,825	\$ 13,850
Delinquent taxes	9,735	10,419	13,667	[3,248]
Motor vehicle taxes	104,634	107,979	110,076	[2,097]
Recreational vehicle taxes	2,379	2,556	1,839	717
Big truck taxes	1,251	1,294	3,532	[2,238]
Miscellaneous	25,480	52,030	-	52,030
State aid	2,314,867	2,444,768	2,564,241	[119,473]
Reimbursements	7,228	4,017	-	4,017
Total Receipts	<u>3,337,790</u>	<u>3,533,738</u>	<u>\$ 3,590,180</u>	<u>\$ [56,442]</u>
Expenditures				
Instruction	615,423	526,082	\$ 667,995	\$ 141,913
Student support services	19,728	24,826	204,000	179,174
Instructional support staff	378,293	301,378	175,696	[125,682]
General administration	89,639	73,419	51,000	[22,419]
School administration	-	-	115,000	115,000
Central services	16,598	8,537	-	[8,537]
Operations and maintenance	110,349	155,857	35,000	[120,857]
Capital outlay	-	2,918	-	[2,918]
Transfers out	2,081,691	2,381,217	2,391,111	9,894
Adjustments to comply with legal max	-	-	[169,585]	[169,585]
Adjustments for qualifying budget credits	-	-	4,017	4,017
Total Expenditures	<u>3,311,721</u>	<u>3,474,234</u>	<u>\$ 3,474,234</u>	<u>\$ -</u>
Receipts Over [Under] Expenditures	26,069	59,504		
Unencumbered Cash, Beginning	-	26,069		
Unencumbered Cash, Ending	<u>\$ 26,069</u>	<u>\$ 85,573</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 491
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 Amounts for the Year Ended June 30, 2019)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Transfers in	\$ 666,057	\$ 731,791	\$ 750,000	\$ [18,209]
Miscellaneous	<u>-</u>	<u>45</u>	<u>-</u>	<u>45</u>
Total Receipts	<u>666,057</u>	<u>731,836</u>	<u>\$ 750,000</u>	<u>\$ [18,164]</u>
Expenditures				
Instruction	<u>666,057</u>	<u>731,836</u>	<u>\$ 750,000</u>	<u>\$ 18,164</u>
Total Expenditures	<u>666,057</u>	<u>731,836</u>	<u>\$ 750,000</u>	<u>\$ 18,164</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 491
Bilingual Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2020
(With Comparative Actual Amounts for the Year Ended June 30, 2019)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Transfers in	\$ 4,847	\$ 5,008	\$ 12,011	\$ [7,003]
Total Receipts	<u>4,847</u>	<u>5,008</u>	<u>\$ 12,011</u>	<u>\$ [7,003]</u>
Expenditures				
Instruction	<u>4,847</u>	<u>5,008</u>	\$ 12,011	\$ 7,003
Total Expenditures	<u>4,847</u>	<u>5,008</u>	<u>\$ 12,011</u>	<u>\$ 7,003</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 491
Virtual Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2020
(With Comparative Actual Amounts for the Year Ended June 30, 2019)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Transfers in	\$ 66,487	\$ 74,761	\$ 120,635	\$ [45,874]
Total Receipts	<u>66,487</u>	<u>74,761</u>	<u>\$ 120,635</u>	<u>\$ [45,874]</u>
Expenditures				
Instruction	-	-	\$ 1,500	\$ 1,500
School administration	66,487	74,761	119,135	44,374
Total Expenditures	<u>66,487</u>	<u>74,761</u>	<u>\$ 120,635</u>	<u>\$ 45,874</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 491
Capital Outlay Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2020
(With Comparative Actual Amounts for the Year Ended June 30, 2019)

	Prior Year Actual	Current Year		Variance Over [Under]
		Actual	Budget	
Receipts				
Taxes and Shared Revenues:				
Ad valorem property tax	\$ 512,692	\$ 534,198	\$ 544,412	\$ [10,214]
Delinquent tax	5,503	5,524	8,041	[2,517]
Motor vehicle tax	78,523	93,628	62,895	30,733
Recreational vehicle tax	1,415	1,476	1,051	425
Big truck tax	2,512	2,429	2,018	411
Capital outlay state aid	342,385	391,918	391,983	[65]
Miscellaneous	226,950	223,949	100,000	123,949
Investment income	-	-	3,500	[3,500]
Total Receipts	<u>1,169,980</u>	<u>1,253,122</u>	<u>\$ 1,113,900</u>	<u>\$ 139,222</u>
Expenditures				
Instruction	43,222	204,093	\$ 85,000	\$ [119,093]
Instructional support staff	350,944	314,347	200,000	[114,347]
School administration	271	-	4,234	4,234
Operations and maintenance	-	69,752	60,000	[9,752]
Transportation	138,723	40,724	300,000	259,276
Facilities acquisition and construction	786,781	693,790	310,000	[383,790]
Building improvements	-	-	649,000	649,000
Total Expenditures	<u>1,319,941</u>	<u>1,322,706</u>	<u>\$ 1,608,234</u>	<u>\$ 285,528</u>
Receipts Over [Under] Expenditures	[149,961]	[69,584]		
Unencumbered Cash, Beginning	<u>707,041</u>	<u>557,080</u>		
Unencumbered Cash, Ending	<u>\$ 557,080</u>	<u>\$ 487,496</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 491
Driver Training Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2020
(With Comparative Actual Amounts for the Year Ended June 30, 2019)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
State aid	\$ 7,203	\$ 7,280	\$ 8,450	\$ [1,170]
Miscellaneous	-	-	15,000	[15,000]
Transfers in	<u>7,500</u>	<u>5,553</u>	<u>10,000</u>	<u>[4,447]</u>
Total Receipts	<u>14,703</u>	<u>12,833</u>	<u>\$ 33,450</u>	<u>\$ [20,617]</u>
Expenditures				
Instruction	14,417	13,444	\$ 22,536	\$ 9,092
Vehicle operating and maintenance	<u>722</u>	<u>803</u>	<u>5,200</u>	<u>4,397</u>
Total Expenditures	<u>15,139</u>	<u>14,247</u>	<u>\$ 27,736</u>	<u>\$ 13,489</u>
Receipts Over [Under] Expenditures	[436]	[1,414]		
Unencumbered Cash, Beginning	<u>1,850</u>	<u>1,414</u>		
Unencumbered Cash, Ending	<u>\$ 1,414</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 491
Food Service Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2020
(With Comparative Actual Amounts for the Year Ended June 30, 2019)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Federal aid	\$ 364,597	\$ 410,332	\$ 780,266	\$ [369,934]
State aid	13,061	8,970	7,960	1,010
Charges for services	442,206	373,160	517,640	[144,480]
Miscellaneous	11,456	9,629	25,000	[15,371]
Total Receipts	<u>831,320</u>	<u>802,091</u>	<u>\$ 1,330,866</u>	<u>\$ [528,775]</u>
Expenditures				
Operation and maintenance	82,017	86,741	\$ 230,000	\$ 143,259
Food service operation	<u>742,942</u>	<u>780,939</u>	<u>1,016,000</u>	<u>235,061</u>
Total Expenditures	<u>824,959</u>	<u>867,680</u>	<u>\$ 1,246,000</u>	<u>\$ 378,320</u>
Receipts Over [Under] Expenditures	6,361	[65,589]		
Unencumbered Cash, Beginning	<u>208,013</u>	<u>214,374</u>		
Unencumbered Cash, Ending	<u>\$ 214,374</u>	<u>\$ 148,785</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 491
Professional Development Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2020
(With Comparative Actual Amounts for the Year Ended June 30, 2019)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Miscellaneous	\$ -	\$ 4,858	\$ 3,750	\$ 1,108
Transfers in	<u>23,182</u>	<u>62,582</u>	<u>25,000</u>	<u>37,582</u>
Total Receipts	<u>23,182</u>	<u>67,440</u>	<u>\$ 28,750</u>	<u>\$ 38,690</u>
Expenditures				
Instructional support services	<u>23,182</u>	<u>67,440</u>	<u>\$ 28,750</u>	<u>\$ [38,690]</u>
Total Expenditures	<u>23,182</u>	<u>67,440</u>	<u>\$ 28,750</u>	<u>\$ [38,690]</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 491
Parent Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2020
(With Comparative Actual Amounts for the Year Ended June 30, 2019)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Transfers in	\$ 13,600	\$ 14,000	\$ 14,100	\$ [100]
Total Receipts	<u>13,600</u>	<u>14,000</u>	<u>\$ 14,100</u>	<u>\$ [100]</u>
Expenditures				
Student support services	<u>13,600</u>	<u>14,000</u>	\$ 14,100	\$ 100
Total Expenditures	<u>13,600</u>	<u>14,000</u>	<u>\$ 14,100</u>	<u>\$ 100</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 491
Special Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2020
(With Comparative Actual Amounts for the Year Ended June 30, 2019)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Miscellaneous	\$ -	\$ -	\$ 140,000	\$ [140,000]
Federal aid	12,070	-	-	-
Reimbursements	122,785	84,782	-	84,782
Transfers in	<u>2,927,949</u>	<u>3,049,582</u>	<u>3,183,309</u>	<u>[133,727]</u>
Total Receipts	<u>3,062,804</u>	<u>3,134,364</u>	<u>\$ 3,323,309</u>	<u>\$ [188,945]</u>
Expenditures				
Instruction	2,992,530	3,032,870	\$ 3,085,367	\$ 52,497
Transportation	70,274	101,494	73,739	[27,755]
Adjustments for qualifying budget credits	-	-	84,782	84,782
Total Expenditures	<u>3,062,804</u>	<u>3,134,364</u>	<u>\$ 3,243,888</u>	<u>\$ 109,524</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 491
Vocational Education Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2020
(With Comparative Actual Amounts for the Year Ended June 30, 2019)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Federal aid	\$ 9,239	\$ 6,293	\$ -	\$ 6,293
Tuition	205,344	207,909	205,344	2,565
Miscellaneous	115,630	26,972	165,000	[138,028]
Transfers in	<u>265,160</u>	<u>398,134</u>	<u>300,000</u>	<u>98,134</u>
Total Receipts	<u>595,373</u>	<u>639,308</u>	<u>\$ 670,344</u>	<u>\$ [31,036]</u>
Expenditures				
Instruction	483,873	531,891	\$ 560,388	\$ 28,497
Instructional support staff	5,002	-	-	-
School administration	54,046	63,886	56,540	[7,346]
Operations and maintenance	<u>52,452</u>	<u>43,531</u>	<u>53,416</u>	<u>9,885</u>
Total Expenditures	<u>595,373</u>	<u>639,308</u>	<u>\$ 670,344</u>	<u>\$ 31,036</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 491
Gifts and Grants Fund
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2020
(With Comparative Actual Amounts for the Year Ended June 30, 2019)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Miscellaneous	\$ 217,093	\$ 199,869	\$ 225,000	\$ [25,131]
Total Receipts	<u>217,093</u>	<u>199,869</u>	<u>\$ 225,000</u>	<u>\$ [25,131]</u>
Expenditures				
Instruction	94,251	88,258	\$ 92,784	\$ 4,526
Student support services	8,602	7,002	42,013	35,011
Instructional support staff	11,650	78,765	-	[78,765]
General administration	7,312	4,645	-	[4,645]
Operations and maintenance	65,000	1,160	65,000	63,840
Food service operations	<u>25,664</u>	<u>24,836</u>	<u>30,000</u>	<u>5,164</u>
Total Expenditures	<u>212,479</u>	<u>204,666</u>	<u>\$ 229,797</u>	<u>\$ 25,131</u>
Receipts Over [Under] Expenditures	4,614	[4,797]		
Unencumbered Cash, Beginning	<u>[1,858]</u>	<u>2,756</u>		
Unencumbered Cash, Ending	<u>\$ 2,756</u>	<u>\$ [2,041]</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 491
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 Amounts for the Year Ended June 30, 2019)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
KPERs state aid	\$ 1,099,739	\$ 1,470,158	\$ 1,604,296	\$ [134,138]
Total Receipts	<u>1,099,739</u>	<u>1,470,158</u>	<u>\$ 1,604,296</u>	<u>\$ [134,138]</u>
Expenditures				
Instruction	694,006	1,008,028	\$ 1,100,000	\$ 91,972
Student support services	80,809	111,800	122,000	10,200
Instructional support services	47,535	36,656	40,000	3,344
General administration	42,781	36,656	40,000	3,344
School administration	42,781	111,800	122,000	10,200
Central services	47,535	32,342	35,293	2,951
Other support services	47,535	-	-	-
Operations and maintenance	41,355	45,819	50,000	4,181
Food service	23,767	45,819	50,000	4,181
Transportation	31,635	41,238	45,000	3,762
Total Expenditures	<u>1,099,739</u>	<u>1,470,158</u>	<u>\$ 1,604,293</u>	<u>\$ 134,135</u>
Receipts Over [Under] Expenditures	-	-		
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 491
Federal Grant Funds
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2020

	<u>Title I</u>	<u>Title I Migrant</u>	<u>Other Grants</u>	<u>Actual</u>	<u>Budget</u>	Variance Over <u>[Under]</u>
Receipts						
Federal aid	\$ 179,824	\$ 689,000	\$ 48,561	\$ 917,385	\$ 918,430	\$ [1,045]
Total Receipts	<u>179,824</u>	<u>689,000</u>	<u>48,561</u>	<u>917,385</u>	<u>\$ 918,430</u>	<u>\$ [1,045]</u>
Expenditures						
Instruction	179,824	-	48,561	228,385	\$ 214,775	\$ [13,610]
Student support services	-	619,878	-	619,878	682,910	63,032
General administration	-	27,383	-	27,383	20,745	[6,638]
Total Expenditures	<u>179,824</u>	<u>647,261</u>	<u>48,561</u>	<u>875,646</u>	<u>\$ 918,430</u>	<u>\$ 42,784</u>
Receipts Over [Under] Expenditures	-	41,739	-	41,739		
Unencumbered Cash, Beginning	-	-	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 41,739</u>	<u>\$ -</u>	<u>\$ 41,739</u>		

UNIFIED SCHOOL DISTRICT NO. 491
Contingency Reserve Fund *
Schedule of Receipts and Expenditures - Actual
Regulatory Basis
For the Year Ended June 30, 2020 and 2019

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Transfers in	\$ -	\$ -
Total Receipts	<u>-</u>	<u>-</u>
Expenditures		
Transfers out	-	-
Total Expenditures	<u>-</u>	<u>-</u>
Receipts Over [Under] Expenditures	-	-
Unencumbered Cash, Beginning	<u>110,207</u>	<u>110,207</u>
Unencumbered Cash, Ending	<u>\$ 110,207</u>	<u>\$ 110,207</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 491
 Textbook and Student Material Revolving Fund *
 Schedule of Receipts and Expenditures - Actual
 Regulatory Basis
 For the Year Ended June 30, 2020 and 2019

	Prior Year <u>Actual</u>	Current Year <u>Actual</u>
Receipts		
Miscellaneous	\$ 174,945	\$ 210,710
Total Receipts	<u>174,945</u>	<u>210,710</u>
Expenditures		
Instruction	168,001	62,844
Instructional support staff	<u>16,109</u>	<u>95,109</u>
Total Expenditures	<u>184,110</u>	<u>157,953</u>
Receipts Over [Under] Expenditures	[9,165]	52,757
Unencumbered Cash, Beginning	<u>28,247</u>	<u>19,082</u>
Unencumbered Cash, Ending	<u>\$ 19,082</u>	<u>\$ 71,839</u>

* This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 491
Bond and Interest Fund #1
Schedule of Receipts and Expenditures - Actual and Budget
Regulatory Basis
For the Year Ended June 30, 2020
(With Comparative Actual Amounts for the Year Ended June 30, 2019)

	Prior Year <u>Actual</u>	Current Year		Variance Over [Under]
		<u>Actual</u>	<u>Budget</u>	
Receipts				
Taxes and Shared Revenues:				
Ad valorem taxes	\$ 1,918,150	\$ 2,050,934	\$ 1,975,128	\$ 75,806
Delinquent taxes	20,954	20,959	29,185	[8,226]
Motor vehicle taxes	238,929	240,195	240,712	[517]
Recreational vehicle taxes	5,370	5,535	4,022	1,513
Big truck taxes	2,900	2,296	7,723	[5,427]
Bond proceeds	-	15,841,369	-	15,841,369
State aid	2,077,706	4,468,080	4,271,374	196,706
Federal tax credit	119,873	95,148	118,922	[23,774]
Miscellaneous	4	2,872	-	2,872
Total Receipts	<u>4,383,886</u>	<u>22,727,388</u>	<u>\$ 6,647,066</u>	<u>\$ 16,080,322</u>
Expenditures				
Principal	1,720,000	20,132,870	\$ 4,560,000	\$ [15,572,870]
Interest and other bond charges	2,064,833	1,639,943	1,840,357	200,414
Cost of issuance	-	268,499	-	[268,499]
Lease payments	-	249,481	-	[249,481]
Adjustment for qualifying budget credits	-	-	15,936,517	15,936,517
Total Expenditures	<u>3,784,833</u>	<u>22,290,793</u>	<u>\$ 22,336,874</u>	<u>\$ 46,081</u>
Receipts Over [Under] Expenditures	599,053	436,595		
Unencumbered Cash, Beginning	<u>4,167,673</u>	<u>4,766,726</u>		
Unencumbered Cash, Ending	<u>\$ 4,766,726</u>	<u>\$ 5,203,321</u>		

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 491
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2020

<u>FUND</u>	Restated Beginning Cash <u>Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	Ending Cash <u>Balance</u>
Eudora Elementary School:				
Art	\$ 1,905	\$ -	\$ 125	\$ 1,780
Cardinal Club	-	3,451	1,992	1,459
Care Fund	545	-	-	545
Caring Community	-	1,369	414	955
Deffenbaugh	24	-	-	24
Drama Club	3,049	-	550	2,499
Library	1,723	4,483	6,099	107
Music	602	572	527	647
Newspaper	18	-	-	18
PBIS	111	-	-	111
Pepsi	1,019	107	-	1,126
Polar Express	471	1,034	1,267	238
Preschool	16	35	-	51
Principal's Council	9,563	6,140	9,339	6,364
Science Fair	169	81	-	250
Total Eudora Elementary Activity Funds	<u>19,215</u>	<u>17,272</u>	<u>20,313</u>	<u>16,174</u>
Eudora Middle School				
Box Tops for Education	913	41	501	453
Boy's Basketball	800	-	800	-
Cardinal Ambassadors	500	-	330	170
Cardinal Club	150	-	-	150
Cardinal Fit	1,787	1,703	2,676	814
Cardinal LinkUP	3,500	-	1,139	2,361
Conditioning	1,913	1,160	803	2,270
Cross Country	828	550	122	1,256
Dance Club	58	-	-	58
Drama Club	246	246	-	492
Enrichment Program	375	200	-	575
FBLA	932	920	1,015	837
FCA	647	-	98	549
Football	371	256	21	606
Garden Club	605	-	-	605
Girls Basketball	186	2,623	2,549	260
KAY Club	151	-	-	151
MTSS	3,108	1,361	1,396	3,073
Pep Club	128	-	-	128
Pepsi	448	29	322	155
Reading Club	4,348	2,319	2,798	3,869
Science Club	720	-	-	720
Student council	4,736	12,196	8,950	7,982
Track	3,543	22	288	3,277
Vocal Music	390	-	-	390
Yearbook	3,733	1,005	556	4,182
Total Eudora Middle School Activity Funds	<u>35,116</u>	<u>24,631</u>	<u>24,364</u>	<u>35,383</u>
Eudora High School				
Activity 101	876	3,057	2,820	1,113
Art	1,024	1,000	-	2,024
Band Club	2,535	18,962	17,932	3,565
Banners Donations	1,519	14,605	10,468	5,656
Baseball Club	1,268	1,257	896	1,629
Boys Basketball Club	5,663	11,709	11,380	5,992
Caleb Ostronic Fund	20	-	-	20
Cheer and Dance Festival	1,107	7,440	5,662	2,885
Cheerleader	5,275	3,222	4,179	4,318
Chess Club	110	-	-	110
Choir	11,622	17,066	16,601	12,087
Class 2020	36,822	21,744	21,361	37,205
Class 2021	3,727	2,832	1,479	5,080
Class 2022	2,258	2,690	560	4,388
Class 2023	-	1,440	-	1,440
Concessions	10,521	21,848	21,976	10,393
Courtesy Club	400	541	565	376
Subtotal Eudora High School Activity Funds	<u>84,747</u>	<u>129,413</u>	<u>115,879</u>	<u>98,281</u>

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 491
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2020

<u>FUND</u>	Beginning Cash <u>Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	Ending Cash <u>Balance</u>
Eudora High School				
Cross Country	\$ 1,060	\$ 8,738	\$ 5,561	\$ 4,237
Cycling Club	325	11	116	220
Dance Team	1,706	1,971	1,314	2,363
Drama Club	1,524	-	-	1,524
Economics Class	507	150	-	657
Environmental Club	318	-	-	318
FBLA	1,581	12,372	8,531	5,422
FCA	733	150	240	643
FFA	4,196	19,909	16,839	7,266
Football	9,879	2,594	11,214	1,259
Garden	103	-	-	103
Girls Basketball	2,115	2,060	3,215	960
Golf	-	7,230	5,128	2,102
Grant - Raytheon Math Hero	49	-	-	49
International Club	469	938	1,018	389
KSHSAA Music Festival	1,081	-	-	1,081
Library Fund	933	18	-	951
Life Skills Class	835	-	-	835
Mental Health Committee	200	-	-	200
Newspaper	556	-	-	556
NHS	214	326	385	155
Physics Club	521	-	59	462
Play & Musical	3,241	6,439	4,009	5,671
Project Splichal	2,507	-	500	2,007
SADD	4,425	531	526	4,430
Scholars Bowl	1,106	600	178	1,528
Scholarships	18,670	12,350	12,550	18,470
Science Dept	500	-	-	500
Science Olympiad	2,708	4,187	2,443	4,452
Senior Advisory Comm.	3,031	1,080	995	3,116
SkillsUSA:Auto Collision	10,481	16,005	22,220	4,266
SkillsUSA: Culinary arts	12,748	10,671	12,885	10,534
SkillsUSA: Drafting	2,151	-	133	2,018
SkillsUSA: Health careers	3,553	6,955	4,086	6,422
SkillsUSA:Industrial Tech	2,534	2,042	3,428	1,148
SkillsUSA: Visual arts	4,678	317	100	4,895
SkillsUSA: Yearbook	35,998	17,080	13,089	39,989
SOAR	-	2,165	1,710	455
Soccer - Boys	1,144	11,557	12,316	385
Soccer - Girls	5,669	3,890	8,708	851
Softball	4,470	4,482	5,442	3,510
Student council	2,471	3,911	3,733	2,649
Summer conditioning	4,147	200	4,328	19
Testing fees	318	2,687	2,687	318
Textbook	592	-	-	592
Track	1,358	385	841	902
Travel Club (formerly Close-Up club)	242	150	-	392
Video club	3,016	464	1,623	1,857
Volleyball	619	1,001	1,286	334
Volleyball - Dig Pink	3,314	4,202	3,294	4,222
Wrestling	1,704	4,664	2,865	3,503
Total Eudora High School Activity Funds	<u>251,047</u>	<u>303,895</u>	<u>295,474</u>	<u>259,468</u>

See independent auditor's report on the financial statements.

UNIFIED SCHOOL DISTRICT NO. 491
Agency Funds
Summary of Receipts and Disbursements
Regulatory Basis
For the Year Ended June 30, 2020

<u>FUND</u>	Restated			Ending
	Beginning Cash <u>Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	Cash <u>Balance</u>
Total All School Activity Funds	\$ 305,378	\$ 345,798	\$ 340,151	\$ 311,025
Payroll Clearing	<u>87</u>	<u>33,556</u>	<u>31,727</u>	<u>1,916</u>
Total Agency Funds	<u>\$ 305,465</u>	<u>\$ 379,354</u>	<u>\$ 371,878</u>	<u>\$ 312,941</u>

UNIFIED SCHOOL DISTRICT NO. 491
 District Activity Funds
 Schedule of Receipts, Expenditures and Unencumbered Cash
 Regulatory Basis
 For the Year Ended June 30, 2020

<u>FUND</u>	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
<u>District activity funds:</u>							
Eudora High School							
Revolving Gate Entry	\$ -	\$ -	\$ 48,438	\$ 48,438	\$ -	\$ -	\$ -
Driver's Education	21,008	-	14,175	35,183	-	-	-
Users Fees	65	-	18,077	18,142	-	-	-
Sales Tax	-	-	7,809	7,809	-	-	-
Total Eudora High School	<u>21,073</u>	<u>-</u>	<u>88,499</u>	<u>109,572</u>	<u>-</u>	<u>-</u>	<u>-</u>
Eudora Middle School							
Revolving Gate Entry	-	-	11,470	11,470	-	-	-
Users Fees	-	-	9,877	9,877	-	-	-
Sales Tax	-	-	2,466	2,466	-	-	-
Total Eudora Middle School	<u>-</u>	<u>-</u>	<u>23,813</u>	<u>23,813</u>	<u>-</u>	<u>-</u>	<u>-</u>
Eudora Elementary School							
User Fees	-	-	14,081	14,081	-	-	-
Sales Tax	-	-	364	364	-	-	-
Total Eudora Elementary School	<u>-</u>	<u>-</u>	<u>14,445</u>	<u>14,445</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total All Schools	<u>\$ 21,073</u>	<u>\$ -</u>	<u>\$ 126,757</u>	<u>\$ 147,830</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

UNIFIED SCHOOL DISTRICT NO. 491
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Beginning Unencumbered Cash	Receipts	Expenditures	Ending Unencumbered Cash
<u>U.S. Department of Education</u>					
Passed Through State Department of Education:					
Title I Grants to Local Educational Agencies	84.010	\$ -	\$ 173,824	\$ 173,824	\$ -
Title I Migrant	84.011	-	689,000	647,261	41,739
Improving Teacher Quality State Grants	84.367	-	37,946	37,946	-
Student Support and Academic Enrichment Program	84.424A	-	<u>16,615</u>	<u>16,615</u>	-
Total U.S. Department of Education			<u>917,385</u>	<u>875,646</u>	
<u>U.S. Department of Health and Human Services</u>					
Passed Through State Department of Education:					
Temporary Assistance for Needy Families Cluster:					
Temporary Assistance for Needy Families	93.558	-	<u>19,400</u>	<u>19,400</u>	-
Total Temporary Assistance for Needy Families Cluster			<u>19,400</u>	<u>19,400</u>	
Youth Risk Behavior Survey	93.938	-	<u>400</u>	<u>400</u>	-
Total U.S. Department of Health and Human Services			<u>19,800</u>	<u>19,800</u>	
<u>U.S. Department of Agriculture</u>					
Passed Through State Department of Education:					
Child Nutrition Cluster:					
School Breakfast Program	10.553	-	83,346	83,346	-
National School Lunch Program	10.555	-	278,972	278,972	-
Summer Food Service Program for Children	10.559	-	<u>48,014</u>	<u>48,014</u>	-
Total Child Nutrition Cluster			<u>410,332</u>	<u>410,332</u>	
Total U.S. Department of Agriculture			<u>410,332</u>	<u>410,332</u>	
Total Expenditures of Federal Awards			<u>\$ 1,347,517</u>	<u>\$ 1,305,778</u>	

The accompanying notes are an integral part of this schedule.

UNIFIED SCHOOL DISTRICT NO. 491
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2020

1. Organization

Unified School District No. 491, Eudora, Kansas, is the recipient of several federal awards. All federal awards received directly from federal agencies, as well as those awards that are passed through over 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 Unified School District No. 491, 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, 2020.

5. Outstanding Loans

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

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. 491
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2020

Section I - Summary of Auditor's Results

Financial Statements

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

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	_____ Yes <u> X </u> No
Significant deficiency(ies) identified that are not considered to be material weaknesses?	_____ Yes <u> X </u> 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 the Uniform Guidance	_____ Yes <u> X </u> No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.011	Title I Migrant

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
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Auditee qualified as low-risk auditee?	_____ Yes <u> X </u> No
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UNIFIED SCHOOL DISTRICT NO. 491
Schedule of Findings and Questioned Costs - Continued
For the Year Ended June 30, 2020

Section II – Financial Statement Findings

Current Year Findings

None Noted

Prior Year Findings

None Noted

Section III – Federal Award Findings and Questioned Costs

Current Year Findings

None Noted

Prior Year Findings

None Noted

**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. 491
Eudora, 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 the Unified School District No. 491 (the District), Eudora, Kansas as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated December 1, 2020.

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

However we noted certain other matters that we reported to management of the Unified School District No. 491, Eudora, Kansas, in a separate letter dated December 1, 2020.

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

December 1, 2020

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. 491
Eudora, Kansas

Report on Compliance for Each Major Federal Program

We have audited the compliance of Unified School District No. 491 (the District), Eudora, Kansas, 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 financial 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 the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; Title 2 U.S. Code of *Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award* (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 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 each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our 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 charge 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 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

December 1, 2020