



*Certified Public Accountants*

UNIFIED SCHOOL DISTRICT NO. 497  
LAWRENCE, KANSAS

---

FINANCIAL STATEMENT  
YEAR ENDED JUNE 30, 2021

UNIFIED SCHOOL DISTRICT NO. 497  
LAWRENCE, KANSAS  
FINANCIAL STATEMENT  
Year Ended June 30, 2021

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1 - 3
Financial Statement:	
Summary Statement of Receipts, Expenditures and Unencumbered Cash	4 - 5
Notes to the Financial Statement	6 - 19
Supplementary Information:	
	<u>Schedule</u>
Summary of Expenditures – Actual and Budget	1      20
Schedule of Receipts and Expenditures – Actual and Budget or Actual Only:	2
General Fund	21
Supplemental General Fund	22
Adult Basic Education Fund	23
At Risk (4 Year Old) Fund	24
Adult Supplemental Education Fund	25
At Risk (K-12) Fund	26
Bilingual Education Fund	27
Virtual Education Fund	28
Capital Outlay Fund	29
Driver Training Fund	30
Food Service Fund	31
Professional Development Fund	32
Parent Education Program Fund	33
Summer School Fund	34
Special Education Fund	35
Cost of Living Fund	36
Career and Postsecondary Education Fund	37
KPERs Special Retirement Contribution Fund	38
Contingency Reserve Fund	39
Student Material Revolving Fund	40
Grants Fund	41
Bond and Interest Fund	42
Special Assessment Fund	43
Capital Project Fund	44
School Workers' Compensation Reserve Fund	45
Health Care Services Reserve Fund	46

UNIFIED SCHOOL DISTRICT NO. 497  
LAWRENCE, KANSAS  
FINANCIAL STATEMENT  
Year Ended June 30, 2021

TABLE OF CONTENTS  
(Continued)

		<u>Page</u>
Schedule of Receipts, Expenditures and Unencumbered Cash – Private and Other Purpose Trust Funds	3	47
Summary of Receipts and Disbursements – Agency Funds	4	48
Supplementary Information:		
Schedule of Expenditures of Federal Awards		49
Notes to the Schedule of Expenditures of Federal Awards		50
Schedule of Findings and Questioned Costs		51 - 52
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of a Financial Statement Performed in Accordance with <i>Government Auditing Standards</i>		53 - 54
Independent Auditors' Report on Compliance for Each Major Federal Program and on Internal Control over Compliance		55 - 56



## **INDEPENDENT AUDITORS' REPORT**

Board of Education  
Unified School District No. 497  
Lawrence, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 497, Lawrence, Kansas (the District), as of and for the year ended June 30, 2021 and the related notes to the financial statement.

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

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

### **Auditors' 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 KMAAG. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditors' 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.

An Independently Owned Member, RSM US Alliance

RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International.

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

As described in Note 1 of the financial statement, the financial statement is prepared by the District on the basis of the financial reporting provisions of the KMAAG, 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 year then ended.

## **Unmodified Opinion on Regulatory Basis of Accounting**

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

## **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The schedules listed under supplementary information in the accompanying table of contents including the schedule of expenditures of federal awards 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* are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the KMAAG. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2021, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

## Other Matter

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the District as of and for the year ended June 30, 2020 (not presented herein), and have issued our report thereon dated March 2, 2021, which contained an unmodified opinion on the basic financial statement. The 2020 basic 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 <https://admin.ks.gov/offices/oar/municipal-services>. The 2020 actual column (prior year actual) presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget for the year ended June 30, 2021 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2020 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2020 basic financial statement. The 2020 comparative information was subjected to the auditing procedures applied in the audit of the 2020 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2020 basic financial statement or to the 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 basic financial statement as a whole for the year ended June 30, 2020 on the basis of accounting described in Note 1.

*BT&Co., P.A.*

December 22, 2021  
Topeka, Kansas

UNIFIED SCHOOL DISTRICT NO. 497  
LAWRENCE, KANSAS  
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH  
REGULATORY BASIS  
Year Ended June 30, 2021

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbered and Accounts Payable	Ending Cash Balance
Governmental fund types:							
General funds:							
General fund	\$ -	\$ -	\$ 80,761,333	\$ 80,761,333	\$ -	\$ 4,664,663	\$ 4,664,663
Supplemental general	1,035,379	-	26,355,601	24,729,931	2,661,049	2,066,443	4,727,492
Special purpose funds:							
Adult basic education	394,168	-	539,075	457,707	475,536	20,075	495,611
At risk (4 year old)	4,588	-	448,339	447,909	5,018	48,959	53,977
Adult supplemental education	25,982	-	-	-	25,982	-	25,982
At risk (K-12)	-	-	7,323,025	7,323,025	-	855,192	855,192
Bilingual education	-	-	726,079	726,079	-	63,892	63,892
Virtual education	-	-	5,247,699	5,247,699	-	546,261	546,261
Capital outlay	4,198,975	-	13,118,852	9,070,965	8,246,862	1,520,701	9,767,563
Driver training	21,015	-	17,785	32,093	6,707	12,954	19,661
Food service	121,506	-	4,103,777	3,366,679	858,604	190,142	1,048,746
Professional development	-	-	291,882	291,882	-	94,582	94,582
Parent education program	39,812	-	180,573	180,600	39,785	-	39,785
Summer school	35,412	-	25,288	24,918	35,782	2,710	38,492
Special education	1,712,102	-	26,754,208	26,340,348	2,125,962	1,998,661	4,124,623
Cost of living	319,136	-	1,190,533	1,167,944	341,725	-	341,725
Career and postsecondary education	-	-	1,720,597	1,720,597	-	211,040	211,040
KPERS Special retirement contribution	-	-	10,756,607	10,756,607	-	-	-
Contingency reserve	1,198,358	-	-	392,558	805,800	392,558	1,198,358
Student material revolving	1,353,370	-	856,695	1,094,410	1,115,655	281,686	1,397,341
Grants	(581,661)	-	5,777,040	5,568,283	(372,904)	476,750	103,846
Bond and interest funds:							
Bond and interest	12,600,411	-	14,169,749	13,991,588	12,778,572	-	12,778,572
Special assessment	484,565	-	135	6,793	477,907	-	477,907
Capital projects fund:							
Capital projects	3,885,732	-	425,988	3,750,193	561,527	6,402,595	6,964,122
Business funds:							
School workers' compensation reserve	1,072,318	-	334,286	311,903	1,094,701	-	1,094,701
Health care services reserve	213,584	-	14,061,326	13,919,139	355,771	11,497	367,268
Trust fund:							
Trusts - private purpose	1,907,640	-	1,047,412	964,660	1,990,392	34,307	2,024,699
Total reporting entity (Excluding agency funds)	\$ 30,042,392	\$ -	\$ 216,233,884	\$ 212,645,843	\$ 33,630,433	\$ 19,895,668	\$ 53,526,101

(Continued)

UNIFIED SCHOOL DISTRICT NO. 497  
LAWRENCE, KANSAS  
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH  
REGULATORY BASIS  
Year Ended June 30, 2021  
(Continued)

Composition of cash:

Commerce Bank - certificates of deposit	\$ 4,882
Central Bank of the Midwest - checking	3,776
U.S. Bank - checking	41,310,501
University National Bank of Lawrence	1,000
Optum Bank - Imprest	25,420
Bank Midwest	1,020
UMB Bank	2,118,246
Cash on hand	100
Kansas Municipal Investment Pool	<u>7,583,884</u>
 Total cash	 51,048,829
 Less agency funds per Schedule 4	 <u>2,477,272</u>
 Total reporting entity	 <u>\$ 53,526,101</u>
(Excluding agency funds)	<u></u>

See accompanying notes to financial statements.



UNIFIED SCHOOL DISTRICT NO. 497  
LAWRENCE, KANSAS  
NOTES TO THE FINANCIAL STATEMENT  
Year Ended June 30, 2021

1 - Summary of Significant Accounting Policies

Reporting Entity

Unified School District No. 497 (the District) is a municipal corporation governed by an elected seven-member board. These financial statements include all the accounts for which the District is considered to be financially accountable. The District had no related municipal entities.

Reimbursed Expenses

Expenditures in the amount of \$ 698,418 and \$ 35,790 are classified as reimbursed expenses in the General Fund and Supplemental General Fund, respectively. The purpose of these expenditures is payment for goods and services in which fees are collected and such expenditures are exempt from the budget law under K.S.A. 79-2934.

Reimbursed expenses are defined as repayments of amounts remitted on behalf of another party. All reimbursed expenses shown in the financial statements meet the following criteria:

1. the related disbursement was made in the current year on behalf of the payee,
2. the item paid for was directly identifiable as having been used by or provided to the payee,
3. the amount of the reimbursed expense was directly tied to the amount of the original cash disbursement.

Basis of Accounting

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

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

UNIFIED SCHOOL DISTRICT NO. 497  
LAWRENCE, KANSAS  
NOTES TO THE FINANCIAL STATEMENT  
(Continued)

Fund Descriptions

The following regulatory basis fund types comprise the financial activities of the District for the year ended June 30, 2021:

General Fund and Supplemental General Fund - used to account for the general operations of the District and all unrestricted resources except those required to be accounted for in other funds.

Special Purpose Funds - used to account for the proceeds of specific tax levies and other specific regulatory receipts sources (other than capital project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest Funds - used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of principal and interest on long-term debt.

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

Business Funds - financed in whole or in part by fees charged to users of the goods or services.

Trust Fund - funds used to report assets held in trust for the benefit of the District (donations and memorials, etc.).

Agency Funds - used to report assets held by the District in a purely custodial capacity (i.e. payroll clearing fund, student organization funds, etc.)

Budgetary and Tax Cycle

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

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. The District had no budget amendments for the year ended June 30, 2021.

UNIFIED SCHOOL DISTRICT NO. 497  
LAWRENCE, KANSAS  
NOTES TO THE FINANCIAL STATEMENT  
(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 budgeted fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which, regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

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

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

2 - Deposits and Investments

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

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

At June 30, 2021, the District had invested \$ 7,583,884 in the State's municipal investment pool. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The board is comprised of the State Treasurer and four additional members appointed by the State Governor. The board reports annually to the Kansas legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest by the U.S. government or any agency thereof, with maturities up to four years. No more than 10 percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

Some of the District's investments are of bond proceeds invested pursuant to K.S.A. 10-131. This statute allows additional investment authority beyond that of K.S.A. 12-1675. Investments of bond proceeds may

UNIFIED SCHOOL DISTRICT NO. 497  
LAWRENCE, KANSAS  
NOTES TO THE FINANCIAL STATEMENT  
(Continued)

follow K.S.A. 12-1675 or include other investments such as the KMIP, direct obligations of the U.S. government or any agency thereof, and various other investments as specified in K.S.A. 10-131.

As of June 30, 2021, the District had the following investments and maturities:

Investment Type	Fair Value	Investment Maturity	Rating
		Less Than 1 Year	
Certificate of deposit	\$ 25,420	\$ 25,420	N/A
Kansas Municipal Investment Pool	7,583,884	7,583,884	Not rated
	<u>\$ 7,609,304</u>	<u>\$ 7,609,304</u>	

*Concentration of credit risk.* State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The District's allocation of investments as of June 30, 2021, is as follows:

Investment	Percentage of Investments
Certificate of deposit	0.334%
Kansas Municipal Investment Pool	99.666%
	<u>100.000%</u>

*Custodial credit risk - deposits* - Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. At June 30, 2021, the District's deposits were not exposed to custodial credit risk.

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

*Interest rate risk* - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have a formal investment policy that limits investments maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District is not exposed to significant interest rate risk.

*Fair value measurement* - The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for

UNIFIED SCHOOL DISTRICT NO. 497  
LAWRENCE, KANSAS  
NOTES TO THE FINANCIAL STATEMENT  
(Continued)

identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Fair value measurement hierarchy information is not provided to the District for its deposits in the KMIP. Certificates of deposit are measured at cost.

3 - In-Substance Receipt in Transit

The District received \$ 3,748,288 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 year ended June 30, 2021.

4 - Long-Term Debt

Following is a detailed listing of the District long-term liabilities, including capital leases, at June 30, 2021:

Debt Issue	Date Issued	Maturity Date	Interest Rates	Original Amount	Balance June 30, 2021
General obligation bonds:					
2012A Refunding	12/15/2012	9/1/2025	2.00%	\$ 9,890,000	\$ 8,840,000
2013A Improvement	8/1/2013	9/1/2033	2.00 - 5.00%	36,000,000	29,550,000
2014A Improvement	12/18/2014	9/1/2034	2.00 - 5.00%	36,000,000	30,225,000
2016A Refunding & Improvement	1/28/2016	9/1/2035	3.378 - 5.00%	44,045,000	22,970,000
2017A Improvement	9/28/2017	9/1/2037	3.00 - 5.00%	43,500,000	39,400,000
2018A Improvement	10/11/2018	9/1/2037	2.75 - 5.00%	43,500,000	41,900,000
Capital leases:					
Energy savings equipment	7/12/2006	10/12/2025	4.90%	1,683,575	599,997
Real estate	7/1/2017	6/15/2027	2.70%	4,837,711	3,053,767
Field turf	5/22/2018	5/1/2028	3.35%	5,829,030	3,856,441
Technology equipment	2/25/2019	3/1/2022	0.00%	2,029,186	507,296
Technology equipment	2/27/2019	2/24/2024	2.83%	1,993,769	1,229,942
Technology equipment	3/30/2020	3/30/2023	0.00%	2,149,458	1,050,762
Improvements	2/13/2020	2/1/2030	2.09%	3,000,000	2,725,343
Technology equipment	2/1/2021	2/1/2024	0.00%	4,269,150	3,201,862
Total					<u>\$ 189,110,410</u>

UNIFIED SCHOOL DISTRICT NO. 497  
LAWRENCE, KANSAS  
NOTES TO THE FINANCIAL STATEMENT  
(Continued)

Changes in long-term liabilities for the year ended June 30, 2021 were as follows:

Type of Issue	Beginning Principal Outstanding	Additions to Principal	Reductions of Principal	Ending Principal Balance	Interest Paid
General obligation bonds:					
2012A Refunding	\$ 8,960,000	\$ -	\$ 120,000	\$ 8,840,000	\$ 178,000
2013A Improvement	30,675,000	-	1,125,000	29,550,000	1,225,863
2014A Improvement	31,175,000	-	950,000	30,225,000	1,126,250
2016A Refunding & Improvement	26,805,000	-	3,835,000	22,970,000	1,113,975
2017A Improvement	39,950,000	-	550,000	39,400,000	1,543,781
2018A Improvement	42,450,000	-	550,000	41,900,000	1,673,719
Capital leases:					
Energy savings equipment	703,700	-	103,703	599,997	34,511
Real estate	3,516,641	-	462,874	3,053,767	91,846
Technology equipment	359,124	-	359,124	-	3,555
Field turf	4,337,742	-	481,301	3,856,441	141,317
Technology equipment	1,014,592	-	507,296	507,296	-
Technology equipment	1,617,259	-	387,317	1,229,942	43,352
Technology equipment	1,600,110	-	549,348	1,050,762	-
Improvements	3,000,000	-	274,657	2,725,343	59,030
Technology equipment	-	4,269,150	1,067,288	3,201,862	-
	196,164,168	4,269,150	11,322,908	189,110,410	7,235,199
Early termination benefits	4,309,537	1,162,663	1,306,925	4,165,275	-
Total	\$ 200,473,705	\$ 5,431,813	\$ 12,629,833	\$ 193,275,685	\$ 7,235,199

Maturities of long-term debt and interest through maturity are as follows:

General Obligation Bonds			
Year Ended June 30,	Principal Due	Interest Due	Total Due
2022	\$ 7,380,000	\$ 6,573,764	\$ 13,953,764
2023	7,685,000	6,244,124	13,929,124
2024	8,060,000	5,864,939	13,924,939
2025	8,455,000	5,542,256	13,997,256
2026	8,705,000	5,294,550	13,999,550
2027-2031	48,290,000	21,120,000	69,410,000
2032-2036	58,260,000	10,507,275	68,767,275
2037-2041	26,050,000	898,281	26,948,281
Total	\$ 172,885,000	\$ 62,045,189	\$ 234,930,189

UNIFIED SCHOOL DISTRICT NO. 497  
LAWRENCE, KANSAS  
NOTES TO THE FINANCIAL STATEMENT  
(Continued)

<u>Capital Leases</u> <u>Year Ended June 30,</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total Due</u>
2022	\$ 3,882,558	\$ 321,281	\$ 4,203,839
2023	3,379,653	268,957	3,648,610
2024	2,932,172	215,024	3,147,196
2025	1,486,768	162,471	1,649,239
2026	1,531,539	117,512	1,649,051
2027-2031	<u>3,012,720</u>	<u>121,983</u>	<u>3,134,703</u>
Total	<u>\$ 16,225,410</u>	<u>\$ 1,207,228</u>	<u>\$ 17,432,638</u>

The District is subject to Kansas statutes and may issue general obligation bonds for capital improvements upon the approval of a majority of the voters. Remaining debt service requirements for general obligation bonds will be repaid from the Bond and Interest Fund with future tax assessments. Such general obligation indebtedness may not exceed the amount allowed for the District under K.S.A. 72-5457.

The District's statutory limit for such bonded indebtedness is approximately \$ 180 million at June 30, 2021. The District has received authorization from the State of Kansas to exceed this limit.

5 - Early Retirement Benefits

The District has a plan which covers District employees who voluntarily take early retirement. An employee is eligible for early retirement if such employee is a full time employee, not less than 57 years old and not more than 64 years old, has fifteen years or more of service with the District, and twenty years or more of service credit recognized by the Kansas Public Employees Retirement System (KPERS).

The benefits from this plan are computed using a formula based upon salary, age, and KPERS service credit and are payable over a five-year period in January of each year. The cost of this plan in the fiscal year ended June 30, 2021, was \$ 1,306,925. The outstanding liability reflected in the financial statement for the retirees payable in January 2022 is approximately \$ 1,453,487 and is payable from the supplemental general fund.

UNIFIED SCHOOL DISTRICT NO. 497  
LAWRENCE, KANSAS  
NOTES TO THE FINANCIAL STATEMENT  
(Continued)

The total liability is as follows:

Year Ended June 30,	
2022	\$ 1,453,487
2023	1,131,543
2024	846,358
2025	533,797
2026	200,090
	<hr/>
	\$ 4,165,275
	<hr/>

6 - Compensated Absences

It is the District's policy to pay employees' accrued vacation pay upon termination of employment. Administrative and classified employees are eligible for this compensation. As of June 30, 2021, the liability for accrued vacation pay was \$ 419,348. A current portion, ten days, is reflected in the financial statement as follows:

<u>Fund</u>	<u>Amount</u>
General	\$ 82,734
Supplemental general	276,635
Adult basic education	6,680
Virtual education	6,274
Capital outlay	13,386
Food service	8,706
Bilingual education	2,051
Special education	22,424
Career and postsecondary education	459
	<hr/>
Total	\$ 419,349
	<hr/>

7 - Defined Benefit Pension Plan

*Plan description* - The District participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A 74-4901 et seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Annual Comprehensive Financial Report which can be found on the KPERS website at



UNIFIED SCHOOL DISTRICT NO. 497  
LAWRENCE, KANSAS  
NOTES TO THE FINANCIAL STATEMENT  
(Continued)

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.

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, 2020. The actuarially determined employer contribution rate and the statutory contribution rate was 15.59% and 14.23% for the fiscal year ended June 30, 2021.

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

House Substitute for Senate Bill I 09 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 \$ 10,756,607 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 \$ 116,437,365. 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

UNIFIED SCHOOL DISTRICT NO. 497  
LAWRENCE, KANSAS  
NOTES TO THE FINANCIAL STATEMENT  
(Continued)

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 this financial statement.

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

8 - Other Post Employment Benefits

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

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the 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.

9 - Death and Disability Other Post-Employment Benefits

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

10 - Tax-Deferred 403(b) Retirement Plan

The District offers its employees a retirement plan ("Plan") created in accordance with Internal Revenue Code Section 403(b). The Plan, available to all District employees, permits them to save additional funds for retirement. The investment options under the Plan include annuity contracts and/or custodial accounts. Employees may elect to make contributions of deferred salaries/wages to the Plan to the extent permitted by the Plan. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Plan participants are 100% vested in any elective deferral contributions made to the Plan as of the date such contribution is made.

In addition to the elective deferral plan described above, the District offers a Non-Elective Contribution Employer Paid Deferred Benefit 403(b) Plan ("Employer Paid Plan") for each professional employee employed at least half time in the District. This account is separate from any professional employee paid deferred benefit account, and no employee contributions, via salary reduction or otherwise, shall be allowed into the account.

UNIFIED SCHOOL DISTRICT NO. 497  
LAWRENCE, KANSAS  
NOTES TO THE FINANCIAL STATEMENT  
(Continued)

The District contributes \$ 60 per month (\$ 720 annually) into each full-time professional employee's Employer Paid Plan. Professional employees employed on a less than half time basis during a contract year are not eligible to receive contributions into his/her Employer Paid Plan. Contributions will be prorated for professional employees who work less than full time in a certified position.

<u>FTE</u>	<u>Contribution</u>
.95 - 1.00	\$ 60
.85 - .94	54
.75 - .84	48
.65 - .74	42
.55 - .64	36
.50 - .54	30
Less than .50	-

A professional employee's ownership interest in his or her Employer Paid Plan shall vest in yearly increments. A professional employee will receive one year of vesting credit for each contract year completed, starting with the 2008-09 contract year, in which the professional employee is employed at least half time with the district. The following vesting schedule will be used to determine the professional employee's ownership interest in the funds in the account:

<u>Vesting Service</u>	<u>Vesting Percentage</u>
Year 1	0%
Year 2	20%
Year 3	40%
Year 4	60%
Year 5	80%
Year 6	100%

District contributions to employees' Employer Paid Plans for the years ending June 30, 2021 and 2020 were \$ 1,392,242 and \$ 1,466,989, respectively.

UNIFIED SCHOOL DISTRICT NO. 497  
LAWRENCE, KANSAS  
NOTES TO THE FINANCIAL STATEMENT  
(Continued)

11 - Interfund Transactions

Operating transfers were as follows:

From	To	Regulatory Authority	Amount
General	Career and Postsecondary Education	K.S.A. 72-5167	\$ 1,208,712
General	Special Education	K.S.A. 72-5167	17,789,660
General	Virtual Education	K.S.A. 72-5167	5,186,948
General	Professional Development	K.S.A. 72-5167	143,280
General	Bilingual Education	K.S.A. 72-5167	513,461
General	At Risk (K-12)	K.S.A. 72-5167	5,244,889
General	At Risk (4 Year Old)	K.S.A. 72-5167	246,500
Supplemental General Fund	Career and Postsecondary Education	K.S.A. 72-5143	500,000
Supplemental General Fund	Special Education	K.S.A. 72-5143	5,306,420
Supplemental General Fund	Professional Development	K.S.A. 72-5143	68,883
Supplemental General Fund	Bilingual Education	K.S.A. 72-5143	210,000
Supplemental General Fund	Parent Education Program	K.S.A. 72-5143	18,000
Supplemental General Fund	At Risk (K-12)	K.S.A. 72-5143	2,050,828
Supplemental General Fund	At Risk (4 Year Old)	K.S.A. 72-5143	100,000
General	Health Care Service Reserve	K.S.A. 74-6428	4,403,494
Supplemental General Fund	Health Care Service Reserve	K.S.A. 74-6428	2,132,143
Food Service	Health Care Service Reserve	K.S.A. 72-8415a	306,899
Career and Postsecondary Education	Health Care Service Reserve	K.S.A. 72-8415a	157,258
Special Education	Health Care Service Reserve	K.S.A. 72-8415a	2,967,782
Capital Outlay	Health Care Service Reserve	K.S.A. 72-8415a	75,505
Adult Basic Education	Health Care Service Reserve	K.S.A. 72-8415a	33,101
Virtual Education	Health Care Service Reserve	K.S.A. 72-8415a	312,049
Bilingual Education	Health Care Service Reserve	K.S.A. 72-8415a	78,032
Parent Education Program	Health Care Service Reserve	K.S.A. 72-8415a	17,262
At Risk (K-12)	Health Care Service Reserve	K.S.A. 72-8415a	785,944
At Risk (4 Year Old)	Health Care Service Reserve	K.S.A. 72-8415a	48,749
Grants	Health Care Service Reserve	K.S.A. 72-8415a	235,272
Local/Donations/Grants	Health Care Service Reserve	K.S.A. 72-8415a	1,090
General	School Workers' Compensation Reserve	K.S.A. 44-505e	138,310
Supplemental General Fund	School Workers' Compensation Reserve	K.S.A. 44-505e	39,339
Food Service	School Workers' Compensation Reserve	K.S.A. 44-505e	4,556
Career and Postsecondary Education	School Workers' Compensation Reserve	K.S.A. 44-505e	5,434
Special Education	School Workers' Compensation Reserve	K.S.A. 44-505e	71,154
Driver Training	School Workers' Compensation Reserve	K.S.A. 44-505e	146
Capital Outlay	School Workers' Compensation Reserve	K.S.A. 44-505e	2,072
Summer School	School Workers' Compensation Reserve	K.S.A. 44-505e	79
Adult Basic Education	School Workers' Compensation Reserve	K.S.A. 44-505e	1,346
Virtual Education	School Workers' Compensation Reserve	K.S.A. 44-505e	12,402
Professional Development	School Workers' Compensation Reserve	K.S.A. 44-505e	345
Bilingual Education	School Workers' Compensation Reserve	K.S.A. 44-505e	2,264
Parent Education Program	School Workers' Compensation Reserve	K.S.A. 44-505e	543
At Risk (K-12)	School Workers' Compensation Reserve	K.S.A. 44-505e	24,570
At Risk (4 Year Old)	School Workers' Compensation Reserve	K.S.A. 44-505e	1,444
Grants	School Workers' Compensation Reserve	K.S.A. 44-505e	9,713
Local/Donations/Grants	School Workers' Compensation Reserve	K.S.A. 44-505e	48
Total			<u>\$ 50,455,926</u>

UNIFIED SCHOOL DISTRICT NO. 497  
LAWRENCE, KANSAS  
NOTES TO THE FINANCIAL STATEMENT  
(Continued)

12 - Risk Management

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

*Workers' Compensation.* The District has established a limited risk management program for workers' compensation. Premiums are paid into the School Workers' Compensation Reserve Fund by all other funds and are available to pay claims, claim reserves and administrative costs of the program. These interfund premiums are used to reduce the amount of claims expenditure reported in the School Workers' Compensation Reserve Fund. As of June 30, 2021, such interfund premiums did not exceed reimbursable expenditures.

Unpaid claims are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. An excess coverage insurance policy covers individual claims over a certain amount. Unpaid claims include an amount for claims that have been incurred but not reported (IBNRs). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of pay-outs and other economic and social factors. Actual payment of claims and judgments is reported in the School Workers' Compensation Reserve Fund. Changes in the balance of claims liabilities during the past year are as follows:

Unpaid claims, July 1, 2020	\$ 545,809
Incurred claims (including IBNRs)	114,974
Claim payments and adjustments	<u>(195,870)</u>
Unpaid claims, June 30, 2021	<u><u>\$ 464,913</u></u>

13 - Capital Projects

At year-end, capital project authorizations compared with expenditures from inception are as follows:

	<u>Project Authorization</u>	<u>Expenditures to Date</u>
School facilities & technology upgrade - Phase I - Complete	\$ 97,010,450	\$ 96,989,618
School facilities & technology upgrade - Phase II	95,474,447	95,194,155
23rd Street Lease Project	4,902,508	4,868,476
Turf improvements lease	<u>5,909,471</u>	<u>5,909,471</u>
Total	<u><u>\$ 203,296,876</u></u>	<u><u>\$ 202,961,720</u></u>

UNIFIED SCHOOL DISTRICT NO. 497  
LAWRENCE, KANSAS  
NOTES TO THE FINANCIAL STATEMENT  
(Continued)

14 - Commitments and Contingencies

The District receives significant financial assistance from numerous federal and state governmental agencies in the form of grants and state pass-through aid. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material negative effect on the financial statements of the District at June 30, 2021.

On September 24, 2015, the Universal Service Administrative Company (USAC) rescinded certain e-rate reimbursements received by the District for the 2011-2012 through 2013-2014 funding years and denied e-rate reimbursements for the 2014-2015 through 2015-2016 funding years because of competitive bidding violations. The amount of the District's potential liability due to these rescinded reimbursements is approximately \$ 500,000. The District has filed an appeal with the Federal Communication Commission, but a response to the appeal had not been received as of the date of the financial statements.

The District is a defendant in various other lawsuits. The outcome of these lawsuits is not presently determinable. However, the resolution of these matters will not likely have a material adverse effect on the financial condition of the District.

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and, on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate the spread of it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the District operates. On March 27, 2020, the *Coronavirus Aid, Relief, and Economic Security Act* (CARES Act) was enacted to, amongst other provisions, provide emergency assistance for individuals, families and businesses affected by the pandemic.

It is unknown how long the adverse conditions associated with the pandemic will last and what the complete financial effect will be to the District. Accordingly, while management cannot quantify the financial and other impacts to the District as of June 30, 2021, management believes that a material impact on the District's financial position and results of future operations is reasonably possible.

15 - Stewardship, Compliance and Accountability

The District exceeded its cash authority by \$ 372,904 in the Grants Fund as a result of spending federal grant money prior to reimbursement from the federal agencies.

## SUPPLEMENTARY INFORMATION

UNIFIED SCHOOL DISTRICT NO. 497  
LAWRENCE, KANSAS  
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS  
Year Ended June 30, 2021

Funds	Certified Budget	Adjustment to Comply with Legal Max Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year Budget	Variance Positive (Negative)
General funds:						
General fund	\$ 85,090,163	\$ (5,027,248)	\$ 698,418	\$ 80,761,333	\$ 80,761,333	\$ -
Supplemental general	25,654,295	(960,154)	35,790	24,729,931	24,729,931	-
Special purpose funds:						
Adult basic education	600,000	-	-	600,000	457,707	142,293
At risk (4 year old)	600,000	-	-	600,000	447,909	152,091
Adult supplemental education	25,981	-	-	25,981	-	25,981
At risk (K-12)	8,200,000	-	-	8,200,000	7,323,025	876,975
Bilingual education	1,100,000	-	-	1,100,000	726,079	373,921
Virtual education	7,900,000	-	-	7,900,000	5,247,699	2,652,301
Capital outlay	17,735,000	-	-	17,735,000	9,070,965	8,664,035
Driver training	105,000	-	-	105,000	32,093	72,907
Food service	6,000,000	-	-	6,000,000	3,366,679	2,633,321
Professional development	650,000	-	-	650,000	291,882	358,118
Parent education program	300,000	-	-	300,000	180,600	119,400
Summer school	115,000	-	-	115,000	24,918	90,082
Special education	31,000,000	-	-	31,000,000	26,340,348	4,659,652
Cost of living	1,500,000	-	-	1,500,000	1,167,944	332,056
Career and postsecondary education	2,200,000	-	-	2,200,000	1,720,597	479,403
KPERS special retirement contribution	12,999,689	-	-	12,999,689	10,756,607	2,243,082
Grants	5,291,736	-	-	5,291,736	5,568,283	(276,547)
Bond and interest funds:						
Bond and interest	13,992,588	-	-	13,992,588	13,991,588	1,000
Special assessment	484,565	-	-	484,565	6,793	477,772



UNIFIED SCHOOL DISTRICT NO. 497  
LAWRENCE, KANSAS  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
GENERAL FUND  
REGULATORY BASIS  
Year Ended June 30, 2021  
(With Comparative Totals for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts:				
State aid:				
Equalization aid	\$ 65,605,916	\$ 67,259,551	\$ 70,964,236	\$ (3,704,685)
Special education aid	14,005,873	12,803,364	14,125,927	(1,322,563)
Reimbursed expenses	952,833	698,418	-	698,418
Total receipts	80,564,622	80,761,333	\$ 85,090,163	\$ (4,328,830)
Expenditures and transfers:				
Instruction	29,988,717	29,827,778	\$ 32,542,000	\$ 2,714,222
Student support services	3,422,224	3,764,320	3,722,337	(41,983)
Instructional support	1,790,473	1,722,463	2,035,533	313,070
General administration	177,384	117,251	209,075	91,824
School administration	379,939	341,796	349,226	7,430
Operations and maintenance	8,448,737	8,783,369	8,454,646	(328,723)
Transportation	296,242	290,721	320,967	30,246
Other supplemental services	1,189,314	1,038,381	1,298,303	259,922
Transfers out	34,871,592	34,875,254	36,158,076	1,282,822
Adjustment to comply with legal max budget			(5,027,248)	(5,027,248)
Adjustment for qualifying budget credits			698,418	698,418
Total expenditures and transfers	80,564,622	80,761,333	\$ 80,761,333	\$ -
Receipts over (under) expenditures and transfers	-	-		
Unencumbered cash, beginning	-	-		
Unencumbered cash, ending	\$ -	\$ -		

(Continued)

UNIFIED SCHOOL DISTRICT NO. 497  
LAWRENCE, KANSAS  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
SUPPLEMENTAL GENERAL FUND  
REGULATORY BASIS  
(Continued)  
Year Ended June 30, 2021  
(With Comparative Totals for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts:				
Taxes and shared revenues:				
Ad valorem property taxes	\$ 16,935,790	\$ 18,442,178	\$ 18,427,956	\$ 14,222
Delinquent tax	143,290	247,571	264,698	(17,127)
Motor vehicle tax	1,649,756	1,639,263	1,496,073	143,190
Reimbursed expenses	35,413	35,790	-	35,790
State aid	6,040,532	5,990,799	6,223,732	(232,933)
Total receipts	24,804,781	26,355,601	\$ 26,412,459	\$ (56,858)
Expenditures and transfers:				
Instruction	1,263,302	1,318,430	\$ 1,870,443	\$ 552,013
Student support services	271,958	270,609	333,737	63,128
Instructional support	2,264,428	2,574,426	2,991,434	417,008
General administration	649,567	671,780	686,371	14,591
School administration	4,860,972	4,728,247	5,203,975	475,728
Operations and maintenance	38,788	43,134	59,378	16,244
Transportation	1,821,271	1,570,801	2,000,000	429,199
Other supplemental services	3,114,361	3,126,891	3,721,226	594,335
Transfers out	11,077,943	10,425,613	8,787,731	(1,637,882)
Adjustment to comply with legal max budget			(960,154)	(960,154)
Adjustment for qualifying budget credits			35,790	35,790
Total expenditures and transfers	25,362,590	24,729,931	\$ 24,729,931	\$ -
Receipts over (under) expenditures and transfers	(557,809)	1,625,670		
Unencumbered cash, beginning	1,593,188	1,035,379		
Unencumbered cash, ending	\$ 1,035,379	\$ 2,661,049		

(Continued)

UNIFIED SCHOOL DISTRICT NO. 497  
LAWRENCE, KANSAS  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
ADULT BASIC EDUCATION FUND  
REGULATORY BASIS  
(Continued)  
Year Ended June 30, 2021  
(With Comparative Totals for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts:				
Taxes and shared revenues:				
Ad valorem property taxes	\$ 262,783	\$ 381,884	\$ 356,192	\$ 25,692
Delinquent tax	702	3,007	4,598	(1,591)
Motor vehicle tax	36,587	9,588	8,569	1,019
Federal aid	77,624	86,725	86,725	-
State aid	54,389	53,584	53,584	-
Reimbursed expenses	1,058	1,058	-	1,058
Miscellaneous	3,088	3,229	5,000	(1,771)
Total receipts	436,231	539,075	\$ 514,668	\$ 24,407
Expenditures and transfers:				
Instruction	328,342	319,342	\$ 449,033	\$ 129,691
Student support services	27,440	29,531	33,212	3,681
Instructional support staff	48,591	42,215	57,755	15,540
Operations and maintenance	25,910	32,172	60,000	27,828
Transportation	157	-	-	-
Transfers out	37,072	34,447	-	(34,447)
Total expenditures and transfers	467,512	457,707	\$ 600,000	\$ 142,293
Receipts over (under) expenditures and transfers	(31,281)	81,368		
Unencumbered cash, beginning	425,449	394,168		
Unencumbered cash, ending	\$ 394,168	\$ 475,536		

(Continued)

UNIFIED SCHOOL DISTRICT NO. 497  
LAWRENCE, KANSAS  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
AT RISK (4 YEAR OLD) FUND  
REGULATORY BASIS  
(Continued)  
Year Ended June 30, 2021  
(With Comparative Totals for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts and transfers:				
Miscellaneous	\$ 15,155	\$ -	\$ 145,411	\$ (145,411)
Reimbursed expenses	1,929	1,839	-	1,839
Donations	100,000	100,000	-	100,000
Transfers in	400,000	346,500	450,000	(103,500)
Total receipts and transfers	517,084	448,339	\$ 595,411	\$ (147,072)
Expenditures and transfers:				
Instruction	302,282	269,717	\$ 418,998	\$ 149,281
Student support services	41,687	11,655	46,898	35,243
Instructional support staff	87,119	86,851	98,266	11,415
School administration	26,543	29,493	35,838	6,345
Transfers out	57,825	50,193	-	(50,193)
Total expenditures and transfers	515,456	447,909	\$ 600,000	\$ 152,091
Receipts and transfers over (under) expenditures and transfers	1,628	430		
Unencumbered cash, beginning	2,960	4,588		
Unencumbered cash, ending	\$ 4,588	\$ 5,018		

(Continued)

UNIFIED SCHOOL DISTRICT NO. 497  
LAWRENCE, KANSAS  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
ADULT SUPPLEMENTAL EDUCATION FUND  
REGULATORY BASIS  
(Continued)  
Year Ended June 30, 2021  
(With Comparative Totals for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts:	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Instruction	-	-	25,981	25,981
Total expenditures	-	-	\$ 25,981	\$ 25,981
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning	25,982	25,982		
Unencumbered cash, ending	\$ 25,982	\$ 25,982		

(Continued)

UNIFIED SCHOOL DISTRICT NO. 497  
LAWRENCE, KANSAS  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
AT RISK (K-12) FUND  
REGULATORY BASIS  
(Continued)  
Year Ended June 30, 2021  
(With Comparative Totals for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts and transfers:				
Transfers in	\$ 7,836,017	\$ 7,295,717	\$ 8,000,000	\$ (704,283)
Miscellaneous	-	-	200,000	(200,000)
Reimbursed expenses	29,405	27,308	-	27,308
Total receipts and transfers	7,865,422	7,323,025	\$ 8,200,000	\$ (876,975)
Expenditures and transfers:				
Instruction	6,937,087	6,475,747	\$ 8,161,578	\$ 1,685,831
Instructional support staff	36,680	36,764	38,422	1,658
Transfers out	891,655	810,514	-	(810,514)
Total expenditures and transfers	7,865,422	7,323,025	\$ 8,200,000	\$ 876,975
Receipts and transfers over (under) expenditures and transfers	-	-		
Unencumbered cash, beginning	-	-		
Unencumbered cash, ending	\$ -	\$ -		

(Continued)

UNIFIED SCHOOL DISTRICT NO. 497  
LAWRENCE, KANSAS  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
BILINGUAL EDUCATION FUND  
REGULATORY BASIS  
(Continued)  
Year Ended June 30, 2021  
(With Comparative Totals for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts and transfers:				
Transfers in	\$ 725,897	\$ 723,461	\$ 1,060,000	\$ (336,539)
Reimbursed expenses	2,700	2,618	100,000	(97,382)
Total receipts and transfers	728,597	726,079	\$ 1,160,000	\$ (433,921)
Expenditures and transfers:				
Instruction	401,614	432,751	\$ 826,526	\$ 393,775
Student support services	109,104	116,972	125,606	8,634
Instructional support	136,680	96,060	147,868	51,808
Transfers out	81,199	80,296	-	(80,296)
Total expenditures and transfers	728,597	726,079	\$ 1,100,000	\$ 373,921
Receipts and transfers over (under) expenditures and transfers	-	-		
Unencumbered cash, beginning	-	-		
Unencumbered cash, ending	\$ -	\$ -		

(Continued)

UNIFIED SCHOOL DISTRICT NO. 497  
LAWRENCE, KANSAS  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
VIRTUAL EDUCATION FUND  
REGULATORY BASIS  
(Continued)  
Year Ended June 30, 2021  
(With Comparative Totals for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts and transfers:				
Reimbursed expenses	\$ 57,417	\$ 36,208	\$ 38,730	\$ (2,522)
Charges for services	-	23	-	23
Miscellaneous	-	24,520	-	24,520
Transfers in	4,142,469	5,186,948	7,861,270	(2,674,322)
Total receipts and transfers	4,199,886	5,247,699	\$ 7,900,000	\$ (2,652,301)
Expenditures and transfers:				
Instruction	3,281,294	4,137,639	\$ 7,187,219	\$ 3,049,580
Student support services	61,263	116,668	67,868	(48,800)
Instructional support	25,316	21,528	20,530	(998)
School administration	475,365	561,256	535,097	(26,159)
Operations and maintenance	74,236	86,157	89,286	3,129
Other supplemental services	164	-	-	-
Transfers out	282,248	324,451	-	(324,451)
Total expenditures and transfers	4,199,886	5,247,699	\$ 7,900,000	\$ 2,652,301
Receipts and transfers over (under) expenditures and transfers	-	-		
Unencumbered cash, beginning	-	-		
Unencumbered cash, ending	\$ -	\$ -		

(Continued)



UNIFIED SCHOOL DISTRICT NO. 497  
LAWRENCE, KANSAS  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
CAPITAL OUTLAY FUND  
REGULATORY BASIS  
(Continued)  
Year Ended June 30, 2021  
(With Comparative Totals for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts:				
Taxes and shared revenues:				
Ad valorem property taxes	\$ 9,422,124	\$ 10,229,416	\$ 9,539,338	\$ 690,078
Delinquent tax	73,528	132,762	147,255	(14,493)
Motor vehicle tax	804,525	890,128	838,254	51,874
Investment income	82,302	670	80,000	(79,330)
Reimbursed expenses	2,455	2,542	-	2,542
Lease proceeds	3,936,174	1,289,657	3,500,000	(2,210,343)
Miscellaneous	465,556	470,562	-	470,562
State aid	585,045	102,598	103,004	(406)
Flood control	20,716	517	-	517
Total receipts	15,392,425	13,118,852	\$ 14,207,851	\$ (1,088,999)
Expenditures and transfers:				
Instruction	3,033,746	928,563	\$ 3,200,000	\$ 2,271,437
Student support services	1,641	9,605	25,000	15,395
Instructional support	11,718	128	25,000	24,872
General administration	762	7,668	25,000	17,332
School administration	103,398	15,767	25,000	9,233
Operations and maintenance	700,425	206,117	842,000	635,883
Central support services	171,121	276,170	600,000	323,830
Other support services	125,550	64,576	4,500,000	4,435,424
Facility acquisition and construction services	11,082,089	7,484,794	8,493,000	1,008,206
Transfers out	97,493	77,577	-	(77,577)
Total expenditures and transfers	15,327,943	9,070,965	\$ 17,735,000	\$ 8,664,035
Receipts over (under) expenditures and transfers	64,482	4,047,887		
Unencumbered cash, beginning	4,134,493	4,198,975		
Unencumbered cash, ending	\$ 4,198,975	\$ 8,246,862		

(Continued)

UNIFIED SCHOOL DISTRICT NO. 497  
LAWRENCE, KANSAS  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
DRIVER TRAINING FUND  
REGULATORY BASIS  
(Continued)  
Year Ended June 30, 2021  
(With Comparative Totals for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts:				
State aid	\$ 17,550	\$ -	\$ 22,500	\$ (22,500)
Charges for services	280	17,785	61,484	(43,699)
Total receipts	17,830	17,785	\$ 83,984	\$ (66,199)
Expenditures and transfers:				
Instruction	4,935	29,913	\$ 88,550	\$ 58,637
Instructional support	108	1,534	4,450	2,916
Operations and maintenance	4,350	500	12,000	11,500
Transfers out	12	146	-	(146)
Total expenditures and transfers	9,405	32,093	\$ 105,000	\$ 72,907
Receipts over (under) expenditures and transfers	8,425	(14,308)		
Unencumbered cash, beginning	12,590	21,015		
Unencumbered cash, ending	\$ 21,015	\$ 6,707		

(Continued)

UNIFIED SCHOOL DISTRICT NO. 497  
LAWRENCE, KANSAS  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
FOOD SERVICE FUND  
REGULATORY BASIS  
(Continued)  
Year Ended June 30, 2021  
(With Comparative Totals for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts:				
Federal aid	\$ 2,447,612	\$ 4,035,806	\$ 3,369,025	\$ 666,781
State aid	40,813	38,442	46,640	(8,198)
Charges for services	1,644,982	29,524	2,777,018	(2,747,494)
Other grants and donations	36,160	-	-	-
Investment income	1,564	5	-	5
Total receipts	4,171,131	4,103,777	\$ 6,192,683	\$ (2,088,906)
Expenditures and transfers:				
Food services	4,124,814	3,055,224	\$ 6,000,000	\$ 2,944,776
Transfers out	415,385	311,455	-	(311,455)
Total expenditures and transfers	4,540,199	3,366,679	\$ 6,000,000	\$ 2,633,321
Receipts over (under) expenditures and transfers	(369,068)	737,098		
Unencumbered cash, beginning	490,574	121,506		
Unencumbered cash, ending	\$ 121,506	\$ 858,604		

(Continued)

UNIFIED SCHOOL DISTRICT NO. 497  
LAWRENCE, KANSAS  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
PROFESSIONAL DEVELOPMENT FUND  
REGULATORY BASIS  
(Continued)  
Year Ended June 30, 2021  
(With Comparative Totals for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts and transfers:				
Miscellaneous	\$ 3,325	\$ 12,835	\$ 41,117	\$ (28,282)
State aid	93,899	66,884	90,000	(23,116)
Reimbursed expenses	410	-	-	-
Transfers in	416,674	212,163	518,883	(306,720)
Total receipts and transfers	514,308	291,882	\$ 650,000	\$ (358,118)
Expenditures and transfers:				
Instructional support	479,446	284,635	\$ 650,000	\$ 365,365
Student support services	13,550	-	-	-
General administration	-	(600)	-	600
Other supplemental services	1,280	-	-	-
School administration	19,841	7,502	-	(7,502)
Transfers out	191	345	-	(345)
Total expenditures and transfers	514,308	291,882	\$ 650,000	\$ 358,118
Receipts and transfers over (under) expenditures and transfers	-	-		
Unencumbered cash, beginning	-	-		
Unencumbered cash, ending	\$ -	\$ -		

(Continued)

UNIFIED SCHOOL DISTRICT NO. 497  
LAWRENCE, KANSAS  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
PARENT EDUCATION PROGRAM FUND  
REGULATORY BASIS  
(Continued)  
Year Ended June 30, 2021  
(With Comparative Totals for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts and transfers:				
State aid	\$ 127,134	\$ 128,003	\$ 162,822	\$ (34,819)
Miscellaneous	46,766	34,570	79,366	(44,796)
Transfers in	18,000	18,000	18,000	-
Total receipts and transfers	191,900	180,573	\$ 260,188	\$ (79,615)
Expenditures and transfers:				
Support services	167,972	162,195	\$ 288,000	\$ 125,805
Instructional support staff	-	600	12,000	11,400
Transfers out	18,071	17,805	-	(17,805)
Total expenditures and transfers	186,043	180,600	\$ 300,000	\$ 119,400
Receipts and transfers over (under) expenditures and transfers	5,857	(27)		
Unencumbered cash, beginning	33,955	39,812		
Unencumbered cash, ending	\$ 39,812	\$ 39,785		

(Continued)

UNIFIED SCHOOL DISTRICT NO. 497  
LAWRENCE, KANSAS  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
SUMMER SCHOOL FUND  
REGULATORY BASIS  
(Continued)  
Year Ended June 30, 2021  
(With Comparative Totals for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts:				
Charges for services	\$ 14,875	\$ 25,288	\$ 79,589	\$ (54,301)
Expenditures and transfers:				
Instruction	36,786	24,839	\$ 115,000	\$ 90,161
Transfers out	84	79	-	(79)
Total expenditures and transfers	36,870	24,918	\$ 115,000	\$ 90,082
Receipts over (under) expenditures and transfers	(21,995)	370		
Unencumbered cash, beginning	57,407	35,412		
Unencumbered cash, ending	\$ 35,412	\$ 35,782		

(Continued)

UNIFIED SCHOOL DISTRICT NO. 497  
LAWRENCE, KANSAS  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
SPECIAL EDUCATION FUND  
REGULATORY BASIS  
(Continued)  
Year Ended June 30, 2021  
(With Comparative Totals for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts and transfers:				
State aid	\$ 238,597	\$ 294,155	\$ 10,000	284,155
Federal aid	2,590,621	2,607,771	3,536,519	(928,748)
Reimbursed expenses	784,466	756,202	754,440	1,762
Transfers in	24,262,361	23,096,080	24,937,654	(1,841,574)
Total receipts and transfers	27,876,045	26,754,208	\$ 29,238,613	\$ (2,484,405)
Expenditures and transfers:				
Instruction	16,198,716	15,155,938	\$ 21,338,916	\$ 6,182,978
Student support services	4,290,792	4,126,051	4,792,170	666,119
Instructional support staff	1,364,141	1,222,781	1,468,914	246,133
School administration	-	78	-	(78)
Operations and maintenance	6,098	5,325	-	(5,325)
Vehicle operating services	3,327,350	2,785,724	3,400,000	614,276
Other supplemental services	3,650	5,515	-	(5,515)
Transfers out	3,355,963	3,038,936	-	(3,038,936)
Total expenditures and transfers	28,546,710	26,340,348	\$ 31,000,000	\$ 4,659,652
Receipts and transfers over (under) expenditures and transfers	(670,665)	413,860		
Unencumbered cash, beginning	2,382,767	1,712,102		
Unencumbered cash, ending	\$ 1,712,102	\$ 2,125,962		

(Continued)

UNIFIED SCHOOL DISTRICT NO. 497  
LAWRENCE, KANSAS  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
COST OF LIVING FUND  
REGULATORY BASIS  
(Continued)  
Year Ended June 30, 2021  
(With Comparative Totals for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts:				
Taxes and shared revenues:				
Ad valorem property taxes	\$ 1,061,405	\$ 1,074,006	\$ 1,072,814	\$ 1,192
Delinquent tax	9,505	16,271	16,601	(330)
Motor vehicle tax	89,341	100,256	91,447	8,809
Total receipts	1,160,251	1,190,533	\$ 1,180,862	\$ 9,671
Expenditures:				
State payment	1,145,691	1,167,944	\$ 1,500,000	\$ 332,056
Total expenditures	1,145,691	1,167,944	\$ 1,500,000	\$ 332,056
Receipts over (under) expenditures	14,560	22,589		
Unencumbered cash, beginning	304,576	319,136		
Unencumbered cash, ending	\$ 319,136	\$ 341,725		

(Continued)



UNIFIED SCHOOL DISTRICT NO. 497  
LAWRENCE, KANSAS  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
CAREER AND POSTSECONDARY EDUCATION FUND  
REGULATORY BASIS  
(Continued)  
Year Ended June 30, 2021  
(With Comparative Totals for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts and transfers:				
Reimbursed expenses	\$ 19,741	\$ 4,833	\$ -	\$ 4,833
State aid	17,039	-	-	-
Miscellaneous	24,190	7,052	100,000	(92,948)
Transfers in	1,986,154	1,708,712	2,100,000	(391,288)
Total receipts and transfers	2,047,124	1,720,597	\$ 2,200,000	\$ (479,403)
Expenditures and transfers:				
Instruction	1,593,182	1,443,345	\$ 2,060,745	\$ 617,400
Instructional support	187,944	33,582	52,255	18,673
Operations and maintenance	80,919	79,227	87,000	7,773
Student transportation	-	1,752	-	(1,752)
Transfers out	185,079	162,691	-	(162,691)
Total expenditures and transfers	2,047,124	1,720,597	\$ 2,200,000	\$ 479,403
Receipts and transfers over (under) expenditures and transfers	-	-		
Unencumbered cash, beginning	-	-		
Unencumbered cash, ending	\$ -	\$ -		

(Continued)

UNIFIED SCHOOL DISTRICT NO. 497  
LAWRENCE, KANSAS  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
KPERS SPECIAL RETIREMENT CONTRIBUTION FUND  
REGULATORY BASIS  
(Continued)  
Year Ended June 30, 2021  
(With Comparative Totals for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts:				
State aid	\$ 11,686,164	\$ 10,756,607	\$ 12,999,689	\$ (2,243,082)
Total receipts	11,686,164	10,756,607	\$ 12,999,689	\$ (2,243,082)
Expenditures:				
Instruction	8,169,798	7,519,944	\$ 9,088,083	\$ 1,568,139
Student support services	818,031	752,962	909,978	157,016
Instructional support	627,547	577,630	698,083	120,453
General administration	70,117	64,540	77,998	13,458
School administration	728,048	670,137	809,881	139,744
Operations and maintenance	407,847	375,405	566,786	191,381
Other supplemental services	509,517	468,988	453,689	(15,299)
Food service	355,259	327,001	395,191	68,190
Total expenditures	11,686,164	10,756,607	\$ 12,999,689	\$ 2,243,082
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning	-	-		
Unencumbered cash, ending	\$ -	\$ -		

(Continued)

UNIFIED SCHOOL DISTRICT NO. 497  
LAWRENCE, KANSAS  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
CONTINGENCY RESERVE FUND\*  
REGULATORY BASIS  
(Continued)  
Year Ended June 30, 2021  
(With Comparative Totals for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual
Receipts:	\$ -	\$ -
Expenditures and transfers:		
Operations and maintenance	-	392,558
Receipts over (under) expenditures	-	(392,558)
Unencumbered cash, beginning	1,198,358	1,198,358
Unencumbered cash, ending	\$ 1,198,358	\$ 805,800

\*This fund is not required to be budgeted

(Continued)

UNIFIED SCHOOL DISTRICT NO. 497  
LAWRENCE, KANSAS  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
STUDENT MATERIAL REVOLVING FUND\*  
REGULATORY BASIS  
(Continued)  
Year Ended June 30, 2021  
(With Comparative Totals for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual
Receipts:		
Charges for services	\$ 770,008	\$ 856,695
Expenditures:		
Instruction	921,570	1,094,410
Receipts over (under) expenditures	(151,562)	(237,715)
Unencumbered cash, beginning	1,504,932	1,353,370
Unencumbered cash, ending	\$ 1,353,370	\$ 1,115,655

\*This fund is not required to be budgeted

(Continued)

UNIFIED SCHOOL DISTRICT NO. 497  
LAWRENCE, KANSAS  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
GRANTS FUND  
REGULATORY BASIS  
(Continued)  
Year Ended June 30, 2021  
(With Comparative Totals for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts:				
Title I	\$ 1,929,874	\$ 2,129,192	\$ 2,388,120	\$ (258,928)
Title IIA - Improving Teacher Quality	343,707	197,728	456,545	(258,817)
Carl Perkins Vocational Act Program				
Improvement	139,868	83,947	-	83,947
Title III	90,417	90,884	72,080	18,804
Title IV	53,225	97,531	109,732	(12,201)
Johnson O'Malley Grant	30,353	53,374	-	53,374
Education Stabilization Fund	-	1,574,882	1,436,360	138,522
Coronavirus Relief Fund	-	1,425,716	1,000,000	425,716
Other federal aid	371,944	123,786	207,474	(83,688)
Total receipts	2,959,388	5,777,040	\$ 5,670,311	\$ 106,729
Expenditures and transfers:				
Instruction	1,749,589	2,954,828	\$ 2,079,337	\$ (875,491)
Student support services	213,838	451,277	248,000	(203,277)
Instructional support staff	713,355	602,747	860,000	257,253
General administration	9,168	884	11,100	10,216
School administration	3,267	36,708	-	(36,708)
Operations and maintenance	2,335	1,050,252	1,748,599	698,347
Transportation	18,611	52,263	-	(52,263)
Other supplemental services	121,061	399	-	(399)
Food service operation	209,351	173,940	344,700	170,760
Transfers out	254,651	244,985	-	(244,985)
Total expenditures and transfers	3,295,226	5,568,283	\$ 5,291,736	\$ (276,547)
Receipts over (under) expenditures and transfers	(335,838)	208,757		
Unencumbered cash, beginning	(245,823)	(581,661)		
Unencumbered cash, ending	\$ (581,661)	\$ (372,904)		

(Continued)

UNIFIED SCHOOL DISTRICT NO. 497  
LAWRENCE, KANSAS  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
BOND AND INTEREST FUND  
REGULATORY BASIS  
(Continued)  
Year Ended June 30, 2021  
(With Comparative Totals for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts:				
Taxes and shared revenue:				
Ad valorem taxes	\$ 11,939,895	\$ 12,706,367	\$ 11,849,352	\$ 857,015
Delinquent tax	98,042	171,334	186,412	(15,078)
Motor vehicle tax	1,083,902	1,198,293	1,094,068	104,225
State aid	579,203	93,741	93,741	-
Investment income	5,105	14	-	14
Total receipts	13,706,147	14,169,749	\$ 13,223,573	\$ 946,176
Expenditures:				
Bond principal	7,320,000	7,130,000	\$ 7,130,000	\$ -
Interest	7,141,513	6,861,588	6,861,588	-
Fees	-	-	1,000	1,000
Total expenditures	14,461,513	13,991,588	\$ 13,992,588	\$ 1,000
Receipts over (under) expenditures	(755,366)	178,161		
Unencumbered cash, beginning	13,355,777	12,600,411		
Unencumbered cash, ending	\$ 12,600,411	\$ 12,778,572		

(Continued)

UNIFIED SCHOOL DISTRICT NO. 497  
LAWRENCE, KANSAS  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
SPECIAL ASSESSMENT FUND  
REGULATORY BASIS  
(Continued)  
Year Ended June 30, 2021  
(With Comparative Totals for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year		Variance Over (Under)
		Actual	Budget	
Receipts:				
Taxes and shared revenue:				
Delinquent tax	\$ 85	\$ 135	\$ -	\$ 135
Motor vehicle tax	1	-	-	-
Total receipts	86	135	\$ -	\$ 135
Expenditures:				
Capital outlay	6,322	6,793	\$ 484,565	\$ 477,772
Total expenditures	6,322	6,793	\$ 484,565	\$ 477,772
Receipts over (under) expenditures	(6,236)	(6,658)		
Unencumbered cash, beginning	490,801	484,565		
Unencumbered cash, ending	\$ 484,565	\$ 477,907		

(Continued)

UNIFIED SCHOOL DISTRICT NO. 497  
LAWRENCE, KANSAS  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
CAPITAL PROJECTS FUND\*  
REGULATORY BASIS  
(Continued)  
Year Ended June 30, 2021  
(With Comparative Totals for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual
Receipts:		
Investment income	\$ 519,612	\$ 776
Lease proceeds	3,004,947	425,212
Total receipts	3,524,559	425,988
Expenditures:		
Instruction	995,242	1,034,473
Food services	-	201,800
Business services	21,950	20,449
Building repair and remodeling	1,552,558	2,493,471
Total expenditures	2,569,750	3,750,193
Receipts over (under) expenditures	954,809	(3,324,205)
Unencumbered cash, beginning	2,930,923	3,885,732
Unencumbered cash, ending	\$ 3,885,732	\$ 561,527

\* This fund is not required to be budgeted.

(Continued)



UNIFIED SCHOOL DISTRICT NO. 497  
LAWRENCE, KANSAS  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
SCHOOL WORKERS' COMPENSATION RESERVE FUND\*  
REGULATORY BASIS  
(Continued)  
Year Ended June 30, 2021  
(With Comparative Totals for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual
Receipts and transfers:		
Transfers in	\$ 196,764	\$ 312,096
Miscellaneous	7,538	22,190
Reimbursed expenses	52	-
	<u>204,354</u>	<u>334,286</u>
Total receipts and transfers		
Expenditures:		
Instruction	313,026	173,318
General administration	117,564	138,585
	<u>430,590</u>	<u>311,903</u>
Total expenditures		
Receipts and transfers over (under) expenditures	(226,236)	22,383
Unencumbered cash, beginning	<u>1,298,554</u>	<u>1,072,318</u>
Unencumbered cash, ending	<u>\$ 1,072,318</u>	<u>\$ 1,094,701</u>

\*This fund is not required to be budgeted.

(Continued)

UNIFIED SCHOOL DISTRICT NO. 497  
LAWRENCE, KANSAS  
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL  
HEALTH CARE SERVICES RESERVE FUND\*  
REGULATORY BASIS  
(Continued)  
Year Ended June 30, 2021  
(With Comparative Totals for the Year Ended June 30, 2020)

	Prior Year Actual	Current Year Actual
Receipts:		
Miscellaneous	\$ 2,548,797	\$ 2,506,747
Transfers in	11,642,170	11,554,579
Total receipts	<u>14,190,967</u>	<u>14,061,326</u>
Expenditures:		
Instruction	14,401,915	13,919,139
Other supplemental services	90	-
Total expenditures	<u>14,402,005</u>	<u>13,919,139</u>
Receipts over (under) expenditures	(211,038)	142,187
Unencumbered cash, beginning	<u>424,622</u>	<u>213,584</u>
Unencumbered cash, ending	<u>\$ 213,584</u>	<u>\$ 355,771</u>

\*This fund is not required to be budgeted.

UNIFIED SCHOOL DISTRICT NO. 497  
LAWRENCE, KANSAS  
SCHEDULE OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH  
PRIVATE AND OTHER PURPOSE TRUST FUNDS  
REGULATORY BASIS  
Year Ended June 30, 2021

	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Lawrence Public Schools:							
Memorial funds	\$ 217,274	\$ -	\$ 525	\$ 1,650	\$ 216,149	\$ -	\$ 216,149
Local donations fund	1,690,366	-	1,046,887	963,010	1,774,243	34,307	1,808,550
Total other private purpose trust funds	<u>\$ 1,907,640</u>	<u>\$ -</u>	<u>\$ 1,047,412</u>	<u>\$ 964,660</u>	<u>\$ 1,990,392</u>	<u>\$ 34,307</u>	<u>\$ 2,024,699</u>

UNIFIED SCHOOL DISTRICT NO. 497  
LAWRENCE, KANSAS  
SUMMARY OF RECEIPTS AND DISBURSEMENTS  
AGENCY FUNDS  
REGULATORY BASIS  
Year Ended June 30, 2021

	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
<u>Petty Cash Funds:</u>				
<u>Elementary Schools</u>				
Broken Arrow Elementary	\$ 1,000	\$ -	\$ -	\$ 1,000
Cordley Elementary	1,000	-	-	1,000
Deerfield Elementary	991	174	165	1,000
Hillcrest Elementary	1,000	-	-	1,000
Kennedy Elementary	1,000	-	10	990
Langston Hughes Elementary	1,000	-	-	1,000
New York Elementary	1,000	-	-	1,000
Pinckney Elementary	1,000	485	485	1,000
Prairie Park Elementary	1,000	2	2	1,000
Quail Run Elementary	1,000	-	-	1,000
Schwegler Elementary	1,000	-	-	1,000
Sunflower Elementary	1,000	-	9	991
Sunset Hill Elementary	1,000	-	-	1,000
Woodlawn Elementary	1,000	-	-	1,000
Total Elementary Schools	13,991	661	671	13,981
<u>Middle Schools</u>				
Billy Mills Middle School	1,200	-	-	1,200
Liberty Middle School	1,200	1,385	1,805	780
Southwest Middle School	1,200	2,842	2,842	1,200
West Middle School	6,081	3,419	3,419	6,081
Total Middle Schools	9,681	7,646	8,066	9,261
<u>High Schools</u>				
Free State High School	1,500	48,924	48,924	1,500
Lawrence High School	1,469	11,013	10,998	1,484
Total High Schools	2,969	59,937	59,922	2,984
Total Student Petty Cash Funds	26,641	68,244	68,659	26,226
<u>Other Agency Funds:</u>				
Sales Tax Fund	9,158	17,995	26,117	1,036
Payroll Clearing Fund	(2,850,182)	96,404,383	96,058,735	(2,504,534)
Concessions Fund	6,912	-	6,912	-
Total Other Agency Funds	(2,834,112)	96,422,378	96,091,764	(2,503,498)
Total Agency Funds	\$ (2,807,471)	\$ 96,490,622	\$ 96,160,423	\$ (2,477,272)

UNIFIED SCHOOL DISTRICT NO. 497  
LAWRENCE, KANSAS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Federal ALN	Beginning Unencumbered Cash	Receipts	Expenditures	Ending Unencumbered Cash
U.S. Department of Agriculture:					
Passed Through Kansas State Department of Education:					
Child Nutrition Cluster:					
COVID-19 - National School Lunch Program	10.555	\$ -	\$ 343,936	\$ 343,936	\$ -
Summer Food Service Program for Children	10.559	-	3,691,870	3,022,121	669,749
Subtotal Child Nutrition Cluster		-	4,035,806	3,366,057	669,749
Total U.S. Department of Agriculture		-	4,035,806	3,366,057	669,749
477 Cluster:					
U.S. Department of Interior:					
Indian Education Assistance to Schools	15.130	12,920	53,374	4,028	62,266
U.S. Department of the Treasury:					
Passed through Douglas County of Kansas:					
COVID-19 - Coronavirus Relief Fund	21.019	-	1,284,696	1,284,696	-
Passed through Kansas Children's Cabinet & Trust Fund:					
COVID-19 - Coronavirus Relief Fund	21.019	-	141,020	141,020	-
Total U.S. Department of the Treasury		-	1,425,716	1,425,716	-
U.S. Department of Education:					
Indian Education - Formula Grants to Local Education Agencies	84.060	(22,803)	108,523	79,741	5,979
Passed through Kansas State Department of Education:					
Special Education (IDEA) Cluster:					
Special Education Grants to States	84.027	1,659	2,480,081	2,429,844	51,896
Special Education Preschool Grants	84.173	-	65,450	65,450	-
Subtotal Special Education (IDEA) Cluster		1,659	2,545,531	2,495,294	51,896
Title I Grants to Local Educational Agencies	84.010	(51,485)	2,129,192	1,949,512	128,195
Vocational Education Basic Grants to States	84.048	13,505	83,947	81,800	15,652
English Language Acquisition Grants	84.365	(61,658)	90,884	67,899	(38,673)
Improving Teacher Quality State Grants	84.367	1,770	197,728	242,302	(42,804)
Title IV Student Support Academic Enrichment	84.424	(19,091)	97,531	77,517	923
COVID-19 - Education Stabilization Fund	84.425D	(439,556)	1,574,882	1,631,018	(495,692)
Passed through Kansas Board of Regents:					
Adult Education	84.002	-	86,725	86,725	-
Passed through Kansas Department of Health and Environment:					
Special Education-Grants for Infants and Families	84.181	(2,441)	62,240	81,057	(21,258)
Total U.S. Department of Education		(580,100)	6,977,183	6,792,865	(395,782)
Total		\$ (567,180)	\$ 12,492,079	\$ 11,588,666	\$ 336,233

See accompanying notes to Schedule of  
Expenditures of Federal Awards.

UNIFIED SCHOOL DISTRICT NO. 497  
LAWRENCE, KANSAS  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
Year Ended June 30, 2021

1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the District under programs of the federal government for the year ended June 30, 2021. The information in the schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statement. Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position of the District.

2 - Summary of Significant Accounting Policies

Expenditures reported on the schedule are reported on the regulatory basis of accounting, as described in Note 1 to the District's financial statement. The District elected not to use the 10% de minimis indirect cost rate.

3 - Additional Audits

Grantor agencies reserve the right to conduct additional audits of the District's grant programs that may result in disallowed costs to the District. However, management does not believe such audits would result in any disallowed costs that would be material to the District's financial position at June 30, 2021.

UNIFIED SCHOOL DISTRICT NO. 497  
LAWRENCE, KANSAS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ended June 30, 2021

**Section I – Summary of Independent Auditors’ Results**

Financial Statement

Type of report issued on whether the financial statement audited was prepared in accordance with GAAP	Adverse
Type of auditors’ report issued on the basis of accounting used by the District:	Unmodified – Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified:	None
Significant deficiencies that are not considered to be material weaknesses:	None reported
Noncompliance material to financial statement noted:	None

Federal Awards

Type of auditors’ report issued on compliance for major programs:	Unmodified
Internal control over major programs:	
Material weaknesses identified:	None
Significant deficiencies identified that are not considered to be material weaknesses:	None reported
Any audit findings that are required to be Reported in accordance with Section 2 CFR 200.516(a):	None
Identification of major programs:	
<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.019	Coronavirus Relief Fund
84.027, 84.173	Special Education Cluster (IDEA)
84.425D	Elementary and Secondary School Emergency Relief (ESSER I and II) Fund

UNIFIED SCHOOL DISTRICT NO. 497  
LAWRENCE, KANSAS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 750,000
---	------------

Auditee qualified as low-risk auditee:	No
--	----

**Section II - Financial Statement Findings**

None Noted

**Section III - Federal Award Findings and Questioned Costs**

None Noted





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

Board of Education  
Unified School District No. 497  
Lawrence, Kansas

We have audited, in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of the Unified School District No. 497 (the District) which comprises the summary statement of regulatory basis receipts, expenditures and unencumbered cash for the year ended June 30, 2021, and the related notes to the financial statement and have issued our report thereon dated December 22, 2021. Our report contained an adverse opinion because the financial statement was presented using accounting practices prescribed or permitted by the State of Kansas.

**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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statement will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

An Independently Owned Member, RSM US Alliance

RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International.

## **Compliance and Other Matters**

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

### **Purpose of this Report**

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

A handwritten signature in blue ink that reads "B.T. & Co., P.A.".

December 22, 2021  
Topeka, Kansas



## **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE**

Board of Education  
Unified School District No. 497  
Lawrence, Kansas

### **Report on Compliance for Each Major Federal Program**

We have audited the Unified School District No. 497's, (the District's) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on the District's compliance.

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

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

An Independently Owned Member, RSM US Alliance

RSM US Alliance member firms are separate and independent businesses and legal entities that are responsible for their own acts and omissions, and each are separate and independent from RSM US LLP. RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Members of RSM US Alliance have access to RSM International resources through RSM US LLP but are not member firms of RSM International.

## 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 the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the 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.

*BT&Co, P.A.*

December 22, 2021  
Topeka, Kansas