

**UNIFIED SCHOOL DISTRICT NO. 226
MEADE, KANSAS**

**FINANCIAL STATEMENT
with
INDEPENDENT AUDITOR'S REPORT**

YEAR ENDED JUNE 30, 2020

TABLE OF CONTENTS

Page

Independent Auditor's Report.....	1
-----------------------------------	---

FINANCIAL SECTION

Statement 1	
Summary Statement of Receipts, Expenditures and Unencumbered Cash.....	4
Notes to the Financial Statement	6

REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

Schedule 1	
Summary of Expenditures – Actual and Budget	15

Schedule 2	
Schedule of Receipts and Expenditures	

General Funds

2-1 General Fund.....	16
2-2 Supplemental General Fund	17

Special Purpose Funds

2-3 Preschool-Aged At Risk Fund.....	18
2-4 At Risk (K-12) Fund	19
2-5 Bilingual Education Fund	20
2-6 Capital Outlay Fund.....	21
2-7 Driver Training Fund.....	22
2-8 Food Service Fund	23
2-9 Professional Development Fund.....	24
2-10 Summer School Fund	25
2-11 Special Education Fund.....	26
2-12 Career and Postsecondary Education Fund.....	27
2-13 KPERS Special Retirement Contribution Fund	28
2-14 Recreation Commission Fund.....	29
2-15 Non-Budgeted Special Purpose Funds.....	30

Bond and Interest Fund

2-16 Bond and Interest Fund	31
-----------------------------------	----

Schedule 3	
Schedule of Receipts, Expenditures and Unencumbered Cash District Activity Funds	32

Schedule 4	
Summary of Receipts and Disbursements Agency Funds	33

Related Municipal Entity

Schedule 5	
Schedule of Receipts and Expenditures - Actual and Budget Meade District Recreation Commission General Fund.....	34

Kennedy
McKee & Company LLP Certified Public Accountants

1100 W. Frontview
P. O. Box 1477
Dodge City, Kansas 67801
Tel. (620) 227-3135
Fax (620) 227-2308
www.kmc-cpa.com

JAMES W. KENNEDY, CPA
PATRICK M. FRIESS, CPA
JOHN W. HENDRICKSON, CPA
JEREMY J. APPEL, CPA

INDEPENDENT AUDITOR'S REPORT

Board of Education
Unified School District No. 226
Meade, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash of Unified School District No. 226 and its related municipal entity, the Meade District Recreation Commission (collectively referred to as the Municipal Financial Reporting Entity), as of and for the year ended June 30, 2020, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note A; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

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

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

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

As described in Note A, the financial statement is prepared by the Municipal Financial Reporting Entity on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Municipal Financial Reporting Entity as of June 30, 2020, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balances of the Municipal Financial Reporting Entity as of June 30, 2020, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note A.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash (basic financial statement) as a whole. The summary of regulatory basis expenditures – actual and budget, individual fund schedules of regulatory basis receipts and expenditures, schedule of regulatory basis receipts, expenditures and unencumbered cash – district activity funds, summary of regulatory basis receipts and disbursements – agency funds, and schedule of regulatory basis receipts and expenditures – actual and budget of the related municipal entity (Schedules 1, 2, 3, 4, and 5 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note A.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the Municipal Financial Reporting Entity as of and for the year ended June 30, 2019 (not presented herein), and have issued our report thereon dated January 6, 2020 which contained an unmodified opinion on the basic financial statement. The 2019 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the website of the Kansas Department of Administration at the following link: <http://www.admin.ks.gov/offices/oar/municipal-services/municipal-audits>. The 2019 actual column (2019 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures for the year ended June 30, 2020 (Schedules 2 and 5 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2019 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2019 basic financial statement. The 2019 comparative information was subjected to the auditing procedures applied in the audit of the 2019 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2019 basic financial statement or to the 2019 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2019 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended June 30, 2019, on the basis of accounting described in Note A.

Kennedy McKee & Company LLP

January 6, 2021

**UNIFIED SCHOOL DISTRICT NO. 226
MEADE, KANSAS**

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

For the Year Ended June 30, 2020

<u>Funds</u>	<u>Beginning unencumbered cash balance</u>	<u>Prior year canceled encumbrances</u>	<u>Receipts</u>
General funds:			
General	\$ 1,097	\$ -	\$ 3,374,045
Supplemental general	125,000	-	1,118,854
Total general funds	<u>126,097</u>	<u>-</u>	<u>4,492,899</u>
Special purpose funds:			
Preschool-aged at risk	23,000	-	47,761
At risk (K-12)	125,000	-	385,211
Bilingual education	30,000	-	27,565
Capital outlay	495,425	708	596,440
Driver training	8,075	-	5,330
Food service	35,000	-	388,810
Professional development	35,000	-	35,671
Summer school	10,000	-	-
Special education	170,851	-	423,796
Career and postsecondary education	65,000	-	78,403
KPERS special retirement contribution	-	-	443,079
Recreation commission	20,556	-	124,306
Gifts and donations	1,803	-	2,550
Contingency reserve	340,000	-	279,867
Textbook and student materials revolving	21,658	-	15,790
REAP	-	-	38,442
Title I	-	-	51,551
Title IIA	-	-	9,750
Title IV	-	-	11,930
SPARKS	-	-	-
Roy and Laura Whitehead scholarship	2,154,395	-	39,213
District activity funds	22,439	-	55,074
Total special purpose funds	<u>3,558,202</u>	<u>708</u>	<u>3,060,539</u>
Bond and interest fund:			
Bond and interest	562,884	-	361,584
Total Unified School District No. 226	4,247,183	708	7,915,022
Related municipal entity:			
Meade District Recreation Commission:			
General	335,056	-	68,124
Total municipal financial reporting entity	<u>\$ 4,582,239</u>	<u>\$ 708</u>	<u>\$ 7,983,146</u>

<u>Expenditures</u>	<u>Ending unencumbered cash balance (deficit)</u>	<u>Add encumbrances and accounts payable</u>	<u>Ending cash balance (deficit)</u>
\$ 3,375,142	\$ -	\$ -	\$ -
1,143,854	100,000	2,111	102,111
<u>4,518,996</u>	<u>100,000</u>	<u>2,111</u>	<u>102,111</u>
40,761	30,000	-	30,000
370,211	140,000	-	140,000
27,565	30,000	-	30,000
486,771	605,802	29,585	635,387
1,414	11,991	-	11,991
333,810	90,000	-	90,000
35,671	35,000	-	35,000
-	10,000	-	10,000
396,600	198,047	-	198,047
73,403	70,000	-	70,000
443,079	-	-	-
65,000	79,862	-	79,862
2,000	2,353	-	2,353
199,867	420,000	-	420,000
12,466	24,982	-	24,982
38,442	-	-	-
51,551	-	-	-
9,750	-	-	-
11,930	-	-	-
3,872	(3,872)	-	(3,872)
34,542	2,159,066	-	2,159,066
51,638	25,875	-	25,875
<u>2,690,343</u>	<u>3,929,106</u>	<u>29,585</u>	<u>3,958,691</u>
<u>381,295</u>	<u>543,173</u>	<u>-</u>	<u>543,173</u>
7,590,634	4,572,279	31,696	4,603,975
<u>63,067</u>	<u>340,113</u>	<u>4,650</u>	<u>344,763</u>
<u>\$ 7,653,701</u>	<u>\$ 4,912,392</u>	<u>\$ 36,346</u>	<u>\$ 4,948,738</u>

**UNIFIED SCHOOL DISTRICT NO. 226
MEADE, KANSAS**

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

For the Year Ended June 30, 2020

	<u>Ending cash balance</u>
Composition of cash balance:	
Petty cash checking	\$ 1,500
Money market checking	1,517,537
Activity funds - money market	12,572
Activity funds - checking	52,004
Certificates of deposit	900,000
Scholarship fund checking	29,831
Scholarship fund certificate of deposit	<u>2,129,235</u>
Total Unified School District No. 226	4,642,679
Agency funds	<u>(38,704)</u>
Total Unified School District No. 226 (excluding agency funds)	4,603,975
Related municipal entity:	
Meade District Recreation Commission	<u>344,763</u>
Total reporting entity (excluding agency funds)	<u><u>\$ 4,948,738</u></u>

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

**UNIFIED SCHOOL DISTRICT NO. 226
MEADE, KANSAS**

NOTES TO THE FINANCIAL STATEMENT

June 30, 2020

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. Municipal Financial Reporting Entity

Unified School District No. 226 is a municipal corporation governed by an elected seven-member board. This financial statement presents Unified School District No. 226 (the Municipality) and its related municipal entity. The related municipal entity is included in the District's reporting entity because it was established to benefit the District and/or its constituents.

Meade District Recreation Commission. The Commission oversees recreational activities. Two of the five members of the governing board of the Commission are appointed by the Board of Education, two by the City Council, with one at-large member. The Commission operates as a separate governing body, but the District levies the taxes for the Commission and the Commission has only the powers granted by K.S.A. 12-1928. The Commission cannot purchase real property but can acquire real property by gift.

2. Basis of Presentation – Fund Accounting

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

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

REGULATORY BASIS FUND TYPES

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

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

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

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

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

4. Budgetary Information

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

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

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

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

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Budgetary Information (Continued)

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 the following special purpose funds:

- Gifts and donations
- Contingency reserve
- Textbook and student materials revolving
- Federal grants
- Roy and Laura Whitehead scholarship
- District activity

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

5. In-Substance Receipt in Transit

The District received \$88,785 subsequent to June 30, 2020 and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2020.

B. COMPLIANCE WITH KANSAS STATUTES

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

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

C. DEPOSITS AND INVESTMENTS

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

C. DEPOSITS AND INVESTMENTS (CONTINUED)

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

Custodial credit risk - deposits. Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at June 30, 2020.

At June 30, 2020, the District's carrying amount of deposits was \$4,642,679 and the bank balance was \$4,808,593. Of the bank balance, \$250,000 was covered by federal depository insurance and \$4,558,593 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

D. LONG-TERM DEBT

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

Issue	Balance beginning of year	Additions	Reductions/ payments	Balance end of year	Interest paid
General obligation refunding bonds:					
School building bonds – Series 2012 Issued April 5, 2012 In the amount of \$3,810,000 At interest rates of 2.00% to 3.00% Maturing September 1, 2025	\$ 2,535,000	\$ -	\$ 325,000	\$ 2,210,000	\$ 56,295
Capital leases:					
Bus Issued January 21, 2016 In the amount of \$45,000 At interest rate of 3.00% Maturing January 21, 2020	11,752	-	11,753	-	351
Activity Bus Issued February 1, 2017 In the amount of \$92,575 At interest rate of 3.00% Maturing February 1, 2021	37,552	-	18,499	19,052	1,123
Bleachers Issued March 16, 2020 In the amount of \$340,000 At interest rate of 2.50% Maturing June 30, 2025	-	340,000	-	340,000	-
Total capital leases	49,304	340,000	30,252	359,052	1,474
Termination benefits:					
Early retirement payable	21,340	-	14,220	7,120	-
Total long-term debt	\$ 2,605,644	\$ 340,000	\$ 369,472	\$ 2,576,172	\$ 57,769

D. LONG-TERM DEBT (CONTINUED)

Current maturities of general obligation bonds and interest through maturity are as follows:

	<u>Principal due</u>	<u>Interest due</u>	<u>Total due</u>
2021	\$ 335,000	\$ 46,395	\$ 381,395
2022	350,000	37,870	387,870
2023	360,000	30,545	390,545
2024	375,000	22,595	397,595
2025	390,000	13,985	403,985
2026	<u>400,000</u>	<u>4,750</u>	<u>404,750</u>
Total	<u>\$ 2,210,000</u>	<u>\$ 156,140</u>	<u>\$ 2,366,140</u>

Current maturities of capital leases and interest through maturity are as follows:

	<u>Principal due</u>	<u>Interest due</u>	<u>Total due</u>
2021	\$ 83,739	\$ 9,070	\$ 92,809
2022	66,303	6,883	73,186
2023	67,961	5,225	73,186
2024	69,649	3,536	73,185
2025	<u>71,400</u>	<u>1,785</u>	<u>73,185</u>
Total	<u>\$ 359,052</u>	<u>\$ 26,499</u>	<u>\$ 385,551</u>

Voluntary early retirement program. Certified personnel may voluntarily elect to retire early. Qualifying personnel must be 61 years old or more on August 31 of the retiring year, have at least fifteen years of service with the school district, and be fully vested in KPERs. The annual rate of retirement compensation is twenty percent of the District's base salary in the year of retirement. Benefits end after five years or when the retiree reaches age 65, whichever comes first.

Current maturities of the voluntary early retirement program are as follows:

2021	<u>\$ 7,120</u>
------	-----------------

E. OPERATING LEASES

The District has entered into operating lease agreements for copy machines. The lease payments for the year ended June 30, 2020 were \$18,136. The following is a yearly schedule of the future minimum rental payment under the operating leases:

2021	<u>\$ 1,696</u>
------	-----------------

F. INTERFUND TRANSACTIONS

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Statutory authority</u>
General fund	Preschool-aged at risk fund	\$ 28,141	K.S.A. 72-5167
General fund	At risk (K-12) fund	81,114	K.S.A. 72-5167
General fund	Bilingual education fund	23,079	K.S.A. 72-5167
General fund	Capital outlay fund	28,446	K.S.A. 72-5167
General fund	Food service fund	116,397	K.S.A. 72-5167
General fund	Professional development fund	30,569	K.S.A. 72-5167
General fund	Special education fund	277,133	K.S.A. 72-5167
General fund	Career and postsecondary education fund	66,903	K.S.A. 72-5167
General fund	Contingency reserve fund	<u>279,867</u>	K.S.A. 72-5167
Total general fund		<u>931,649</u>	

F. INTERFUND TRANSACTIONS (CONTINUED)

<u>From</u>	<u>To</u>	<u>Amount</u>	<u>Statutory authority</u>
Supplemental general fund	Preschool-aged at risk fund	\$ 15,000	K.S.A. 72-5143
Supplemental general fund	At risk (K-12) fund	304,097	K.S.A. 72-5143
Supplemental general fund	Bilingual education fund	4,486	K.S.A. 72-5143
Supplemental general fund	Food service fund	15,000	K.S.A. 72-5143
Supplemental general fund	Special education fund	145,463	K.S.A. 72-5143
Supplemental general fund	Career and postsecondary education fund	<u>10,000</u>	K.S.A. 72-5143
Total supplemental general fund		<u>494,046</u>	
Total operating transfers		<u>\$ 1,425,695</u>	

G. CAPITAL PROJECTS

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

	<u>Project commitments authorized</u>	<u>Cash disbursements and accounts payable to date</u>	<u>Remaining financial commitment</u>
Bleacher renovations	<u>\$ 336,034</u>	<u>\$ -</u>	<u>\$ 336,034</u>

H. 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 the financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

Death and disability other post-employment benefits. As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERs) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERs that is funded to pay annual benefit payments. The employer contribution rate was set at 1% for the year ended June 30, 2020.

Section 125 plan. The District offers a Section 125 flexible benefit plan to all eligible employees. It is used for medical insurance premiums, unreimbursed medical expenses, and childcare expenses. The plan is administered by the health insurance provider. The District withholds the amounts from the employee's paychecks and remits the withholding to the plan administrator.

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

Compensated absences. The District's policies regarding vacation permit an annual vacation of two weeks with pay to those employees assigned to twelve-month positions. The Superintendent is entitled to an annual vacation of one month. Policies prohibit payment for vacation time in lieu of time off. Sick leave for all employees may be accumulated at the rate of ten days per year up to a total accumulation of sixty days. An amount is paid in August to teachers for any accumulation beyond sixty days at \$30 per day. In the event of death, resignation, or termination of employment for all employees, unused vacation time and accumulated sick leave are lost. Upon retirement after twenty years of employment by the District, a teacher may be reimbursed for up to thirty days of the teacher's accumulated and unused sick leave at a rate of \$30 per day.

I. DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

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

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009 and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate of 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate and 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 statutory contribution rate was 16.15% and 14.41% for the fiscal year ended June 30, 2020.

Per 2017 Senate Substitute for the House Bill 2052, Section 37(a), the 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.

I. DEFINED BENEFIT PENSION PLAN (CONTINUED)

General Information about the Pension Plan (Continued)

Per 2017 Senate Substitute for House Bill 2002, Section 51(a), state general fund employer contributions to KPERS were decreased by \$194 million for the fiscal year ended June 30, 2019. Section 56(19) of the bill also stipulates that repayments of the reduced contributions are to be amortized over twenty years at a level dollar amount commencing in the fiscal year 2020. The level dollar amount was computed to be \$19.4 million per year.

2018 House Substitute for Senate Bill 109 provided for additional funding for KPERS School group. A payment of \$56 million was paid in fiscal year 2018. This bill also authorized a payment of \$82 million in fiscal year 2019.

2019 Senate Bill 9 authorized a payment of \$115 million for KPERS School group.

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled \$443,079 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 \$3,872,545. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018, which was rolled forward to June 30, 2019. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2019. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

J. 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 statement of the District at June 30, 2020.

K. 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; natural disasters, and medical needs of employees. The District has been unable to obtain workers compensation insurance at a cost it considered to be economically justifiable. For this reason, the District has joined together with other school districts in the State to participate in the Kansas Association of School Boards Workers Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for participating members.

The District pays an annual premium to the Kansas Association of School Boards for its workers compensation insurance coverage. The agreement to participate provides that the Kansas Association of School Boards Workers Compensation fund will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$1,000,000 for each insured event. Additional premiums may be due if total claims for the pool are different than what has been anticipated by the Kansas Association of School Boards management.

The District continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

L. CORONAVIRUS (COVID-19)

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

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

M. SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 6, 2021, the date on which the financial statement was available to be used. Management's evaluation concluded that there are no subsequent events that are required to be recognized or disclosed in this financial statement except for the ongoing concern regarding the novel strain of coronavirus (COVID-19) as discussed in Note L above.

**REGULATORY-REQUIRED
SUPPLEMENTARY INFORMATION**

**UNIFIED SCHOOL DISTRICT NO. 226
MEADE, KANSAS**

**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 maximum budget</u>	<u>Adjustment for qualifying budget credits</u>	<u>Total budget for comparison</u>	<u>Expenditures chargeable to current year</u>	<u>Variance favorable (unfavorable)</u>
General funds:						
General	\$ 3,563,882	\$ (194,882)	\$ 6,142	\$ 3,375,142	\$ 3,375,142	\$ -
Supplemental general	1,189,000	(8,472)	-	1,180,528	1,143,854	36,674
Special purpose funds:						
Preschool-aged at risk	42,000	-	-	42,000	40,761	1,239
At risk (K-12)	405,000	-	-	405,000	370,211	34,789
Bilingual education	37,000	-	-	37,000	27,565	9,435
Capital outlay	1,019,764	-	-	1,019,764	486,771	532,993
Driver training	13,305	-	-	13,305	1,414	11,891
Food service	390,000	-	-	390,000	333,810	56,190
Professional development	39,200	-	-	39,200	35,671	3,529
Summer school	10,000	-	-	10,000	-	10,000
Special education	610,851	-	-	610,851	396,600	214,251
Career and postsecondary education	98,000	-	-	98,000	73,403	24,597
KPERs special retirement contribution	496,821	-	-	496,821	443,079	53,742
Recreation commission	130,000	-	-	130,000	65,000	65,000
Bond and interest fund:						
Bond and interest	382,295	-	-	382,295	381,295	1,000
 Total Unified School District No. 226	 8,427,118	 (203,354)	 6,142	 8,229,906	 7,174,576	 1,055,330
 Related municipal entity: Meade District Recreation Commission:						
General	74,900	-	-	74,900	63,067	11,833
 Total municipal financial reporting entity	 <u>\$ 8,502,018</u>	 <u>\$ (203,354)</u>	 <u>\$ 6,142</u>	 <u>\$ 8,304,806</u>	 <u>\$ 7,237,643</u>	 <u>\$ 1,067,163</u>

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 226
MEADE, KANSAS**

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

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

	2019	2020		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
State aid:				
Equalization aid	\$ 2,988,588	\$ 3,083,425	\$ 3,230,085	\$ (146,660)
Special education aid	286,979	277,133	322,200	(45,067)
Mineral production tax	10,150	7,345	10,500	(3,155)
State aid reimbursement	-	6,142	-	6,142
Total receipts	3,285,717	3,374,045	\$ 3,562,785	\$ (188,740)
Expenditures:				
Instruction	1,792,170	1,701,836	\$ 2,003,901	\$ 302,065
Student support services	4,254	2,801	25,762	22,961
Instructional support staff	66,786	68,933	69,110	177
General administration	207,495	196,571	248,466	51,895
School administration	235,028	245,887	263,811	17,924
Central services	2,236	2,632	-	(2,632)
Operations and maintenance	1,736	1,728	4,500	2,772
Student transportation services	205,874	198,421	255,797	57,376
Other support services	31,110	24,684	25,535	851
Transfers to other funds	737,931	931,649	667,000	(264,649)
Adjustment to comply with legal maximum budget	-	-	(194,882)	(194,882)
Legal general fund budget	3,284,620	3,375,142	3,369,000	(6,142)
Adjustment for qualifying budget credits	-	-	6,142	6,142
Total expenditures	3,284,620	3,375,142	\$ 3,375,142	\$ -
Receipts over (under) expenditures	1,097	(1,097)		
Unencumbered cash, beginning of year	-	1,097		
Unencumbered cash, end of year	\$ 1,097	\$ -		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 226
MEADE, KANSAS**

SUPPLEMENTAL GENERAL FUND

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

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

	2019	2020		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Taxes:				
Ad valorem property:				
Tax in process	\$ 13,561	\$ 21,324	\$ 28,923	\$ (7,599)
Current tax	1,066,456	1,046,197	1,020,783	25,414
Delinquent tax	7,788	3,997	8,344	(4,347)
Motor vehicle tax	51,723	46,504	44,250	2,254
Recreational vehicle tax	1,009	832	961	(129)
Total receipts	<u>1,140,537</u>	<u>1,118,854</u>	<u>\$ 1,103,261</u>	<u>\$ 15,593</u>
Expenditures:				
Instruction	125,312	112,492	\$ 252,258	\$ 139,766
General administration	11,855	15,839	15,940	101
School administration	20,996	21,443	21,416	(27)
Operations and maintenance	528,936	500,034	677,386	177,352
Transfers to other funds	425,748	494,046	222,000	(272,046)
Adjustment to comply with legal maximum budget	-	-	(8,472)	(8,472)
Total expenditures	<u>1,112,847</u>	<u>1,143,854</u>	<u>\$ 1,180,528</u>	<u>\$ 36,674</u>
Receipts over (under) expenditures	27,690	(25,000)		
Unencumbered cash, beginning of year	96,172	125,000		
Prior year canceled encumbrances	<u>1,138</u>	<u>-</u>		
Unencumbered cash, end of year	<u>\$ 125,000</u>	<u>\$ 100,000</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 226
MEADE, KANSAS**

PRESCHOOL-AGED AT RISK FUND

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

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

	2019	2020		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Tuition	\$ 4,280	\$ 4,620	\$ 2,000	\$ 2,620
Transfers:				
General fund	11,000	28,141	17,000	11,141
Supplemental general fund	23,527	15,000	-	15,000
Total receipts	38,807	47,761	<u>\$ 19,000</u>	<u>\$ 28,761</u>
Expenditures:				
Instruction	38,607	40,761	<u>\$ 42,000</u>	<u>\$ 1,239</u>
Receipts over (under) expenditures	200	7,000		
Unencumbered cash, beginning of year	22,800	23,000		
Unencumbered cash, end of year	<u>\$ 23,000</u>	<u>\$ 30,000</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 226
MEADE, KANSAS**

AT RISK (K-12) FUND

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

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

	2019	2020		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Transfers:				
General fund	\$ 123,000	\$ 81,114	\$ 150,000	\$ (68,886)
Supplemental general fund	254,000	304,097	130,000	174,097
Total receipts	<u>377,000</u>	<u>385,211</u>	<u>\$ 280,000</u>	<u>\$ 105,211</u>
Expenditures:				
Instruction	353,615	362,825	\$ 370,858	\$ 8,033
Student support services	1,165	492	5,326	4,834
School administration	22,220	6,894	28,816	21,922
Total expenditures	<u>377,000</u>	<u>370,211</u>	<u>\$ 405,000</u>	<u>\$ 34,789</u>
Receipts over (under) expenditures	-	15,000		
Unencumbered cash, beginning of year	<u>125,000</u>	<u>125,000</u>		
Unencumbered cash, end of year	<u>\$ 125,000</u>	<u>\$ 140,000</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 226
MEADE, KANSAS**

BILINGUAL EDUCATION FUND

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

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

	<u>2019</u>	<u>2020</u>		<u>Variance favorable (unfavorable)</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts:				
Transfers:				
General fund	\$ -	\$ 23,079	\$ -	\$ 23,079
Supplemental general fund	24,969	4,486	7,000	(2,514)
Total receipts	24,969	27,565	<u>\$ 7,000</u>	<u>\$ 20,565</u>
Expenditures:				
Instruction	24,969	27,565	<u>\$ 37,000</u>	<u>\$ 9,435</u>
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning of year	<u>30,000</u>	<u>30,000</u>		
Unencumbered cash, end of year	<u>\$ 30,000</u>	<u>\$ 30,000</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 226
MEADE, KANSAS**

CAPITAL OUTLAY FUND

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

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

	2019	2020		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Taxes:				
Ad valorem property:				
Tax in process	\$ 6,033	\$ 9,293	\$ 12,586	\$ (3,293)
Current tax	464,799	484,513	473,136	11,377
Delinquent tax	3,602	1,830	3,636	(1,806)
Motor vehicle tax	20,824	20,500	19,557	943
Recreational vehicle tax	415	367	424	(57)
Other	9,164	51,491	15,000	36,491
Transfers:				
General fund	-	28,446	-	28,446
Total receipts	<u>504,837</u>	<u>596,440</u>	<u>\$ 524,339</u>	<u>\$ 72,101</u>
Expenditures:				
Instruction	185,587	294,180	\$ 670,000	\$ 375,820
General administration	3,227	-	30,000	30,000
Operations and maintenance	63,979	93,257	84,764	(8,493)
Transportation	121,070	31,726	100,000	68,274
Facility acquisition and construction services	<u>103,542</u>	<u>67,608</u>	<u>135,000</u>	<u>67,392</u>
Total expenditures	<u>477,405</u>	<u>486,771</u>	<u>\$ 1,019,764</u>	<u>\$ 532,993</u>
Receipts over (under) expenditures	27,432	109,669		
Unencumbered cash, beginning of year	466,069	495,425		
Prior year canceled encumbrances	<u>1,924</u>	<u>708</u>		
Unencumbered cash, end of year	<u>\$ 495,425</u>	<u>\$ 605,802</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 226
MEADE, KANSAS**

DRIVER TRAINING FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

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

	2019	2020		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
State aid	\$ 4,410	\$ 2,080	\$ 2,730	\$ (650)
Other	2,700	3,250	2,500	750
Total receipts	<u>7,110</u>	<u>5,330</u>	<u>\$ 5,230</u>	<u>\$ 100</u>
Expenditures:				
Instruction	6,326	1,414	\$ 8,591	\$ 7,177
Vehicle operations, maintenance	565	-	4,714	4,714
Total expenditures	<u>6,891</u>	<u>1,414</u>	<u>\$ 13,305</u>	<u>\$ 11,891</u>
Receipts over (under) expenditures	219	3,916		
Unencumbered cash, beginning of year	<u>7,856</u>	<u>8,075</u>		
Unencumbered cash, end of year	<u>\$ 8,075</u>	<u>\$ 11,991</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 226
MEADE, KANSAS**

FOOD SERVICE FUND

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

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

	2019	2020		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Federal aid	\$ 122,193	\$ 163,402	\$ 116,637	\$ 46,765
State aid	1,957	1,949	1,900	49
Charges for services	86,362	70,150	101,463	(31,313)
Interest	35,703	21,642	35,000	(13,358)
Other	480	270	-	270
Transfers:				
General fund	47,000	116,397	100,000	16,397
Supplemental general fund	29,861	15,000	-	15,000
Total receipts	323,556	388,810	\$ 355,000	\$ 33,810
Expenditures:				
Operations and maintenance	6,000	3,320	\$ 16,000	\$ 12,680
Food service operations	317,556	330,490	374,000	43,510
Total expenditures	323,556	333,810	\$ 390,000	\$ 56,190
Receipts over (under) expenditures	-	55,000		
Unencumbered cash, beginning of year	35,000	35,000		
Unencumbered cash, end of year	\$ 35,000	\$ 90,000		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 226
MEADE, KANSAS**

PROFESSIONAL DEVELOPMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

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

	2019	2020		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
State aid	\$ 4,046	\$ 5,102	\$ 4,200	\$ 902
Transfers:				
General fund	17,657	30,569	-	30,569
Supplemental general fund	15,342	-	-	-
Total receipts	37,045	35,671	<u>\$ 4,200</u>	<u>\$ 31,471</u>
Expenditures:				
Instructional support staff	32,045	35,671	<u>\$ 39,200</u>	<u>\$ 3,529</u>
Receipts over (under) expenditures	5,000	-		
Unencumbered cash, beginning of year	<u>30,000</u>	<u>35,000</u>		
Unencumbered cash, end of year	<u>\$ 35,000</u>	<u>\$ 35,000</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 226
MEADE, KANSAS**

SUMMER SCHOOL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

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

	<u>2019</u>	<u>2020</u>		<u>Variance favorable (unfavorable)</u>
		<u>Actual</u>	<u>Budget</u>	
Receipts:				
Transfers:				
General fund	\$ 12,000	\$ -	<u>\$ -</u>	<u>\$ -</u>
Expenditures:				
Instruction	<u>2,000</u>	<u>-</u>	<u>\$ 10,000</u>	<u>\$ 10,000</u>
Receipts over (under) expenditures	10,000	-		
Unencumbered cash, beginning of year	<u>-</u>	<u>10,000</u>		
Unencumbered cash, end of year	<u>\$ 10,000</u>	<u>\$ 10,000</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 226
MEADE, KANSAS**

SPECIAL EDUCATION FUND

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

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

	2019	2020		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Other	\$ 1,200	\$ 1,200	\$ -	\$ 1,200
Transfers:				
General fund	464,652	277,133	400,000	(122,867)
Supplemental general fund	-	145,463	40,000	105,463
Total receipts	<u>465,852</u>	<u>423,796</u>	<u>\$ 440,000</u>	<u>\$ (16,204)</u>
Expenditures:				
Instruction	417,368	394,045	\$ 586,351	\$ 192,306
Vehicle operating service	<u>7,633</u>	<u>2,555</u>	<u>24,500</u>	<u>21,945</u>
Total expenditures	<u>425,001</u>	<u>396,600</u>	<u>\$ 610,851</u>	<u>\$ 214,251</u>
Receipts over (under) expenditures	40,851	27,196		
Unencumbered cash, beginning of year	<u>130,000</u>	<u>170,851</u>		
Unencumbered cash, end of year	<u>\$ 170,851</u>	<u>\$ 198,047</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 226
MEADE, KANSAS**

CAREER AND POSTSECONDARY EDUCATION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

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

	2019	2020		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Other	\$ -	\$ -	\$ 8,000	\$ (8,000)
Federal aid	-	1,500	-	1,500
Transfers:				
General fund	7,500	66,903	-	66,903
Supplemental general fund	78,049	10,000	25,000	(15,000)
Total receipts	<u>85,549</u>	<u>78,403</u>	<u>\$ 33,000</u>	<u>\$ 45,403</u>
Expenditures:				
Instruction	80,549	73,403	\$ 96,800	\$ 23,397
Student transportation services	-	-	1,200	1,200
Total expenditures	<u>80,549</u>	<u>73,403</u>	<u>\$ 98,000</u>	<u>\$ 24,597</u>
Receipts over (under) expenditures	5,000	5,000		
Unencumbered cash, beginning of year	<u>60,000</u>	<u>65,000</u>		
Unencumbered cash, end of year	<u>\$ 65,000</u>	<u>\$ 70,000</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 226
MEADE, KANSAS**

KPERS SPECIAL RETIREMENT CONTRIBUTION FUND

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

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

	2019	2020		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
State aid	\$ 290,621	\$ 443,079	\$ 496,821	\$ (53,742)
Expenditures:				
Instruction	200,006	308,826	\$ 307,313	\$ (1,513)
Student support services	145	443	8,655	8,212
Instructional support staff	5,929	6,203	23,211	17,008
General administration	16,100	24,369	22,563	(1,806)
School administration	25,197	37,662	35,444	(2,218)
Central services	203	886	6,523	5,637
Operations and maintenance	21,622	31,902	38,552	6,650
Student transportation services	8,486	11,963	18,000	6,037
Other support services	2,645	3,102	9,560	6,458
Food service operations	10,288	17,723	27,000	9,277
Total expenditures	290,621	443,079	\$ 496,821	\$ 53,742
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning of year	-	-		
Unencumbered cash, end of year	\$ -	\$ -		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 226
MEADE, KANSAS**

RECREATION COMMISSION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

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

	<u>2019</u>	<u>2020</u>		Variance favorable (unfavorable)
		<u>Actual</u>	<u>Budget</u>	
Receipts:				
Taxes:				
Ad valorem property:				
Tax in process	\$ 755	\$ 1,162	\$ 1,573	\$ (411)
Current tax	58,100	120,307	118,284	2,023
Delinquent tax	481	229	455	(226)
Motor vehicle tax	2,603	2,562	2,445	117
Recreational vehicle tax	52	46	53	(7)
	<u>61,991</u>	<u>124,306</u>	<u>\$ 122,810</u>	<u>\$ 1,496</u>
Total receipts				
Expenditures:				
Community service operations	<u>70,000</u>	<u>65,000</u>	<u>\$ 130,000</u>	<u>\$ 65,000</u>
Receipts over (under) expenditures	(8,009)	59,306		
Unencumbered cash, beginning of year	<u>28,565</u>	<u>20,556</u>		
Unencumbered cash, end of year	<u>\$ 20,556</u>	<u>\$ 79,862</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 226
MEADE, KANSAS**

NON-BUDGETED SPECIAL PURPOSE FUNDS

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the Year Ended June 30, 2020

	Gifts and donations	Contingency reserve	Textbook and student materials revolving	REAP
Receipts:				
Fees	\$ -	\$ -	\$ 15,790	\$ -
Federal aid	-	-	-	38,442
Interest	-	-	-	-
Other	2,550	-	-	-
Transfer from general fund	-	279,867	-	-
	<u>2,550</u>	<u>279,867</u>	<u>15,790</u>	<u>38,442</u>
Total receipts				
Expenditures:				
Instruction	2,000	129,878	12,466	38,442
Instructional support staff	-	5,225	-	-
General administration	-	11,186	-	-
School administration	-	19,370	-	-
Operations and maintenance	-	18,475	-	-
Student transportation services	-	851	-	-
Other support services	-	3,632	-	-
Food service operations	-	11,250	-	-
Scholarships	-	-	-	-
	<u>2,000</u>	<u>199,867</u>	<u>12,466</u>	<u>38,442</u>
Total expenditures				
Receipts over (under) expenditures	550	80,000	3,324	-
Unencumbered cash, beginning of year	<u>1,803</u>	<u>340,000</u>	<u>21,658</u>	<u>-</u>
Unencumbered cash (deficit), end of year	<u>\$ 2,353</u>	<u>\$ 420,000</u>	<u>\$ 24,982</u>	<u>\$ -</u>

See Independent Auditor's Report.

<u>Title I</u>	<u>Title IIA</u>	<u>Title IV</u>	<u>SPARKS</u>	<u>Roy and Laura Whitehead scholarship</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,790
51,551	9,750	11,930	-	-	111,673
-	-	-	-	39,213	39,213
-	-	-	-	-	2,550
-	-	-	-	-	279,867
<u>51,551</u>	<u>9,750</u>	<u>11,930</u>	<u>-</u>	<u>39,213</u>	<u>449,093</u>
51,551	9,750	11,930	-	-	256,017
-	-	-	-	-	5,225
-	-	-	-	4,042	15,228
-	-	-	-	-	19,370
-	-	-	3,872	-	22,347
-	-	-	-	-	851
-	-	-	-	-	3,632
-	-	-	-	-	11,250
-	-	-	-	30,500	30,500
<u>51,551</u>	<u>9,750</u>	<u>11,930</u>	<u>3,872</u>	<u>34,542</u>	<u>364,420</u>
-	-	-	(3,872)	4,671	84,673
-	-	-	-	2,154,395	2,517,856
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,872)</u>	<u>\$ 2,159,066</u>	<u>\$ 2,602,529</u>

**UNIFIED SCHOOL DISTRICT NO. 226
MEADE, KANSAS**

BOND AND INTEREST FUND

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

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

	2019	2020		Variance favorable (unfavorable)
		Actual	Budget	
Receipts:				
Taxes:				
Ad valorem property:				
Tax in process	\$ 3,737	\$ 6,457	\$ 8,709	\$ (2,252)
Current tax	322,983	340,450	332,541	7,909
Delinquent tax	2,521	1,227	2,527	(1,300)
Motor vehicle tax	11,415	13,211	12,593	618
Recreational vehicle tax	234	239	273	(34)
Total receipts	<u>340,890</u>	<u>361,584</u>	<u>\$ 356,643</u>	<u>\$ 4,941</u>
Expenditures:				
Debt service:				
Principal	310,000	325,000	\$ 325,000	\$ -
Interest	65,820	56,295	56,295	-
Bond fees	-	-	1,000	1,000
Total expenditures	<u>375,820</u>	<u>381,295</u>	<u>\$ 382,295</u>	<u>\$ 1,000</u>
Receipts over (under) expenditures	(34,930)	(19,711)		
Unencumbered cash, beginning of year	<u>597,814</u>	<u>562,884</u>		
Unencumbered cash, end of year	<u>\$ 562,884</u>	<u>\$ 543,173</u>		

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 226
MEADE, KANSAS**

DISTRICT ACTIVITY FUNDS

SCHEDULE OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
REGULATORY BASIS

For the Year Ended June 30, 2020

<u>Funds</u>	<u>Beginning unencumbered cash balance</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Ending unencumbered cash balance</u>	<u>Add encumbrances and accounts payable</u>	<u>Ending cash balance</u>
Gate receipts:						
High school:						
Athletics	\$ 3,257	\$ 27,963	\$ 27,351	\$ 3,869	\$ -	\$ 3,869
Sports special	121	700	621	200	-	200
School play	3,338	3,358	2,418	4,278	-	4,278
Forensics	1,005	3,360	1,242	3,123	-	3,123
Elementary school:						
Athletics	331	10,254	8,229	2,356	-	2,356
Subtotal gate receipts	<u>8,052</u>	<u>45,635</u>	<u>39,861</u>	<u>13,826</u>	<u>-</u>	<u>13,826</u>
School projects:						
High school:						
Library	1,459	2,257	2,890	826	-	826
Band	279	-	8	271	-	271
Biology class	238	-	-	238	-	238
Concessions set-up	1,044	440	264	1,220	-	1,220
Drivers education	15	56	14	57	-	57
Special projects	254	225	102	377	-	377
Scholar's bowl	682	-	-	682	-	682
Scholarship donations	699	-	-	699	-	699
Science club	1,043	120	596	567	-	567
Yearbook	-	700	700	-	-	-
Wood shop	3,537	2,117	1,884	3,770	-	3,770
Vocational	-	27	27	-	-	-
Yearbook design	352	-	-	352	-	352
Elementary school:						
Band supplies	-	123	123	-	-	-
Memory book	1,580	75	1,120	535	-	535
Music	562	398	-	960	-	960
Library	2,154	2,901	3,965	1,090	-	1,090
Outdoor classroom	489	-	84	405	-	405
Subtotal school projects	<u>14,387</u>	<u>9,439</u>	<u>11,777</u>	<u>12,049</u>	<u>-</u>	<u>12,049</u>
Total district activity funds	<u>\$ 22,439</u>	<u>\$ 55,074</u>	<u>\$ 51,638</u>	<u>\$ 25,875</u>	<u>\$ -</u>	<u>\$ 25,875</u>

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 226
MEADE, KANSAS**

AGENCY FUNDS

**SUMMARY OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS**

For the Year Ended June 30, 2020

<u>Funds</u>	<u>Beginning cash balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending cash balance</u>
Student organization funds:				
High school:				
Cheerleaders	\$ 1,375	\$ 8,289	\$ 9,151	\$ 513
Basketball - boys	446	779	805	420
Basketball - girls	682	-	67	615
SWKS Classic BB	372	-	-	372
Volleyball	572	6,137	5,405	1,304
Dance	-	455	396	59
Football	647	1,979	2,020	606
Cross country	557	-	-	557
Tennis - girls	665	1,149	1,362	452
Tennis - boys	440	310	310	440
Golf	616	50	-	666
Class of 2018	303	-	-	303
Class of 2019	155	4	-	159
Class of 2020	1,954	30	1,062	922
Class of 2021	4,335	145	3,221	1,259
Class of 2022	3,086	1,197	311	3,972
Class of 2023	-	4,423	2,317	2,106
Trap club	4,236	4,958	5,247	3,947
Kayettes	1,235	1,763	1,576	1,422
Key club	1,267	1,004	618	1,653
M club	541	-	-	541
Student council	2,839	1,185	1,252	2,772
FBLA	1,992	-	1,500	492
Skills USA	823	8,370	6,557	2,636
After prom	-	939	939	-
Madrigals	213	-	-	213
National honor society	224	3,216	3,440	-
Safe program	606	-	-	606
Art	502	671	53	1,120
Service learning	83	-	-	83
Concessions	1,963	28,013	28,710	1,266
Jr. high concessions	-	2,380	2,380	-
Subtotal high school	<u>32,729</u>	<u>77,446</u>	<u>78,699</u>	<u>31,476</u>
Elementary school:				
Cheerleaders	1,126	126	578	674
Pep club	72	-	-	72
Student fund	4,189	3,106	1,000	6,295
KAY club	-	80	-	80
Scholars team	-	107	-	107
Subtotal elementary school	<u>5,387</u>	<u>3,419</u>	<u>1,578</u>	<u>7,228</u>
Total agency funds	<u>\$ 38,116</u>	<u>\$ 80,865</u>	<u>\$ 80,277</u>	<u>\$ 38,704</u>

See Independent Auditor's Report.

**UNIFIED SCHOOL DISTRICT NO. 226
MEADE, KANSAS**

**MEADE DISTRICT RECREATION COMMISSION
(A RELATED MUNICIPAL ENTITY)**

GENERAL FUND

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

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

	2020		Variance favorable (unfavorable)	
	2019	Actual		Budget
Receipts:				
Appropriation from Unified School District No. 226	\$ 70,000	\$ 65,000	\$ 70,000	\$ (5,000)
Interest	1,396	1,634	1,500	134
Other	2,790	1,490	100	1,390
Total receipts	74,186	68,124	\$ 71,600	\$ (3,476)
Expenditures:				
Printing/advertising	60	-	\$ 250	\$ 250
Accounting	1,747	1,954	2,000	46
Salaries and taxes	15,347	13,994	16,200	2,206
Administration	127	70	500	430
Insurance	5,392	5,314	6,000	686
Baseball activities and improvements	20,959	10,686	15,000	4,314
Basketball activities	2,443	6,349	3,700	(2,649)
Golf activities	1,500	10,750	2,000	(8,750)
Football activities	2,903	6,860	5,000	(1,860)
Repairs and maintenance	1,965	522	2,500	1,978
Equipment, building and improvements	411	-	8,000	8,000
Donations	1,800	1,000	3,300	2,300
Volleyball activities	2,815	1,735	4,000	2,265
Other activities	2,000	3,188	4,750	1,562
Miscellaneous	684	645	1,700	1,055
Total expenditures	60,153	63,067	\$ 74,900	\$ 11,833
Receipts over (under) expenditures	14,033	5,057		
Unencumbered cash, beginning of year	321,023	335,056		
Unencumbered cash, end of year	<u>\$ 335,056</u>	<u>\$ 340,113</u>		

See Independent Auditor's Report.