

**BOURBON COUNTY  
UNIFIED SCHOOL DISTRICT #234  
FORT SCOTT, KANSAS**

Regulatory Basis Financial Statement and  
Independent Auditors' Report with  
Regulatory-Required Supplemental Information  
and Federal Compliance Section  
For the Fiscal Year Ended June 30, 2021

**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234  
FORT SCOTT, KANSAS**

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**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234  
FORT SCOTT, KANSAS**

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# Diehl Banwart Bolton

*Certified Public Accountants PA*

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## INDEPENDENT AUDITORS' REPORT

To the Board of Education  
Unified School District #234  
Fort Scott, Kansas 66701

We have audited the accompanying Summary Statement of Receipts, Expenditures, and Unencumbered Cash, Regulatory Basis, of Unified School District #234, Fort Scott, Kansas as of and for the fiscal year ended June 30, 2021 and the related notes to the financial statement, which comprises the financial statement of the District as listed in the Table of Contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1 to meet the financial reporting requirements of the State of Kansas. This includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

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

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

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

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

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

**Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of June 30, 2021 or changes in financial position and cash flows thereof for the fiscal year then ended.

**Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the District as of June 30, 2021, and the aggregate receipts and expenditures for the fiscal year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

**Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the June 30, 2021 fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances – regulatory basis (financial statement) as a whole. The summary of expenditures – actual and budget – regulatory basis, individual fund schedules of receipts and expenditures – actual and budget – regulatory basis, schedule of receipts and expenditures – agency funds – regulatory basis and the schedule of receipts, expenditures, and unencumbered cash – district activity funds – regulatory basis (Schedules 1, 2, 3 and 4 as listed in the table of contents), are presented for purposes of additional analysis and are not a required part of the financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statement as a whole, on the basis of accounting described in Note 1.

Board of Education  
Unified School District #234  
Fort Scott, Kansas

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 5, 2021 on our consideration of the District'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 the District's internal control over financial reporting and compliance.

**Prior Year Comparative Numbers**

The 2020 actual column presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget (Schedule 2 as listed in the table of contents), are also presented for comparative analysis and was not a required part of the 2020 financial statement upon which we rendered an unmodified opinion dated August 28, 2020. The 2020 financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link <http://admin.ks.gov/offices/chief-financial-officer/municipal-services>. Such 2020 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2020 basic financial statement. The 2020 comparative information was subjected to the auditing procedures applied in the audit of the 2020 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2020 basic financial statement or to the 2020 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the 2020 comparative information is fairly stated in all material respects in relation to the 2020 basic financial statement as a whole, on the basis of accounting described in Note 1.

***Diehl, Banwart, Bolton CPAs PA***

DIEHL, BANWART, BOLTON, CPAs PA

October 5, 2021  
Fort Scott, Kansas

**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234  
FORT SCOTT, KANSAS**

Summary Statement of Receipts, Expenditures, and Unencumbered Cash - Regulatory Basis  
For the Fiscal Year Ended June 30, 2021

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Plus	
					Encumbrances and Accounts Payable	Ending Cash Balance June 30, 2021
General Funds						
General Fund	\$ -	\$ 13,764,148.26	\$ 13,764,148.26	\$ -	\$ 960,798.15	\$ 960,798.15
Supplemental General	-	4,144,977.90	4,130,337.00	14,640.90	94,050.16	108,691.06
Special Purpose Funds						
At Risk 4 Year Old	282,078.82	228,404.04	225,482.86	285,000.00	26,114.49	311,114.49
At Risk K-12	300,000.00	5,042,109.46	5,002,859.46	339,250.00	667,295.22	1,006,545.22
Bilingual Education	15,000.00	3,000.00	14,169.23	3,830.77	2,018.59	5,849.36
Virtual Education	20,000.00	-	8,838.45	11,161.55	1,455.47	12,617.02
Capital Outlay	679,686.64	1,282,523.10	642,987.55	1,319,222.19	126,427.97	1,445,650.16
Driver Training	26,000.00	11,568.33	17,537.89	20,030.44	-	20,030.44
Food Service	219,446.12	828,882.05	794,185.01	254,143.16	57,122.98	311,266.14
Professional Development	30,000.00	5,703.94	20,190.76	15,513.18	-	15,513.18
Parent Education	12,000.00	15,000.00	24,000.00	3,000.00	-	3,000.00
Special Education	700,000.00	3,483,252.79	3,428,252.79	755,000.00	460,126.32	1,215,126.32
Career & Postsec Education	300,000.00	668,222.51	668,222.51	300,000.00	63,644.67	363,644.67
KPERS Retirement	-	1,914,922.73	1,914,922.73	-	-	-
Contingency Reserve	998,000.00	67,230.88	65,730.88	999,500.00	-	999,500.00
Textbook Rental	366,370.33	391,363.40	142,733.73	615,000.00	60,065.76	675,065.76
Recreation	96,556.03	335,011.23	308,433.09	123,134.17	25,356.68	148,490.85
Recreation Employee Benefit	32,478.24	39,648.47	33,052.60	39,074.11	-	39,074.11
ESSER II	-	-	945,930.59	(945,930.59)	259.90	(945,670.69)
Title I	-	542,047.00	542,047.00	-	46,564.70	46,564.70
Save the Children Grant	-	45,551.04	45,551.04	-	-	0.00
Title VI B	-	68,720.00	68,720.00	-	-	0.00
Title II A	-	97,817.00	97,817.00	-	22,811.12	22,811.12
Carl Perkins	-	25,353.00	25,353.00	-	-	-
Gate Receipts	40,003.30	59,195.59	55,683.86	43,515.03	-	43,515.03
School Projects	6,047.75	1,498.23	2,180.23	5,365.75	-	5,365.75

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

**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234**  
**FORT SCOTT, KANSAS**

Summary Statement of Receipts, Expenditures, and Unencumbered Cash - Regulatory Basis  
For the Fiscal Year Ended June 30, 2021

Funds	Beginning Unencumbered Cash Balances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balances	Plus		Ending Cash Balance June 30, 2021
					Encumbrances and Accounts Payable	Cash Balance June 30, 2021	
Capital Projects							
Bond Project	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Bond and Interest Fund							
Bond and Interest	3,313,921.86	3,070,778.61	2,939,182.60	3,445,517.87	-	3,445,517.87	3,445,517.87
Expendable Trusts							
Jump Start Grant	-	10,000.00	10,000.00	-	-	-	-
Special Gifts	175,585.99	117,419.60	145,057.46	147,948.13	3,680.31	151,628.44	151,628.44
Bond Cost of Issuance	16,112.75	-	16,112.75	-	-	-	-
KS Pre K Pilot Grant	-	71,966.00	80,000.00	(8,034.00)	4,013.74	(4,020.26)	(4,020.26)
SPARK Grant	-	306,000.00	306,000.00	-	-	-	-
CARES Act	(359,585.86)	443,153.00	83,567.14	-	-	0.00	0.00
Total Reporting Entity (Excluding Agency Funds)	\$ 7,269,701.97	\$ 37,085,468.16	\$ 36,569,287.47	\$ 7,785,882.66	\$ 2,621,806.23	\$ 10,407,688.89	\$ 10,407,688.89

Composition of Cash

General Checking, Payroll and Money Market Accounts	\$ 10,294,145.71
Trust Accounts.....	2,349.53
School Activity Funds:	
Winfield Scott, NOW Checking Account.....	10,406.93
Eugene Ware, NOW Checking Account.....	13,110.94
Middle School, NOW Checking Account.....	37,496.49
High School, NOW Checking Account.....	376,089.71
Investments:	
Certificates of Deposit.....	55,396.26
Repurchase Agreement.....	1,322,000.00
Total Cash	12,110,995.57
Agency Funds	1,703,306.68
Total Reporting Entity	\$ 10,407,688.89

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

**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234**  
**FORT SCOTT, KANSAS**

NOTES TO THE FINANCIAL STATEMENT  
For the Fiscal Year Ended June 30, 2021

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statement of Unified School District #234, Fort Scott, Kansas, has been prepared in accordance with the State of Kansas regulatory basis of accounting, and is designed to show compliance with the cash basis and budget laws of the State of Kansas. The *Kansas Municipal Audit and Accounting Guide* (KMAAG), as approved by the director of the Kansas Division of Accounts and Reports, establishes the guidelines for the regulatory basis of accounting in the state of Kansas. Note 1 describes how the District's accounting policies differ from accounting principles generally accepted in the United States of America.

**Reporting Entity**

The District is a municipal corporation governed by an elected seven-member board. This financial statement presents Unified School District #234, Fort Scott, Kansas (the municipality) and related municipal entities. The following related municipal entity is included in the District's reporting entity because it was created to benefit the USD and/or its constituents.

1. Recreation Commission. USD #234 Recreation Commission oversees recreational activities. The recreation commission operates as a separate governing body but the USD levies the taxes for the recreation commission and the recreation commission has only the powers granted by statute, K.S.A. 12-1928. The recreation commission cannot purchase real property but can acquire real property by gift.

**Basis of Presentation - Fund Accounting**

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The following types of funds comprise the financial activities of the District:

- 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 revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.
- Capital Project Fund –used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.
- Bond and Interest Funds –used to account for the accumulation of resources, including tax levies and transfers from other funds to be used for the payment of general long-term debt.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - (Continued)

**Basis of Presentation - Fund Accounting (Continued)**

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

**Regulatory Basis of Accounting and Departures 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 balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis 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 year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

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

**Budgetary Information**

Kansas statutes require that an annual operating budget be legally adopted for the general funds, special purpose funds (unless specifically exempted by statute), and bond and interest 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 fiscal year on or before August 1.
2. Publication in the local newspaper of the proposed budget and a notice of public hearing on the budget on or before August 5.
3. Public hearing on or before August 15, but at least ten days after the publication of a notice of hearing.
4. Adoption of the final budget on or before August 25.

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. No fund budgets were amended this year. The General and Supplemental Fund budgets were reduced to the legal maximum budget based upon statutory requirements.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - (Continued)  
**Budgetary Information** (Continued)

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

All legal annual operating budgets are prepared using the cash basis of accounting, modified further by the recording of accounts payable and encumbrances. Revenues are recognized when cash is received. Expenditures include cash disbursements, accounts payable and encumbrances. Encumbrances are commitments of 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 fiduciary funds and the following special revenue funds:

- Grant Funds (K.S.A. 72-8210)
- Federal Funds (K.S.A. 12-1663)
- Contingency Reserve Fund (K.S.A. 72-6426)
- Textbook Rental Fund (K.S.A. 72-8250)

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

**Compensated Absences**

Employees may accrue from 10 to 12 days of sick leave and personal time off each year. There is no limit to the number of credits an employee may accumulate. Payment of accrued benefits upon termination ranges from 0% to 30% of the daily gross wage times the number of days of accumulated credits depending upon years of service with the District. Payment of accumulated benefits due to death, social security disability, or KPERS disability ranges from 25% to 30% of the accumulated credits accrued.

Full time, twelve-month employees accrue two to four weeks of vacation each year on June 30. Vacation can be accumulated up to two years of the annual allotment.

The District determines a liability for compensated absences when the following conditions are met:

1. The District's obligation relating to the employee's rights to receive compensation for future absences is attributable to employee's services already rendered.
2. The obligation relates to rights that vest or accumulate.
3. Payment of the compensation is probable.
4. The amount can be reasonably estimated and is material to the financial statements.

In accordance with the above criteria, the District has determined a liability for sick pay totaling \$379,190, based upon the minimum potential liability to the District if all employees were terminated at June 30, 2021. The District has determined a vacation liability of \$106,597. These amounts are not recorded as liabilities in these financial statements.

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - (Continued)

Property Taxes

In accordance with governing state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10th of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1 of the ensuing year. Consequently, for revenue recognition purposes, taxes levied during the current year are not due and receivable until the ensuing year. At December 31 such taxes are a lien on the property.

Termination and Post Employment Benefits

No termination benefits are provided to District employees when employment with the District ends except for the accrued compensated absences as discussed in Note 1 and early retirement benefits.

As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the local government is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the District under this program.

Early Retirement

A professional certified employee is eligible for early retirement if such person: (a) is currently a professional certified employee of the District and is currently an active member of the Kansas Public Employees Retirement System (KPERS); (b) will be at least 55 years of age and not more than 64 years of age on or before June 30 of the retiring year or has a combined age and KPERS service which equals 85 "points"; (c) has 15 years or more of service credit recognized by the Kansas Public Employees Retirement System (KPERS). Early retirement is entirely voluntary and at the discretion of an eligible employee. Retirement benefits are \$5,000 each year for 5 years until age 65. The District funds these benefits on a pay as you go basis. Eighteen employees were eligible but had not applied for early retirement as of June 30, 2021, resulting in a contingent liability of \$380,000. This early retirement plan was discontinued as of July 1, 2019. Employees eligible to retire in the next five years were grandfathered into this plan if they choose to continue to participate in the plan.

Retirement 403(b) Plan

In previous years, the District offered a 403(b) retirement plan with no District matching provisions. Effective October 1, 2019, the prior early retirement plan was discontinued except for certain grandfathered employees and the 403(b) plan substantially amended to include a District match. All employees are now eligible to participate in the new plan. There are provisions for four groups of employees as follows:

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** - (Continued)

**Retirement 403(b) Plan (Continued)**

- Group 1: Employees eligible to retire in the next 5 years that elect to be covered under the discontinued early retirement plan. These employees may participate in the Plan but will not receive a match.
- Group 2: Employees eligible to retire under the discontinued early retirement plan and that have elected to be excluded from the old plan and included in the 403(b) are included in this group. This group also includes employees eligible to retire in 6 to 10 years or by June 30, 2029. The District will match contributions by these employees three to one, with a minimum employee contribution and employer match of \$25 and \$75 per month respectively.
- Group 3: All other certified staff are allowed a one to one District match, with a minimum employee contribution and employer match of \$25 per employee per month.
- Group 4: Includes all full time classified staff. These employees are allowed the same one to one match as the employees in Group 3.

The District's matching contributions vest as follows:

<u>Continuous years worked</u>	<u>Vesting %</u>
0 to 5 years	0%
Completion of 6 years	25%
Completion of 8 years	50%
Completion of 10 years	100%

Unvested amounts for employees that leave the District prior to completion of 10 years of service are retained by the District and used for future matches. For the fiscal year ended June 30, 2021, the District's 403(b) match totaled \$84,475.

2. **STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Compliance with Kansas Statutes**

The financial statement and regulatory-required supplemental information is prepared in order to show compliance with the cash basis and budget laws of Kansas. The District was in apparent compliance with the cash basis and budget laws of Kansas. The apparent cash basis violations are not actual violations due to grant money receivable at year end.

3. **CASH IN BANK AND DEPOSITORY SECURITY**

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

K.S.A. 12-1675 limits the Government'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 Government has no investment policy that would further limit its investment choices, but has limited the investments to time deposits at the local bank.

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

#### 4. CASH IN BANK AND DEPOSITORY SECURITY (Continued)

*Custodial credit risk – deposits.* Custodial credit risk is the risk that in the event of a bank failure, the Government's deposits may not be returned to it. State statutes require the Government's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District does not have any "peak periods" designated.

At June 30, 2021 the District's carrying amount of deposits was \$10,788,995.57 and the bank balance was \$10,474,730.44. The bank balance was held by five banks resulting in some diversification of credit risk. Of the bank balance, \$615,861.80 was covered by federal depository insurance, and the remaining \$9,858,868.64 was collateralized with securities totaling \$11,658,028.46 held by the pledging financial institutions' agents in the District's name.

The District has purchased repurchase agreements totaling \$1,322,000.00, secured by U.S. Treasury Obligations totaling \$1,763,470.20 held in a repurchase trust account for the District. The repurchase agreement matures daily.

#### 4. IN-SUBSTANCE RECEIPT IN TRANSIT

The District received \$973,822 subsequent to June 30, 2021 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 fiscal year ended June 30, 2021.

#### 5. PENSION PLAN

##### General Information about the Pension Plan

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

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

## 5. PENSION PLAN (Continued)

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate and the statutory contribution rate (not including the 1% contribution rate for the Death and Disability Program) was 16.15% and 14.41% respectively, for the fiscal year ended June 30, 2019. The actuarially determined employer contribution rate was 15.59% and 14.23% for the fiscal year ended June 30, 2021.

Senate Substitute for House Bill 2052 authorized the delay of \$64.1 million in fiscal year 2017 contributions. These contributions were set up as a long-term receivable. Payment is scheduled to be made in a series of twenty annual payments of \$6.4 million dollars per year beginning in fiscal year 2018. Senate Substitute for House Bill 2002 authorized the delay of \$194.0 million in fiscal year 2019 contributions. Payment is scheduled to be made in a series of twenty annual payments of \$19.4 million starting in fiscal year 2020. House Substitute for Senate Bill 109 from the 2018 Legislative session provided for additional funding for the KPERS School Group. A payment of \$56 million was paid in fiscal year 2018. This bill also authorized a payment of \$82 million in fiscal year 2019. The 2019 legislative session authorized an additional fiscal year payment for the KPERS School Group. 2019 Senate Bill 9 authorized a payment of \$115 million for the KPERS School Group. House Substitute for Senate Bill 25 from the 2019 Legislative session authorized additional funding for the KPERS School Group in fiscal year 2020 of \$51 million.

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled \$1,914,922.73 for the year ended June 30, 2021.

### Net Pension Liability

At June 30, 2021, the District's proportionate share of the collective net pension liability reported by KPERS was \$19,546,575. The total net pension liability was \$10,473,565,068. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019, which was rolled forward to June 30, 2020. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2020. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

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

## 6. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees health and life; and natural disasters. The District manages these risks of loss through various insurance policies.

7. **CONTINGENCIES**

In the normal course of operations, the District participates in various federal or state grant programs from year to year. The grant programs are often subject to additional audits by agents of the granting agency, the purpose of which is to ensure compliance with the specific conditions of the grant. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

8. **INTERFUND TRANSFERS**

FROM	TO	STATUTORY AUTHORITY	AMOUNT
General	At Risk 4 Year Old	K.S.A. 72-6428	\$ 187,904.04
General	At Risk K-12	K.S.A. 72-6428	2,485,271.52
General	Food Service	K.S.A. 72-6428	612.65
General	Professional Development	K.S.A. 72-6428	2,308.94
General	Parent Education	K.S.A. 72-6428	15,000.00
General	Special Education	K.S.A. 72-6428	2,882,876.70
General	Career & Postsecondary Education	K.S.A. 72-6428	668,222.51
General	Contingency Reserve	K.S.A. 72-6428	67,230.88
General	Textbook Rental	K.S.A. 72-6428	355,326.39
Supplemental General	At Risk K-12	K.S.A. 72-6433	2,556,837.94
Supplemental General	Bilingual Education	K.S.A. 72-6433	3,000.00
Contingency Reserve	Supplemental General	K.S.A. 72-6433	65,730.88

9. **SUBSEQUENT EVENTS**

Management has evaluated events and transactions occurring subsequent to June 30, 2021 through October 5, 2021, the date the financial statement was available for issue. During this period, there were no subsequent events requiring recognition in the financial statement or disclosure in the notes to the financial statements.

10. **LONG-TERM OBLIGATIONS**

The District has outstanding the following long-term obligations at June 30, 2021:

**PRINCIPAL**

General Obligation Bonds

General Obligation Bonds, Series 2014, payable in annual installments ranging from \$1,080,000 to \$1,580,000 plus interest at 4.0% to 5.0% from September 2020 to final maturity in September 2028. The bonds maturing September 2029 to September 2040 were refunded as sated in the following paragraphs.

\$ 10,785,000

General Obligation Bonds, Series 2020, payable in annual installments ranging from \$480,000 to \$3,385,000 plus interest at 2.49% beginning September 2020, with final maturity in September 2035. The bonds are dated March 25, 2020.

29,625,000

Total General Obligation Bonds

\$ 40,410,000

**10. LONG-TERM OBLIGATIONS (Continued)**

In March the District issued Series 2020 General Obligation Bonds totaling \$30,105,000 to partially refund the 2014 General Obligation Bonds outstanding. Securities were purchased and placed in escrow to pay off \$25,985,000 of the 2014 General Obligation Bonds with maturity dates from September 2029 through September 2040. The bonds cannot be called until September 2024. The securities held in escrow should be sufficient to pay the debt service on the bonds through March 2024 and to then completely pay off the bonds in September 2024. Debt service on the Series 2014 bonds maturing in 2020 to 2028 will continue to be paid by the District.

At June 30, 2021 securities totaling \$28,869,282.79 are held in escrow to pay the debt service on the refunded 2014 bonds. The amount of the refunded 2014 bonds outstanding at June 30, 2021 totaled \$25,985,000.

Details about the District's long-term obligations, changes in long term debt, and current maturities for the next five years and thereafter are recorded on the following two pages:

10. **LONG TERM OBLIGATIONS** (Continued)

Changes in Long Term Obligations									
Issue	Interest Rates	Date of Issue	Date of Final Maturity	Amount of Issue	Balances Beginning of Year	Additions/ New Debt	Reductions/ Principal Paid	Balances End of Year	Interest Paid
<u>General Obligation Bonds</u>									
General Obligation Refunding Bonds									
Series 2014	3.0 to 5.0%	12/22/2014	9/1/2040	40,805,000	\$ 11,865,000	\$ -	\$ 1,080,000	\$ 10,785,000	\$ 551,800
Series 2020	2.97 to 2.24%	3/25/2020	3/1/2036	30,105,000	30,105,000	-	480,000	29,625,000	827,383
Total General Obligation Bonds					\$ 41,970,000	\$ -	\$ 1,560,000	\$ 40,410,000	\$ 1,379,183

10. **LONG TERM OBLIGATIONS** (Continued)

Statement of Maturities of Long Term Obligations - For the Fiscal Year Ending							
Issue	2022	2023	2024	2025	2026	2027	Totals
<b><u>Principal</u></b>							
General Obligation Bonds							
Series 2014	\$ 1,130,000	\$ 1,190,000	\$ 1,250,000	\$ 1,310,000	\$ 1,375,000	\$ 4,530,000	\$ 10,785,000
Series 2020	950,000	980,000	1,005,000	1,035,000	1,255,000	10,055,000	29,625,000
Total Principal	<u>\$ 2,080,000</u>	<u>\$ 2,170,000</u>	<u>\$ 2,255,000</u>	<u>\$ 2,345,000</u>	<u>\$ 2,630,000</u>	<u>\$ 14,585,000</u>	<u>\$ 40,410,000</u>
<b><u>Interest</u></b>							
General Obligation Bonds							
Series 2014	\$ 496,550	\$ 438,550	\$ 377,550	\$ 313,550	\$ 246,425	\$ 339,275	\$ 2,211,900
Series 2020	865,755	837,095	807,617	683,683	560,616	2,289,224	6,764,877
Total Interest	<u>\$ 1,362,305</u>	<u>\$ 1,275,645</u>	<u>\$ 1,185,167</u>	<u>\$ 997,233</u>	<u>\$ 807,041</u>	<u>\$ 2,628,499</u>	<u>\$ 8,976,777</u>
Total Debt Payments	<u>\$ 3,442,305</u>	<u>\$ 3,445,645</u>	<u>\$ 3,440,167</u>	<u>\$ 3,342,233</u>	<u>\$ 3,437,041</u>	<u>\$ 17,213,499</u>	<u>\$ 49,386,777</u>

**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234**  
**REGULATORY REQUIRED SUPPLEMENTAL INFORMATION**

For the Fiscal Year Ended June 30, 2021

**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234**  
**FORT SCOTT, KANSAS**

Summary of Expenditures - Actual and Budget (Budgeted Funds Only) - Regulatory Basis  
For the Fiscal Year Ended June 30, 2021

Funds	Certified Budget	Adjustment to Comply with Legal Maximum	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Current Year Budget	Variance - Over (Under)
<b>GOVERNMENTAL TYPE FUNDS</b>						
General Fund	\$ 13,982,269.00	\$ (288,746.00)	\$ 70,625.26	\$ 13,764,148.26	\$ 13,764,148.26	\$ -
Special Revenue Funds						
Supplemental General	4,218,756.00	(88,419.00)	-	4,130,337.00	4,130,337.00	-
Capital Outlay	1,644,937.00	-	-	1,644,937.00	642,987.55	(1,001,949.45)
At Risk 4 Year Old	286,066.00	-	-	286,066.00	225,482.86	(60,583.14)
At Risk K-12	5,111,192.00	-	-	5,111,192.00	5,002,859.46	(108,332.54)
Bilingual Education	30,957.00	-	-	30,957.00	14,169.23	(16,787.77)
Virtual Education	39,611.00	-	-	39,611.00	8,838.45	(30,772.55)
Driver Training	38,228.00	-	-	38,228.00	17,537.89	(20,690.11)
Food Service	1,095,032.00	-	-	1,095,032.00	794,185.01	(300,846.99)
Professional Development	44,500.00	-	-	44,500.00	20,190.76	(24,309.24)
Parent Education	25,000.00	-	-	25,000.00	24,000.00	(1,000.00)
Special Education	3,797,038.00	-	-	3,797,038.00	3,428,252.79	(368,785.21)
Career & Postsec Education	781,968.00	-	-	781,968.00	668,222.51	(113,745.49)
KPERS Retirement	2,234,538.00	-	-	2,234,538.00	1,914,922.73	(319,615.27)
Recreation	360,000.00	-	-	360,000.00	308,433.09	(51,566.91)
Recreation Employee Benefit	40,000.00	-	-	40,000.00	33,052.60	(6,947.40)
Debt Service Funds						
Bond and Interest	2,939,183.00	-	-	2,939,183.00	2,939,182.60	(0.40)

\$ 36,669,275.00

**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234**  
**FORT SCOTT, KANSAS**  
**GENERAL FUND**

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis

For the Fiscal Year Ended June 30, 2021

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources				
Other	\$ 88,490.03	\$ 63,201.26	\$ -	\$ 63,201.26
State Sources				
Special Education aid	1,694,643.00	1,851,041.00	1,847,174.00	3,867.00
General aid	11,578,305.00	11,842,482.00	12,135,095.00	(292,613.00)
Other state aid	9,632.00	7,424.00	-	7,424.00
Mineral tax	-	-	-	-
Total Cash Receipts	<u>13,371,070.03</u>	<u>13,764,148.26</u>	<u>\$ 13,982,269.00</u>	<u>\$ (218,120.74)</u>
Expenditures				
Instruction	3,701,492.63	3,872,431.18	\$ 3,889,034.00	\$ (16,602.82)
Support Services				
Student Support	573,094.74	555,126.08	625,254.00	(70,127.92)
Instructional Support	178,315.21	185,488.58	264,741.00	(79,252.42)
General Administration	361,524.46	183,450.57	180,378.00	3,072.57
School Administration	393,016.88	381,135.36	373,932.00	7,203.36
Other Supplemental Services	253,204.27	253,914.64	260,630.00	(6,715.36)
Operations and Maintenance	684,200.13	739,878.29	771,629.00	(31,750.71)
Transportation Services	912,752.89	927,969.93	842,266.00	85,703.93

**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234  
FORT SCOTT, KANSAS  
GENERAL FUND**

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis  
For the Fiscal Year Ended June 30, 2021  
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Expenditures (Continued)				
Operating Transfers to Other Funds				
At Risk 4 Year Old	\$ 267,118.39	\$ 187,904.04	\$ 196,566.00	\$ (8,661.96)
At Risk K - 12	2,157,157.04	2,485,271.52	2,374,445.00	110,826.52
Bilingual Education	11,795.55	-	12,957.00	(12,957.00)
Virtual Education	5,735.64	-	19,611.00	(19,611.00)
Capital Outlay	-	-	-	-
Driver Training	13,736.98	-	-	-
Food Service	-	612.65	-	612.65
Professional Development	19,746.48	2,308.94	10,000.00	(7,691.06)
Parent Education	12,000.00	15,000.00	13,000.00	2,000.00
Special Education	2,792,692.80	2,882,876.70	3,073,559.00	(190,682.30)
Career & Postsecondary Education	585,539.28	668,222.51	681,615.00	(13,392.49)
Contingency Reserve	185,986.32	67,230.88	160,375.00	(93,144.12)
Textbook Rental	261,960.34	355,326.39	232,277.00	123,049.39
Adjustment to Comply with Legal Maximum Budget	-	-	(288,746.00)	288,746.00
Legal General Fund Budget	13,371,070.03	13,764,148.26	13,693,523.00	
Adjustments to Budget for Qualifying Budget Credits				
Other Reimbursed Expenditures	-	-	63,201.26	(63,201.26)
Unbudgeted Grants	-	-	7,424.00	(7,424.00)
Total Expenditures	13,371,070.03	13,764,148.26	<u>\$ 13,764,148.26</u>	<u>\$ -</u>
Receipts Over(Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ -</u>		

**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234**  
**FORT SCOTT, KANSAS**  
**SUPPLEMENTAL GENERAL FUND**

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis  
For the Fiscal Year Ended June 30, 2021  
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year		Variance - Over (Under)
	Actual	Actual	Budget	
Cash Receipts				
Local Sources				
Ad valorem tax	\$ 1,073,571.08	\$ 1,062,186.72	\$ 1,180,232.00	\$ (118,045.28)
Delinquent tax	20,524.51	65,776.52	29,467.00	36,309.52
County Sources				
Motor vehicle tax	144,505.09	171,566.78	158,194.00	13,372.78
State Sources				
State aid	2,693,746.00	2,779,717.00	2,839,223.00	(59,506.00)
Operating Transfer from Other Funds				
Contingency Reserve	137,986.32	65,730.88	160,375.00	-
Total Cash Receipts	<u>4,070,333.00</u>	<u>4,144,977.90</u>	<u>\$ 4,367,491.00</u>	<u>\$ (127,868.98)</u>
Expenditures				
Instruction	-	13,054.00	\$ 26,359.00	\$ (13,305.00)
Support Services				
Instructional Support	21,249.97	85,188.41	85,927.00	(738.59)
General Administration	177,256.60	141,257.16	148,560.00	(7,302.84)
School Administration	693,351.67	774,449.75	768,130.00	6,319.75
Operations and Maintenance	407,961.14	556,549.74	499,618.00	56,931.74
Operating Transfers to Other Funds				
At Risk 4 Year Old	-	-	-	-
At Risk K - 12	2,768,071.62	2,556,837.94	2,687,162.00	(130,324.06)
Bilingual Education	2,442.00	3,000.00	3,000.00	-
Food Service	-	-	-	-
Professional Development	-	-	-	-
Special Education	-	-	-	-
Adjustment to Comply with Legal Maximum Budget	-	-	(88,419.00)	88,419.00
Total Expenditures	<u>4,070,333.00</u>	<u>4,130,337.00</u>	<u>\$ 4,130,337.00</u>	<u>\$ -</u>
Receipts Over(Under) Expenditures	-	14,640.90		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	<u>\$ -</u>	<u>\$ 14,640.90</u>		

**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234**  
**FORT SCOTT, KANSAS**  
**AT RISK 4 YEAR OLD FUND**

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis

For the Fiscal Year Ended June 30, 2021

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

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources				
Other	\$ 39,500.00	\$ 40,500.00	\$ 39,500.00	\$ 1,000.00
Operating Transfer from Other Funds				
General	267,118.39	187,904.04	196,566.00	(8,661.96)
Supplemental General	-	-	-	-
Total Cash Receipts	306,618.39	228,404.04	\$ 236,066.00	\$ (7,661.96)
Expenditures				
Instruction	23,717.76	69,218.28	\$ 147,318.00	\$ (78,099.72)
Support Services				
Instructional Support	-	-	-	-
School Administration	100,291.61	74,474.44	50,549.00	23,925.44
Operation and Maintenance	57,040.01	36,538.14	36,079.00	459.14
Student Transport	43,490.19	45,252.00	52,120.00	(6,868.00)
Total Expenditures	224,539.57	225,482.86	\$ 286,066.00	\$ (60,583.14)
Receipts Over(Under) Expenditures	82,078.82	2,921.18		
Unencumbered Cash, Beginning	200,000.00	282,078.82		
Unencumbered Cash, Ending	\$ 282,078.82	\$ 285,000.00		

**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234**  
**FORT SCOTT, KANSAS**  
**AT RISK K - 12 FUND**

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis  
For the Fiscal Year Ended June 30, 2021  
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year		Variance - Over (Under)
	Actual	Actual	Budget	
Cash Receipts				
Local Sources				
Other	\$ -	\$ -	\$ -	\$ -
Operating Transfer from Other Funds				
General	2,157,157.04	2,485,271.52	2,374,445.00	110,826.52
Supplemental General	2,768,071.62	2,556,837.94	2,687,162.00	(130,324.06)
Total Cash Receipts	4,925,228.66	5,042,109.46	\$ 5,061,607.00	\$ (19,497.54)
Expenditures				
Instruction	4,794,281.57	4,920,070.28	\$ 5,027,959.00	\$ (107,888.72)
Support Services				
Instructional Support	80,947.09	82,789.18	83,233.00	(443.82)
Total Expenditures	4,875,228.66	5,002,859.46	\$ 5,111,192.00	\$ (108,332.54)
Receipts Over(Under) Expenditures	50,000.00	39,250.00		
Unencumbered Cash, Beginning	250,000.00	300,000.00		
Unencumbered Cash, Ending	\$ 300,000.00	\$ 339,250.00		

**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234**  
**FORT SCOTT, KANSAS**  
**BILINGUAL EDUCATION FUND**

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis

For the Fiscal Year Ended June 30, 2021

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

	Prior Year Actual	Current Year		Variance - Over (Under)
	Actual	Actual	Budget	
Cash Receipts				
Operating Transfer from Other Funds				
General	\$ 11,795.55	\$ -	\$ 12,957.00	\$ (12,957.00)
Supplemental General	2,442.00	3,000.00	3,000.00	-
Total Cash Receipts	14,237.55	3,000.00	\$ 15,957.00	\$ (12,957.00)
Expenditures				
Instruction	14,237.55	14,169.23	\$ 30,957.00	\$ (16,787.77)
Support Services	-	-	-	-
Total Expenditures	14,237.55	14,169.23	\$ 30,957.00	\$ (16,787.77)
Receipts Over(Under) Expenditures	-	(11,169.23)		
Unencumbered Cash, Beginning	15,000.00	15,000.00		
Unencumbered Cash, Ending	\$ 15,000.00	\$ 3,830.77		

**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234**  
**FORT SCOTT, KANSAS**  
**VIRTUAL EDUCATION FUND**

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis  
For the Fiscal Year Ended June 30, 2021  
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year		Variance - Over (Under)
	Actual	Actual	Budget	
Cash Receipts				
Operating Transfer from Other Funds				
General	\$ 5,735.64	\$ -	\$ 19,611.00	\$ (19,611.00)
Supplemental General	-	-	-	-
Total Cash Receipts	5,735.64	-	\$ 19,611.00	\$ (19,611.00)
Expenditures				
Instruction	13,346.30	8,838.45	\$ 39,611.00	\$ (30,772.55)
Total Expenditures	13,346.30	8,838.45	\$ 39,611.00	\$ (30,772.55)
Receipts Over(Under) Expenditures	(7,610.66)	(8,838.45)		
Unencumbered Cash, Beginning	27,610.66	20,000.00		
Unencumbered Cash, Ending	\$ 20,000.00	\$ 11,161.55		

**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234**  
**FORT SCOTT, KANSAS**  
**CAPITAL OUTLAY FUND**

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis

For the Fiscal Year Ended June 30, 2021

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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Local Sources				
Ad valorem tax	\$ 509,673.94	\$ 505,753.87	\$ 515,549.00	\$ (9,795.13)
Delinquent tax	9,378.76	27,657.80	14,032.00	13,625.80
Interest on idle funds	2,503.79	2,352.93	-	2,352.93
Rentals	-	-	-	-
Other	189,926.49	140,716.11	-	140,716.11
County Sources				
Motor vehicle tax	57,146.88	81,690.81	75,322.00	6,368.81
State Sources				
State aid	349,153.00	350,797.00	360,347.00	(9,550.00)
Federal Sources				
ERATE aid	-	173,554.58	-	173,554.58
Operating Transfer from Other Funds				
General	-	-	-	-
Total Cash Receipts	<u>1,117,782.86</u>	<u>1,282,523.10</u>	<u>\$ 965,250.00</u>	<u>\$ 317,273.10</u>
Expenditures				
Instruction	-	5,218.96	\$ 61,048.00	\$ (55,829.04)
Support Services	616,201.92	633,226.37	819,776.00	(186,549.63)
Facility Acquisition and Construction Services	<u>806,234.98</u>	<u>4,542.22</u>	<u>764,113.00</u>	<u>(759,570.78)</u>
Total Expenditures	<u>1,422,436.90</u>	<u>642,987.55</u>	<u>\$ 1,644,937.00</u>	<u>\$ (1,001,949.45)</u>
Receipts Over(Under) Expenditures	(304,654.04)	639,535.55		
Unencumbered Cash, Beginning	<u>984,340.68</u>	<u>679,686.64</u>		
Unencumbered Cash, Ending	<u>\$ 679,686.64</u>	<u>\$ 1,319,222.19</u>		

**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234**  
**FORT SCOTT, KANSAS**  
**DRIVER TRAINING FUND**

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis

For the Fiscal Year Ended June 30, 2021

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

	Prior Year Actual	Current Year		Variance - Over (Under)
	Actual	Actual	Budget	
Cash Receipts				
Local Sources				
Other	\$ 6,285.00	\$ 7,488.33	\$ 6,600.00	\$ 888.33
State Sources				
State aid	7,150.00	4,080.00	5,400.00	(1,320.00)
Operating Transfer from General Fund	13,736.98	-	-	-
Total Cash Receipts	27,171.98	11,568.33	\$ 12,000.00	\$ (431.67)
Expenditures				
Instruction	17,116.80	15,739.17	\$ 35,981.00	\$ (20,241.83)
Support Services	1,741.92	1,798.72	2,247.00	(448.28)
Total Expenditures	18,858.72	17,537.89	\$ 38,228.00	\$ (20,690.11)
Receipts Over(Under) Expenditures	8,313.26	(5,969.56)		
Unencumbered Cash, Beginning	17,686.74	26,000.00		
Unencumbered Cash, Ending	\$ 26,000.00	\$ 20,030.44		

**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234**  
**FORT SCOTT, KANSAS**  
**FOOD SERVICE FUND**

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis

For the Fiscal Year Ended June 30, 2021

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

	Prior Year Actual	Current Year		Variance - Over (Under)
	Actual	Actual	Budget	
Cash Receipts				
Local Sources				
Students	\$ 97,491.87	\$ 4,288.35	\$ 124,881.00	\$ (120,592.65)
Adults & nonreimbursable	15,620.42	15,016.10	7,968.00	7,048.10
Other	11,778.56	162.00	897.00	(735.00)
State Sources				
Food service aid	6,903.20	7,928.61	5,610.00	2,318.61
Federal Sources				
Child nutrition aid	494,639.84	673,403.04	736,230.00	(62,826.96)
Coronavirus aid	-	127,471.30	-	127,471.30
Other Federal grants	275,651.93	-	-	-
Operating Transfer from Other Funds				
General Fund	-	612.65	-	612.65
Supplemental General	-	-	-	-
Total Cash Receipts	<u>902,085.82</u>	<u>828,882.05</u>	<u>\$ 875,586.00</u>	<u>\$ (46,703.95)</u>
Expenditures				
Support Services				
Operations and Maintenance	-	-	\$ -	\$ -
Operation of Non instructional Services				
Food Service Operations	<u>914,733.89</u>	<u>794,185.01</u>	<u>1,095,032.00</u>	<u>(300,846.99)</u>
Total Expenditures	<u>914,733.89</u>	<u>794,185.01</u>	<u>\$ 1,095,032.00</u>	<u>\$ (300,846.99)</u>
Receipts Over(Under) Expenditures	(12,648.07)	34,697.04		
Unencumbered Cash, Beginning	<u>232,094.19</u>	<u>219,446.12</u>		
Unencumbered Cash, Ending	<u>\$ 219,446.12</u>	<u>\$ 254,143.16</u>		

**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234**  
**FORT SCOTT, KANSAS**  
**PROFESSIONAL DEVELOPMENT FUND**  
Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis  
For the Fiscal Year Ended June 30, 2021  
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year		Variance - Over (Under)
	Actual	Actual	Budget	
Cash Receipts				
Local Sources				
Other	\$ 250.00	\$ -	\$ -	\$ -
State Sources				
Other State aid	2,833.00	3,395.00	4,500.00	(1,105.00)
Operating Transfer from Other Funds				
General Fund	19,746.48	2,308.94	10,000.00	(7,691.06)
Supplemental General	-	-	-	-
Total Cash Receipts	<u>22,829.48</u>	<u>5,703.94</u>	<u>\$ 14,500.00</u>	<u>\$ (8,796.06)</u>
Expenditures				
Instruction	-	80.00	\$ -	\$ 80.00
Support Services	<u>17,829.48</u>	<u>20,110.76</u>	<u>44,500.00</u>	<u>(24,389.24)</u>
Total Expenditures	<u>17,829.48</u>	<u>20,190.76</u>	<u>\$ 44,500.00</u>	<u>\$ (24,309.24)</u>
Receipts Over(Under) Expenditures	5,000.00	(14,486.82)		
Unencumbered Cash, Beginning	<u>25,000.00</u>	<u>30,000.00</u>		
Unencumbered Cash, Ending	<u>\$ 30,000.00</u>	<u>\$ 15,513.18</u>		

**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234**  
**FORT SCOTT, KANSAS**  
**PARENT EDUCATION FUND**

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis  
For the Fiscal Year Ended June 30, 2021  
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year		Variance - Over. (Under)
	Actual	Actual	Budget	
Cash Receipts				
Operating Transfer from Other Funds				
General Fund	\$ 12,000.00	\$ 15,000.00	\$ 13,000.00	\$ 2,000.00
Total Cash Receipts	12,000.00	15,000.00	\$ 13,000.00	\$ 2,000.00
Expenditures				
Instruction	-	-	\$ -	\$ -
Support Services	-	24,000.00	25,000.00	(1,000.00)
Total Expenditures	-	24,000.00	\$ 25,000.00	\$ (1,000.00)
Receipts Over(Under) Expenditures	12,000.00	(9,000.00)		
Unencumbered Cash, Beginning	-	12,000.00		
Unencumbered Cash, Ending	\$ 12,000.00	\$ 3,000.00		

**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234**  
**FORT SCOTT, KANSAS**  
**SPECIAL EDUCATION FUND**

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis  
For the Fiscal Year Ended June 30, 2021  
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
Local Sources				
Other	\$ 134,751.75	\$ 151,767.09	\$ 125,000.00	\$ 26,767.09
Federal Sources				
Early Childhood Flo-Thru	375,250.00	385,891.00	401,881.00	(15,990.00)
Early Childhood Flo-Thru Disc	18,986.00	16,986.00	16,986.00	-
Early Childhood Aid	16,088.00	16,120.00	-	16,120.00
ESSER aid	-	29,612.00	29,612.00	-
Operating Transfer from other Funds				
General	2,792,692.80	2,882,876.70	3,073,559.00	(190,682.30)
Supplemental General	-	-	-	-
Total Cash Receipts	<u>3,337,768.55</u>	<u>3,483,252.79</u>	<u>\$ 3,647,038.00</u>	<u>\$ (163,785.21)</u>
Expenditures				
Instruction	2,720,342.02	2,805,740.70	\$ 3,093,017.00	\$ (287,276.30)
Support Services				
Student Support	321,053.10	328,231.45	356,355.00	(28,123.55)
Instructional Support	32,782.86	25,909.61	29,950.00	(4,040.39)
General Administration	80,072.55	92,741.96	88,239.00	4,502.96
School Administration	-	31,465.00	55,276.00	(23,811.00)
Operations and Maintenance	18,030.62	25,456.67	28,263.00	(2,806.33)
Transportation Services	115,487.40	118,707.40	145,938.00	(27,230.60)
Total Expenditures	<u>3,287,768.55</u>	<u>3,428,252.79</u>	<u>\$ 3,797,038.00</u>	<u>\$ (368,785.21)</u>
Receipts Over(Under) Expenditures	50,000.00	55,000.00		
Unencumbered Cash, Beginning	<u>650,000.00</u>	<u>700,000.00</u>		
Unencumbered Cash, Ending	<u>\$ 700,000.00</u>	<u>\$ 755,000.00</u>		

**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234**  
**FORT SCOTT, KANSAS**  
**CAREER & POSTSECONDARY EDUCATION FUND**  
Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis  
For the Fiscal Year Ended June 30, 2021  
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year		Variance - Over (Under)
	Actual	Actual	Budget	
Cash Receipts				
Local Sources				
Other	\$ -	\$ -	\$ 25,353.00	\$ (25,353.00)
Operating Transfer from Other Funds				
General Fund	585,539.28	668,222.51	681,615.00	(13,392.49)
Total Cash Receipts	585,539.28	668,222.51	\$ 706,968.00	\$ (38,745.49)
Expenditures				
Instruction	524,813.00	660,381.04	\$ 767,771.00	\$ (107,389.96)
Support Services				
Instructional Support	5,277.43	-	7,960.00	(7,960.00)
Operations and Maintenance	5,448.85	7,841.47	6,237.00	1,604.47
Total Expenditures	535,539.28	668,222.51	\$ 781,968.00	\$ (113,745.49)
Receipts Over(Under) Expenditures	50,000.00	-		
Unencumbered Cash, Beginning	250,000.00	300,000.00		
Unencumbered Cash, Ending	\$ 300,000.00	\$ 300,000.00		

**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234**  
**FORT SCOTT, KANSAS**  
**KPERS RETIREMENT FUND**

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis  
For the Fiscal Year Ended June 30, 2021  
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year		Variance - Over (Under)
		Actual	Budget	
Cash Receipts				
State Sources				
State aid	\$ 1,972,230.65	\$ 1,914,922.73	\$ 2,234,538.00	\$ (319,615.27)
Total Cash Receipts	1,972,230.65	1,914,922.73	\$ 2,234,538.00	\$ (319,615.27)
Expenditures				
Instruction	1,394,986.56	1,374,143.85	\$ 1,603,499.00	\$ (229,355.15)
Support Services				
Student Support	88,377.28	87,928.54	102,604.00	(14,675.46)
Instructional Support	43,194.93	39,563.53	46,167.00	(6,603.47)
General Administration	39,150.66	35,912.01	41,906.00	(5,993.99)
School Administration	124,232.06	136,853.62	159,696.00	(22,842.38)
Operations and Maintenance	32,864.10	102,962.73	30,273.00	72,689.73
Transportation Services	130,866.11	61,032.25	120,148.00	(59,115.75)
Other Support Services	64,412.66	25,942.93	71,219.00	(45,276.07)
Operation and Non instructional Services				
Food Service Operations	54,146.29	50,583.27	59,026.00	(8,442.73)
Total Expenditures	1,972,230.65	1,914,922.73	\$ 2,234,538.00	\$ (319,615.27)
Receipts Over(Under) Expenditures	-	-		
Unencumbered Cash, Beginning	-	-		
Unencumbered Cash, Ending	\$ -	\$ -		

**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234**  
**FORT SCOTT, KANSAS**  
**CONTINGENCY RESERVE FUND**  
Schedule of Receipts and Expenditures - Actual - Regulatory Basis  
For the Fiscal Year Ended June 30, 2021  
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Operating Transfers from Other Funds		
General	\$ 185,986.32	\$ 67,230.88
Total Cash Receipts	185,986.32	67,230.88
Expenditures		
Support Services		
Operations and Maintenance	-	-
Operating Transfers to Other Funds		
Supplemental General	137,986.32	65,730.88
Total Expenditures	137,986.32	65,730.88
Receipts Over(Under) Expenditures	48,000.00	1,500.00
Unencumbered Cash, Beginning	950,000.00	998,000.00
Unencumbered Cash, Ending	\$ 998,000.00	\$ 999,500.00

**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234**  
**FORT SCOTT, KANSAS**  
**TEXTBOOK RENTAL FUND**  
Schedule of Receipts and Expenditures - Actual - Regulatory Basis  
For the Fiscal Year Ended June 30, 2021  
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources		
Textbook rental	\$ 46,764.51	\$ 35,861.93
Textbook sales	-	175.08
Operating Transfer from Other Funds		
General	<u>261,960.34</u>	<u>355,326.39</u>
Total Cash Receipts	<u>308,724.85</u>	<u>391,363.40</u>
Expenditures		
Instruction	<u>242,354.52</u>	<u>142,733.73</u>
Total Expenditures	<u>242,354.52</u>	<u>142,733.73</u>
Receipts Over(Under) Expenditures	66,370.33	248,629.67
Unencumbered Cash, Beginning	<u>300,000.00</u>	<u>366,370.33</u>
Unencumbered Cash, Ending	<u><u>\$ 366,370.33</u></u>	<u><u>\$ 615,000.00</u></u>

**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234  
FORT SCOTT, KANSAS  
RECREATION FUND**

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis

For the Fiscal Year Ended June 30, 2021

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

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Local Sources				
Ad valorem tax	\$ 172,910.99	\$ 170,756.31	\$ 173,834.00	\$ (3,077.69)
Delinquent tax	3,307.91	10,602.32	4,750.00	5,852.32
Other	112,620.84	126,325.42	-	126,325.42
County Sources				
Motor vehicle tax	23,012.61	27,327.18	25,288.00	2,039.18
Total Cash Receipts	<u>311,852.35</u>	<u>335,011.23</u>	<u>\$ 203,872.00</u>	<u>\$ 131,139.23</u>
Expenditures				
Community Service Operations	<u>304,834.07</u>	<u>308,433.09</u>	<u>\$ 360,000.00</u>	<u>\$ (51,566.91)</u>
Total Expenditures	<u>304,834.07</u>	<u>308,433.09</u>	<u>\$ 360,000.00</u>	<u>\$ (51,566.91)</u>
Receipts Over(Under) Expenditures	7,018.28	26,578.14		
Unencumbered Cash, Beginning	<u>89,537.75</u>	<u>96,556.03</u>		
Unencumbered Cash, Ending	<u>\$ 96,556.03</u>	<u>\$ 123,134.17</u>		

**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234**  
**FORT SCOTT, KANSAS**  
**RECREATION EMPLOYEE BENEFIT FUND**  
Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis  
For the Fiscal Year Ended June 30, 2021  
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Local Sources				
Ad valorem tax	\$ 32,912.08	\$ 32,443.59	\$ 33,066.00	\$ (622.41)
Delinquent tax	627.56	2,015.34	904.00	1,111.34
County Sources				
Motor vehicle tax	4,371.35	5,189.54	4,806.00	383.54
Total Cash Receipts	37,910.99	39,648.47	\$ 38,776.00	\$ 872.47
Expenditures				
Community Service Operations	34,947.74	33,052.60	\$ 40,000.00	\$ (6,947.40)
Total Expenditures	34,947.74	33,052.60	\$ 40,000.00	\$ (6,947.40)
Receipts Over(Under) Expenditures	2,963.25	6,595.87		
Unencumbered Cash, Beginning	29,514.99	32,478.24		
Unencumbered Cash, Ending	\$ 32,478.24	\$ 39,074.11		

**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234**  
**FORT SCOTT, KANSAS**  
**ESSER II GRANT FUND**

Schedule of Receipts and Expenditures - Actual - Regulatory Basis  
For the Fiscal Year Ended June 30, 2021  
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Federal Sources		
Esser II grant	<u>\$ -</u>	<u>\$ -</u>
Total Cash Receipts	<u>-</u>	<u>-</u>
Expenditures		
Instruction	-	856,118.41
Support Services	<u>-</u>	<u>89,812.18</u>
Total Expenditures	<u>-</u>	<u>945,930.59</u>
Receipts Over(Under) Expenditures	-	(945,930.59)
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u><u>\$ -</u></u>	<u><u>\$ (945,930.59)</u></u>

**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234**  
**FORT SCOTT, KANSAS**  
**TITLE I FUND**

Schedule of Receipts and Expenditures - Actual - Regulatory Basis  
For the Fiscal Year Ended June 30, 2021  
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Federal Sources		
Title I	<u>\$ 546,219.00</u>	<u>\$ 542,047.00</u>
Total Cash Receipts	<u>546,219.00</u>	<u>542,047.00</u>
Expenditures		
Instruction	541,467.98	538,589.00
Support Services	<u>4,751.02</u>	<u>3,458.00</u>
Total Expenditures	<u>546,219.00</u>	<u>542,047.00</u>
Receipts Over(Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234**  
**FORT SCOTT, KANSAS**  
**SAVE THE CHILDREN GRANT FUND**  
Schedule of Receipts and Expenditures - Actual - Regulatory Basis  
For the Fiscal Year Ended June 30, 2021  
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources		
Other	\$ 44,824.78	\$ 45,551.04
Total Cash Receipts	44,824.78	45,551.04
Expenditures		
Instruction	46,239.11	45,551.04
Support Services	60.00	-
Total Expenditures	46,299.11	45,551.04
Receipts Over(Under) Expenditures	(1,474.33)	-
Unencumbered Cash, Beginning	1,474.33	-
Unencumbered Cash, Ending	\$ -	\$ -

**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234**  
**FORT SCOTT, KANSAS**  
**TITLE IVA AND VIB FUND**  
Schedule of Receipts and Expenditures - Actual - Regulatory Basis  
For the Fiscal Year Ended June 30, 2021  
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources		
Federal aid-Title IV A	\$ 30,766.00	\$ 35,036.00
Federal aid-Title VI B	32,369.00	33,684.00
Total Cash Receipts	63,135.00	68,720.00
Expenditures		
Instruction	50,234.30	62,744.96
Support Services	12,900.70	5,975.04
Total Expenditures	63,135.00	68,720.00
Receipts Over(Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234**  
**FORT SCOTT, KANSAS**  
**TITLE II A FUND**

Schedule of Receipts and Expenditures - Actual - Regulatory Basis  
For the Fiscal Year Ended June 30, 2021  
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Federal Sources		
Title II A	\$ 105,733.00	\$ 97,817.00
Total Cash Receipts	<u>105,733.00</u>	<u>97,817.00</u>
Expenditures		
Instruction	495.25	10,776.61
Support Services	<u>105,237.75</u>	<u>87,040.39</u>
Total Expenditures	<u>105,733.00</u>	<u>97,817.00</u>
Receipts Over(Under) Expenditures	-	-
Unencumbered Cash, Beginning	<u>-</u>	<u>-</u>
Unencumbered Cash, Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234**  
**FORT SCOTT, KANSAS**  
**CARL PERKINS FUND**  
Schedule of Receipts and Expenditures - Actual - Regulatory Basis  
For the Fiscal Year Ended June 30, 2021  
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources		
Federal aid	\$ 38,087.00	\$ 25,353.00
Total Cash Receipts	38,087.00	25,353.00
Expenditures		
Instruction	34,344.25	23,700.69
Support Services	3,742.75	1,652.31
Total Expenditures	38,087.00	25,353.00
Receipts Over(Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234**  
**FORT SCOTT, KANSAS**  
**BOND PROJECT FUND**  
Schedule of Receipts and Expenditures - Actual - Regulatory Basis  
For the Fiscal Year Ended June 30, 2021  
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources		
Interest from idle funds	\$ 35,721.82	\$ -
Total Cash Receipts	35,721.82	-
Expenditures		
Project costs	764,225.12	-
Operating Transfers to Other Funds		
Bond and Interest	-	-
Total Expenditures	764,225.12	-
Receipts Over(Under) Expenditures	(728,503.30)	-
Unencumbered Cash, Beginning	728,503.30	-
Unencumbered Cash, Ending	\$ -	\$ -

**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234  
FORT SCOTT, KANSAS  
BOND AND INTEREST FUND**

Schedule of Receipts and Expenditures - Actual and Budget - Regulatory Basis  
For the Fiscal Year Ended June 30, 2021  
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

		Current Year		
	Prior Year Actual	Actual	Budget	Variance - Over (Under)
Cash Receipts				
Local Sources				
Ad valorem tax	\$ 992,667.88	\$ 980,580.56	\$ 997,516.00	\$ (16,935.44)
Delinquent tax	18,497.91	63,996.89	27,204.00	36,792.89
Other	-	16,112.75	-	
County Sources				
Motor vehicle tax	145,067.10	158,403.41	146,040.00	12,363.41
State Sources				
State aid	1,780,144.00	1,851,685.00	1,851,685.00	-
Operating Transfer from Other Funds				
Bond Project Fund	-	-	-	-
Total Cash Receipts	<u>2,936,376.89</u>	<u>3,070,778.61</u>	<u>\$ 3,022,445.00</u>	<u>\$ 32,220.86</u>
Expenditures				
Debt Service				
Principal	1,025,000.00	1,560,000.00	\$ 1,560,000.00	\$ -
Interest	1,756,475.00	1,379,182.60	1,379,183.00	(0.40)
Other	-	-	-	-
Total Expenditures	<u>2,781,475.00</u>	<u>2,939,182.60</u>	<u>\$ 2,939,183.00</u>	<u>\$ (0.40)</u>
Receipts Over(Under) Expenditures	154,901.89	131,596.01		
Unencumbered Cash, Beginning	<u>3,159,019.97</u>	<u>3,313,921.86</u>		
Unencumbered Cash, Ending	<u>\$ 3,313,921.86</u>	<u>\$ 3,445,517.87</u>		

**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234**  
**FORT SCOTT, KANSAS**  
**JUMP START GRANT FUND**  
Schedule of Receipts and Expenditures - Actual - Regulatory Basis  
For the Fiscal Year Ended June 30, 2021  
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources		
Other	\$ 10,000.00	\$ 10,000.00
Total Cash Receipts	10,000.00	10,000.00
Expenditures		
Instruction	6,079.51	7,492.74
Support Services	3,920.49	2,507.26
Total Expenditures	10,000.00	10,000.00
Receipts Over(Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234**  
**FORT SCOTT, KANSAS**  
**SPECIAL GIFTS FUND**

Schedule of Receipts and Expenditures - Actual - Regulatory Basis  
For the Fiscal Year Ended June 30, 2021  
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Local Sources		
Other	\$ 97,792.62	\$ 117,419.60
State Sources		
Other	36,142.00	-
Federal Sources		
Youth risky behavior	200.00	-
Total Cash Receipts	<u>134,134.62</u>	<u>117,419.60</u>
Expenditures		
Instructional	62,097.05	97,625.90
Support Services	<u>68,725.69</u>	<u>47,431.56</u>
Total Expenditures	<u>130,822.74</u>	<u>145,057.46</u>
Receipts Over(Under) Expenditures	3,311.88	(27,637.86)
Unencumbered Cash, Beginning	<u>172,274.11</u>	<u>175,585.99</u>
Unencumbered Cash, Ending	<u>\$ 175,585.99</u>	<u>\$ 147,948.13</u>

**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234**  
**FORT SCOTT, KANSAS**  
**BOND COST OF ISSUANCE FUND**  
Schedule of Receipts and Expenditures - Actual - Regulatory Basis  
For the Fiscal Year Ended June 30, 2021  
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources		
Proceeds from Bonds	\$ 409,188.06	\$ -
Total Cash Receipts	409,188.06	-
Expenditures		
Debt Service Costs	393,075.31	16,112.75
Total Expenditures	393,075.31	16,112.75
Receipts Over(Under) Expenditures	16,112.75	(16,112.75)
Unencumbered Cash, Beginning	-	16,112.75
Unencumbered Cash, Ending	\$ 16,112.75	\$ -

**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234**  
**FORT SCOTT, KANSAS**  
**KANSAS PRE-K PILOT GRANT FUND**  
Schedule of Receipts and Expenditures - Actual - Regulatory Basis  
For the Fiscal Year Ended June 30, 2021  
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources		
Other	\$ -	\$ -
State Sources		
Other	31,200.00	40,000.00
Federal Sources		
Early Learning grant	31,200.00	31,966.00
Total Cash Receipts	62,400.00	71,966.00
Expenditures		
Instruction	53,906.50	45,385.06
Support Services	8,493.50	34,614.94
Total Expenditures	62,400.00	80,000.00
Receipts Over(Under) Expenditures	-	(8,034.00)
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ (8,034.00)

**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234**  
**FORT SCOTT, KANSAS**  
**SPARK GRANT FUND**  
Schedule of Receipts and Expenditures - Actual - Regulatory Basis  
For the Fiscal Year Ended June 30, 2021  
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources		
Federal aid	\$ -	\$ 306,000.00
Total Cash Receipts	-	306,000.00
Expenditures		
Instruction	-	224,581.35
Support Services	-	81,418.65
Total Expenditures	-	306,000.00
Receipts Over(Under) Expenditures	-	-
Unencumbered Cash, Beginning	-	-
Unencumbered Cash, Ending	\$ -	\$ -

**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234**  
**FORT SCOTT, KANSAS**  
**CARES ACT FUND**

Schedule of Receipts and Expenditures - Actual - Regulatory Basis  
For the Fiscal Year Ended June 30, 2021  
(With Comparative Actual Amounts for the Year Ended June 30, 2020)

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Federal Sources		
Federal aid	\$ 10,677.00	\$ 443,153.00
Total Cash Receipts	<u>10,677.00</u>	<u>443,153.00</u>
Expenditures		
Instruction	362,153.69	76,924.60
Support Services	<u>8,109.17</u>	<u>6,642.54</u>
Total Expenditures	<u>370,262.86</u>	<u>83,567.14</u>
Receipts Over(Under) Expenditures	(359,585.86)	359,585.86
Unencumbered Cash, Beginning	<u>-</u>	<u>(359,585.86)</u>
Unencumbered Cash, Ending	<u>\$ (359,585.86)</u>	<u>\$ -</u>

**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234**  
**FORT SCOTT, KANSAS**  
**AGENCY FUNDS**

Schedule of Receipts and Disbursements - Regulatory Basis  
For the Fiscal Year Ended June 30, 2021

	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Agency Funds				
Revolving Benefits	\$ 748.14	\$ 21,658.37	\$ 21,645.08	\$ 761.43
Sales Tax	-	4,442.21	4,442.21	-
Self Funded Health	1,566,408.05	2,502,107.07	2,744,165.59	1,324,349.53
Student Organizations				
High School	256,420.90	390,581.50	319,051.61	327,950.79
Middle School	33,565.55	3,418.64	5,655.16	31,329.03
Winfield Scott Grade School	13,584.43	4,756.57	8,410.64	9,930.36
Eugene Ware Grade School	8,201.23	3,767.13	2,982.82	8,985.54
Total Agency Funds	<u>\$ 1,878,928.30</u>	<u>\$ 2,930,731.49</u>	<u>\$ 3,106,353.11</u>	<u>\$ 1,703,306.68</u>

**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234**  
**FORT SCOTT, KANSAS**  
**DISTRICT ACTIVITY FUNDS**

Schedule of Receipts, Expenditures, and Unencumbered Cash - Regulatory Basis  
For the Fiscal Year Ended June 30, 2021

Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Plus		Ending Cash Balance June 30, 2021
					Encumbrances and Accounts Payable		
Gate Receipts							
High School	\$ 36,799.05	\$ 53,973.25	\$ 50,682.64	\$ 40,089.66	\$ -	\$	\$ 40,089.66
Middle School	3,204.25	5,222.34	5,001.22	3,425.37	-		3,425.37
Total Gate Receipts	40,003.30	59,195.59	55,683.86	43,515.03	-		43,515.03
School Projects							
Middle School	818.12	-	-	818.12	-		818.12
Winfield Scott Grade School	1,105.52	1,498.23	2,180.23	423.52	-		423.52
Eugene Ware Grade School	4,124.11	-	-	4,124.11	-		4,124.11
Total School Projects	6,047.75	1,498.23	2,180.23	5,365.75	-		5,365.75
Totals	\$ 46,051.05	\$ 60,693.82	\$ 57,864.09	\$ 48,880.78	\$ -	\$	\$ 48,880.78

**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234**

**FEDERAL COMPLIANCE SECTION**

For the Fiscal Year Ended June 30, 2021

**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234**  
**FORT SCOTT, KANSAS**

Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended June 30, 2021

<b>Federal Grantor/ Pass Through Grantor/Program Title</b>	<b>Federal CFDA #</b>	<b>Amount Received</b>	<b>Amount Expended</b>
<b><u>U.S. Department of Agriculture</u></b>			
Passed Through the State of Kansas Department of Education:			
Summer School Program	10.555	\$ 127,471.30 (b)	\$ 74,259.12
Coronavirus Aid Program/Summer School CV	10.559	673,403.04 (b)	673,403.04
		<u>800,874.34 (b)</u>	<u>747,662.16</u>
<b><u>U.S. Department of the Treasury</u></b>			
Passed Through the State of Kansas Governors' Office to Bourbon County, KS			
Coronavirus Aid program CV	21.019	306,000.00	306,000.00
		<u>306,000.00</u>	<u>306,000.00</u>
<b><u>U.S. Federal Communication Commission</u></b>			
Passed Through the Universal Service Administrative Company			
Universal Service Fund - Schools & Libraries	32.004	173,554.58	173,554.58
		<u>173,554.58</u>	<u>173,554.58</u>
<b><u>U.S. Department of Education</u></b>			
Passed Through the State of Kansas Department of Education:			
Title I	84.010	542,047.00	542,047.00
EHC Flow Thru	84.027	402,877.00 (c)	402,877.00
Career and Tech aid	84.048	25,353.00	25,353.00
Special Education Preschool Grant	84.173	16,120.00 (c)	16,120.00
Rural Low Income Schools	84.358	33,684.00	33,684.00
Supporting Effective Education	84.367	97,817.00	97,817.00
Title IVA Student Support & Academic Grant	84.424	35,036.00	35,036.00
Element & Secondary School Emerg Relie CV	84.425	472,765.00 (a)	1,313,395.29
		<u>1,625,699.00</u>	<u>2,466,329.29</u>
<b><u>U.S. Department of Health and Human Services</u></b>			
Passed Through the State of Kansas Department of Education:			
Early Learning	93.558	31,966.00	31,966.00
		<u>31,966.00</u>	<u>31,966.00</u>
<b>TOTALS</b>		<u><u>2,938,093.92</u></u>	<u><u>3,725,512.03</u></u>

**Notes to the Schedule of Expenditures of Federal Awards:**

Expenses in this schedule are presented in accordance with Generally Accepted Accounting Principles, and include amounts paid as well as accounts payable for goods or services received. Expenses in this schedule do not agree with the expenses according to the financial statements for the CARE/ESSER grant inasmuch as expenses in the financial statements include encumbrances in accordance with the regulatory basis of accounting.

CARE/ESSER expenses: CARE Act Fund	\$ 83,567.14
Plus Prior Year Encumbrances, goods or services received in current year	254,285.56
Plus Care Expenses in Special Ed Fund	29,612.00
Plus Care (Esser) Expenses in the Esser Fund	945,930.59
CARE grant fund expenses according Generally Accepted Accounting Princip	(a) \$ 1,313,395.29
Expenses for the Child Nutrition Cluster: marked as (b) above:	(b) \$ 747,662.16
Expenses for the Special Education Cluster, marked as (c) above.:	(c) \$ 418,997.00

There were no subrecipients from the District.

Pass thru entities did not assign a specific identifying number.

CV Coronavirus Grant

The District did not use the 10% de minimus rate for indirect costs.

# Diehl Banwart Bolton

Certified Public Accountants P.A.

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

To the Board of Education  
Bourbon County Unified School District #234  
Fort Scott, Kansas 66701

### Report on Compliance for Each Major Federal Program

We have audited the Unified School District #234's (District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

### Auditors' Responsibilities

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 the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### **Opinion on Each Major Federal Program**

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

### **Report on Internal Control Over Compliance**

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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

***Diehl, Banwart, Bolton CPAs PA***

DIEHL, BANWART, BOLTON, CPAs PA

October 5, 2021  
Fort Scott, Kansas

# Diehl Banwart Bolton

Certified Public Accountants P.A.

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## INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENT PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Education  
Bourbon County Unified School District #234  
Fort Scott, Kansas 66701

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 statements of Bourbon County Unified School District #234 as of the year ended June 30, 2021, and have issued our report thereon dated October 5, 2021.

### **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 statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in *internal 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

***Diehl, Banwart, Bolton CPAs PA***

DIEHL, BANWART, BOLTON, CPAs PA

October 5, 2021  
Fort Scott, Kansas

**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234  
FORT SCOTT, KANSAS**

Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2021

**SECTION I: SUMMARY OF AUDITORS' RESULTS**

**FINANCIAL STATEMENTS**

Type of auditor's report issued:

The auditors' report was adverse for departures from accounting principles generally accepted in the United State of America due to the preparation of the financial statements in accordance with the Kansas regulatory basis of accounting. An unmodified opinion on the regulatory basis of accounting financial statement of the government was issued.

Internal control over financial reporting:

- |   |               |     |              |               |
|---|---------------|-----|--------------|---------------|
| • Material weakness identified?                         | <u>      </u> | Yes | <u>  X  </u> | No            |
| • Significant deficiency identified?                    | <u>      </u> | Yes | <u>  X  </u> | None reported |
| • Noncompliance material to financial statements noted? | <u>      </u> | Yes | <u>  X  </u> | No            |

**FEDERAL AWARDS**

Internal control over major programs:

- |                                      |               |     |              |               |
|--------------------------------------|---------------|-----|--------------|---------------|
| • Material weakness identified?      | <u>      </u> | Yes | <u>  X  </u> | No            |
| • Significant deficiency identified? | <u>      </u> | Yes | <u>  X  </u> | None reported |

Type of auditors' report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of the Uniform Guidance?

       Yes   X   No

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program</u>
21.019	Coronavirus Relief
84.425D	Elementary & Secondary School Relief

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

       Yes   X   No

**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234  
FORT SCOTT, KANSAS**

Schedule of Findings and Questioned Costs  
For the Fiscal Year Ended June 30, 2021

**SECTION II - FINANCIAL STATEMENT FINDINGS**

None reported.

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No material findings or questioned costs required to be disclosed under the Uniform Guidance.

**BOURBON COUNTY UNIFIED SCHOOL DISTRICT #234**  
**FORT SCOTT, KANSAS**

Summary Schedule of Prior Audit Findings  
For the Fiscal Year Ended June 30, 2021

No audit findings relative to the federal award programs.

# Diehl Banwart Bolton

*Certified Public Accountants PA*

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October 5, 2021

## **COMMUNICATIONS OF INTERNAL CONTROL ISSUES AND OTHER AUDIT MATTERS TO THE BOARD OF EDUCATION**

The Board of Education  
Unified School District #234  
Fort Scott, Kansas 66701

We are pleased to present this report related to our audit of the regulatory basis financial statement of Unified School District #234, Fort Scott, Kansas as of and for the fiscal year ended June 30, 2021. This report summarizes certain matters required by professional auditing standards to be communicated to you in your oversight responsibility for the District's financial reporting process. This report is intended for the information and use of the Board of Education and management and is not intended to be and should not be used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have regarding this report.

### **COMMUNICATION OF INTERNAL CONTROL ISSUES**

In planning and performing our audit of the financial statement of Unified School District #234 as of and for the fiscal year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal 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 entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. 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.

### **OTHER INTERNAL CONTROL ISSUES**

The following internal control issues are not serious enough to be called significant deficiencies or material weaknesses, but do merit the attention of the governing board and management:

#### **SCHOOL ACTIVITY FUNDS**

The Kansas Department of Education has issued "Guidelines for School Activities Funds" which discuss the use of activity funds at a school and the accounting procedures and internal controls that should be in effect. The Board of Education is responsible for adopting and enforcing policies within the directive of these guidelines. We feel that it is necessary to comment on certain items in these guidelines relating to activity funds.

A weakness in internal controls occurs when one person is involved in all aspects of the accounting process, such as receipt of cash, preparing bank deposits, reconciling the bank account to the ledger books, and preparing cash payments. Usually the Activity Fund Treasurer is involved in all aspects of the accounting process for activity funds. Accordingly, there is a weakness in accounting controls over Activity Funds. This is a potential problem at your school District and all school Districts audited by our firm. Accordingly, we annually make the following suggestions to the School Board:

Due to this weakness, adequate oversight of the activity funds is essential. Your District appears to be doing many of the control features we address in this paragraph, but are simply making these comments to emphasize the importance of strong internal controls involving activity funds. The Board should continue to emphasize the importance of the oversight of the Activity Funds by the School Principal as well as the teacher sponsors of the various student organizations. The School Principal should closely review the monthly financial statement prepared by the Activity Fund Treasurer. All purchase orders to be paid by Activity Funds should be reviewed by the School Principal. The Activity Fund Treasurer should also provide a copy of the monthly financial statement to the teacher sponsors of each student organization. The various teacher sponsors should place emphasis on the review of the statements. Teacher sponsors should keep copies of receipts for money turned into the Treasurer and money expended during the month, and should compare these numbers to the amounts shown in the monthly Activity Fund Report. Any questions by the teacher sponsors should be directed to the Principal and the Activity Fund Treasurer. The general rule is that the more people involved in the oversight of the Activity Funds, the less of the chance of any accounting improprieties to occur. The use of a "stamp" to sign the principal's name should be strongly discouraged.

The Activity Fund Treasurer should be provided a copy of the "Guidelines for School Activities Funds" issued by the Kansas Department of Education. The Treasurer should be told each year to review the "Guidelines" and follow the internal controls mentioned, such as the use of pre-numbered receipts, all receipts should be deposited intact, and expenses should be supported by invoices detailing the items purchased. The Board should also ensure that the Activity Fund Treasurers are adequately bonded. That is, if money is deemed to be missing in the Activity Funds, insurance should be adequate to cover any amounts missing. It is our understanding that the Activity Fund Treasurers are covered by the District's insurance. I am sure that your insurance agent would be glad to review each Activity Fund to determine if insurance coverage is adequate.

We would like to point out that preceding comments are not unique to Unified School District #234 or to most School Activity Funds, which we audit. In our audits of various schools, we frequently observe a lack of strict compliance with the guidelines for School Activity Funds as well as weaknesses in internal controls in this area. There was no evidence of wrongdoing or misappropriation of activity funds for the School District. We felt that this year we should contact the schools, which we audit in order to point out any non-compliance with the guidelines for School Activities Funds as well as the inherent weakness in internal controls over activity funds.

### **OTHER REQUIRED COMMUNICATIONS**

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you in our engagement letter dated September 7, 2021. Professional standards also require that we communicate to you the following information related to our audit.

#### **Accounting Policies**

Management has the ultimate responsibility for the appropriateness of the accounting policies used by the District. The District's significant accounting policies are discussed in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statement in the proper period.

#### **Management's Judgments and Accounting Estimates**

Accounting estimates normally are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. There are no significant accounting estimates by the District due to the simple accounting method with the regulatory basis of accounting.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There are no sensitive disclosures in these financial statements.

The financial statement disclosures are neutral, consistent, and clear.

#### **Difficulties Encountered in Performing the Audit**

We encountered no significant difficulties in dealing with management and in performing or completing our audit.

#### **Corrected and Uncorrected Misstatements**

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We did propose several adjusting journal entries in connection with the audit to correct posting errors to your accounting records, to correctly close out grant funds, and to adjust your year-end closing transfers. In addition, there were several reclassification adjustments to reclassify revenues and expenses according to your accounting records to agree with the numbers recorded in the audited financial statements. Those adjustments are listed in the attached "Schedule of Audit Adjustments". Management has corrected all such adjustments.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 5, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

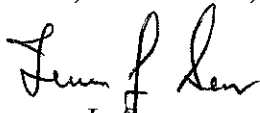
Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principle and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This report is intended solely for the information and use of the School District. We would be glad to further discuss any of the items in this letter with you. If you should have any questions concerning the management letter, the audit, or any other matter, please feel free to contact me.

Very truly yours,

DIEHL, BANWART, BOLTON, CPAs PA



Terence L. Sercer  
Certified Public Accountant

USD234

PREPARED BY \_\_\_\_\_

## SCHEDULE OF AUDIT JOURNAL ENTRIES

FYE JUNE 30, 2021

REVIEWED BY \_\_\_\_\_

A-5.1 Adjusting Journal Entries.XLS

<u>FUND</u>	<u>ACCOUNT</u>	<u>AC #</u>	<u>DEBIT</u>	<u>CREDIT</u>
GENERAL ADJUSTING ENTRIES ARE POSTED IN CONNECTION WITH THE ENTRY OF THE DISTRICT'S NUMBERS INTO THE FINANCIAL STATEMENTS. THESE ARE APPARENT AFTER ENTERING THE DISTRICT'S NUMBERS AND ARE NORMALLY NEEDED TO AGREE CASH BALANCES TO THE PRIOR YEAR AUDITED NUMBERS.				
G-1				
TO ADD SCHOOL ACTIVITY FUNDS FOR PRESENTATION IN THE AUDIT.				
WINFIELD SCOTT ACTIV	CASH / RECEIPTS		10,406.93	7,092.66
WINFIELD SCOTT ACTIV	EXPENSES / FUND BALANCE		11,399.16	14,713.43
EUGENE WARE ACTIVITY	CASH / RECEIPTS		13,110.94	4,536.25
EUGENE WARE ACTIVITY	EXPENSES / FUND BALANCE		3,750.65	12,325.34
MIDDLE SCHOOL ACTIV	CASH / RECEIPTS		37,496.49	11,556.02
MIDDLE SCHOOL ACTIV	EXPENSES / FUND BALANCE		13,132.97	39,073.44
HIGH SCHOOL ACTIVITY	CASH / RECEIPTS		376,089.71	486,638.32
HIGH SCHOOL ACTIVITY	EXPENSES / FUND BALANCE		407,791.34	297,242.73

AUDIT JOURNAL ENTRIES ARE NECESSARY AFTER PERFORMING AUDIT PROCEDURES COURSE OF THE AUDIT AND NORMALLY SHOULD BE RECORDED BY THE DISTRICT

NO AUDIT JOURNAL ENTRIES WERE NECESSARY THIS YEAR.

THE FOLLOWING RECLASSIFICATION ADJUSTMENTS WERE MADE TO THE AUDITED FINANCIAL STATEMENTS BUT DO NOT NEED TO BE RECORDED BY THE DISTRICT:

R-1

TO ADJUST STATE AND FEDERAL AID TO AGREE WITH THE STATE CONFIRMATION

AND RECLASS ERATE MONEY RECEIVED AND CODED TO MISCELLANEOUS RECEIPTS

GENERAL FUND	OTHER STATE AID		7,424.00
GENERAL FUND	OTHER RECEIPTS	7,424.00	
CAPITAL OUTLAY FUND	OTHER RECEIPTS	173,554.58	
CAPITAL OUTLAY FUND	OTHER FEDERAL AID		173,554.58
KS PRE-K PILOT GRANT	OTHER STATE AID	31,966.00	
KS PRE-K PILOT GRANT	OTHER FEDERAL AID		31,966.00
		1,086,122.77	1,086,122.77
			0.00