

UNIFIED SCHOOL DISTRICT NUMBER 368
Paola, Kansas

FINANCIAL STATEMENT
AND
INDEPENDENT AUDITOR'S REPORT

June 30, 2021

UNIFIED SCHOOL DISTRICT NUMBER 368

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Unified School District Number 368

Report on Financial Statements

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District Number 368 of Paola, Kansas, as of and for the year ended June 30, 2021 and the related notes to the financial statement.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. 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.

Opinions

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

As described in Note C of the financial statement, the financial statement is prepared by Unified School District Number 368 of Paola, Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note C 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 of Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District Number 368 of Paola, Kansas as of June 30, 2021, or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balances of the Unified School District Number 368 of Paola, Kansas as of June 30, 2021, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note C.

Other Matters

Report on Supplementary Information

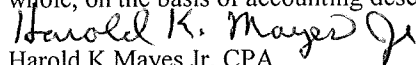
Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures - actual and budget, individual fund schedules of regulatory basis receipts and expenditures - actual and budget, schedule of regulatory basis receipts and expenditures - agency funds, schedule of regulatory basis receipts and expenditures - district activity funds and schedule of regulatory basis receipts and expenditures - endowment (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*. The accompanying Schedule of Expenditures of Federal Awards is also 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 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 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 C.

Other reporting required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2021 on our consideration of Unified School District Number 368's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Unified School District Number 368's internal control over financial reporting and compliance.

Prior Year Comparative

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Unified School District Number 368 as of and for the year ended June 30, 2020 (not presented herein), and have issued our report dated November 2, 2020, which contained an unmodified opinion on the basic financial statement. The 2020 basic financial statements and accompanying report are not presented herein, but available in electronic form from the web site of the Kansas Department of Administration at the following link <http://www.admin.ks.gov/offices//chief-financial-officer/municipal-services>. The 2020 actual column (2020 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures - actual and budget for the year ended June 30, 2021 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2020 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2020 basic financial statement. The 2020 comparative information was subjected to the auditing procedures applied in the audit of the 2020 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2020 basic financial statement or to the basic financial statements itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2020 comparative information is fairly stated in all material respects in relation to the 2020 basic financial statement as a whole, on the basis of accounting described in Note C.



Harold K Mayes Jr. CPA
Agler & Gaeddert, Chartered
Ottawa, Ks. 66064
September 21, 2021

Unified School District Number 368
Paola, Kansas

SUMMARY OF CASH RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH
For the Year Ended June 30, 2021

	Beginning Unencumbered Cash and Investments	Prior Year Cancelled Encumbrances	Receipts	Expenditures
Governmental Type Funds				
General Funds				
General	\$ 0	\$ 0	\$ 13,584,410	\$ 13,584,410
Supplemental General	333,364	0	4,418,642	4,356,449
Special Purpose Funds				
Adult Education	12,676	0	256,713	256,714
Adult Supplementary Education	39,487	0	21,438	22,644
At Risk	782,022	0	960,392	981,759
Bilingual Education	31,987	0	10,052	10,052
Virtual Education	5,100	0	376,530	194,250
Capital Outlay	2,830,801	0	1,912,329	1,858,061
Driver Training	46,452	0	24,523	20,347
Food Service	164,527	0	1,069,299	1,056,629
Professional Development	152,610	0	8,528	38,191
Parent Education Program	21,148	0	340,571	294,702
Special Education	2,299,634	0	3,306,524	3,648,248
Career and Postsecondary Education	991,029	0	699,844	699,813
Kansas Public Retirement System	0	0	3,389,467	3,389,467
Coop Special Education	1,735,771	0	17,264,593	16,549,447
Special Assessment	26,435	0	0	0
Title I	0	0	367,081	367,081
Title II A-Teacher Quality Improve	0	0	43,534	43,534
Vocational Education-Carl Perkins	0	0	33,703	33,703
Coronavirus Funds	0	0	733,464	962,623
Contingency Reserve	996,626	0	0	28,871
Student Material Revolving	308,664	0	169,882	353,219
Gate Receipts and User Charges	37,271	0	234,548	246,028
Bond & Interest Funds				
Bond and Interest	4,277,461	0	2,616,616	2,196,062
Business Type Funds				
Health Insurance	417,236	0	3,316,299	3,401,568
Trust Type Funds				
Expendable Trust Funds				
Scholarship and Other Trusts	175,636	0	100,328	61,881
Nonexpendable Trust Funds				
Scholarship	258,094	0	3,241	3,241
Related Municipal Entity				
Endowment Trusts	2,663,316	0	810,246	288,653
Total reporting entity (excluding agency funds)	<u>\$ 18,607,347</u>	<u>\$ 0</u>	<u>\$ 56,072,797</u>	<u>\$ 54,947,647</u>

The accompanying notes are an integral part of this financial statement.

Statement 1

Ending Unencumbered Cash and Investments	Add Encumbrances and Accounts Payable	Ending Cash and Investments		
\$ 0	\$ 91,608	\$ 91,608	Composition of ending cash	
395,557	57,216	452,773	and investments	
			Demand Deposits	
12,675	10,431	23,106	First Option Bank	\$ 11,256,582
38,281	228	38,509	Citizens State Bank	6,461,921
760,655	18,500	779,155	Activity Fund Accounts	230,531
31,987	0	31,987		
187,380	0	187,380		
2,885,069	1,019,644	3,904,713	Time Deposits	
50,628	1,000	51,628	Landmark Bank	199,914
177,197	14,277	191,474	First Option Bank	10,000
122,947	2,000	124,947	First Option Bank	15,400
67,017	609	67,626	First Option Bank	31,611
1,957,910	0	1,957,910	First Option Bank	258,094
991,060	152	991,212		
0	0	0		
2,450,917	16,353	2,467,270	Less Agency funds	
26,435	0	26,435	per Schedule 3	<u>(204,740)</u>
0	0	0		18,259,313
0	0	0		
0	0	0		
(229,159)	136,362	(92,797)	Investments	
967,755	28,871	996,626	Stocks and Bonds	
125,327	23,491	148,818	of Endowment Trust	<u>3,184,909</u>
25,791	0	25,791	Total cash and investments	
			Total cash and investments	\$ <u><u>21,444,222</u></u>
4,698,015	0	4,698,015		
331,967	288,744	620,711		
214,083	2,239	216,322		
258,094	0	258,094		
<u>3,184,909</u>	<u>0</u>	<u>3,184,909</u>		
<u>\$ 19,732,497</u>	<u>\$ 1,711,725</u>	<u>\$ 21,444,222</u>		

The accompanying notes are an integral part of this financial statement.

Unified School District Number 368
Paola, Kansas

NOTES TO FINANCIAL STATEMENT
For year ended June 30, 2021

NOTE A. MUNICIPAL REPORTING ENTITY

Unified School District Number 368 is a municipal corporation governed by an elected seven-member board. This financial statement presents the Unified School District Number 368 (the municipality). The financial statement includes the municipality and a related municipal entity known as the Endowment.

The Unified School District Number 368 Endowment governing board is a volunteer group. The Endowment receives donations from the public and disburses these funds to eligible students from Paola High School.

NOTE B. REGULATORY BASIS FUND TYPES

The accounts of the District are organized and operated on the basis of funds. 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 District potential could have the following types of funds.

General Fund – the chief operating fund. 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 revenues sources (other than Capital Project and tax levies for long-term debt) that are intended for specific purposes.

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

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

Business Fund – funds financed in whole or part by fees charged to users of goods or services (i.e. enterprise and internal service funds etc.).

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

Agency Funds – funds used to report assets held by the municipal reporting entity in purely a custodial capacity (payroll clearing fund, county treasurer tax collection accounts, etc.).

NOTE C. BASIS OF ACCOUNTING

Regulatory Basis of Accounting and departure from Accounting Principles Generally Accepted in the United States of America - The 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 on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligations against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt assignment to a fund, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than mentioned above. Unified School District Number 368 has approved a resolution that it is in compliance with K.S.A. 75-1120a (c) waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

Unified School District Number 368
Paola, Kansas

NOTES TO FINANCIAL STATEMENT
For year ended June 30, 2021

NOTE D. 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 of the proposed budget and notice of public hearing on the budget.
3. Public hearing 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 revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no 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.

Adjustment to Comply with Legal Max – Unified school districts use this line item (for use in the budget column only) to adjust the certified budget to comply with the “Legal Max” budget. The State Board of Education calculates the “Legal Max” budget using enrollment figures. The District’s budgeted expenditures are limited to the lower of the published budget or the “Legal Max” budget.

Adjustment for Qualifying Budget Credits – Municipalities may use this line item for any budgeted fund. The adjustment would be a positive amount. All budget adjustments must be authorized by Kansas statutes. Examples include: expenditure of federal grant monies, gifts and donations, and receipts authorized by law to be spent as if they were reimbursed expenses.

All legal annual operating budgets are prepared using the regulatory basis of accounting in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year’s accounts payable and encumbrances. Encumbrances are commitments by the 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, capital project funds, business funds and trusts:

Title I

Title II A

Vocational Education – Carl Perkins

Coronavirus Funds

Contingency Reserve

Student Materials Revolving

Health Insurance

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

Unified School District Number 368
Paola, Kansas

NOTES TO FINANCIAL STATEMENT
For year ended June 30, 2021

NOTE E. DEPOSITS AND INVESTMENTS

Cash balances from all funds are combined and invested to the extent available in certificates of deposit and other authorized investments. Earnings from these investments are allocated to designated funds. All investments are stated at cost.

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 District or in an adjoining District 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 bank to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

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

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%. There were no designated "peak periods" during the year. All bank deposits were legally secured at June 30, 2021.

At June 30, 2021, the carrying amount of the District's bank deposits was \$18,464,053 and the bank balance was \$20,623,854. The bank balance was held by four banks reducing concentration risk. The difference between carrying amount and bank balance is outstanding checks and deposits. Of the bank balance, \$700,685 was covered by federal depository insurance and \$19,923,169 was collateralized with securities held by the pledging financial institution's agents in the District's name.

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

Concentration of credit risk - State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The District had the following investments and maturities as of June 30, 2021. Fair value is based upon quoted market values:

The Unified School District Number 368 Endowment has bank deposits of \$163,927 and the bank balance was \$167,631. The difference between carrying amount and bank balance is outstanding checks and deposits. The balance was held by one bank which increases concentration risk. Of the bank balance \$167,631 was covered by federal depository insurance.

Concentration of credit risk – Endowment investment policy places no limit on the amount the Endowment may invest in any one issuer. The Endowment had the following investments and maturities as of June 30, 2021. Fair value is based upon quoted market values:

Unified School District Number 368
Paola, Kansas

NOTES TO FINANCIAL STATEMENT
For year ended June 30, 2021

NOTE E. DEPOSITS AND INVESTMENTS - continued

Investments - Endowment Investment Type	Cost	Fair Value	Investment Maturities		Percent of Investment	Rating U.S.
			Less than 1	2 yrs or more		
Bonds	\$ 59,773	\$ 8,448	\$ 0	\$ 8,448	0.003	S&P A-1+
Mutual funds	2,262,585	3,012,534	3,012,534	0	0.997	S&P A-1+
Total investments	2,322,358	3,020,982	\$ 3,012,534	\$ 8,448	1.000	
Plus Cash Balance	163,927	163,927				
Total	\$ 2,486,285	\$ 3,184,909				

NOTE F. IN-SUBSTANCE PAYMENTS

The District received \$742,693 for general fund and \$123,769 for supplemental general fund subsequent to June 30, 2021 and is required by K.S.A. 72-5135(d) that the receipt be recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2021.

NOTE G. LONG-TERM DEBT

General Long-Term Debt

Long-term obligations consisted of the following during the year:

Issue	Interest Rates	Date of Issue	Amount of Issue	Date of Final Maturity
General Obligation Bonds:				
Series 2014	2% to 5.00%	06/05/14	\$ 18,225,000	09/01/28
Series 2016	3% to 4%	11/30/16	6,975,000	09/01/26
Series 2017	3.00%	03/30/17	4,710,000	09/01/26

Changes in long-term liabilities for the Unified School District Number 368 for the year ended June 30, 2021 were as follows:

	Beginning Balance	Additions	Reductions/ Payments	Net Change	Ending Balance	Interest Paid
General Obligation Bonds:						
Series 2014	\$ 2,945,000	\$ 0	\$ 1,315,000	\$ (1,315,000)	\$ 1,630,000	\$ 72,538
Series 2016	6,510,000	0	245,000	(245,000)	6,265,000	227,675
Series 2017	4,300,000	0	210,000	(210,000)	4,090,000	125,850
	\$ 13,755,000	\$ 0	\$ 1,770,000	\$ (1,770,000)	\$ 11,985,000	\$ 426,063

Unified School District Number 368
Paola, Kansas

NOTES TO FINANCIAL STATEMENT
For year ended June 30, 2021

NOTE G. LONG-TERM DEBT - continued

General Long-Term Debt - continued

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

	2022	2023	2024	2025	2026	2027-2030	Total
Principal							
G. O. bonds	\$ 1,825,000	\$ 1,880,000	\$ 1,925,000	\$ 2,025,000	\$ 2,090,000	\$ 2,240,000	\$ 11,985,000
Interest							
G. O. bonds	372,138	310,162	240,412	168,438	99,862	35,788	1,226,800
Total principal & interest	\$ 2,196,512	\$ 2,196,063	\$ 2,197,137	\$ 2,190,163	\$ 2,189,862	\$ 2,275,788	\$ 13,211,800

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. Additional authority may be granted by the Kansas State Board of Education. At June 30, 2021, the statutory limit for the District was \$23,618,602. As of June 30, 2021, the District is under the debt margin by \$11,633,602. The District has defeased debt of \$11,020,000 for 2014 debt issue as of June 30, 2021.

Operating Leases

The District conducts a portion of its operations utilizing leases for copiers. Lease terms expire at various times. Current year rental payments under operating leases were \$19,862. Minimum future rental payments under operating leases as of June 30, 2021 are as follows: for 2022 \$19,862; for 2023 \$19,862; for 2024 \$19,682; and for 2025 \$1,655.

NOTE H. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General Fund	Special Education	K.S.A. 72-5167	\$ 2,253,224
General Fund	At-Risk (K-12)	K.S.A. 72-5167	641,500
General Fund	Bilingual	K.S.A. 72-5167	6,567
General Fund	Virtual Education	K.S.A. 72-5167	376,530
Supplemental General Local Option	Parent Education	K.S.A. 72-5143	30,000
Supplemental General Local Option	Special Education	K.S.A. 72-5143	920,643
Supplemental General Local Option	At-Risk (K-12)	K.S.A. 72-5143	318,892
Supplemental General Local Option	Bilingual	K.S.A. 72-5143	3,485
Supplemental General Local Option	Vocational education	K.S.A. 72-5143	675,000

Unified School District Number 368
Paola, Kansas

NOTES TO FINANCIAL STATEMENT
For year ended June 30, 2021

NOTE I. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Health Insurance

During the year ended June 30, 2021, employees of the District were covered by the District's medical self-insurance plan ("the plan"). The plan was established October 1, 2004. The District's contribution is \$500 per month for a single policy or a family policy per employee. All District employees, at their option, can authorize payroll withholdings to pay non-District provided contributions. Claims are paid by a third party administrator acting on behalf of the District. The plan is documented by contractual agreement.

The administrative contract between the District and the third party administrator is renewable annually and stop-loss premiums are included in the contractual provisions. The District was protected against unanticipated catastrophic individual or aggregate loss by stop-loss coverage carried through a commercial insurer licensed and eligible to do business in Kansas in accordance with Kansas Insurance Code. Stop-loss coverage was in effect for individual claims exceeding \$110,000 and for aggregate loss, which is limited to \$1,000,000 annually. Liabilities include an amount for claims that have been incurred but not reported (IBNR's). Liabilities are reported when it is probable that claims have been incurred and the amount of liability can be reasonably estimated. Claim liabilities are calculated by the plan administrator and are expected to be liquidated with expendable available financial resources. The IBNR has been recorded in the Health Insurance Fund

	<u>2021</u>
Unpaid Claims, July 1	\$ 259,183
Incurred claims (including IBNR's)	2,898,343
Claim payments	<u>2,868,782</u>
Unpaid claims, June 30	<u>\$ 288,744</u>

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 retiree's health insurance plan because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been qualified 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.

Flexible Benefit Plan (I.R.C. Section 125)

The District adopted by resolution a salary-reduction flexible benefit plan (Plan) under section 125 of the Internal Revenue Service Code. All employees of the District are eligible to participate in the plan beginning the first day of the month following their employment. Each participant may elect to reduce his or her salary to purchases benefits offered through the Plan. Currently, benefits offered through the Plan include health insurance, dependent care coverage and medical reimbursement.

Compensated Absences

The District's policy is to recognize the cost of compensated absences when actually paid. The District's policies regarding sick pay permits employees to accumulate sick leave of 12 days per year or one day per month for those employees whose contract is for 10, 11, or 12 months up to a total accumulation of 100 days. Upon retirement at age 62 (or at age 60 with at least 12 years of experience within the District), certified and classified personnel will be

Unified School District Number 368
Paola, Kansas

NOTES TO FINANCIAL STATEMENT
For year ended June 30, 2021

NOTE I. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS – continued

Compensated Absences – continued

paid for the unused sick leave at the rate of \$65 per day. The District's policy also requires reimbursement to staff of \$65 per day for each day over the 100 days at the end of the school year.

The costs of accumulated sick leave are not recorded at the time the benefits are accrued. At June 30, 2021 the District paid sick leave pay for employees who will be 62 or older on or before June 30, 2021 or have accumulated in excess of 100 days in the amount of \$48,854. The District has not estimated the dollar amount of accumulated sick leave pay for any other group of employees.

Death and Disability Other Post Employment Benefits

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

NOTE J. DEFINED BENEFIT PENSION PLANS

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 publically available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www/kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions. K.S.A. 74-4919 and K.S.A 74-49.210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 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 employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate and the statutory contribution rate (not including the 1% contribution rate for the Death and Disability Program) was 16.15% and 14.41%, respectively, for the fiscal year ended June 30, 2020. The actuarially determined employer contribution rate and the statutory contribution rate was 15.59% and 14.23% for the fiscal year ended June 30, 2021.

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

Unified School District Number 368
Paola, Kansas

NOTES TO FINANCIAL STATEMENT
For year ended June 30, 2021

NOTE J. DEFINED BENEFIT PENSION PLANS – continued

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

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled \$3,389,467 for the year ended June 30, 2021.

Net Pension Liability

At June 30, 2021, the District's proportionate share of the collective net pension liability reported by KPERS was \$36,389,357. 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, 2019, which was rolled forward to June 30, 2020. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and nonemployer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2020. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

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

NOTE 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; and natural disasters for which the District carries commercial insurance. Settlement of claims has not exceeded commercial insurance coverage in any of the last three fiscal years.

NOTE L. OTHER INFORMATION

Reimbursed Expenses

The District records reimbursable expenditures in the fund that makes the disbursement and records reimbursement as revenue in the same fund. For purposes of budgetary comparisons, the reimbursements are shown as adjustments for qualifying budget credits.

Ad valorem tax revenues

The determination of assessed valuations and the collections of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County Appraiser annually determines assessed valuations and the County Clerk spreads the annual assessment on the tax rolls. One-half of the property taxes are due December 20, and distributed to the District by January 20. The second half is due May 10 and distributed to the District by June 5. The District Treasurer draws other available funds from the County Treasurer at designated times throughout the year.

Unified School District Number 368
Paola, Kansas

NOTES TO FINANCIAL STATEMENT
For year ended June 30, 2021

NOTE L. OTHER INFORMATION – continued

Compliance with Kansas Statute

The District is not aware of any violations.

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 are subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable fund.

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, 2021.

Covid-19

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

As a result of COVID-19, the State of Kansas has received Coronavirus Relief Funds (CRF) under the Coronavirus Aid, Relief and Economic Security (CARES) Act. The CRF were passed through to the counties of Kansas through Strengthening People and Revitalizing Kansas (SPARK). SPARK's first round distribution was to local governments in the amount of \$400 million. The County received CRF during 2020. The County was encouraged to share the CRF with cities, school districts and local businesses within the County. The District received \$477,926 from the County. This included amounts for Holy Trinity Catholic School and Lakemary Center. CRF funds are to be used to strengthen health, to allow the economy to reopen safely and to remain open. The goals are to be fair, impactful and timely. Additional information and updates on SPARK, the CARES Act and CRF, which includes audit requirements, can be found at <https://covid.ks.gov/>. These funds were expended as required by December 31, 2020.

ESSER I funds of \$255,538 were allocated to the District from the State of Kansas and fully expended in 2020-2021 (these funds had to be expended by September 30, 2022).

ESSER II funds of \$1,150,333 have been allocated by the State of Kansas to the District and will be utilized in 2021-2022 and thereafter (these funds must be fully expended by September 30, 2023).

ESSER III funds of \$12,585,305 have been allocated by the State of Kansas to the District and will be utilized in 2022-2023 and thereafter (these funds must be fully expended by September 30, 2024).

NOTE M. SUBSEQUENT EVENTS

Subsequent Events: The District evaluated subsequent events through September 21, 2021, the date the financial statement was available to be issued.

**Required Regulatory Basis
Supplementary Information**

Unified School District Number 368

Paola, Kansas

SUMMARY OF EXPENDITURES-ACTUAL AND BUDGET

BUDGETED FUNDS

For the Year Ended June 30, 2021

	Certified Budget	Adjustment to Comply with Legal Max
General Funds		
General Fund	\$ 14,303,926	\$ (819,392)
Supplemental general local option	4,627,286	(270,837)
Special Purpose Funds		
Adult education	269,189	0
Adult supplementary education	92,337	0
At risk	1,605,698	0
Bilingual education	57,573	0
Virtual Education	391,800	0
Capital outlay	3,969,209	0
Driver training	68,817	0
Food service	1,055,722	0
Professional development	210,110	0
Parent education program	340,345	0
Special education	4,781,417	0
Vocational education	1,274,602	0
Kansas Public Retirement System	4,636,348	0
Co-op special education	19,149,345	0
Special assessment	26,435	0
Bond & Interest Funds		
Bond and interest	2,196,062	0

See Independent Auditor's Report.

Schedule 1

<u>Adjustment for Qualifying Budget Credits</u>		<u>Total Budget for Comparison</u>		<u>Expenditures Chargeable to Current Year</u>		<u>Variance - Over (Under)</u>	
\$	99,876	\$	13,584,410	\$	13,584,410	\$	0
	0		4,356,449		4,356,449		0
	0		269,189		256,714		(12,475)
	0		92,337		22,644		(69,693)
	0		1,605,698		981,759		(623,939)
	0		57,573		10,052		(47,521)
	0		391,800		194,250		(197,550)
	0		3,969,209		1,858,061		(2,111,148)
	0		68,817		20,347		(48,470)
	9,664		1,065,386		1,056,629		(8,757)
	0		210,110		38,191		(171,919)
	0		340,345		294,702		(45,643)
	0		4,781,417		3,648,248		(1,133,169)
	0		1,274,602		699,813		(574,789)
	0		4,636,348		3,389,467		(1,246,881)
	0		19,149,345		16,549,447		(2,599,898)
	0		26,435		0		(26,435)
	0		2,196,062		2,196,062		0

See Independent Auditor's Report.

Unified School District Number 368

Paola, Kansas

Schedule 2a

GENERAL FUNDS
GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2021

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

		2021		Variance Over (Under)
	2020 Actual	Actual	Budget	
Cash Receipts				
Local sources				
Reimbursed expenses	\$ 25,752	\$ 99,876	\$ 0	\$ 99,876
State sources				
Evidence based reading state aid	1,230	0	0	0
Mineral production tax	413	0	0	0
General fund equalization aid	11,231,466	11,299,058	11,467,305	(168,247)
Special education equalization aid	2,155,443	2,185,476	2,836,621	(651,145)
Total cash receipts	<u>13,414,304</u>	<u>13,584,410</u>	<u>\$ 14,303,926</u>	<u>\$ (719,516)</u>
Expenditures				
Instruction				
Salaries	5,428,508	5,808,268	\$ 4,986,506	\$ 821,762
Employee benefits	859,904	915,194	1,021,000	(105,806)
Supplies	225,054	195,163	207,090	(11,927)
Student activities	80,918	94,228	90,935	3,293
Student support services				
Salaries	248,826	273,152	260,000	13,152
Employee benefits	42,489	54,620	50,300	4,320
Supplies	5,621	1,904	3,500	(1,596)
Instruction support staff				
Salaries	413,988	428,554	448,500	(19,946)
Employee benefits	36,334	29,879	41,600	(11,721)
Supplies	9,586	7,692	11,326	(3,634)
General administration				
Salaries	426,296	436,044	447,000	(10,956)
Employee benefits	65,559	67,158	80,600	(13,442)
Purchased professional services	21,731	20,963	25,000	(4,037)
Other	48,865	46,888	51,000	(4,112)
School administration				
Salaries	950,837	861,147	947,000	(85,853)
Employee benefits	174,116	162,039	193,100	(31,061)
Operations and maintenance				
Salaries	466,567	0	530,000	(530,000)
Employee benefits	90,629	55,282	110,600	(55,318)
Purchased Property Services	110,000	0	0	0
Central services				
Salaries	240,462	246,435	250,000	(3,565)
Other purchased services				
Contracting of Bus Service	489,625	601,979	530,000	71,979

See Independent Auditor's Report.

Unified School District Number 368

Paola, Kansas

Schedule 2a

GENERAL FUNDS
GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2021

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

		2021		Variance Over (Under)
	2020 Actual	Actual	Budget	
Expenditures (continued)				
Operating transfers				
Special education	\$ 2,163,918	\$ 2,253,224	\$ 2,836,621	\$ (583,397)
Professional development	30,000	0	50,000	(50,000)
At risk (K-12)	762,000	641,500	738,291	(96,791)
Bilingual	7,471	6,567	17,257	(10,690)
Virtual Education	15,000	376,530	376,700	(170)
Adjustment to comply with legal maximum	<u>0</u>	<u>0</u>	<u>(819,392)</u>	<u>819,392</u>
Legal fund budget & expenditures	<u>13,414,304</u>	<u>13,584,410</u>	<u>13,484,534</u>	<u>99,876</u>
Adjustments for qualifying budget credits	<u>0</u>	<u>0</u>	<u>99,876</u>	<u>(99,876)</u>
 Total expenditures	<u>13,414,304</u>	<u>13,584,410</u>	<u>\$ 13,584,410</u>	<u>\$ 0</u>
 Receipts over (under) expenditures	0	0		
 Unencumbered cash (deficit), July 1,	<u>0</u>	<u>0</u>		
 Unencumbered cash (deficit), June 30,	\$ <u>0</u>	\$ <u>0</u>		

See Independent Auditor's Report.

Unified School District Number 368

Paola, Kansas

Schedule 2b

GENERAL FUNDS SUPPLEMENTAL GENERAL LOCAL OPTION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET REGULATORY BASIS

For the Year Ended June 30, 2021

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

		2021		Variance
	2020	Actual	Budget	Over
	Actual			(Under)
Cash Receipts				
Local sources				
Ad valorem property	\$ 2,215,330	\$ 2,200,833	\$ 2,196,774	\$ 4,059
Delinquent	29,480	42,809	24,834	17,975
County sources				
Motor vehicle	293,861	296,062	273,990	22,072
Recreational vehicle tax	7,688	8,198	7,278	920
Commercial vehicle tax	12,533	14,893	11,856	3,037
State sources				
Supplemental state aid	1,968,845	1,855,847	1,971,224	(115,377)
Total cash receipts	<u>4,527,737</u>	<u>4,418,642</u>	<u>\$ 4,485,956</u>	<u>\$ (67,314)</u>
Expenditures				
Instruction				
Supplies	(9,070)	125,017	\$ 135,000	\$ (9,983)
Student activities	14,190	8,292	0	8,292
Equipment	63,435	9,503	11,100	(1,597)
Other	0	0	20,000	(20,000)
General administration				
Purchased property services	144,529	139,819	100,000	39,819
Other purchased services	230,094	227,647	265,000	(37,353)
Operations and maintenance				
Salaries	260,953	722,920	276,000	446,920
Employee Benefits	43,280	74,803	48,750	26,053
Purchased property services	450,860	217,310	304,500	(87,190)
Other purchased services	38,874	40,809	40,000	809
Supplies	692,677	641,805	825,505	(183,700)
Vehicle operating services				
Motor fuel	58,069	60,288	85,000	(24,712)
Central services				
Other purchased services	112,218	115,095	80,000	35,095
Supplies	640	(1,160)	5,000	(6,160)
Property	31,119	26,281	25,000	1,281
Operating transfers				
Parent Education Program	30,000	30,000	30,000	0
Special Education	1,363,498	920,643	1,294,796	(374,153)
At Risk (K-12)	365,236	318,892	367,407	(48,515)

See Independent Auditor's Report.

Unified School District Number 368

Paola, Kansas

Schedule 2b

GENERAL FUNDS
SUPPLEMENTAL GENERAL LOCAL OPTION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2021

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

	2020 Actual	2021		Variance Over (Under)
		Actual	Budget	
Operating transfers - continued				
Bilingual	\$ 4,063	\$ 3,485	\$ 8,329	\$ (4,844)
Vocational Education	620,000	675,000	705,899	(30,899)
Adjustment to comply with legal maximum	<u>0</u>	<u>0</u>	<u>(270,837)</u>	<u>270,837</u>
Legal fund budget & expenditures	<u>4,514,665</u>	<u>4,356,449</u>	<u>\$ 4,356,449</u>	<u>\$ 0</u>
Receipts over (under) expenditures	13,072	62,193		
Unencumbered cash, July 1	<u>320,292</u>	<u>333,364</u>		
Unencumbered cash, June 30	\$ <u>333,364</u>	\$ <u>395,557</u>		

See Independent Auditor's Report.

Unified School District Number 368

Paola, Kansas

Schedule 2c

SPECIAL PURPOSE FUNDS

ADULT EDUCATION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2021

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

		<u>2021</u>		Variance Over (Under)	
	<u>2020</u>	<u>Actual</u>	<u>Budget</u>		
Cash Receipts					
State sources					
Adult basic aid	\$ 63,588	\$ 64,333	\$ 64,333	\$	0
Federal sources					
Adult education aid	210,093	192,181	192,181		0
Other					
Miscellaneous	<u>0</u>	<u>199</u>	<u>0</u>		<u>199</u>
Total cash receipts	<u>273,681</u>	<u>256,713</u>	<u>\$ 256,514</u>	\$	<u>199</u>
Expenditures					
Instruction					
Salaries	145,129	135,773	\$ 171,484	\$	(35,711)
Employee benefits	32,939	32,954	35,042		(2,088)
Other purchased services	8,832	2,063	2,000		63
Teaching supplies	19,861	32,085	4,057		28,028
Student support services					
Salaries	18,931	18,250	18,661		(411)
Other purchased services	4,883	2,809	3,500		(691)
General administration					
Salaries	24,093	24,830	24,830		0
Supplies	12,416	2,965	3,500		(535)
Operation and maintenance					
Purchased property services	0	0	1,800		(1,800)
Supplies	<u>5,295</u>	<u>4,985</u>	<u>4,315</u>		<u>670</u>
Total expenditures	<u>272,379</u>	<u>256,714</u>	<u>\$ 269,189</u>	\$	<u>(12,475)</u>
Receipts over (under) expenditures	1,302	(1)			
Unencumbered cash, July 1	<u>11,374</u>	<u>12,676</u>			
Unencumbered cash, June 30	\$ <u>12,676</u>	\$ <u>12,675</u>			

See Independent Auditor's Report.

Unified School District Number 368

Paola, Kansas

Schedule 2d

SPECIAL PURPOSE FUNDS
ADULT SUPPLEMENTARY EDUCATION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2021

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

		2021		Variance Over (Under)
	2020 Actual	Actual	Budget	
Cash Receipts				
Local sources				
Class fees	\$ 1,510	\$ 1,100	\$ 2,000	\$ (900)
Miscellaneous	4,202	2,682	50,850	(48,168)
Reimbursements	11,595	3,604	0	3,604
State sources				
State aid	4,885	14,052	0	14,052
Total cash receipts	<u>22,192</u>	<u>21,438</u>	<u>\$ 52,850</u>	<u>\$ (31,412)</u>
Expenditures				
Instruction				
Salaries	4,779	16,324	\$ 41,987	\$ (25,663)
Employee benefits	186	(285)	270	(555)
Other purchased services	1,962	374	2,500	(2,126)
Supplies	19,173	6,231	47,580	(41,349)
Total expenditures	<u>26,100</u>	<u>22,644</u>	<u>\$ 92,337</u>	<u>\$ (69,693)</u>
Receipts over (under) expenditures	(3,908)	(1,206)		
Unencumbered cash, July 1	<u>43,395</u>	<u>39,487</u>		
Unencumbered cash, June 30	\$ <u>39,487</u>	\$ <u>38,281</u>		

See Independent Auditor's Report.

Unified School District Number 368

Paola, Kansas

Schedule 2e

SPECIAL PURPOSE FUNDS

AT RISK FUND (K-12)

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

REGULATORY BASIS

For the Year Ended June 30, 2021

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

		<u>2021</u>		Variance Over (Under)	
	<u>2020 Actual</u>	<u>Actual</u>	<u>Budget</u>		
Cash Receipts					
Operating transfers					
General fund	\$ 762,000	\$ 641,500	\$ 738,291	\$ (96,791)	
Supplemental General	<u>365,236</u>	<u>318,892</u>	<u>367,407</u>	<u>(48,515)</u>	
Total cash receipts	<u>1,127,236</u>	<u>960,392</u>	<u><u>\$ 1,105,698</u></u>	<u><u>\$ (145,306)</u></u>	
Expenditures					
Instruction					
Salaries	969,704	840,957	\$ 1,359,198	\$ (518,241)	
Employee benefits	45,263	48,814	65,500	(16,686)	
Purchased professional services	4,900	3,325	0	3,325	
Supplies	93,728	71,331	153,500	(82,169)	
Other	0	0	7,500	(7,500)	
Student support services					
Mental Health Services	<u>17,332</u>	<u>17,332</u>	<u>20,000</u>	<u>(2,668)</u>	
Total expenditures	<u>1,130,927</u>	<u>981,759</u>	<u><u>\$ 1,605,698</u></u>	<u><u>\$ (623,939)</u></u>	
Receipts over (under) expenditures	(3,691)	(21,367)			
Unencumbered cash, July 1	<u>785,713</u>	<u>782,022</u>			
Unencumbered cash, June 30	\$ <u><u>782,022</u></u>	\$ <u><u>760,655</u></u>			

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 2f

SPECIAL PURPOSE FUNDS
BILINGUAL EDUCATION

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2021

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

		2021		Variance
	2020	Actual	Budget	Over
	Actual			(Under)
Cash Receipts				
Operating transfers				
Supplemental General	\$ 4,063	\$ 3,485	\$ 8,329	\$ (4,844)
General fund	<u>7,471</u>	<u>6,567</u>	<u>17,257</u>	<u>(10,690)</u>
Total cash receipts	<u>11,534</u>	<u>10,052</u>	<u>\$ 25,586</u>	<u>\$ (15,534)</u>
Expenditures				
Instruction				
Salaries	<u>11,534</u>	<u>10,052</u>	<u>\$ 57,573</u>	<u>\$ (47,521)</u>
Total expenditures	<u>11,534</u>	<u>10,052</u>	<u>\$ 57,573</u>	<u>\$ (47,521)</u>
Receipts over (under) expenditures	0	0		
Unencumbered cash, July 1	<u>31,987</u>	<u>31,987</u>		
Unencumbered cash, June 30	<u>\$ 31,987</u>	<u>\$ 31,987</u>		

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 2g

SPECIAL PURPOSE FUNDS
VIRTUAL EDUCATION

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2021

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

		<u>2021</u>		Variance
	<u>2020</u>	<u>Actual</u>	<u>Budget</u>	<u>Over</u>
Cash Receipts	<u>Actual</u>			<u>(Under)</u>
Local sources				
Miscellaneous	\$ 0	\$ 0	\$ 10,000	\$ (10,000)
Operating transfers				
General fund	<u>15,000</u>	<u>376,530</u>	<u>376,700</u>	<u>(170)</u>
Total cash receipts	<u>15,000</u>	<u>376,530</u>	<u>\$ 386,700</u>	<u>\$ (10,170)</u>
Expenditures				
Instruction				
Other Purchased Services	<u>14,000</u>	<u>194,250</u>	<u>\$ 391,800</u>	<u>\$ (197,550)</u>
Total expenditures	<u>14,000</u>	<u>194,250</u>	<u>\$ 391,800</u>	<u>\$ (197,550)</u>
Receipts over (under) expenditures	1,000	182,280		
Unencumbered cash, July 1	<u>4,100</u>	<u>5,100</u>		
Unencumbered cash, June 30	<u>\$ 5,100</u>	<u>\$ 187,380</u>		

See Independent Auditor's Report.

Unified School District Number 368

Paola, Kansas

Schedule 2h

SPECIAL PURPOSE FUNDS

CAPITAL OUTLAY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

REGULATORY BASIS

For the Year Ended June 30, 2021

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

		<u>2021</u>		Variance Over (Under)
	2020 <u>Actual</u>	<u>Actual</u>	<u>Budget</u>	
Cash Receipts				
Local sources				
Ad valorem property	\$ 1,252,349	\$ 1,336,046	\$ 1,263,089	\$ 72,957
Delinquent	15,280	23,008	14,040	8,968
Interest	154,594	44,719	300,000	(255,281)
Miscellaneous	51,853	7,821	75,000	(67,179)
County sources				
Motor vehicle	144,617	164,165	151,769	12,396
Recreational vehicle	3,786	4,549	4,031	518
Commercial vehicle	6,720	8,383	6,567	1,816
State Sources				
State aid	<u>383,461</u>	<u>323,638</u>	<u>323,912</u>	<u>(274)</u>
 Total cash receipts	 <u>2,012,660</u>	 <u>1,912,329</u>	 <u>\$ 2,138,408</u>	 <u>\$ (226,079)</u>
 Expenditures				
Instruction				
Property	199,756	249,612	\$ 3,124,209	\$ (2,874,597)
Operation and maintenance				
Property	1,786,214	1,603,729	835,000	768,729
Facility acquisition & construction services				
Architectural and Engineering services	<u>0</u>	<u>4,720</u>	<u>10,000</u>	<u>(5,280)</u>
 Total expenditures	 <u>1,985,970</u>	 <u>1,858,061</u>	 <u>\$ 3,969,209</u>	 <u>\$ (2,111,148)</u>
 Receipts over (under) expenditures	 26,690	 54,268		
 Unencumbered cash, July 1	 <u>2,804,111</u>	 <u>2,830,801</u>		
 Unencumbered cash, June 30	 <u>\$ 2,830,801</u>	 <u>\$ 2,885,069</u>		

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 2i

SPECIAL PURPOSE FUNDS
DRIVER TRAINING FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2021

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

		2021		Variance
	2020	Actual	Budget	Over
	Actual			(Under)
Cash Receipts				
Local sources				
Driver education fees	\$ 16,900	\$ 17,281	\$ 17,040	\$ 241
State Sources				
State safety aid	9,230	7,242	5,325	1,917
Total cash receipts	26,130	24,523	22,365	2,158
Expenditures				
Instruction				
Other Purchased Services	24,140	19,320	\$ 24,140	\$ (4,820)
Supplies	1,210	5	42,677	(42,672)
Operations and maintenance				
Supplies	941	1,022	2,000	(978)
Total expenditures	26,291	20,347	\$ 68,817	\$ (48,470)
Receipts over (under) expenditures	(161)	4,176		
Unencumbered cash, July 1	46,613	46,452		
Unencumbered cash, June 30	\$ 46,452	\$ 50,628		

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 2j

SPECIAL PURPOSE FUNDS
FOOD SERVICE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2021

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

		2021		Variance
	2020	Actual	Budget	Over
	Actual			(Under)
Cash Receipts				
Local sources				
Student meal receipts	\$ 260,825	\$ 25,644	\$ 304,390	\$ (278,746)
Adult meal receipts	11,059	10,645	198,740	(188,095)
Ala Carte meals	78,445	71,113	30,000	41,113
Interest	314	70	1,000	(930)
Reimbursements	9,505	9,664	0	9,664
State sources				
Equalization aid	8,093	10,832	6,337	4,495
Federal sources				
Child nutrition programs	441,943	941,331	350,729	590,602
Total cash receipts	810,184	1,069,299	\$ 891,196	\$ 178,103
Expenditures				
Food service operation				
Salaries	533,186	533,885	\$ 551,500	\$ (17,615)
Employee benefits	61,729	52,705	67,000	(14,295)
Other purchased services	1,258	(1,220)	4,500	(5,720)
Supplies	372,374	444,793	403,222	41,571
Property	42,294	19,158	23,000	(3,842)
Other	7,346	7,308	6,500	808
Legal fund budget & expenditures	1,018,187	1,056,629	1,055,722	907
Adjustments for qualifying budget credits	0	0	9,664	(9,664)
Total expenditures	1,018,187	1,056,629	\$ 1,065,386	\$ (8,757)
Receipts over (under) expenditures	(208,003)	12,670		
Unencumbered cash, July 1	372,530	164,527		
Unencumbered cash, June 30	\$ 164,527	\$ 177,197		

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 2k

SPECIAL PURPOSE FUNDS
PROFESSIONAL DEVELOPMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2021

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

		2021		Variance
	2020	Actual	Budget	Over
	Actual			(Under)
Cash Receipts				
State Sources				
State aid	\$ 6,116	\$ 8,528	\$ 7,500	\$ 1,028
Operating transfers				
General	<u>30,000</u>	<u>0</u>	<u>50,000</u>	<u>(50,000)</u>
Total cash receipts	<u>36,116</u>	<u>8,528</u>	<u>\$ 57,500</u>	<u>\$ (48,972)</u>
Expenditures				
Student support services				
Purchased professional and technical services	<u>39,640</u>	<u>38,191</u>	<u>\$ 210,110</u>	<u>\$ (171,919)</u>
Total expenditures	<u>39,640</u>	<u>38,191</u>	<u>\$ 210,110</u>	<u>\$ (171,919)</u>
Receipts over (under) expenditures	(3,524)	(29,663)		
Unencumbered cash, July 1	<u>156,134</u>	<u>152,610</u>		
Unencumbered cash, June 30	\$ <u>152,610</u>	\$ <u>122,947</u>		

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 21

SPECIAL PURPOSE FUNDS
PARENT EDUCATION PROGRAM FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2021

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

		2021		Variance
	2020	Actual	Budget	Over
	Actual			(Under)
Cash Receipts				
Local sources				
Other district payments	\$ 92,655	\$ 100,118	\$ 97,458	\$ 2,660
Other revenue from Local	5,875	5,000	2,000	3,000
State sources				
Parent education aid	189,739	189,739	189,739	0
Federal sources				
Technology for families grant	0	15,714	0	15,714
Operating transfers				
Supplemental general	30,000	30,000	30,000	0
Total cash receipts	318,269	340,571	\$ 319,197	\$ 21,374
Expenditures				
Student support services				
Salaries	235,314	243,181	\$ 261,148	\$ (17,967)
Employee benefits	39,101	41,349	42,635	(1,286)
Purchased prof & tech services	14	0	0	0
Other purchased services	14,866	13,829	18,800	(4,971)
Supplies	479	22	1,400	(1,378)
Property	2,671	1,962	4,000	(2,038)
Other	18,391	(5,641)	12,362	(18,003)
Total expenditures	310,836	294,702	\$ 340,345	\$ (45,643)
Receipts over (under) expenditures	7,433	45,869		
Unencumbered cash, July 1	13,715	21,148		
Unencumbered cash, June 30	\$ 21,148	\$ 67,017		

See Independent Auditor's Report.

Unified School District Number 368

Paola, Kansas

Schedule 2m

SPECIAL PURPOSE FUNDS
SPECIAL EDUCATION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2021

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

		2021		Variance Over (Under)
	2020 Actual	Actual	Budget	
Cash Receipts				
Local sources				
Other	\$ 85,244	\$ 94,639	\$ 150,000	\$ (55,361)
Federal sources				
Federal aid	0	38,018	0	38,018
Operating transfers				
General	2,163,918	2,253,224	2,836,621	(583,397)
Supplemental general	1,363,498	920,643	1,294,796	(374,153)
Total cash receipts	<u>3,612,660</u>	<u>3,306,524</u>	<u>\$ 4,281,417</u>	<u>\$ (974,893)</u>
Expenditures				
Instruction				
Salaries	9,476	33,279	\$ 35,000	\$ (1,721)
Other purchased services	3,120,206	3,172,892	3,593,417	(420,525)
Supplies	883	256	501,000	(500,744)
Vehicle operating services				
Employee benefits	725	2,546	3,000	(454)
Purchased property services	477,260	427,142	629,000	(201,858)
Other purchased services	6,728	12,133	15,000	(2,867)
Supplies	0	0	5,000	(5,000)
Total expenditures	<u>3,615,278</u>	<u>3,648,248</u>	<u>\$ 4,781,417</u>	<u>\$ (1,133,169)</u>
Receipts over (under) expenditures	(2,618)	(341,724)		
Unencumbered cash, July 1	<u>2,302,252</u>	<u>2,299,634</u>		
Unencumbered cash, June 30	\$ <u>2,299,634</u>	\$ <u>1,957,910</u>		

See Independent Auditor's Report.

Unified School District Number 368

Paola, Kansas

Schedule 2n

SPECIAL PURPOSE FUNDS
CAREER AND POSTSECONDARY EDUCATION

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2021

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

		2021		Variance Over (Under)
	2020 Actual	Actual	Budget	
Cash Receipts				
Local sources				
Reimbursements	\$ 30,205	\$ 24,844	\$ 5,000	\$ 19,844
Miscellaneous	0	0	30,000	(30,000)
State sources				
State aid	32,463	0	0	0
Federal sources				
Vocational aid	0	0	33,703	(33,703)
Operating transfers				
Supplemental general	620,000	675,000	705,899	(30,899)
Total cash receipts	<u>682,668</u>	<u>699,844</u>	<u>\$ 774,602</u>	<u>\$ (74,758)</u>
Expenditures				
Instruction				
Salaries	467,284	506,045	\$ 1,016,400	\$ (510,355)
Employee benefits	65,048	66,401	80,500	(14,099)
Purchased professional & technical services	0	0	32,303	(32,303)
Purchased property services			25,000	(25,000)
Other purchased services	1,964	676	5,149	(4,473)
Supplies	90,351	50,310	36,500	13,810
Operations and maintenance				
Purchased property services	1,571	2,303	4,750	(2,447)
Student transportation				
Other	59,406	74,078	74,000	78
Total expenditures	<u>685,624</u>	<u>699,813</u>	<u>\$ 1,274,602</u>	<u>\$ (574,789)</u>
Receipts over (under) expenditures	(2,956)	31		
Unencumbered cash, July 1	<u>993,985</u>	<u>991,029</u>		
Unencumbered cash, June 30	\$ <u>991,029</u>	\$ <u>991,060</u>		

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 2o

SPECIAL PURPOSE FUNDS
KANSAS PUBLIC RETIREMENT SYSTEM

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2021

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

		2021		Variance
	2020	Actual	Budget	Over
	Actual			(Under)
Cash Receipts				
State sources				
State aid	\$ 3,601,047	\$ 3,389,467	\$ 4,636,348	\$ (1,246,881)
Total cash receipts	3,601,047	3,389,467	4,636,348	(1,246,881)
Expenditures				
Instruction				
Employee benefits	2,869,679	2,718,996	\$ 3,711,157	\$ (992,161)
Student support				
Employee benefits	194,487	182,287	246,582	(64,295)
Instructional support				
Employee benefits	63,596	59,170	79,148	(19,978)
General administration				
Employee benefits	116,832	110,996	147,303	(36,307)
School administration				
Employee benefits	135,647	118,128	180,261	(62,133)
Other supplemental services				
Employee benefits	37,019	34,423	45,587	(11,164)
Maintenance				
Employee benefits	113,742	97,965	127,375	(29,410)
Food service				
Employee benefits	70,045	67,502	98,935	(31,433)
Total expenditures	3,601,047	3,389,467	4,636,348	(1,246,881)
Receipts over (under) expenditures	0	0		
Unencumbered cash, July 1	0	0		
Unencumbered cash, June 30	\$ 0	\$ 0		

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 2p

SPECIAL PURPOSE FUNDS
CO-OP SPECIAL EDUCATION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2021

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

		2021		Variance
	2020	Actual	Budget	Over
	Actual			(Under)
Cash Receipts				
Local sources				
Other districts payments	\$ 10,877,525	\$ 11,146,042	\$ 11,501,412	\$ (355,370)
USD 368 payments	2,931,949	2,740,093	4,283,417	(1,543,324)
Interest	15,097	6,452	30,000	(23,548)
Reimbursements	655,199	791,834	0	791,834
State sources				
Greenbush	335,687	400,685	0	400,685
Federal sources				
Title VI B	1,796,863	1,833,793	1,834,516	(723)
Medicaid	288,770	345,694	500,000	(154,306)
Total cash receipts	16,901,090	17,264,593	\$ 18,149,345	\$ (884,752)
Expenditures				
Instruction				
Salaries	12,256,371	12,220,534	\$ 12,945,000	\$ (724,466)
Employee benefits	1,985,313	1,962,228	2,319,000	(356,772)
Purchased professional services	17,038	6,778	379,327	(372,549)
Other purchased services	915,471	1,002,892	615,000	387,892
Supplies	166,380	150,843	1,429,018	(1,278,175)
Student support services				
Salaries	805,839	724,638	850,000	(125,362)
Special area administrative services				
Salaries	326,602	341,366	336,500	4,866
Operations and maintenance				
Purchased professional services	11,100	10,226	15,000	(4,774)
Purchased property services	1,271	667	4,000	(3,333)
Other purchased services	64,320	42,828	115,000	(72,172)
Vehicle operating service				
Other purchased services	79,671	84,299	130,500	(46,201)
Supplies	6,764	2,148	11,000	(8,852)
Total expenditures	16,636,140	16,549,447	\$ 19,149,345	\$ (2,599,898)
Receipts over (under) expenditures	264,950	715,146		
Unencumbered cash, July 1	1,470,821	1,735,771		
Unencumbered cash, June 30	\$ 1,735,771	\$ 2,450,917		

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 2q

SPECIAL PURPOSE FUNDS
SPECIAL ASSESSMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2021

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

		<u>2021</u>		Variance
	<u>2020</u>	<u>Actual</u>	<u>Budget</u>	<u>Over</u>
Cash Receipts	<u>Actual</u>			<u>(Under)</u>
Local sources				
Delinquent tax	\$ <u>7</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Total cash receipts	<u>7</u>	<u>0</u>	<u>0</u>	<u>0</u>
Expenditures				
Facilities acquisition				
Site improvement services	<u>0</u>	<u>0</u>	<u>26,435</u>	<u>(26,435)</u>
Receipts over (under) expenditures	7	0		
Unencumbered cash, July 1	<u>26,428</u>	<u>26,435</u>		
Unencumbered cash, June 30	\$ <u>26,435</u>	\$ <u>26,435</u>		

See Independent Auditor's Report.

Unified School District Number 368**Paola, Kansas**Schedule 2r

SPECIAL PURPOSE FUNDS

TITLE I

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL

REGULATORY BASIS

For the Year Ended June 30, 2021

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

	2020 Actual	2021 Actual
Cash Receipts		
Federal sources		
Grant	\$ 329,216	\$ 367,081
Expenditures		
Instruction		
Salaries	283,476	322,632
Employee benefits	41,723	43,064
Purchased professional services	1,030	1,385
Student support services		
Other purchased services	2,987	0
Total expenditures	329,216	367,081
Receipts over (under) expenditures	0	0
Unencumbered cash, July 1	0	0
Unencumbered cash, June 30	\$ 0	\$ 0

See Independent Auditor's Report.

Unified School District Number 368**Paola, Kansas**Schedule 2s

SPECIAL PURPOSE FUNDS

TITLE II A TEACHER QUALITY IMPROVEMENT GRANT

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS

For the Year Ended June 30, 2021

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

	2020 <u>Actual</u>	2021 <u>Actual</u>
Cash Receipts		
Federal sources		
Grants	\$ <u>44,452</u>	\$ <u>43,534</u>
Expenditures		
Instruction		
Salaries	21,809	20,792
Purchased professional & technical services	<u>22,643</u>	<u>22,742</u>
Total expenditures	<u>44,452</u>	<u>43,534</u>
Receipts over (under) expenditures	0	0
Unencumbered cash, July 1	<u>0</u>	<u>0</u>
Unencumbered cash, June 30	\$ <u><u>0</u></u>	\$ <u><u>0</u></u>

See Independent Auditor's Report.

**Unified School District Number 368
Paola, Kansas**

Schedule 2t

SPECIAL PURPOSE FUNDS
VOCATIONAL EDUCATION - CARL PERKINS GRANT

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS

For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

	2020 Actual	2021 Actual
Cash Receipts		
Federal sources		
Grant	\$ 42,761	\$ 33,703
Expenditures		
Instruction		
Salaries	1,755	3,372
Professional development	11,500	5,610
Property	29,506	24,721
Total expenditures	42,761	33,703
Receipts over (under) expenditures	0	0
Unencumbered cash, July 1	0	0
Unencumbered cash, June 30	\$ 0	\$ 0

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Unified School District Number 368
Paola, Kansas

Schedule 2u

SPECIAL PURPOSE FUNDS
CORONAVIRUS FUNDS

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS

For the Year Ended June 30, 2021

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

	2020 Actual	2021 Actual
Cash Receipts		
Federal sources		
SPARK	\$ 0	\$ 477,926
ESSER	0	255,538
	<hr/>	<hr/>
Total cash receipts	0	733,464
	<hr/>	<hr/>
Expenditures		
SPARK		
Instruction		
Supplies	0	42,021
Support services		
Supplies	0	375,230
Student support services		
Salaries	0	21,981
Services	0	38,694
ESSER		
Instruction		
Salaries	0	29,843
Supplies	0	235,859
Student support services		
Salaries	0	19,060
Services	0	199,935
	<hr/>	<hr/>
Total expenditures	0	962,623
	<hr/>	<hr/>
Receipts over (under) expenditures	0	(229,159)
	<hr/>	<hr/>
Unencumbered cash, July 1	0	0
	<hr/>	<hr/>
Unencumbered cash, June 30	\$ 0	\$ (229,159)
	<hr/>	<hr/>

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Unified School District Number 368

Paola, Kansas

Schedule 2v

SPECIAL PURPOSE FUNDS

CONTINGENCY RESERVE

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

For the Year Ended June 30, 2021

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

	<u>2020 Actual</u>	<u>2021 Actual</u>
Cash Receipts		
Operating transfers		
General Fund	\$ 0	\$ 0
Expenditures		
Miscellaneous	<u>0</u>	<u>28,871</u>
Receipts over (under) expenditures	0	(28,871)
Unencumbered cash, July 1	<u>996,626</u>	<u>996,626</u>
Unencumbered cash, June 30	\$ <u><u>996,626</u></u>	\$ <u><u>967,755</u></u>

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 2w

SPECIAL PURPOSE FUNDS
STUDENT MATERIAL REVOLVING FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS

For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

	<u>2020</u> <u>Actual</u>	<u>2021</u> <u>Actual</u>
Cash Receipts		
Local sources		
Rental fees	\$ 164,065	\$ 169,882
Total revenue	<u>164,065</u>	<u>169,882</u>
Expenditures		
Instruction		
Textbook purchases	<u>245,242</u>	<u>353,219</u>
Receipts over (under) expenditures	(81,177)	(183,337)
Unencumbered cash, July 1	<u>389,841</u>	<u>308,664</u>
Unencumbered cash, June 30	\$ <u><u>308,664</u></u>	\$ <u><u>125,327</u></u>

See Independent Auditor's Report.

Unified School District Number 368

Paola, Kansas

Schedule 2x

BOND & INTEREST FUNDS BOND & INTEREST FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET REGULATORY BASIS

For the Year Ended June 30, 2021

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

		2021		Variance
	2020	Actual	Budget	Over
	Actual			(Under)
Cash Receipts				
Local sources				
Ad valorem property	\$ 1,707,564	\$ 1,802,345	\$ 1,703,835	\$ 98,510
Delinquent	22,451	32,477	19,103	13,374
County sources				
Motor vehicle	198,156	236,614	219,610	17,004
Recreational vehicle	5,188	6,550	5,833	717
Commercial vehicle	9,863	11,575	9,503	2,072
In lieu of taxes IRBs	0	0	0	(219,610)
State sources				
Equalization aid	658,954	527,055	527,055	527,055
Total cash receipts	2,602,176	2,616,616	\$ 2,484,939	\$ 439,122
Expenditures				
Debt service				
Bond principal	1,715,000	1,770,000	\$ 1,770,000	\$ 0
Interest	481,512	426,062	426,062	0
Total expenditures	2,196,512	2,196,062	\$ 2,196,062	\$ 0
Receipts over (under) expenditures	405,664	420,554		
Unencumbered cash, July 1,	3,871,797	4,277,461		
Unencumbered cash, June 30,	\$ 4,277,461	\$ 4,698,015		

See Independent Auditor's Report.

Unified School District Number 368**Paola, Kansas**Schedule 2y

BUSINESS TYPE FUNDS

HEALTH INSURANCE

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS

For the Year Ended June 30, 2021

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

	2020 <u>Actual</u>	2021 <u>Actual</u>
Cash Receipts		
Local sources		
Interest	\$ 5,287	\$ 1,789
Miscellaneous income	1,955	0
Reimbursements	<u>2,836,197</u>	<u>3,314,510</u>
Total cash receipts	<u>2,843,439</u>	<u>3,316,299</u>
Expenditures		
General		
Claims	2,270,450	2,898,343
Administrative fees	<u>499,350</u>	<u>503,225</u>
Total expenditures	<u>2,769,800</u>	<u>3,401,568</u>
Receipts over (under) expenditures	73,639	(85,269)
Unencumbered cash, July 1	<u>343,597</u>	<u>417,236</u>
Unencumbered cash, June 30	\$ <u><u>417,236</u></u>	\$ <u><u>331,967</u></u>

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 2z

TRUST TYPE FUNDS

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS

For the Year Ended June 30, 2021

<u>Expendable Trust Funds</u>	Beginning Unencumbered Cash	Cash Receipts	Expenditures	Ending Unencumbered Cash
Greason Scholarship	\$ 1,850	\$ 29	\$ 29	\$ 1,850
Humphrey Scholarship	10,021	197	150	10,068
Darland Scholarship	4,572	65	60	4,577
Hileman Scholarship	7,554	1,592	110	9,036
Charitable Foundation	71,346	74,051	46,355	99,042
Panther Friends	11,101	5,135	2,586	13,650
Cops for Tots	4,706	0	0	4,706
Serving Our Students	56,276	13,869	12,309	57,836
Miami Co Med Center	8,210	5,390	282	13,318
Total Expendable Trust Funds	\$ <u>175,636</u>	\$ <u>100,328</u>	\$ <u>61,881</u>	\$ <u>214,083</u>
	Beginning Unencumbered Cash	Cash Receipts	Expenditures	Ending Unencumbered Cash
<u>Permanent Trust Funds</u>				
Cook Fund	\$ <u>258,094</u>	\$ <u>3,241</u>	\$ <u>3,241</u>	\$ <u>258,094</u>
Total Permanent Trust Funds	\$ <u>258,094</u>	\$ <u>3,241</u>	\$ <u>3,241</u>	\$ <u>258,094</u>
Total Trust Funds	\$ <u>433,730</u>	\$ <u>103,569</u>	\$ <u>65,122</u>	\$ <u>472,177</u>

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 3

AGENCY FUNDS
STUDENT ORGANIZATION FUNDS

SCHEDULE OF RECEIPTS, EXPENDITURES AND CASH BALANCES
REGULATORY BASIS
For the Year Ended June 30, 2021

	Beginning Cash Balance	Cash Receipts	Cash Expenditures	Ending Cash Balance
Sunflower Elementary School				
Student Council	\$ 568	\$ 0	\$ 0	\$ 568
Miscellaneous	1,636	0	0	1,636
PTO	10,198	0	5,036	5,162
Donations	5,407	965	1,640	4,732
	<u>17,809</u>	<u>965</u>	<u>6,676</u>	<u>12,098</u>
Total Sunflower Elementary				12,145
Paola Middle School				
Box Tops for Education	2,574	6	0	2,580
Student Council	1,000	0	645	355
Target (rebates)	409	62	407	64
Band	611	0	0	611
Donations	1,615	0	0	1,615
Promotions	263	0	0	263
PMS Vocal Music	4,439	0	0	4,439
Magazine Sales	21,641	16	3,369	18,288
Miscellaneous	759	3,736	2,710	1,785
Scholastic	674	2,879	2,478	1,075
Love to Learn	250	0	0	250
F.I.R.S.T. LEGO	1,221	0	0	1,221
Kansas Association	883	171	302	752
Cheerleaders	226	141	323	44
Students Against Drunk Drivers	286	0	0	286
Athletic Donations	1,611	0	0	1,611
	<u>38,462</u>	<u>7,011</u>	<u>10,234</u>	<u>35,239</u>
Total Paola Middle School				

See Independent Auditor's Report.

Unified School District Number 368

Paola, Kansas

Schedule 3

AGENCY FUNDS
STUDENT ORGANIZATION FUNDS

SCHEDULE OF RECEIPTS, EXPENDITURES AND CASH BALANCES

REGULATORY BASIS

For the Year Ended June 30, 2021

	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Expenditures</u>	<u>Ending Cash Balance</u>
Paola High School				
Athletic Donations	\$ 0	\$ 4,930	\$ 1,426	\$ 3,504
Art Club	704	56	0	760
F.B.L.A.	596	7,238	2,561	5,273
Band	5,288	3,282	4,457	4,113
Class of 2019	125	0	125	0
Class of 2020	2,510	9	2,519	0
Class of 2021	4,653	1,488	3,961	2,180
Class of 2022	2,306	1,243	0	3,549
Class of 2023	796	923	0	1,719
Class of 2024	0	1,025	0	1,025
F.C.A.	67	0	0	67
F.F.A.	15,335	20,276	17,028	18,583
FCCLA	1,389	807	1,751	445
Advertising	8,182	66	6,750	1,498
Kansas Associates	524	5,248	3,205	2,567
Madrigals Club	7,240	1,830	572	8,498
National Honor Society	899	0	385	514
Rat Pack	95	0	0	95
Robotics	21,155	14,601	1,551	34,205
Scholar Bowl	2,558	1,080	1,160	2,478
Scholarships	338	860	860	338
Spirit Club	1,643	5,379	5,801	1,221
S.A.D.D.	965	0	0	965
Student Council	2,148	1,246	2,939	455
Counseling Donations	654	1,763	2,060	357
Drama Club	2,978	1,520	2,622	1,876
Flag Team Club	82	0	0	82
ACE/Football	155	9,693	4,054	5,794
Thespian Club	1,792	1,302	1,696	1,398
Drill Team	0	1,325	1,239	86
Reporter	1,761	2,207	3,171	797
Debate	140	0	0	140
Grant/Ward	1,038	0	0	1,038
Miscellaneous	1,154	3,050	1,842	2,362
Baseball	9,172	4,992	2,513	11,651
Cross Country	4,242	830	2,359	2,713
Softball	10,381	0	2,115	8,266
Girls Basketball	103	5,522	4,881	744
Girls Wrestling	700	0	0	700
Boys Basketball	1,512	0	1,273	239

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 3

AGENCY FUNDS
STUDENT ORGANIZATION FUNDS

SCHEDULE OF RECEIPTS, EXPENDITURES AND CASH BALANCES
REGULATORY BASIS
For the Year Ended June 30, 2021

	<u>Beginning Cash Balance</u>	<u>Cash Receipts</u>	<u>Cash Expenditures</u>	<u>Ending Cash Balance</u>
Paola High School - continued				
Volleyball	\$ 857	\$ 5,111	\$ 3,355	\$ 2,613
Wrestling	2,589	1,534	2,015	2,108
Culinary Arts	318	1,205	631	892
Breakfast Club	100	0	0	100
SKILLSUSA Club	3,452	58	355	3,155
Donations	<u>0</u>	<u>502</u>	<u>40</u>	<u>462</u>
 Total Paola High School	 <u>122,696</u>	 <u>112,201</u>	 <u>93,272</u>	 <u>141,625</u>
 Cottonwood Elementary School				
Donations	3,394	2,127	1,727	3,794
PTO	7,750	0	2,444	5,306
Night at the Museum	6,353	0	665	5,688
Science Department	14	0	3	11
Lowes Education	<u>206</u>	<u>0</u>	<u>0</u>	<u>206</u>
 Total Cottonwood Elementary	 <u>17,717</u>	 <u>2,127</u>	 <u>4,839</u>	 <u>15,005</u>
 Panther Robotics	 <u>1,243</u>	 <u>160</u>	 <u>633</u>	 <u>770</u>
 Total All Schools	 <u>\$ 197,927</u>	 <u>\$ 122,464</u>	 <u>\$ 115,654</u>	 <u>\$ 204,737</u>

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 4

DISTRICT ACTIVITY FUNDS

SCHEDULE OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH BALANCES
REGULATORY BASIS
For the Year Ended June 30, 2021

	Unencumbered Cash Balance Beginning	Cash Receipts	Expenditures	Unencumbered Cash Balance Ending
Sunflower Elementary School				
Fees and User Charges				
Activity	\$ 0	\$ 1,953	\$ 1,953	\$ 0
Endowment Grant-Roma	0	3,000	3,000	0
Field Trips	207	0	207	0
Yearbook	2,165	78	2,195	48
Sales Tax	0	7	7	0
Library	0	64	64	0
Petty Cash	0	550	550	0
Total	<u>2,372</u>	<u>5,652</u>	<u>7,976</u>	<u>48</u>
Paola Middle School				
Gate Receipts				
Athletics	<u>2,500</u>	<u>19,632</u>	<u>19,632</u>	<u>2,500</u>
Fees and User Charges				
Activities	0	7,011	7,011	0
Chromebook	0	827	827	0
Concessions	250	60	157	153
Roman-B Mini-Grant	0	2,475	2,475	0
Vending	0	189	189	0
Yearbook	899	6,589	7,158	330
Petty Cash	0	800	800	0
Sales Tax	0	1,319	1,319	0
Pay to Participate	<u>0</u>	<u>8,952</u>	<u>8,952</u>	<u>0</u>
Total	<u>1,149</u>	<u>28,222</u>	<u>28,888</u>	<u>483</u>
Paola High School				
Fees and User Charges				
Art Fees	230	3,070	3,058	242
Tech Fees	0	2,936	2,936	0
Chromebook Repairs	0	796	796	0
Concessions	2,747	16,351	18,711	387
Book	0	3,041	3,041	0
Drivers Education	0	7,202	7,202	0
Leadership Class	933	0	0	933
IHT	832	0	87	745
Pay to Participate	<u>6,954</u>	<u>10,899</u>	<u>17,853</u>	<u>0</u>

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

DISTRICT ACTIVITY FUNDS

SCHEDULE OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH BALANCES
REGULATORY BASIS

For the year ended June 30, 2021

	Unencumbered Cash Balance Beginning	Cash Receipts	Expenditures	Unencumbered Cash Balance Ending
Paola High School				
Fees and User Charges				
Vending	\$ 88	\$ 0	\$ 0	\$ 88
Vocational Ag	0	1,440	1,440	0
Woodworking	0	3,014	3,014	0
Sales Tax	0	8,133	8,133	0
Roman Barnard	0	2,956	2,410	546
Strength Club	779	540	418	901
Yearbook Fees	0	53,068	53,068	0
Athletics	6,075	10,159	16,234	0
Drama/Play	688	5,762	4,876	1,574
Petty Cash	0	1,000	1,000	0
Total	19,326	130,367	144,277	5,416
Gate Receipts	7,016	41,384	36,165	12,235
Cottonwood Elementary School				
Fees and User Charges				
Petty Cash	0	500	500	0
Field Trips	0	200	200	0
Library	0	27	27	0
Miscellaneous	0	2,352	2,352	0
Vending	0	280	280	0
Activities	0	3,368	3,368	0
	0	6,727	6,727	0
Administration Activity Fund				
Fees and charges	4,908	2,564	2,363	5,109
Total All Schools	\$ 37,271	\$ 234,548	\$ 246,028	\$ 25,791

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 5

RELATED MUNICIPAL ENTITY
 ENDOWMENT TRUSTS

SCHEDULE OF RECEIPTS, EXPENDITURES AND ENDING BALANCES
 REGULATORY BASIS
 For the Year Ended June 30, 2021

Endowment Fund Scholarships	Beginning Balance	Cash Receipts	Cash Expenditures	Ending Balance
Bea Mount	\$ 101,460	\$ 3,636	\$ 4,500	\$ 100,596
Carl Gump	174,574	6,542	9,264	171,852
William & Carol Young	253,827	9,144	10,000	252,971
Derek Leis	12,818	943	1,000	12,761
Edna Patterson	286,540	10,371	10,000	286,911
McLaughlin/Boyd/Emery	48,073	1,728	2,000	47,801
Myrtle Haug	35,263	1,267	1,500	35,030
Evening Lions	22,323	800	1,000	22,123
Rotary Scholars	24,776	1,855	2,000	24,631
McNelly Scholars	5,460	205	0	5,665
Nettie Hook	85,555	3,142	4,461	84,236
Walter and Lucille Smith	23,673	863	650	23,886
Schwartz Family	60,279	2,148	3,000	59,427
Vivian Kircher	11,429	410	500	11,339
Hillsdale Elementary	12,768	460	500	12,728
USD #368 Endowment	87,893	34,132	25,250	96,775
Jesse Barker	32,452	1,164	1,400	32,216
Quincy Hipp	9,610	346	400	9,556
Tracy Kohl	6,446	242	0	6,688
Stockwell	22,289	798	1,000	22,087
Frances Balocca	4,000	4,000	4,000	4,000
Roman/Barnard	228,506	9,418	11,600	226,324
Ralph and Ersal Wilcox Rossman	31,822	1,193	0	33,015
Ellyn Reynolds	363,790	13,119	14,000	362,909
Chloe Hays	2,050	75	66	2,059
Darrel Hurlbut	16,696	598	750	16,544
Kevin Armstrong	8,040	287	400	7,927
Diana Green	7,931	790	200	8,521
Kirk Wilson	20,798	754	700	20,852
W.C. Hartley	18,014	645	800	17,859
Carl Buchman	55,337	1,964	3,000	54,301
Vest Family	474,610	17,975	22,000	470,585
E. J. Meeks	63,119	2,312	1,500	63,931
Paola County	2,560	67	750	1,877
5 for 5	996	321	500	817
Dr. Robert Banks	21,717	777	1,000	21,494
PEO Sisterhood	40,001	1,425	2,000	39,426
Nada Thoden Memorial	14,434	522	500	14,456
Wendell & Louses Winkler	14,798	535	500	14,833
Steff (Knecht)	11,890	908	1,000	11,798

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 5

RELATED MUNICIPAL ENTITY
 ENDOWMENT TRUSTS

SCHEDULE OF RECEIPTS, EXPENDITURES AND ENDING BALANCES
 REGULATORY BASIS
 For the Year Ended June 30, 2021

Endowment Fund Scholarships	Beginning Balance	Cash Receipts	Cash Expenditures	Ending Balance
Nevious Scholars	\$ 20,987	\$ 787	\$ 0	\$ 21,774
Dennis A Kurteng	58,730	2,108	2,500	58,338
Lee Technical Education	58,423	4,475	2,800	60,098
Arky & Verla Thomas	4,555	171	0	4,726
Larry McGee Memorial	9,703	1,172	500	10,375
Nicholson Powel	12,490	468	0	12,958
Interest	275	556	616	215
Dividends	27,228	96,120	97,356	25,992
Stock Gains/Losses	(248,885)	563,508	38,140	276,483
Administration	1,193	3,000	3,050	1,143
	<u>\$ 2,663,316</u>	<u>\$ 810,246</u>	<u>\$ 288,653</u>	<u>\$ 3,184,909</u>

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2021

Federal Grant	Federal		
Pass Through Grantor/Program Title	CFDA	Revenues	Expenditures
	Number		
U.S. Department of Education			
<u>Pass Through Kansas Department of Education</u>			
Special Ed Cluster			
Special Education Grants to States	84.027	\$ 1,778,105	\$ 1,778,105
Special Education Preschool	84.173	55,688	55,688
Total Special Education Cluster		1,833,793	1,833,793
Title I Grants to Local Education Agencies	84.010a	367,081	367,081
Title IIA Improving Teacher Quality	84.367a	43,534	43,534
Vocational Education	84.048a	33,703	33,703
ESSER I COVID-19 Coronavirus	84.425D	293,556	522,715
<u>Pass Through Kansas Board of Regents</u>			
Adult Education	84.002	192,181	192,181
Total U.S. Department of Education		2,763,848	2,993,007
U.S. Department of Agriculture			
<u>Pass Through Kansas Department of Education</u>			
Child Nutrition Cluster			
National School Lunch Program	10.555	203,183	203,183
Summer Food Program for Children	10.559	738,148	738,148
Total Child Nutrition Cluster		941,331	941,331
Total U.S. Department of Agriculture		941,331	941,331
U.S. Department of the Treasury			
Coronavirus Relief Funds	21.019	493,640	493,640
Total revenues and expenditures of federal awards		\$ 4,198,819	\$ 4,427,978

The District did not provide federal awards to sub recipients for the year ended June 30, 2021

See accompanying notes to this schedule.

Unified School District Number 368
Paola, Kansas

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the year ended June 30, 2021

NOTE A. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of Unified School District Number 368 under programs of the federal government for the year ended June 30, 2021. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a select portion of the operations of Unified School District Number 368, it is not intended to and does not present the summary of receipts, expenditures and unencumbered cash of Unified School District Number 368.

NOTE B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the regulatory basis of accounting as described in the *Kansas Municipal Audit and Accounting Guide* (KMAAG). The 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 on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligations against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt assignment to a fund, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than mentioned above. Expenditures as reported on the Schedule are recognized under the basis described above and follow the cost principles contained in the Uniform Guidance regarding *Cost Principles* wherein certain types of expenditures are not allowed or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

NOTE C. NON-CASH ASSISTANCE, INSURANCE AND LOANS

The District did not receive or expend any Federal awards in the form of noncash assistance, insurance, loans or loan guarantees for the year ended June 30, 2021

NOTE C. INDIRECT COST RATE

Unified School District Number 368 did not use the standard indirect cost rate of 10%.

SPECIAL REPORTS

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

Board of Education
Unified School District Number 368
Paola, Kansas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of Unified School District Number 368 as of and for the year ended June 30, 2021, and the related notes to the financial statement, which comprise the District's regulatory basis financial statements and have issued our report thereon dated September 21, 2021. The District prepares its financial statements on a regulatory basis of accounting which demonstrates compliance with *Kansas Municipal Audit and Accounting Guide*, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered 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 statement, but not for the purpose of expressing our opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

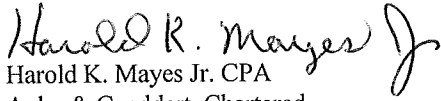
Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we 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 statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

A handwritten signature in black ink that reads "Harold K. Mayes Jr." with a stylized flourish at the end.

Harold K. Mayes Jr. CPA
Agler & Gaeddert, Chartered
Ottawa, Kansas
September 21, 2021

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 Number 368
Paola, Kansas

Report on Compliance for Each Major Federal Program

We have audited Unified School District Number 368's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of 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; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on each Major Federal Program

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

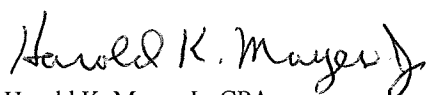
Report Internal Control over Compliance

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 requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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



Harold K. Mayes Jr. CPA
Agler & Gaeddert, Chartered
Ottawa, Kansas
September 21, 2021

Unified School District Number 368
Paola, Kansas

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2021

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statement audited was prepared in accordance with GAAP	<u>Adverse</u>
Type of report the auditor issued on whether the financial statement audited was prepared in accordance with regulatory basis	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness(es) identified?	<u>No</u>
Significant deficiencies identified not considered to be material weaknesses:	<u>None reported</u>
Noncompliance material to financial statements noted?	<u>No</u>

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	<u>No</u>
Significant deficiencies identified not considered to be material weaknesses:	<u>None noted</u>
Type of auditor's report issued on compliance for major programs:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost principles, and Audit Requirements for Federal awards	<u>No</u>

Identification of major programs:

<u>CFDA Number's</u>	<u>Name of Federal Program or Cluster</u>	<u>Amount</u>
<u>U.S. Department of Agriculture</u>		
Child Nutrition Cluster		
10.555	National School Lunch Program	\$ 203,183
10.559	Summer Food Program For Children	738,148
		<u>941,331</u>
<u>U.S. Department of Education</u>		
84.425D	ESSER I COVID-19 Coronavirus	522,715
<u>U.S. Department of the Treasury</u>		
20.019	Coronavirus Relief Funds	<u>493,640</u>
		<u>\$ 1,957,686</u>
Dollar threshold used to distinguish between Type A and Type B programs		<u>\$ 750,000</u>
Auditee qualified as a low-risk auditee?		<u>No</u>