UNIFIED SCHOOL DISTRICT NUMBER 368
Paola, Kansas

FINANCIAL STATEMENT
AND
INDEPENDENT AUDITOR'S REPORT

June 30, 2020

UNIFIED SCHOOL DISTRICT NUMBER 368

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Year ended June 30, 2020

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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, 2020 and the related notes to the financial statement.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 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, 2020, or changes in financial position and cash flows thereof for the year then ended.

INPACT
INTERNATIONAL NETWORK OF PROFESSIONAL ACCOUNTANTS
AFFILIATE

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, 2020, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 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 November 2, 2020 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, 2019 (not presented herein), and have issued our report dated September 13, 2019, which contained an unmodified opinion on the basic financial statement. The 2019 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-servidces. The 2019 actual column (2019 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget for the year ended June 30, 2020 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2019 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2019 basic financial statement. The 2019 comparative information was subjected to the auditing procedures applied in the audit of the 2019 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2019 basic financial statement or to the 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 2018 comparative information is fairly stated in all material respects in relation to the 2019 basic financial statement as a whole, on the basis of accounting described in Note C.

Harold K. Mayes Jr.

Harold K Mayes Jr. CPA
Agler & Gaeddert, Chartered
Ottawa, Ks. 66064
November 2, 2020

Unified School District Number 368
Paola, Kansas

SUMMARY OF CASH RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH
For the Year Ended June 30, 2020

	Beginning Unencumbered Cash and Investments	Prior Year Cancelled Encumbrances	Receipts	Expenditures
Governmental Type Funds				
General Funds				
General	$ 0	$ 0	$ 13,414,304	$ 13,414,304
Supplemental General	320,292	0	4,527,737	4,514,665
Special Purpose Funds				
Adult Education	11,374	0	273,681	272,379
Adult Supplementary Education	43,395	0	22,192	26,100
At Risk	785,713	0	1,127,236	1,130,927
Bilingual Education	31,987	0	11,534	11,534
Virtual Education	4,100	0	15,000	14,000
Capital Outlay	2,804,111	0	2,012,660	1,985,970
Driver Training	46,613	0	26,130	26,291
Food Service	372,530	0	810,184	1,018,187
Professional Development	156,134	0	36,116	39,640
Parent Education Program	13,715	0	318,269	310,836
Special Education	2,302,252	0	3,612,660	3,615,278
Vocational Education	993,985	0	682,668	685,624
Kansas Public Retirement System	0	0	3,601,047	3,601,047
Coop Special Education	1,470,821	0	16,901,090	16,636,140
Special Assessment	26,428	0	7	0
Title I	0	0	329,216	329,216
Title II A-Teacher Quality Improve	0	0	44,452	44,452
Vocational Education-Carl Perkins	0	0	42,761	42,761
Contingency Reserve	996,626	0	0	0
Student Material Revolving	389,841	0	164,065	245,242
Gate Receipts and User Charges	26,852	0	302,068	291,649
Bond & Interest Funds				
Bond and Interest	3,871,797	0	2,602,176	2,196,512
Business Type Funds				
Health Insurance	343,597	0	2,843,439	2,769,800
Trust Type Funds				
Expendable Trust Funds				
Scholarship and Other Trusts	149,269	0	149,183	122,816
Nonexpendable Trust Funds				
Scholarship	258,094	0	6,513	6,513
Related Municipal Entity				
Endowment Trusts	2,555,457	0	680,212	572,353
Total reporting entity (excluding agency funds)	$ 17,974,983	$ 0	$ 54,556,600	$ 53,924,236

The accompanying notes are an integral part of this statement.

Ending Unencumbered Cash and Investments	Add Encumbrances and Accounts Payable	Ending Cash and Investments
$ 0	$ 154,653	$ 154,653
333,364	264,909	598,273
12,676	18,401	31,077
39,487	1,608	41,095
782,022	23,659	805,681
31,987	0	31,987
5,100	0	5,100
2,830,801	760,959	3,591,760
46,452	528	46,980
164,527	16,354	180,881
152,610	1,800	154,410
21,148	10,718	31,866
2,299,634	0	2,299,634
991,029	15,438	1,006,467
0	0	0
1,735,771	29,427	1,765,198
26,435	0	26,435
0	0	0
0	376	376
0	0	0
996,626	0	996,626
308,664	26,804	335,468
37,271	0	37,271
4,277,461	0	4,277,461
417,236	259,183	676,419
175,636	3,143	178,779
258,094	0	258,094
2,663,316	0	2,663,316
$ 18,607,347	$ 1,587,960	$ 20,195,307

Composition of ending cash and investments	
Demand Deposits	
First Option Bank	$ 10,539,276
Citizens State Bank	6,445,788
Activity Fund Accounts	235,199
Time Deposits	
Landmark Bank	197,316
First Option Bank	10,000
First Option Bank	13,650
First Option Bank	30,595
First Option Bank	258,094
Less Agency funds per Schedule 3	(197,927)
	17,531,991
Investments	
Stocks and Bonds of Endowment Trust	2,663,316
Total cash and investments	$ 20,195,307

The accompanying notes are an integral part of this statement.

Unified School District Number 368
Paola, Kansas

NOTES TO FINANCIAL STATEMENT
For year ended June 30, 2020

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.

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
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.

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, 2020.

At June 30, 2020, the carrying amount of the District's bank deposits was $17,729,918 and the bank balance was $20,155,416. 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, $698,559 was covered by federal depository insurance and $19,456,857 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, 2020. Fair value is based upon quoted market values:

The Unified School District Number 368 Endowment has bank deposits of $168,518 and the bank balance was $168,518. 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 $168,518 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 maturites as of June 30, 2020. Fair value is based upon quoted market values:

Unified School District Number 368
Paola, Kansas

NOTES TO FINANCIAL STATEMENT
For year ended June 30, 2020

NOTE E. DEPOSITS AND INVESTMENTS - continued

Investments - Endowment Investment Type	Cost	Fair Value	Investment Maturities Less than 1	Investment Maturities 2 yrs or more	Percent of Investment	Rating U.S.
Money Market	$ 1,652	$ 1,652	$ 1,652	$ 0	0.001	N/A
Bonds	53,190	10,903	0	10,903	0.004	S&P A-1+
Mutual funds	2,439,956	2,467,656	2,467,656	0	0.995	S&P A-1+
Total	$ 2,494,798	2,480,211	$ 2,469,308	$ 10,903	1.000	
Cash Balance	168,518	168,518				
Total	$ 2,663,316	$ 2,648,729				

NOTE F. IN-SUBSTANCE PAYMENTS

The District received $540,166 for general fund and $121,520 for supplemental general fund subsequent to June 30, 2020 and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2020.

NOTE G. CAPITAL PROJECTS

There were no capital projects in process for year ended June 30, 2020.

NOTE H. 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, 2020 were as follows:

	Beginning Balance	Additions	Reductions/ Payments	Net Change	Ending Balance	Interest Paid
General Obligation Bonds:						
Series 2014	$ 4,215,000	$ 0	$ 1,270,000	$ (1,270,000)	$ 2,945,000	$ 114,487
Series 2016	6,750,000	0	240,000	(240,000)	6,510,000	234,950
Series 2017	4,505,000	0	205,000	(205,000)	4,300,000	132,075
	$ 15,470,000	$ 0	$ 1,715,000	$ (1,715,000)	$ 13,755,000	$ 481,512

NOTE H. 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:

	2021	2022	2023	2024	2025	2026-2030	Total
Principal							
G. O. bonds	$ 1,770,000	$ 1,825,000	$ 1,880,000	$ 1,925,000	$ 2,025,000	$ 4,330,000	$ 13,755,000
Interest							
G. O. bonds	426,063	372,137	310,163	240,412	168,437	138,844	1,656,056
Total principal & interest	$ 2,196,512	$ 2,196,063	$ 2,197,137	$ 2,190,163	$ 2,193,437	$ 4,468,844	$ 15,411,056

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, 2020, the statutory limit for the District was $22,395,696. As of June 30, 2020 the District is under the debt margin by $8,640,696. The District has defeased debt of $11,020,000 for 2014 debt issue as of June 30, 2020.

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 $20,627. Minimum future rental payments under operating leases as of June 30, 2020 are as follows: for 2021 $19,862, for 2022 $19,862, for 2023 $19,682 for 2024 $19,682 and for 2025 $1,655.

NOTE I. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General Fund	Special Education	K.S.A. 72-6428	$ 2,163,918
General Fund	Professional Development	K.S.A. 72-6428	30,000
General Fund	At-Risk (K-12)	K.S.A. 72-6428	762,000
General Fund	Bilingual	K.S.A. 72-6428	7,471
General Fund	Virtual Education	K.S.A. 72-6428	15,000
Supplemental General Local Option	Parent Education	K.S.A. 72-6433	30,000
Supplemental General Local Option	Special Education	K.S.A. 72-6433	1,363,498
Supplemental General Local Option	At-Risk (K-12)	K.S.A. 72-6434	365,236
Supplemental General Local Option	Bilingual	K.S.A. 72-6434	4,063
Supplemental General Local Option	Vocational education	K.S.A. 72-6433	620,000

NOTE J. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Health Insurance

During the year ended June 30, 2020, 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 $450 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 $95,000 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 not been recorded in the Health Insurance Fund

		2020
Unpaid Claims, July 1	$	221,756
Incurred claims (including IBNR's)		2,270,450
Claim payments		2,233,023
Unpaid claims, June 30	$	259,183

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

NOTE J. 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, 2020 the District paid sick leave pay for employees who will be 62 or older on or before June 30, 2020 or have accumulated in excess of 100 days in the amount of $47,730.80. 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, 2020.

NOTE K. 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, 2105. 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 14.59% and 13.21%, respectively, for the fiscal year ended June 30, 2019. The actuarially determined employer contribution rate and the statutory contribution rate was 16.15% and 14.41% for the fiscal year ended June 30, 2020.

Per 2017 Senate Substitute for House Bill 2052, Section 37(a), state general fund employer contributions to KPERS were decreased by $64.13 million for the fiscal year ended June 30, 2017. Section 43(17) of the bill also stipulated that repayments of the reduced contributions are to be amortized over twenty years at a level dollar amount commencing in fiscal year 2018. The level dollar amount was computed to be $6.4 million dollars per year. The first year payment of $6.4 million was received in July 2017 and appropriations for fiscal year 2018 were made for the State/School group at the statutory contribution rate of 12.01% for that year.

NOTE K. DEFINED BENEFIT PENSION PLANS – continued

Per 2017 Senate Substitute for House Bill 2002, Section 51(a), state general fund employer contributions were decreased by $194.0 million for the fiscal year ended June 30, 2019. Section 56(19) of the bill also stipulates that repayments of the reduced contributions are to be amortized over twenty years at a level dollar amount commencing in fiscal year 2020. The level dollar amount was computed to be $19.4 million per year.

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

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

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled $3,601,047 for the year ended June 30, 2019.

Net Pension Liability

At June 30, 2020, the District's proportionate share of the collective net pension liability reported by KPERS was $31,148,390. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018, which was rolled forward to June 30, 2019. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and nonemployer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2019. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of 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 L. 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 M. 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.

NOTE M. OTHER INFORMATION – continued

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.

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, 2020.

NOTE O. SUBSEQUENT EVENTS

Subsequent Events: The District evaluated subsequent events through November 2, 2020, the date the financial statement was available to be issued. The District did not consider any events of such significance as to require disclosure.

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, 2020

	Certified Budget	Adjustment to Comply with Legal Max
General Funds		
General Fund	$ 14,224,066	$ (836,744)
Supplemental general local option	4,773,564	(258,899)
Special Purpose Funds		
Adult education	282,958	0
Adult supplementary education	96,245	0
At risk	1,788,214	0
Bilingual education	56,829	0
Virtual Education	89,100	0
Capital outlay	3,924,440	0
Driver training	74,363	0
Food service	1,319,365	0
Professional development	212,384	0
Parent education program	332,912	0
Special education	4,604,992	0
Vocational education	1,275,137	0
Kansas Public Retirement System	4,548,785	0
Co-op special education	18,391,890	0
Special assessment	26,427	0
Bond & Interest Funds		
Bond and interest	2,196,512	0

Schedule 1

Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
$ 26,982	$ 13,414,304	$ 13,414,304	$ 0
0	4,514,665	4,514,665	0
0	282,958	272,379	(10,579)
0	96,245	26,100	(70,145)
0	1,788,214	1,130,927	(657,287)
0	56,829	11,534	(45,295)
0	89,100	14,000	(75,100)
0	3,924,440	1,985,970	(1,938,470)
0	74,363	26,291	(48,072)
0	1,319,365	1,018,187	(301,178)
0	212,384	39,640	(172,744)
0	332,912	310,836	(22,076)
0	4,604,992	3,615,278	(989,714)
0	1,275,137	685,624	(589,513)
0	4,548,785	3,601,047	(947,738)
0	18,391,890	16,636,140	(1,755,750)
0	26,427	0	(26,427)
0	2,196,512	2,196,512	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, 2020
(With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

		2020		
	2019 Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Local sources				
Reimbursed expenses	$ 82,491	$ 25,752	$ 0	$ 25,752
State sources				
Evidence based reading state aid	0	1,230	0	1,230
Mineral production tax	0	413	0	413
General fund equalization aid	10,709,134	11,231,466	11,568,955	(337,489)
Special education equalization aid	2,207,787	2,155,443	2,655,111	(499,668)
Total cash receipts	12,999,412	13,414,304	$ 14,224,066	$ (809,762)
Expenditures				
Instruction				
Salaries	5,033,304	5,428,508	$ 5,153,384	$ 275,124
Employee benefits	864,151	859,904	1,084,000	(224,096)
Supplies	200,580	225,054	208,540	16,514
Student activities	78,319	80,918	90,935	(10,017)
Student support services				
Salaries	250,703	248,826	267,000	(18,174)
Employee benefits	29,484	42,489	35,300	7,189
Supplies	3,400	5,621	3,500	2,121
Instruction support staff				
Salaries	457,158	413,988	498,500	(84,512)
Employee benefits	38,574	36,334	41,600	(5,266)
Supplies	11,080	9,586	11,326	(1,740)
General administration				
Salaries	401,504	426,296	430,000	(3,704)
Employee benefits	70,212	65,559	83,200	(17,641)
Purchased professional services	132,159	21,731	25,000	(3,269)
Other	52,988	48,865	51,000	(2,135)
School administration				
Salaries	865,571	950,837	937,000	13,837
Employee benefits	160,954	174,116	190,500	(16,384)
Operations and maintenance				
Salaries	489,340	466,567	535,000	(68,433)
Employee benefits	96,590	90,629	118,100	(27,471)
Purchased Property Services	0	110,000	0	110,000
Other supplemental services				
Salaries	226,265	240,462	240,000	462
Other Purchased Services				
Contracting of Bus Service	509,090	489,625	570,000	(80,375)

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

		2020		
	2019 Actual	Actual	Budget	Variance Over (Under)
Expenditures (continued)				
Operating transfers				
Special education	$ 2,238,961	$ 2,163,918	$ 2,655,111	$ (491,193)
Vocational education	6,695	0	0	0
Professional development	10,000	30,000	50,000	(20,000)
At risk (K-12)	742,083	762,000	853,820	(91,820)
Bilingual	8,247	7,471	16,250	(8,779)
Virtual Education	22,000	15,000	75,000	(60,000)
Adjustment to comply with legal maximum	0	0	(836,744)	836,744
Legal fund budget & expenditures	12,999,412	13,414,304	13,387,322	26,982
Adjustments for qualifying budget credits	0	0	26,982	(26,982)
Total expenditures	12,999,412	13,414,304	$ 13,414,304	$ 0
Receipts over (under) expenditures	0	0		
Unencumbered cash (deficit), July 1,	0	0		
Unencumbered cash (deficit), June 30,	$ 0	$ 0		

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

		2020		
	2019 Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Local sources				
Ad valorem property	$ 2,151,557	$ 2,215,330	$ 2,226,208	$ (10,878)
Delinquent	28,682	29,480	21,461	8,019
County sources				
Motor vehicle	306,983	293,861	298,308	(4,447)
Recreational vehicle tax	7,871	7,688	7,456	232
Commercial vehicle tax	14,561	12,533	14,348	(1,815)
State sources				
Supplemental state aid	1,991,339	1,968,845	2,081,274	(112,429)
Total cash receipts	4,500,993	4,527,737	$ 4,649,055	$ (121,318)
Expenditures				
Instruction				
Supplies	30,817	(9,070)	$ 155,000	$ (164,070)
Student activities	20,199	14,190	0	14,190
Equipment	17,111	63,435	11,100	52,335
Other	0	0	20,000	(20,000)
General administration				
Purchased professional services	0	0	2,000	(2,000)
Purchased property services	6,347	144,529	120,000	24,529
Other purchased services	196,707	230,094	260,000	(29,906)
Operations and maintenance				
Salaries	247,120	260,953	261,000	(47)
Employee Benefits	44,526	43,280	46,350	(3,070)
Purchased property services	498,371	450,860	348,190	102,670
Other purchased services	35,903	38,874	40,000	(1,126)
Supplies	801,313	692,677	844,000	(151,323)
Vehicle operating services				
Motor fuel	83,859	58,069	100,000	(41,931)
Other supplemental services				
Other purchased services	100,312	112,218	80,000	32,218
Supplies	295	640	5,000	(4,360)
Property	41,504	31,119	25,000	6,119
Operating transfers				
Professional Development	22,000	0	0	0
Parent Education Program	26,340	30,000	30,000	0
Special Education	1,364,415	1,363,498	1,299,881	63,617
At Risk (K-12)	409,890	365,236	434,394	(69,158)

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

		2020		
	2019 Actual	Actual	Budget	Variance Over (Under)
Operating transfers - continued				
Bilingual	$ 4,665	$ 4,063	$ 8,592	$ (4,529)
Vocational Education	581,289	620,000	683,057	(63,057)
Adjustment to comply with legal maximum	0	0	(258,899)	258,899
Legal fund budget & expenditures	4,532,983	4,514,665	$ 4,514,665	$ 0
Receipts over (under) expenditures	(31,990)	13,072		
Unencumbered cash, July 1	352,282	320,292		
Unencumbered cash, June 30	$ 320,292	$ 333,364		

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

		2020		
	2019	Actual	Budget	Variance Over (Under)
Cash Receipts				
State sources				
Adult basic aid	$ 61,006	$ 63,588	$ 62,286	$ 1,302
Federal sources				
Adult education aid	210,274	210,093	209,298	795
Total cash receipts	271,280	273,681	$ 271,584	$ 2,097
Expenditures				
Instruction				
Salaries	145,459	145,129	$ 165,463	$ (20,334)
Employee benefits	26,896	32,939	33,117	(178)
Other purchased services	12,677	8,832	8,037	795
Teaching supplies	26,545	19,861	13,808	6,053
Student support services				
Salaries	15,295	18,931	16,740	2,191
Other purchased services	6,246	4,883	5,000	(117)
General administration				
Salaries	22,926	24,093	24,093	0
Supplies	7,097	12,416	8,200	4,216
Operation and maintenance				
Purchased property services	0	0	1,800	(1,800)
Supplies	8,139	5,295	6,700	(1,405)
Total expenditures	271,280	272,379	$ 282,958	$ (10,579)
Receipts over (under) expenditures	0	1,302		
Unencumbered cash, July 1	11,374	11,374		
Unencumbered cash, June 30	$ 11,374	$ 12,676		

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

		2020		
	2019 Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Local sources				
Class fees	$ 2,415	$ 1,510	$ 2,000	$ (490)
Miscellaneous	3,529	4,202	50,850	(46,648)
Reimbursements	13,206	11,595	0	11,595
State sources				
School Administration	0	4,885	0	4,885
Adult education aid	4,533	0	0	0
Total cash receipts	23,683	22,192	$ 52,850	$ (30,658)
Expenditures				
Instruction				
Salaries	3,732	4,779	$ 67,495	$ (62,716)
Employee benefits	111	186	270	(84)
Other purchased services	1,449	1,962	2,500	(538)
Supplies	18,059	19,173	25,980	(6,807)
Total expenditures	23,351	26,100	$ 96,245	$ (70,145)
Receipts over (under) expenditures	332	(3,908)		
Unencumbered cash, July 1	43,063	43,395		
Unencumbered cash, June 30	$ 43,395	$ 39,487		

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

		2020		
	2019 Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Operating transfers				
General fund	$ 742,083	$ 762,000	$ 853,820	$ (91,820)
Supplemental General	409,890	365,236	434,394	(69,158)
Total cash receipts	1,151,973	1,127,236	$ 1,288,214	$ (160,978)
Expenditures				
Instruction				
Salaries	1,027,462	969,704	$ 1,562,214	$ (592,510)
Employee benefits	38,024	45,263	66,500	(21,237)
Purchased professional services	6,000	4,900	0	4,900
Supplies	108,438	93,728	152,000	(58,272)
Other	0	0	7,500	(7,500)
Student support services				
Mental Health Services	0	17,332		17,332
Transportation				
Other	3,617	0	0	0
Total expenditures	1,183,541	1,130,927	$ 1,788,214	$ (657,287)
Receipts over (under) expenditures	(31,568)	(3,691)		
Unencumbered cash, July 1	817,281	785,713		
Unencumbered cash, June 30	$ 785,713	$ 782,022		

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

		2020		
	2019 Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Operating transfers				
Supplemental General	$ 4,665	$ 4,063	$ 8,592	$ (4,529)
General fund	8,247	7,471	16,250	(8,779)
Total cash receipts	12,912	11,534	$ 24,842	$ (13,308)
Expenditures				
Instruction				
Salaries	12,823	11,534	$ 56,829	$ (45,295)
Other purchased services	89	0	0	0
Total expenditures	12,912	11,534	$ 56,829	$ (45,295)
Receipts over (under) expenditures	0	0		
Unencumbered cash, July 1	31,987	31,987		
Unencumbered cash, June 30	$ 31,987	$ 31,987		

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

		2020		
	2019 Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Local sources				
Miscellaneous	$ 0	$ 0	$ 10,000	$ (10,000)
Operating transfers				
General fund	22,000	15,000	75,000	(60,000)
Total cash receipts	22,000	15,000	$ 85,000	$ (70,000)
Expenditures				
Instruction				
Other Purchased Services	21,000	14,000	$ 89,100	$ (75,100)
Total expenditures	21,000	14,000	$ 89,100	$ (75,100)
Receipts over (under) expenditures	1,000	1,000		
Unencumbered cash, July 1	3,100	4,100		
Unencumbered cash, June 30	$ 4,100	$ 5,100		

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

		2020		
	2019 Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Local sources				
Ad valorem property	$ 1,174,533	$ 1,252,349	$ 1,192,385	$ 59,964
Delinquent	13,546	15,280	11,761	3,519
Interest	223,863	154,594	300,000	(145,406)
Lease	16,965	0	0	0
Miscellaneous	32,251	51,853	75,000	(23,147)
County sources				
Motor vehicle	151,429	144,617	146,548	(1,931)
Recreational vehicle	3,865	3,786	3,662	124
Commercial vehicle	6,920	6,720	7,048	(328)
State Sources				
State aid	380,972	383,461	383,926	(465)
Total cash receipts	2,004,344	2,012,660	$ 2,120,330	$ (107,670)
Expenditures				
Instruction				
Property	369,340	199,756	$ 3,079,440	$ (2,879,684)
Operation and maintenance				
Property	2,906,510	1,786,214	835,000	951,214
Facility acquisition & construction services				
Architectural and Engineering services	177	0	10,000	(10,000)
New building acquisition & construction	(5,310)	0	0	0
Total expenditures	3,270,717	1,985,970	$ 3,924,440	$ (1,938,470)
Receipts over (under) expenditures	(1,266,373)	26,690		
Unencumbered cash, July 1	4,070,484	2,804,111		
Unencumbered cash, June 30	$ 2,804,111	$ 2,830,801		

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

		2020		
	2019 Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Local sources				
Driver education fees	$ 17,525	$ 16,900	$ 18,000	$ (1,100)
State Sources				
State safety aid	9,114	9,230	9,750	(520)
Total cash receipts	26,639	26,130	$ 27,750	$ (1,620)
Expenditures				
Instruction				
Salaries	(50)	0	$ 0	$ 0
Other Purchased Services	18,000	24,140	21,000	3,140
Supplies	569	1,210	51,363	(50,153)
Operations and maintenance				
Supplies	822	941	2,000	(1,059)
Total expenditures	19,341	26,291	$ 74,363	$ (48,072)
Receipts over (under) expenditures	7,298	(161)		
Unencumbered cash, July 1	39,315	46,613		
Unencumbered cash, June 30	$ 46,613	$ 46,452		

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

		2020		
	2019 Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Local sources				
Student meal receipts	$ 315,156	$ 260,825	$ 320,868	$ (60,043)
Adult meal receipts	13,534	11,059	200,319	(189,260)
Ala Carte meals	90,817	78,445	30,000	48,445
Interest	663	314	1,000	(686)
Reimbursements	33,355	9,505	0	9,505
State sources				
Equalization aid	8,579	8,093	6,956	1,137
Federal sources				
Child nutrition programs	401,110	441,943	387,693	54,250
Total cash receipts	863,214	810,184	$ 946,836	$ (136,652)
Expenditures				
Food service operation				
Salaries	481,570	533,186	$ 516,500	$ 16,686
Employee benefits	50,672	61,729	56,200	5,529
Other purchased services	7,833	1,258	4,500	(3,242)
Supplies	362,393	372,374	712,665	(340,291)
Property	17,120	42,294	23,000	19,294
Other	5,534	7,346	6,500	846
Total expenditures	925,122	1,018,187	$ 1,319,365	$ (301,178)
Receipts over (under) expenditures	(61,908)	(208,003)		
Unencumbered cash, July 1	434,438	372,530		
Unencumbered cash, June 30	$ 372,530	$ 164,527		

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

		2020		
	2019 Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
State Sources				
State aid	$ 4,747	$ 6,116	$ 6,250	$ (134)
Operating transfers				
General	10,000	30,000	50,000	(20,000)
Supplemental General	22,000	0	0	0
Total cash receipts	36,747	36,116	$ 56,250	$ (20,134)
Expenditures				
Student support services				
Purchased professional and technical services	$ 32,475	$ 39,640	$ 212,384	$ (172,744)
Total expenditures	32,475	39,640	$ 212,384	$ (172,744)
Receipts over (under) expenditures	4,272	(3,524)		
Unencumbered cash, July 1	151,862	156,134		
Unencumbered cash, June 30	$ 156,134	$ 152,610		

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

		2020		
	2019 Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Local sources				
Other district payments	$ 70,240	$ 92,655	$ 97,458	$ (4,803)
Other revenue from Local	2,000	5,875	2,000	3,875
State sources				
Parent education aid	184,762	189,739	189,739	0
Operating transfers				
Supplemental general	26,340	30,000	30,000	0
Total cash receipts	283,342	318,269	$ 319,197	$ (928)
Expenditures				
Student support services				
Salaries	190,300	235,314	$ 226,000	$ 9,314
Employee benefits	30,937	39,101	49,939	(10,838)
Purchased prof & tech services	14	14	0	14
Other purchased services	17,008	14,866	22,800	(7,934)
Supplies	1,695	479	1,400	(921)
Property	11,922	2,671	4,000	(1,329)
Other	31,466	18,391	28,773	(10,382)
Total expenditures	283,342	310,836	$ 332,912	$ (22,076)
Receipts over (under) expenditures	0	7,433		
Unencumbered cash, July 1	13,715	13,715		
Unencumbered cash, June 30	$ 13,715	$ 21,148		

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

		2020		
	2019 Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Local sources				
Other	$ 78,814	$ 85,244	$ 150,000	$ (64,756)
Operating transfers				
General	2,238,961	2,163,918	2,655,111	(491,193)
Supplemental general	1,364,415	1,363,498	1,299,881	63,617
Total cash receipts	3,682,190	3,612,660	$ 4,104,992	$ (492,332)
Expenditures				
Instruction				
Salaries	26,646	9,476	$ 35,000	$ (25,524)
Other purchased services	3,142,576	3,120,206	3,439,392	(319,186)
Supplies	284	883	501,000	(500,117)
Vehicle operating services				
Salaries	(616)	0	0	0
Employee benefits	1,991	725	3,000	(2,275)
Purchased property services	440,896	477,260	606,600	(129,340)
Other purchased services	8,946	6,728	20,000	(13,272)
Total expenditures	3,620,723	3,615,278	$ 4,604,992	$ (989,714)
Receipts over (under) expenditures	61,467	(2,618)		
Unencumbered cash, July 1	2,240,785	2,302,252		
Unencumbered cash, June 30	$ 2,302,252	$ 2,299,634		

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 2n

SPECIAL PURPOSE FUNDS
VOCATIONAL EDUCATION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended June 30, 2020
(With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

		2020		
	2019 Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Local sources				
Reimbursements	$ 24,169	$ 30,205	$ 5,000	$ 25,205
Miscellaneous	0	0	30,000	(30,000)
State sources				
State aid	11,325	32,463	14,342	18,121
Federal sources				
Vocational aid	0	0	42,738	(42,738)
Operating transfers				
General	6,695	0	0	0
Supplemental general	581,289	620,000	683,057	(63,057)
Total cash receipts	623,478	682,668	$ 775,137	$ (92,469)
Expenditures				
Instruction				
Salaries	455,336	467,284	$ 1,006,755	$ (539,471)
Employee benefits	65,754	65,048	81,000	(15,952)
Purchased professional & technical services	0	0	11,500	(11,500)
Purchased property services			25,000	(25,000)
Other purchased services	5,213	1,964	5,149	(3,185)
Supplies	56,599	90,351	35,500	54,851
Property	0	0	29,483	(29,483)
Other	0	0	1,000	(1,000)
Operations and maintenance				
Purchased property services	2,183	1,571	4,750	(3,179)
Student transportation				
Other	43,820	59,406	75,000	(15,594)
Total expenditures	628,905	685,624	$ 1,275,137	$ (589,513)
Receipts over (under) expenditures	(5,427)	(2,956)		
Unencumbered cash, July 1	999,412	993,985		
Unencumbered cash, June 30	$ 993,985	$ 991,029		

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

		2020		
	2019 Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
State sources				
State aid	$ 1,485,924	$ 3,601,047	$ 4,548,785	$ (947,738)
Total cash receipts	1,485,924	3,601,047	$ 4,548,785	$ (947,738)
Expenditures				
Instruction				
Employee benefits	1,184,768	2,869,679	$ 3,639,468	$ (769,789)
Student support				
Employee benefits	81,746	194,487	239,631	(45,144)
Instructional support				
Employee benefits	29,165	63,596	88,741	(25,145)
General administration				
Employee benefits	46,131	116,832	141,364	(24,532)
School administration				
Employee benefits	55,722	135,647	169,395	(33,748)
Other supplemental services				
Employee benefits	15,386	37,019	44,281	(7,262)
Maintenance				
Employee benefits	47,570	113,742	132,274	(18,532)
Student transportation services				
Employee benefits	64	0	0	0
Food service				
Employee benefits	25,372	70,045	93,631	(23,586)
Total expenditures	1,485,924	3,601,047	$ 4,548,785	$ (947,738)
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, 2020
(With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

		2020		
	2019 Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Local sources				
Other districts payments	$ 9,998,064	$ 10,877,525	$ 10,960,635	$ (83,110)
USD 368 payments	2,833,757	2,931,949	4,104,392	(1,172,443)
Interest	25,199	15,097	30,000	(14,903)
Reimbursements	574,886	655,199	0	655,199
State sources				
Greenbush	308,819	335,687	0	335,687
Federal sources				
Title VI B	1,786,794	1,796,863	1,796,863	0
Medicaid	368,762	288,770	500,000	(211,230)
Total cash receipts	15,896,281	16,901,090	$ 17,391,890	$ (490,800)
Expenditures				
Instruction				
Salaries	11,621,385	12,256,371	$ 12,395,000	$ (138,629)
Employee benefits	2,145,145	1,985,313	2,279,500	(294,187)
Purchased professional services	35,550	17,038	324,208	(307,170)
Other purchased services	851,874	915,471	615,000	300,471
Supplies	162,244	166,380	1,376,182	(1,209,802)
Student support services				
Salaries	768,164	805,839	810,000	(4,161)
Special area administrative services				
Salaries	298,054	326,602	316,500	10,102
Operations and maintenance				
Purchased professional services	9,000	11,100	15,000	(3,900)
Purchased property services	1,333	1,271	4,000	(2,729)
Other purchased services	70,871	64,320	115,000	(50,680)
Vehicle operating service				
Other purchased services	99,707	79,671	130,500	(50,829)
Supplies	8,221	6,764	11,000	(4,236)
Total expenditures	16,071,548	16,636,140	$ 18,391,890	$ (1,755,750)
Receipts over (under) expenditures	(175,267)	264,950		
Unencumbered cash, July 1	1,646,088	1,470,821		
Unencumbered cash, June 30	$ 1,470,821	$ 1,735,771		

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

		2020		
	2019 Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Local sources				
Delinquent tax	$ 9	$ 7	$ 0	$ 7
Total cash receipts	9	$ 7	$ 0	$ 7
Expenditures				
Facilities acquisition				
Site improvement services	0	0	$ 26,427	$ (26,427)
Receipts over (under) expenditures	9	7		
Unencumbered cash, July 1	26,419	26,428		
Unencumbered cash, June 30	$ 26,428	$ 26,435		

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

	2019 Actual	2020 Actual
Cash Receipts		
Federal sources		
Grant	$ 334,169	$ 329,216
Expenditures		
Instruction		
Salaries	283,861	283,476
Employee benefits	47,525	41,723
Purchased professional services	1,500	1,030
Student support services		
Other purchased services	1,283	2,987
Total expenditures	334,169	329,216
Receipts over (under) expenditures	0	0
Unencumbered cash, July 1	0	0
Unencumbered cash, June 30	$ 0	$ 0

See Independent Auditor's Report.

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

	2019 Actual	2020 Actual
Cash Receipts		
Federal sources		
Grants	$ 43,340	$ 44,452
Expenditures		
Instruction		
Salaries	20,801	21,809
Purchased professional & technical services	22,539	22,643
Total expenditures	43,340	44,452
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 2t

SPECIAL PURPOSE FUNDS
VOCATIONAL EDUCATION - CARL PERKINS GRANT

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended June 30, 2020
(With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

	2019 Actual	2020 Actual
Cash Receipts		
Federal sources		
Grant	$ 32,414	$ 42,761
Expenditures		
Instruction		
Salaries	1,400	1,755
Supplies	15,395	0
Professional development	9,207	11,500
Property	6,412	29,506
Total expenditures	32,414	42,761
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 2u

SPECIAL PURPOSE FUNDS
CONTINGENCY RESERVE

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended June 30, 2020
(With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

	2019 Actual	2020 Actual
Cash Receipts		
Operating transfers		
General Fund	$ 0	$ 0
Expenditures		
Health care services	147,374	0
Receipts over (under) expenditures	(147,374)	0
Unencumbered cash, July 1	1,144,000	996,626
Unencumbered cash, June 30	$ 996,626	$ 996,626

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 2v

SPECIAL PURPOSE FUNDS
STUDENT MATERIAL REVOLVING FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended June 30, 2020
(With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

	2019 Actual	2020 Actual
Cash Receipts		
Local sources		
Rental fees	$ 155,297	$ 164,065
Total revenue	155,297	164,065
Expenditures		
Instruction		
Textbook purchases	320,736	245,242
Receipts over (under) expenditures	(165,439)	(81,177)
Unencumbered cash, July 1	555,280	389,841
Unencumbered cash, June 30	$ 389,841	$ 308,664

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 2w

BOND & INTEREST FUNDS
BOND & INTEREST FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended June 30, 2020
(With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

		2020		
	2019 Actual	Actual	Budget	Variance Over (Under)
Cash Receipts				
Local sources				
Ad valorem property	$ 1,746,774	$ 1,707,564	$ 1,626,918	$ 80,646
Delinquent	18,998	22,451	17,547	4,904
County sources				
Motor vehicle	223,018	198,156	200,511	(2,355)
Recreational vehicle	4,510	5,188	5,012	176
Commercial vehicle	9,409	9,863	9,644	219
In lieu of taxes IRBs	1,122	0	0	(200,511)
State sources				
Equalization aid	705,419	658,954	658,954	658,954
Total cash receipts	2,709,250	2,602,176	$ 2,518,586	$ 542,033
Expenditures				
Debt service				
Bond principal	1,675,000	1,715,000	$ 1,715,000	$ 0
Interest	529,434	481,512	481,512	0
Total expenditures	2,204,434	2,196,512	$ 2,196,512	$ 0
Receipts over (under) expenditures	504,816	405,664		
Unencumbered cash, July 1,	3,366,981	3,871,797		
Unencumbered cash, June 30,	$ 3,871,797	$ 4,277,461		

See Independent Auditor's Report.

Unified School District Number 368
Paola, Kansas

Schedule 2x

BUSINESS TYPE FUNDS
HEALTH INSURANCE

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended June 30, 2020
(With Comparative Actual Totals for the Prior Year Ended June 30, 2019)

	2019 Actual	2020 Actual
Cash Receipts		
Local sources		
Interest	$ 6,111	$ 5,287
Miscellaneous income	346,826	1,955
Reimbursements	2,684,954	2,836,197
Total cash receipts	3,037,891	2,843,439
Expenditures		
General		
Claims	2,380,235	2,270,450
Administrative fees	492,743	499,350
Total expenditures	2,872,978	2,769,800
Receipts over (under) expenditures	164,913	73,639
Unencumbered cash, July 1	178,684	343,597
Unencumbered cash, June 30	$ 343,597	$ 417,236

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Paola, Kansas

Schedule 2y

TRUST TYPE FUNDS

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended June 30, 2020

Expendable Scholarship Trust Funds	Beginning Unencumbered Cash	Cash Receipts	Expenditures	Ending Unencumbered Cash
Greason Scholarship	$ 1,850	$ 63	$ 63	$ 1,850
Humphrey Scholarship	10,015	246	240	10,021
Darland Scholarship	4,552	145	125	4,572
Hileman Scholarship	7,536	243	225	7,554
Charitable Foundation Scholarship	58,128	100,497	87,279	71,346
Panther Friends Scholarship	16,526	12,627	18,052	11,101
Cops for Tots Scholarship	4,706	0	0	4,706
Serving our Students Scholarship	37,746	30,362	11,832	56,276
Miami Co Med Center Scholarship	8,210	5,000	5,000	8,210
Total Expendable Scholarship Trust Funds	$ 149,269	$ 149,183	$ 122,816	$ 175,636

Permanent Trust Funds	Beginning Unencumbered Cash	Cash Receipts	Expenditures	Ending Unencumbered Cash
Cook Scholarship	$ 258,094	$ 6,513	$ 6,513	$ 258,094
Total Permanent Scholarship Trust Funds	258,094	6,513	6,513	258,094
Total Trust Funds	$ 407,363	$ 155,696	$ 129,329	$ 433,730

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, 2020

	Beginning Cash Balance	Cash Receipts	Cash Expenditures	Ending Cash Balance
Sunflower Elementary School				
Student Council	$ 686	$ 125	$ 243	$ 568
Miscellaneous	1,553	997	914	1,636
PTO	12,752	315	2,869	10,198
Donations	3,917	6,429	4,939	5,407
Total Sunflower Elementary	18,908	7,866	8,965	17,809
Paola Middle School				
Box Tops for Education	2,571	3	0	2,574
Student Council	625	1,690	1,315	1,000
Target (rebates)	19	772	382	409
Band	611	195	195	611
Drama/Scholarship	384	0	384	0
Donations	1,615	0	0	1,615
Promotions	263	0	0	263
PMS Vocal Music	2,175	2,375	111	4,439
Magazine Sales	17,496	18,581	14,436	21,641
Miscellaneous	3,649	6,596	9,486	759
Scholastic	181	3,077	2,584	674
Love to Learn	250	0	0	250
F.I.R.S.T. LEGO	1,221	0	0	1,221
Kansas Association	1,040	1,834	1,991	883
Cheerleaders	159	2,630	2,563	226
Students Against Drunk Drivers	286	0	0	286
Athletic Donations	1,611	0	0	1,611
Total Paola Middle School	34,156	37,753	33,447	38,462

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, 2019

	Beginning Cash Balance	Cash Receipts	Cash Expenditures	Ending Cash Balance
Paola High School				
Athletic Donations	$ 3,186	$ 2,144	$ 5,330	$ 0
Art Club	0	704	0	704
F.B.L.A.	780	4,969	5,153	596
Band	8,131	2,805	5,648	5,288
Class of 2019	151	9	35	125
Class of 2020	3,512	2,386	3,388	2,510
Class of 2021	2,371	5,049	2,767	4,653
Class of 2022	1,152	1,161	7	2,306
Class of 2023	0	796	0	796
F.C.A.	67	0	0	67
F.F.A.	4,019	36,830	25,514	15,335
FCCLA	978	1,512	1,101	1,389
Advertising	2,900	12,755	7,473	8,182
Kansas Associates	468	901	845	524
Madrigals Club	7,401	0	161	7,240
National Honor Society	154	1,248	503	899
Rat Pack	0	2,313	2,218	95
Robotics	18,310	14,716	11,871	21,155
Scholar Bowl	1,648	3,071	2,161	2,558
Scholarships	838	590	1,090	338
Spirit Club	7,157	6,674	12,188	1,643
S.A.D.D.	940	750	725	965
Student Council	217	4,975	3,044	2,148
Counseling Donations	642	2,239	2,227	654
Drama Club	1,673	5,498	4,193	2,978
Flag Team Club	82	0	0	82
ACE/Football	6,560	3,145	9,550	155
Thespian Club	890	9,282	8,380	1,792
Drill Team	489	2,311	2,800	0
Reporter	66	3,512	1,817	1,761
Debate	0	580	440	140
Grant/Ward	3,460	0	2,422	1,038
Miscellaneous	151	1,289	286	1,154
Baseball	11,237	8,754	10,819	9,172
Cross Country	3,676	2,190	1,624	4,242
Softball	8,755	2,430	804	10,381
Girls Basketball	1,756	2,404	4,057	103
Girls Wrestling	0	700	0	700
Boys Basketball	3,108	1,880	3,476	1,512

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, 2019

	Beginning Cash Balance	Cash Receipts	Cash Expenditures	Ending Cash Balance
Paola High School - continued				
Volleyball	$ 2,830	$ 1,345	$ 3,318	$ 857
Wrestling	5,461	9,143	12,015	2,589
Culinary Arts	207	362	251	318
Breakfast Club	100	0	0	100
SKILLSUSA Club	2,830	2,997	2,375	3,452
Donations	13	2,842	2,855	0
Total Paola High School	118,366	169,261	164,931	122,696
Cottonwood Elementary School				
Donations	1,362	3,306	1,274	3,394
PTO	10,995	27	3,272	7,750
Night at the Museum	1,432	6,475	1,554	6,353
Science Department	14	0	0	14
Lowes Education	206	0	0	206
Total Cottonwood Elementary	14,009	9,808	6,100	17,717
Panther Robotics	1,231	1,027	1,015	1,243
Total All Schools	$ 186,670	$ 225,715	$ 214,458	$ 197,927

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, 2020

	Unencumbered Cash Balance Beginning	Cash Receipts	Expenditures	Unencumbered Cash Balance Ending
Sunflower Elementary School				
Fees and User Charges				
Activity	$ 0	$ 1,611	$ 1,611	$ 0
Endowment Grant-Roma	887	3,000	3,887	0
Field Trips	0	2,743	2,536	207
Yearbook	17	3,980	1,832	2,165
Sales Tax	0	259	259	0
Teacher Grant	0	130	130	0
Teacher of the Year	0	1,000	1,000	0
Petty Cash	0	500	500	0
Total	904	13,223	11,755	2,372
Paola Middle School				
Gate Receipts				
Athletics	2,500	28,255	28,255	2,500
Fees and User Charges				
Activities	0	3,450	3,450	0
Chromebook	0	525	525	0
Concessions	250	2,499	2,499	250
Roman-B Mini-Grant	0	2,475	2,475	0
Vending	0	598	598	0
Yearbook	0	8,135	7,236	899
Petty Cash	0	500	500	0
Sales Tax	0	3,850	3,850	0
Pay to Participate	6,364	6,575	12,939	0
Total	6,614	28,607	34,072	1,149
Paola High School				
Fees and User Charges				
Art Fees	0	7,724	7,494	230
Tech Fees	0	1,637	1,637	0
Chromebook Repairs	0	660	660	0
Concessions	3,665	26,802	27,720	2,747
Book	0	4,733	4,733	0
Drivers Education	0	4,470	4,470	0
FACS Lab Fees	0	290	290	0
Leadership Class	1,000	4,143	4,210	933
IHT	832	0	0	832
Pay to Participate	0	13,222	6,268	6,954

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, 2019

	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	436	436	0
Woodworking	0	3,863	3,863	0
Sales Tax	0	13,816	13,816	0
Roman Barnard	0	3,000	3,000	0
Strength Club	898	1,881	2,000	779
Media Center	0	185	185	0
Yearbook Fees	0	32,188	32,188	0
Athletics	0	7,809	1,734	6,075
Drama/Play	381	9,105	8,798	688
Teacher of the Year	0	1,000	1,000	0
Petty Cash	0	1,000	1,000	0
Total	6,864	137,964	125,502	19,326
Gate Receipts	7,016	73,947	73,947	7,016
Cottonwood Elementary School				
Fees and User Charges				
Petty Cash	0	200	200	0
Field Trips	152	2,290	2,442	0
Library	0	94	94	0
Miscellaneous	150	352	502	0
Roman-B Mini-Grant	0	3,300	3,300	0
Sales Tax	0	210	210	0
Vending	52	431	483	0
Yearbook	0	2,361	2,361	0
Activities	226	3,762	3,988	0
	580	13,000	13,580	0
Administration Activity Fund				
Fees and charges	2,374	7,072	4,538	4,908
Total All Schools	$ 26,852	$ 302,068	$ 291,649	$ 37,271

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, 2020

Endowment Fund Scholarships	Beginning Balance	Cash Receipts	Cash Expenditures	Ending Balance
Bea Mount	$ 85,175	$ 16,285	$ 0	$ 101,460
Carl Gump	155,401	33,161	13,988	174,574
William & Carol Young	214,963	39,364	500	253,827
Derek Leis	10,432	2,386	0	12,818
Edna Patterson	242,667	43,873	0	286,540
McLaughlin/Boyd/Emery	40,712	7,361	0	48,073
Myrtle Haugn	29,864	5,399	0	35,263
Evening Lions	18,905	3,418	0	22,323
Rotary Scholars	20,136	4,640	0	24,776
McNelly Scholars	4,624	836	0	5,460
Nettie Hook	74,562	13,303	2,310	85,555
Walter and Lucille Smith	19,398	4,275	0	23,673
Schwartz Family	51,050	9,229	0	60,279
Vivian Kircher	9,679	1,750	0	11,429
Hillsdale Elementary	10,813	1,955	0	12,768
USD #368 Endowment	44,897	42,996	0	87,893
Jesse Barker	27,483	4,969	0	32,452
Quincy Hipp	8,139	1,471	0	9,610
Tracy Kohl	5,459	987	0	6,446
Stockwell	18,876	3,413	0	22,289
Frances Balocca	0	4,000	0	4,000
Roman/Barnard	202,665	37,616	11,775	228,506
Ralph and Ersa Wilcox Rossman	27,599	4,872	649	31,822
Ellyn Reynolds	307,090	56,700	0	363,790
Chloe Hays	1,736	314	0	2,050
Darrel Hurlbut	14,140	2,556	0	16,696
Kevin Armstrong	6,809	1,231	0	8,040
Diana Green	6,293	1,638	0	7,931
Kirk Wilson	17,614	3,184	0	20,798
W.C. Hartley	15,256	2,758	0	18,014
Carl Buchman	45,941	9,396	0	55,337
Vest Family	399,942	74,668	0	474,610
E. J. Meeks	53,455	9,664	0	63,119
Paola County	2,168	392	0	2,560
5 for 5	536	460	0	996
Dr. Robert Banks	18,392	3,325	0	21,717
PEO Sisterhood	17,026	22,975	0	40,001
Nada Thoden Memorial	12,224	2,210	0	14,434
Wendell & Louses Winkler	12,032	2,766	0	14,798
Steff (Knecht)	9,646	2,244	0	11,890

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, 2019

Endowment Fund Scholarships	Beginning Balance	Cash Receipts	Cash Expenditures	Ending Balance
Nevious Scholars	$ 17,774	$ 3,213	$ 0	$ 20,987
Dennis A Kurteng	49,738	8,992	0	58,730
Lee Technical Education	49,478	8,945	0	58,423
Arky & Verla Thomas	1,000	3,555	0	4,555
Larry McGee Memorial	4,385	5,318	0	9,703
Nicholson Powel	0	12,490	0	12,490
Interest	333	699	757	275
Dividends	26,358	149,960	149,090	27,228
Stock Gains/Losses	141,241	0	390,126	(248,885)
Administration	1,351	3,000	3,158	1,193
	$ 2,555,457	$ 680,212	$ 572,353	$ 2,663,316

See Independent Auditor's Report.

Unified School District Number 368
Paola. Kansas

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2020

Federal Grant Pass Through Grantor/Program Title	Federal CFDA Number	Pass Through Grantor's Number	Revenues	Expenditures
U.S. Department of Education				
Pass Through Kansas Department of Education				
Special Ed Cluster				
Special Education Grants to States	84.027	N/A	$ 1,741,290	$ 1,741,290
Special Education Preschool	84.173	N/A	55,573	55,573
Total Special Education Cluster			1,796,863	1,796,863
Title I Grants to Local Education Agencies	84.010	DO368	307,503	307,503
Vocational Education	84.048	N/A	42,761	42,761
Title IIA Improving Teacher Quality	84.367	DO368	44,452	44,452
Student Support & Academic Enrichment	84.424	N/A	21,713	21,713
Pass Through Kansas Board of Regents				
Adult Education	84.002	N/A	210,093	208,792
Total U.S. Department of Education			2,423,385	2,422,084
U.S. Department of Agriculture				
Pass Through Kansas Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553	N/A	55,953	55,953
National School Lunch Program	10.555	N/A	201,933	201,933
Cash for Commodities	10.555	N/A	30,100	30,100
Summer Food Program for Children	10.559	N/A	153,957	153,957
Total Child Nutrition Cluster			441,943	441,943
Total U.S. Department of Agriculture			441,943	441,943
Total revenues and expenditures of federal awards			$ 2,865,328	$ 2,864,027

The District did not provide federal awards to sub recipients for the year ended June 30, 2020

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, 2020

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, 2020. 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 in the Schedule of Expenditures of Federal Awards are reported based upon the Kansas Municipal Audit and Accounting Guide.

NOTE C. INDIRECT COST RATE

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

SPECIAL REPORTS

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Agler & Gaeddert CHARTERED
Certified Public Accountants

Harold K. Mayes, CPA
Jennifer L. Kettler, CPA
Lucille L. Hinderliter, CPA

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, 2020, and the related notes to the financial statement, which comprise the District's regulatory basis financial statements and have issued our report thereon dated November2, 2020. 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 serve 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*.

INPACT
INTERNATIONAL NETWORK OF PROFESSIONAL ACCOUNTANTS
AFFILIATE

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.

Harold K. Mayes Jr

Harold k. Mayes Jr. CPA
Agler & Gaeddert, Chartered
Ottawa, Kansas
November 2, 2020

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

Board of Education
Unified School District 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, 2020. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with 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, 2020.

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.

INPACT
INTERNATIONAL NETWORK OF PROFESSIONAL ACCOUNTANTS
AFFILIATE

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.

Harold K. Mayes Jr. CPA
Agler & Gaeddert, Chartered
Ottawa, Kansas
November 2, 2020

Unified School District Number 368
Paola, Kansas

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2020

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

Federal Awards

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

Identification of major programs:

CFDA Number's	Name of Federal Program or Cluster	Amount
Special Ed Cluster		
84.027	Special Education EHC Flo-thru	$ 1,741,290
84.173	Special Education Preschool	55,573
		$ 1,796,863

Dollar threshold used to distinguish between Type A and Type B programs	$ 750,000
Auditee qualified as a low-risk auditee?	No