



*Certified Public Accountants*

TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS

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BASIC FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2020

TOPEKA PUBLIC SCHOOLS  
 UNIFIED SCHOOL DISTRICT NO. 501  
 TOPEKA, KANSAS  
 BASIC FINANCIAL STATEMENTS  
 Year Ended June 30, 2020

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## **INDEPENDENT AUDITORS' REPORT**

Board of Education  
Topeka Public Schools  
Unified School District No. 501:

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Topeka Public Schools, Unified School District No. 501 (the District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements 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 applicable provisions of the *Kansas Municipal Audit and Accounting Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, 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 statements 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 statements.

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.

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements as a whole. The supplementary schedules listed 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 purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary schedules listed in the accompanying table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2021 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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.

BT&Co., P.A.

March 8, 2021  
Topeka, Kansas

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

The Management's Discussion and Analysis (MD&A) section of the Topeka Public Schools, Unified School District No. 501 (the District) financial report represents our examination of the District's financial performance during the year. The MD&A is intended to assist the reader in gaining understanding of how the various statements relate to each other and provide an objective and easily readable analysis of the District's financial activities, based on currently known facts, decisions and conditions.

### **USING THIS GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) BASED REPORT**

The District's financial statement package for the fiscal year ended June 30, 2020 is comprised of the Independent Auditor's Report, this Management's Discussion and Analysis (MD&A) (Unaudited), the Basic Financial Statements (Audited), required supplementary information and supplementary information. These financial statements include all the accounts for which the District is considered to be financially responsible. The MD&A is intended to serve as an introduction to the District's basic financial statements.

### **THE BASIC FINANCIAL STATEMENTS CONSIST OF THE FOLLOWING:**

- District-Wide Financial Statements
- Fund Financial Statements
- Agency Financial Statements

### **DISTRICT-WIDE FINANCIAL STATEMENTS:**

The District-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business. These statements take a much larger view of the District's finances than do the fund-level statements.

The Statement of Net Position presents information on all of the District's assets, liabilities, and deferred inflows and outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the District's net position changed during the last fiscal year.

The District-wide financial statements are presented using the economic resources measurement focus, which emphasizes the determination of net income and expense on the accrual basis of accounting, as are the accompanying proprietary fund statements. Revenues are recognized when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.



Proprietary funds or business-type activities distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund's ongoing operations. The principal operating revenues of the District's proprietary funds are charges to customers for sales and services. Operating expenses for the enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses.

As a general rule, the effect of inter-fund activity has been eliminated from the District-wide financial statements. Exceptions to this rule are charges between the District's governmental and business-type activities. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**TOPEKA PUBLIC SCHOOLS, UNIFIED SCHOOL DISTRICT NO. 501 NET POSITION**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>Assets</b>						
<b>Current assets</b>						
Cash and investments	\$ 55,040,041	\$ 67,434,207	\$ 3,520,907	\$ 4,474,323	\$ 58,560,948	\$ 71,908,530
Other	8,903,587	16,409,997	390,320	340,549	9,293,907	16,750,546
<b>Total current assets</b>	<b>63,943,628</b>	<b>83,844,204</b>	<b>3,911,227</b>	<b>4,814,872</b>	<b>67,854,855</b>	<b>88,659,076</b>
<b>Noncurrent assets</b>						
Restricted cash and investments	115,769,463	-	-	-	115,769,463	-
Capital assets not being depreciated	8,598,693	19,933,678	-	-	8,598,693	19,933,678
Capital assets net	221,371,514	203,303,127	1,372,475	1,105,822	222,743,989	204,408,949
Other noncurrent assets	-	-	-	-	-	-
<b>Total noncurrent assets</b>	<b>345,739,670</b>	<b>223,236,805</b>	<b>1,372,475</b>	<b>1,105,822</b>	<b>347,112,145</b>	<b>224,342,627</b>
<b>Total assets</b>	<b>409,683,298</b>	<b>307,081,009</b>	<b>5,283,702</b>	<b>5,920,694</b>	<b>414,967,000</b>	<b>313,001,703</b>
<b>Deferred outflows of resources</b>						
Deferred outflows - OPEB	1,225,304	1,320,944	-	-	1,225,304	1,320,944
Deferred outflows - pension	32,561,490	20,239,173	-	-	32,561,490	20,239,173
<b>Total deferred outflows of resources</b>	<b>33,786,794</b>	<b>21,560,117</b>	<b>-</b>	<b>-</b>	<b>33,786,794</b>	<b>21,560,117</b>
<b>Liabilities</b>						
<b>Current liabilities</b>						
Accounts payable and accrued liabilities	9,480,868	10,134,123	11,800	263,779	9,492,668	10,397,902
Accrued interest payable	4,007,431	2,400,228	-	-	4,007,431	2,400,228
General obligation bonds payable, current	2,615,000	2,555,000	-	-	2,615,000	2,555,000
Other current liabilities	10,180,251	10,263,769	23,159	46,907	10,203,410	10,310,676
<b>Total current liabilities</b>	<b>26,283,550</b>	<b>25,353,120</b>	<b>34,959</b>	<b>310,686</b>	<b>26,318,509</b>	<b>25,663,806</b>
<b>Noncurrent liabilities</b>						
General obligation bonds payable, net	257,715,769	155,206,874	-	-	257,715,769	155,206,874
Accrued compensated absences	1,605,668	1,430,790	-	-	1,605,668	1,430,790
Net pension liability	149,484,824	143,320,910	-	-	149,484,824	143,320,910
Post employment benefits payable	35,217,219	42,375,895	-	-	35,217,219	42,375,895
<b>Total noncurrent liabilities</b>	<b>444,023,480</b>	<b>342,334,469</b>	<b>-</b>	<b>-</b>	<b>444,023,480</b>	<b>342,334,469</b>
<b>Total liabilities</b>	<b>470,307,030</b>	<b>367,687,589</b>	<b>34,959</b>	<b>310,686</b>	<b>470,341,989</b>	<b>367,998,275</b>
<b>Deferred inflows of resources</b>						
Deferred inflows - OPEB	7,038,148	794,048	-	-	7,038,148	794,048
Deferred inflows - pension	6,718,242	10,649,352	-	-	6,718,242	10,649,352
<b>Total deferred inflows of resources</b>	<b>13,756,390</b>	<b>11,443,400</b>	<b>-</b>	<b>-</b>	<b>13,756,390</b>	<b>11,443,400</b>
<b>Net Position</b>						
Net investment in capital assets	87,668,616	76,678,920	1,372,475	1,105,822	89,041,091	77,784,742
Restricted for						
Debt Service	3,294,363	13,911,159	-	-	3,294,363	13,911,159
Other	2,318,935	2,654,951	-	-	2,318,935	2,654,951
Unrestricted	(133,875,242)	(143,734,893)	3,876,268	4,504,186	(129,998,974)	(139,230,707)
<b>Total net position</b>	<b>\$ (40,593,328)</b>	<b>\$ (50,489,863)</b>	<b>\$ 5,248,743</b>	<b>\$ 5,610,008</b>	<b>\$ (35,344,585)</b>	<b>\$ (44,879,855)</b>

**TOPEKA PUBLIC SCHOOLS, UNIFIED SCHOOL DISTRICT NO. 501 STATEMENT OF ACTIVITIES**

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues						
Charge for services	\$ 1,124,120	\$ 1,293,639	\$ 946,470	\$ 1,247,710	\$ 2,070,590	\$ 2,541,349
Federal grants	17,228,945	19,266,082	5,822,966	6,862,065	23,051,911	26,128,147
Other grants and contributions	17,566,298	7,481,949	-	-	17,566,298	7,481,949
General revenues						
Property taxes	21,326,735	21,315,028	-	-	21,326,735	21,315,028
State aid	131,293,619	127,617,659	70,686	74,659	131,364,305	127,692,318
Other revenue from local sources	2,165,292	2,043,625	-	-	2,165,292	2,043,625
Interest and investment earnings	795,026	1,446,187	31,567	49,864	826,593	1,496,051
Gain on sales of capital assets	34,877	897,082	-	-	34,877	897,082
Total revenues	<u>191,534,912</u>	<u>181,361,251</u>	<u>6,871,689</u>	<u>8,234,298</u>	<u>198,406,601</u>	<u>189,595,549</u>
Expenses						
Instruction	101,280,223	105,343,051	-	-	101,280,223	105,343,051
Instructional support	5,441,916	4,572,781	-	-	5,441,916	4,572,781
Student support	19,288,251	19,250,558	-	-	19,288,251	19,250,558
General administration	2,969,063	2,499,582	-	-	2,969,063	2,499,582
School administration	10,936,077	10,947,732	-	-	10,936,077	10,947,732
Business support	4,885,183	4,152,346	-	-	4,885,183	4,152,346
Plant and maintenance	12,521,476	15,820,760	-	-	12,521,476	15,820,760
Transportation	5,269,896	6,062,782	-	-	5,269,896	6,062,782
Central support services	9,706,544	7,243,936	-	-	9,706,544	7,243,936
Other support	62,355	192,269	-	-	62,355	192,269
Student activities	567,656	700,360	-	-	567,656	700,360
Interest on long term debt	8,709,737	5,735,344	-	-	8,709,737	5,735,344
Textbook/study material	-	-	561,814	918,000	561,814	918,000
Food service	-	-	6,669,685	8,747,250	6,669,685	8,747,250
Other business-type activities	-	-	1,455	120,619	1,455	120,619
Total expense	<u>181,638,377</u>	<u>182,521,501</u>	<u>7,232,954</u>	<u>9,785,869</u>	<u>188,871,331</u>	<u>192,307,370</u>
Increase (decrease) in net position before transfers	9,896,535	(1,160,250)	(361,265)	(1,551,571)	9,535,270	(2,711,821)
Transfers	-	(466,847)	-	466,847	-	-
Change in net position	<u>9,896,535</u>	<u>(1,627,097)</u>	<u>(361,265)</u>	<u>(1,084,724)</u>	<u>9,535,270</u>	<u>(2,711,821)</u>
Net position, beginning	(50,489,863)	(48,862,766)	5,610,008	6,694,732	(44,879,855)	(42,168,034)
Change in accounting principle	-	-	-	-	-	-
Prior period adjustment	-	-	-	-	-	-
Net position, beginning of year restated	<u>(50,489,863)</u>	<u>(48,862,866)</u>	<u>5,610,008</u>	<u>6,694,732</u>	<u>(44,879,855)</u>	<u>(42,168,134)</u>
Net position, ending	<u>\$ (40,593,328)</u>	<u>\$ (50,489,863)</u>	<u>\$ 5,248,743</u>	<u>\$ 5,610,008</u>	<u>\$ (35,344,585)</u>	<u>\$ (44,879,855)</u>

**FUND FINANCIAL STATEMENTS**

Governmental fund financial statements provide more detailed information about the District’s most significant funds—not the District as a whole. A fund is an accounting device and considered to be a separate accounting entity, and is used to keep track of specific sources of funding and spending for a particular purpose. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Funds are used to ensure and demonstrate compliance with financial related legal requirements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, operating statements present increases and decreases in assets and fund balance as a measure of available spendable resources. This means only current liabilities are generally included on their balance sheets. Under the modified accrual basis, revenues are recognized as soon as they are both measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period, or soon enough thereafter, to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred as under accrual accounting; however, debt service expenditures as well as expenditures related to compensated absences are recorded only when payment is due.

### **District’s Major Governmental Funds:**

1. General Fund – Used to account for the general operations of the District and all unrestricted revenues and expenditures not required to be accounted for in other funds. Includes K-12 At-Risk Fund previously reported separately.
2. Special Education Fund – Used to account for the revenues and expenditures related to the education and services for District’s special needs programs.
3. Capital Outlay – Used to account for revenues that are primarily utilized for the acquisition, construction, repair, and remodeling of the District’s buildings and facilities.
4. USDE Pass Through Fund – Used to account for the revenues and expenditures related to federal grant programs funded by the United States Department of Education.
5. Bond Fund – Used to account for the bond proceeds that are primarily utilized for the constructing, renovating, improving, furnishing, and equipping certain new and existing District educational facilities and storm shelter facilities, acquiring and installing new security system and lighting equipment improvements in the District’s school buildings and other facilities, and acquiring and installing certain technology enhancements throughout the District and its facilities.
6. Bond and Interest Fund – Used to account for resources accumulated and payments made for principal and interest on long-term debt.

### **SUPPLEMENTAL FINANCIAL SCHEDULES:**

Kansas statutes require that each year the District must provide overseeing state agencies with an audited set of financial statements. Thus, the data presented in the District-wide and Fund financial statements is converted to the budget basis of accounting and provided as supplemental schedules.

Each individual school maintains its activity funds to handle funds raised and expended by its various student groups. These funds are held and controlled by the District for the purpose for which they were raised. Separate supplemental financial statements covering these funds are included in the packet of financial statements.

A separate schedule on federal grants received by the District is also included to assist those outside the District in monitoring the proper handling of grants awarded to the District.

## **FINANCIAL STATEMENTS ANALYSIS:**

As noted earlier, over time net position may serve as a useful indicator of a governmental organization's financial position. At the close of the most recent fiscal year the District's governmental liabilities exceeded assets by (\$40,593,328); business-type assets exceeded liabilities by \$5,248,743 during this period. For the two types of activities combined, the District's total net position was (\$35,344,585), which is a substantial improvement from last year's total net position of (\$44,879,855). The negative net position again is primarily due to our recording of the Kansas Public Employees Retirement System (KPERS) net pension noncurrent liability of \$149,484,824. Also influencing the FY-2020 net position is the latest GASB Statement No. 75, which requires state and local employers to report their portion of the state's postemployment benefits (i.e. death and disability) as a noncurrent liability. This totaled \$2,638,587 for FY-2020, an increase of \$357,916 from 2019. District employees are covered under the KPERS plan and the state of Kansas makes all employer pension contributions on behalf of the District.

The noncurrent portion of the District's total assets, net of depreciation, reflects its investment in capital assets (e.g., land, buildings and equipment) less any accumulated depreciation. Noncurrent assets for FY-20 were \$122,769,518 higher compared to the prior year, primarily due to reporting of securities held in trust related to a crossover refunding of Series 2014A General Obligation (GO) Bonds described in #1 below.

1. The District's total assets (net of depreciation) increased substantially by (\$101,965,297) during fiscal year 2020. The prevalent factor for the increase was the refinancing of its Series 2014A General Obligation (GO) Bonds, through a crossover refunding transaction. The refunded 2014A bond principal payments are not recorded as defeased until the crossover date. Details of crossover dates are included in the notes to basic financial statements. Because there is no defeasance until the crossover date, assets held in trust by the escrow agent are reported under Noncurrent assets as restricted cash and investments for \$115,769,463. Accumulated depreciation in Governmental Activities for 2020 is \$142,930,186 compared to \$134,417,183 for 2019, a 6.3% increase.
2. The District's non-current liabilities increased by \$101,689,011 (29.7%) during the year ended June 30, 2020. The largest portion of the increase is attributable to the GO bonds payable crossover refinancing noted in #1 above. The Post-employment benefits payable liability, the District's portion of state KPERS death and disability insurance, increased moderately by \$357,916 (15.7%).
3. Total liabilities increased by \$102,343,714 during the year ended June 30, 2020 for reasons noted in #2 above (i.e., recording crossover refinance of 2014A GO bonds).
4. Combined current and non-current accrued compensated absences (sick pay and vacation) decreased (1.2%) from \$2,699,074 in 2019 to \$2,666,170 at year ended June 30, 2020.

5. The District's Total-Liabilities for 2020 was approximately 1.13 times Total-Assets compared with 1.18 for FY-19. The recording of the KPERS Net pension liability remains an important factor impacting this ratio. Removing the \$149,484,824 KPERS liability brings the Total-Debt to Total-Assets ratio down to 77%. Setting aside the crossover refinancing of 2014A GO debt further lowers the FY-20 ratio to 69%.
6. The District's Bonded-Debt on June 30, 2020 was approximately 74.2% of Capital Assets (FY-2019 was 69.2%). Setting aside the crossover refinancing of 2014A GO debt lowers the ratio to 61.4%. The District Moody's credit profile, updated September 25, 2019, is Aa3 negative for General Obligation bond debt. The Moody's rating(s) for the City of Topeka and State of Kansas respectively are Aa3 and Aa2 stable. Moody's Aa rated debt obligations are judged to be of high quality and subject to very low credit risk.
7. The Statement of Activities provides further insight to the District's 2020 net position. The District's total revenues increased 4.6%, \$198,406,601 FY-20 from FY-19's \$189,595,549. Combined revenues from State aid and Federal grants were \$595,751 (0.39%) slightly higher in 2020 versus 2019. The District experienced a moderate decrease in total expenses of \$3,436,039 or 1.8% to \$188,871,331. The above activities resulted in a positive change in Net Position of \$9,535,270 for FY-2020, compared to a FY-2019 negative change in Net Position of (\$2,711,821).
8. The Statement of Activities also reflects a stable picture in revenue from property tax collections: \$21,326,735 for FY-2020 versus 2019 collections of \$21,315,028. Final tax rates experienced a slight decrease (.191 mills) to 50.563 for FY-20 versus 50.754 for FY-2019. The District's LOB mill rate increased 2.232 mills to 19.97 for FY-2020. Capital Outlay, Special Liability and Bond/Interest collectively decreased by (2.423 mills).
9. The District's Current Ratio was 2.58 in 2020 compared to 3.45 in 2019. The Year-end Bond cash balance of \$645,437 is substantially lower when compared to the FY-19 balance of \$11,708,045, which is reasonable as the District is winding down projects from the 2014A bond issue. In addition, contributing to the lower ratio was a lower cash balance in Capital Outlay; FY-20 is \$7,868,963 vs FY-19 of \$10,204,263. Backing out the FY-2020 Bond Fund balance, the District's Current Ratio remains strong at 2.55 (compared to FY-2019 of 3.00). The current ratio is a measure of an entity's ability to meet current obligations on time and to have funds readily available for current and upcoming operations.
10. Another ratio similar to the current ratio is the "quick ratio". This ratio is similar to the current ratio but focuses more on cash and cash equivalents for the satisfaction of maturing debt. The District's Quick Ratio was 2.23 in 2020 compared to 2.80 in 2019. Backing out the Bond Fund cash balance, the District's Quick Ratio remains strong at 2.20. The ratio indicates the District has adequate cash or cash equivalents (not inventory) in excess of the amount needed to pay its currently maturing liabilities.

## Fund Financial Statement Analysis

1. General: General Fund (State Code 06) Final FY-2020 Legal Max budget authority was \$102,184,223 (includes weighted state and Special Education aid and excludes KPERS State Aid of \$17,000,973). Comparable FY-2019 Legal Max General Fund budget authority was \$98,749,653. The 4.5% increase in the District's Legal Max General Fund budget authority for 2020 was due to the 6.5 % increase in State Foundation Aid in FY-20 to \$4,436 compared to FY-19 of \$4,165. The following is the District's audited "Full Time Equivalent" (F.T.E.) student enrollment numbers for the past three years (excluding weightings, 4-Yr. Old At-Risk and Virtual students); FY-2020 was 12,480.1, FY-2019 was 12,730.1, FY-2018 was 12,976.9.

The District adopted GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions* for FY-2011. This adoption resulted in the following funds being combined with the General Fund on the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances: Supplemental General, Professional Development, Summer School, Pepsi Exclusivity, Internal Service Reserve, Sports Park Operations, Payroll Liability Clearing, Self-Insurance Reserve, Risk Management, and the Contingency Reserve. Because of further school funding law changes, the At-Risk, Bilingual and Vocational Education Funds are also combined and reported in the General Fund (Balance Sheet Governmental Funds) as opposed to be listed as Special Revenue Funds. General Fund combining schedules are included at the end of the financial statements.

Supplemental General Fund: In 2006, the Kansas Legislature increased the maximum level of budget authority in school districts' Supplemental General or Local Option Budget (LOB) Funds from 27% of the General Fund to 31% of the General Fund. Again, in 2014, legislation raised the allowable maximum to 33%. The District was able to pass a Resolution authorizing its LOB up to the 33% max. The District's Supplemental General Fund adopted authority was the max 33% for FY-2020. The District's final Legal Max Budget Authority for FY-2020 was \$34,417,527 compared to \$34,704,953 in FY-2019. Total expenditures and transfers were \$34,417,527 for FY-2020, on par with FY-2019 of \$34,704,953. State aid for the Supplemental General Fund was \$21,548,814 for FY-2020, and the District received \$21,506,659 of LOB state aid FY-2019. A transfer of \$1,090,940 to the LOB Fund from the Contingency Fund was made in FY-19, no transfer occurred in FY-20; all FY-20 available LOB resources were from local tax and supplemental state aid.

2. K-12 At-Risk Fund: Rules governing K-12 At-Risk dollars allow for carrying over unused funds from one fiscal year to another, the unused budget authority is allowed to remain in the fund for use in subsequent years. The District's K-12 At-Risk fund balance was \$3,204,515 at the end of fiscal year 2020. This amount of carryover was down (\$507,043 or 13.7%) from fiscal year 2019's carryover balance of \$3,711,558.
3. USDE Pass Through Fund: This fund was created to account for federal grants from USDE. Most of our federal grants operate on a reimbursement of expenditures method. This fund normally has a zero fund balance at the end of the fiscal year as grant revenue equals grant expenditures.

4. The District transferred \$22,080,174 (\$16,698,524 in Categorical SPED Aid) from its General Fund and \$12,279,453 from its Supplemental General Fund to the Special Education Fund during Fiscal Year 2020 (\$34,359,627 total) to cover the costs associated with providing required services (compared with \$31,314,566 in FY-2019). Expenditures increased by \$1,362,319 or 3.6% for FY-2020. The FY-2020 ending fund balance of \$6,585,625 was moderately higher (by \$691,450 or 11.7%) from the fiscal year 2019 carryover balance of \$5,894,175. Special needs student FTE remains stable compared with other district weighted student categories.
  
5. Capital Outlay Fund: The District's mill levy to support the operations of the Capital Outlay Fund was 5.796 mills for Fiscal Year 2020, a decrease of 1.18 mills from 6.974 in FY-2020. The Capital Outlay Fund supports building maintenance, remodel and repair projects, as well as District-wide technology initiatives. The fund's revenue stream for FY-20 was enhanced because of legislation passed in 2008 creating a state aid program to assist Kansas school districts in addressing their maintenance and repair needs. The Capital Improvement State Aid action of 2008 was subsequently suspended in 2009, and no Capital Outlay State Aid funds were distributed to schools until FY-15. The District received \$2,174,646 in this type of assistance from the State in FY-20. Including encumbrances, the FY-20 ending fund balance of \$7,114,412 was lower when compared with FY-19 ending fund balance of \$9,478,624 (by \$2,364,212). A sample of the largest budgeted capital outlay maintenance and technology projects during FY-2020 are as follows:

McEachron Door/Window Replacement – 1013220	\$ 500,000
Topeka West High Boiler Replace – 1010520	\$ 297,500
Eisenhower MS RTU-HVAC Replace - 1020120	\$ 212,500
Jardine MS RTU-HVAC Replace - 1030120	\$ 212,500
Highland Park Central Roof Replace - 1032620	\$ 173,770
Topeka West High Piping Replace – 1031820	\$ 127,500
Loman Hill ceiling & Light Replacement – 1010720	\$ 120,000
State Street RTU-HVAC Replace – 1050120	\$ 119,000
Highland Park High RTU-HVAC Replace - 1010120	\$ 114,750
Natatorium Building Repairs – 1018320	\$ 107,670
Quincy Roof Replace – 1042620	\$ 106,250
Chase Boiler Replace – 1020520	\$ 102,000
Randolph Boiler Replace – 1030520	\$ 102,000

Forty-seven (47) Major Maintenance projects with a total estimated cost of \$4,500,000 were budgeted for FY-2020 - similar work for prior year FY-19 was budgeted at \$4,500,000.

6. Bond Fund: In April of 2014, voters unanimously approved a ballot giving the District authorization to issue general obligation bonds in an amount not exceeding \$143,000,000. On July 8, 2014 the District issued \$110,000,000 of Series 2014A general obligation bonds to finance needed capital improvements. Interest rates on the bonds average 3.862% with a maturity date of September 1, 2044. At the same time, the District issued \$8,160,000 of Series 2014B taxable general obligation bonds to retire certain outstanding general obligation bonds with a maturity date of August 1, 2020. On April 19, 2016, the District issued the final \$33,000,000 of its authorized General Obligation Bonds; the average interest rate for the 2016 issue was 3.124% (historically low bond rates) with a maturity date of September 1, 2044. As of June 30, 2020, the District issued Purchase Orders totaling \$144,082,010 (original 2014 bond premium and interest earned included)



utilizing Bond funds, 100% of the original bond issue of \$143 million dollars. For FY-2020, focus was on completion of work on a Storm Shelter addition at Highland Park Central Elementary and design work on the final storm shelter project at Quinton Heights. Fund balance including encumbrances on June 30, 2020 was \$5,172,091.

7. The District's FY-2020 Textbook Revolving Fund Net Position of \$2,634,018 reflects a decrease of (\$279,321) from FY-2019 Net Position of \$2,913,339. Towards the end of FY-2017, a \$2.75 million transfer from Contingency into Textbook Revolving was made in anticipation of more paper learning resources being purchased. This infusion of cash resulted in a large Net Position increase of \$1,743,542 for FY-2018; the transfers into Textbook Revolving made in FY-2019 were much smaller (\$466,847) and for FY-2020, no transfers were made to the Textbook Fund.
8. Food Service Fund: The District's Food Service operation finished the year with a modest decrease in Net Position of (\$96,799 or 3.8%). The percentage of the Fund's student customers eligible for free or reduced cost meals for FY-2020 was 77.67% (KSDE School Finance Publications). Total operating costs were down 23.7% for FY-2020. Labor costs charged to Food Service decreased substantially due to third quarter employee services from March 16 through May 22, 2020 expensed to CARES ESSER COVID-19 Relief grant; payments to Employees for services were \$2,651,427 in FY-2020 vs. \$3,277,081 in FY-2019 (decrease 19.1%). Payments to suppliers for goods and services decreased by 24.4% (\$4,022,750 FY-2020 vs. \$5,322,520 FY-2019). Third quarter payments to suppliers from March 16 through May 22, 2020 were charged to CARES ESSER COVID-19 Relief grant. Revenues from regular federal child nutrition programs was down (\$1,039,099) FY-2020 vs FY-2019.

### Budgetary Highlights

1. The District saw its adopted total state budget amount for all funds decrease to \$225,162,261 (excludes Transfers of \$60,431,314) in FY-2020 from \$229,488,973 (excludes Transfers of \$59,218,176) in FY-2019. The decrease in net USD budget authority is largely attributable to the substantial decrease in Federal Grants of (\$4,189,235) budget authority adopted for FY-20, a realignment of budget with expenditures.
2. The Kansas Supreme Court ruled in favor of schools in terms of adequacy in an ongoing school funding formula lawsuit. The court, in a previous ruling, determined the new school finance formula SB-19 met constitutionality in terms of equity. In June 2019, the court found the additional \$90 million in revenue approved by lawmakers earlier in the spring of 2019 satisfied the requirement of adequacy. The court will continue to oversee the case to ensure lawmakers follow through on their commitment to boost education spending.
3. The District's Board passed Resolution 15-39 on June 16, 2015 adopting the ability to increase its local option budget authority by an additional 3% (from 30% to 33%). The adopted LOB percentage for the past three fiscal years is as follows: FY-2018 31%, FY-2019 32.6%, and FY-2020 33%. The District continues to manage the LOB percentage in efforts to maximize state aid and adequately fund all instructional programs while keeping its total mill levy stable.

## Capital Assets and Debt Administration

1. The District's FY-2020 long-term bonded debt liability increased by \$5,250,000 from FY-2019; FY-2020 Year-end bonded debt Principal owed was \$152,055,000 (excluding crossover-refunding securities held in irrevocable trust). The District's Bond & Interest / Debt Service Fund (Code 62) had a budget basis ending balance of \$7,301,794.

The crossover refunded bonds noted above resulted in an economic gain of \$4,833,933 and a reduction of five years and approximately \$20,000,000 in future debt service payments.

This reports intent is to provide a detailed overview of USD 501's FY-2020 financial position. Please address any requests for information or questions concerning this report to the General Director of Fiscal Services, 624 SW 24<sup>th</sup> Street, Topeka, Kansas 66611-1294.

TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
STATEMENT OF NET POSITION  
June 30, 2020

	Governmental Activities	Business-Type Activities	Total
<b>Assets:</b>			
<b>Current assets:</b>			
Cash and investments	\$ 55,040,041	\$ 3,520,907	\$ 58,560,948
Restricted cash and investments	2,259,715	-	2,259,715
Due from other governmental units	951,417	-	951,417
State aid receivables	5,701,108	-	5,701,108
Internal balances	(31,745)	31,745	-
Inventory of materials and supplies	23,092	358,575	381,667
<b>Total current assets</b>	<b>63,943,628</b>	<b>3,911,227</b>	<b>67,854,855</b>
<b>Noncurrent assets:</b>			
Restricted cash and investments	115,769,463	-	115,769,463
Capital assets not being depreciated	8,598,693	-	8,598,693
Capital assets, net of accumulated depreciation	221,371,514	1,372,475	222,743,989
<b>Total noncurrent assets</b>	<b>345,739,670</b>	<b>1,372,475</b>	<b>347,112,145</b>
<b>Total assets</b>	<b>409,683,298</b>	<b>5,283,702</b>	<b>414,967,000</b>
<b>Deferred outflows of resources:</b>			
Deferred outflows - OPEB	1,225,304	-	1,225,304
Deferred outflows - pension	32,561,490	-	32,561,490
<b>Total deferred outflows of resources</b>	<b>33,786,794</b>	<b>-</b>	<b>33,786,794</b>
<b>Liabilities:</b>			
<b>Current liabilities:</b>			
Accounts payable and accrued liabilities	9,480,868	11,800	9,492,668
Accrued interest payable	4,007,431	-	4,007,431
Estimated insurance claims	882,489	-	882,489
Payroll liabilities	7,992,830	-	7,992,830
Unearned revenue	244,430	23,159	267,589
General obligation bonds payable	2,615,000	-	2,615,000
Accrued compensated absences	1,060,502	-	1,060,502
<b>Total current liabilities</b>	<b>26,283,550</b>	<b>34,959</b>	<b>26,318,509</b>
<b>Noncurrent liabilities:</b>			
General obligation bonds payable, net	257,715,769	-	257,715,769
Accrued compensated absences	1,605,668	-	1,605,668
Net pension liability	149,484,824	-	149,484,824
Total OPEB liability	35,217,219	-	35,217,219
<b>Total noncurrent liabilities</b>	<b>444,023,480</b>	<b>-</b>	<b>444,023,480</b>
<b>Total liabilities</b>	<b>470,307,030</b>	<b>34,959</b>	<b>470,341,989</b>
<b>Deferred inflows of resources:</b>			
Deferred inflows - OPEB	7,038,148	-	7,038,148
Deferred inflows - pension	6,718,242	-	6,718,242
<b>Total deferred inflows of resources</b>	<b>13,756,390</b>	<b>-</b>	<b>13,756,390</b>
<b>Net position:</b>			
Net investment in capital assets	87,668,616	1,372,475	89,041,091
<b>Restricted for:</b>			
Debt service	3,294,363	-	3,294,363
Other	2,318,935	-	2,318,935
Unrestricted	(133,875,242)	3,876,268	(129,998,974)
<b>Total net position</b>	<b>\$ (40,593,328)</b>	<b>\$ 5,248,743</b>	<b>\$ (35,344,585)</b>

See accompanying notes to financial statements.

TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
STATEMENT OF ACTIVITIES  
Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants		Governmental Activities	Business-Type Activities	Total
			Federal Grants	Other Grants and Contributions			
Governmental activities:							
Instruction	\$ 101,280,223	\$ 1,124,120	\$ 17,228,945	\$ 17,566,298	\$ (65,360,860)		\$ (65,360,860)
Instructional support	5,441,916	-	-	-	(5,441,916)		(5,441,916)
Student support	19,288,251	-	-	-	(19,288,251)		(19,288,251)
General administration	2,969,063	-	-	-	(2,969,063)		(2,969,063)
School administration	10,936,077	-	-	-	(10,936,077)		(10,936,077)
Business support	4,885,183	-	-	-	(4,885,183)		(4,885,183)
Operations and maintenance	12,521,476	-	-	-	(12,521,476)		(12,521,476)
Transportation	5,269,896	-	-	-	(5,269,896)		(5,269,896)
Central support services	9,706,544	-	-	-	(9,706,544)		(9,706,544)
Other support	62,355	-	-	-	(62,355)		(62,355)
Student activities	567,656	-	-	-	(567,656)		(567,656)
Interest on long-term debt	8,709,737	-	-	-	(8,709,737)		(8,709,737)
Total governmental activities	181,638,377	1,124,120	17,228,945	17,566,298	(145,719,014)		(145,719,014)
Business-type activities:							
Other business-type activities	7,232,954	946,470	5,822,966	-		\$ (463,518)	(463,518)
Total District (forward)	\$ 188,871,331	\$ 2,070,590	\$ 23,051,911	\$ 17,566,298	\$ (145,719,014)	\$ (463,518)	\$ (146,182,532)

(Continued)

TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
STATEMENT OF ACTIVITIES  
(Continued)  
Year Ended June 30, 2020

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
Net (expense) revenue and changes in net position brought forward	\$ (145,719,014)	\$ (463,518)	\$ (146,182,532)
General revenues:			
Property taxes	21,326,735	-	21,326,735
State aid	131,293,619	70,686	131,364,305
Other revenue from local sources	2,165,292	-	2,165,292
Interest and investment earnings	795,026	31,567	826,593
Gain on sale of capital assets	34,877	-	34,877
Total general revenues	155,615,549	102,253	155,717,802
Change in net position	9,896,535	(361,265)	9,535,270
Net position, beginning of year	(50,489,863)	5,610,008	(44,879,855)
Net position, end of year	\$ (40,593,328)	\$ 5,248,743	\$ (35,344,585)

See accompanying notes to financial statements.

TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2020

	General*	Special Education	Capital Outlay	USDE Pass Through
<u>ASSETS</u>				
Cash and investments	\$ 21,928,036	\$ 8,371,628	\$ 7,868,963	\$ (386,341)
Restricted cash and investments	-	-	-	-
Due from other governmental units	-	18,967	-	684,020
State aid receivables	5,701,108	-	-	-
Inventory of materials and supplies	23,092	-	-	-
Total assets	<u>\$ 27,652,236</u>	<u>\$ 8,390,595</u>	<u>\$ 7,868,963</u>	<u>\$ 297,679</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 5,582,220	\$ 1,804,970	\$ 754,551	\$ 284,857
Payroll liabilities	7,992,830	-	-	-
Unearned revenue	-	-	-	12,822
Total liabilities	<u>13,575,050</u>	<u>1,804,970</u>	<u>754,551</u>	<u>297,679</u>
Fund balances:				
Non-spendable:				
Inventories	23,092	-	-	-
Restricted	-	-	-	-
Assigned	9,998,278	6,585,625	7,114,412	-
Unassigned	4,055,816	-	-	-
Total fund balances	<u>14,077,186</u>	<u>6,585,625</u>	<u>7,114,412</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 27,652,236</u>	<u>\$ 8,390,595</u>	<u>\$ 7,868,963</u>	<u>\$ 297,679</u>

\* See the General Fund Combining Balance Sheet on pages 88-91.

(Continued)

TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
(Continued)  
June 30, 2020

	Bond	Bond and Interest	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>				
Cash and investments	\$ 645,437	\$ 7,301,794	\$ 3,525,900	\$ 49,255,417
Restricted cash and investments	5,172,091	112,857,087	-	118,029,178
Due from other governmental units	-	-	248,430	951,417
State aid receivables	-	-	-	5,701,108
Inventory of materials and supplies	-	-	-	23,092
Total assets	<u>\$ 5,817,528</u>	<u>\$ 120,158,881</u>	<u>\$ 3,774,330</u>	<u>\$ 173,960,212</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 645,437	\$ -	\$ 408,833	\$ 9,480,868
Payroll liabilities	-	-	-	7,992,830
Unearned revenue	-	-	231,608	244,430
Total liabilities	<u>645,437</u>	<u>-</u>	<u>640,441</u>	<u>17,718,128</u>
Fund balances:				
Non-spendable:				
Inventories	-	-	-	23,092
Restricted	5,172,091	120,158,881	2,318,935	127,649,907
Assigned	-	-	814,954	24,513,269
Unassigned	-	-	-	4,055,816
Total fund balances	<u>5,172,091</u>	<u>120,158,881</u>	<u>3,133,889</u>	<u>156,242,084</u>
Total liabilities and fund balances	<u>\$ 5,817,528</u>	<u>\$ 120,158,881</u>	<u>\$ 3,774,330</u>	<u>\$ 173,960,212</u>

See accompanying notes to financial statements.

TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
June 30, 2020

Total fund balances - governmental funds		\$ 156,242,084
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$ 372,900,393 and the accumulated depreciation is \$ 142,930,186.		229,970,207
Internal service funds are used by the District to charge the costs of dental insurance and workers' compensation to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		4,870,390
Long-term liabilities and the related deferred inflows and outflows are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position. Balances at June 30, 2020 are:		
General obligation bonds payable	\$ (258,380,000)	
Unamortized bond premium	(1,950,769)	
Accrued interest payable	(4,007,431)	
Accrued compensated absences (sick pay and vacation)	(2,666,170)	
Total OPEB liability	(35,217,219)	
Net pension liability	(149,484,824)	
Deferred outflows - OPEB	1,225,304	
Deferred inflows - OPEB	(7,038,148)	
Deferred outflows - pension	32,561,490	
Deferred inflows - pension	(6,718,242)	
	(431,676,009)	
Total net position - governmental activities		\$ (40,593,328)

See accompanying notes to financial statements.



TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2020

	General*	Special Education	Capital Outlay	USDE Pass Through
<b>Revenues:</b>				
Property taxes	\$ 13,611,958	\$ -	\$ 4,231,050	\$ -
Local sources	612,500	-	-	-
Charges for services	321,635	-	71,659	-
State aid	107,094,959	16,700,894	2,174,646	-
Federal aid	-	5,166,913	-	8,696,131
Interest	32,730	-	374,957	-
Miscellaneous	565,325	-	-	-
Total revenues	<u>122,239,107</u>	<u>21,867,807</u>	<u>6,852,312</u>	<u>8,696,131</u>
<b>Expenditures:</b>				
Instruction	60,145,946	25,568,154	473,753	3,776,478
Student support	5,623,134	9,160,203	4,136	2,777,919
Instructional support	3,285,201	1,426,965	37,686	(137,412)
General administration	2,608,990	-	-	-
School administration	10,217,984	726,032	968	-
Business support	1,910,474	2,527	429,591	-
Operations and maintenance	12,592,426	203,040	4,079,673	(45,000)
Transportation	3,473,000	1,750,539	137,405	-
Central support services	4,247,648	-	1,301,561	2,324,146
Other support	150,568	-	-	-
Food service	2,173	-	-	-
Student activities	(126,858)	-	-	-
On behalf expenditures:				
KPERs	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Site improvement	(4,979)	-	2,801,804	-
Total expenditures	<u>104,125,707</u>	<u>38,837,460</u>	<u>9,266,577</u>	<u>8,696,131</u>
Excess (deficiency) of revenues over (under) expenditures	<u>18,113,400</u>	<u>(16,969,653)</u>	<u>(2,414,265)</u>	<u>-</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	17,661,103	-	-
Transfers out	(18,206,278)	-	-	-
Sale of capital assets	-	-	49,381	-
Bonds issued	-	-	-	-
Insurance reimbursements	-	-	672	-
Total other financing sources (uses)	<u>(18,206,278)</u>	<u>17,661,103</u>	<u>50,053</u>	<u>-</u>
Net change in fund balances	<u>(92,878)</u>	<u>691,450</u>	<u>(2,364,212)</u>	<u>-</u>
Fund balance, beginning of year	<u>14,170,064</u>	<u>5,894,175</u>	<u>9,478,624</u>	<u>-</u>
Fund balance, end of year	<u>\$ 14,077,186</u>	<u>\$ 6,585,625</u>	<u>\$ 7,114,412</u>	<u>\$ -</u>

\* See the General Fund Combining Statement of Revenues, Expenditures, and Changes in Fund Balances on pages 92-95.

(Continued)

TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
(Continued)  
Year Ended June 30, 2020

	Bond	Bond and Interest	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	\$ -	\$ 3,353,837	\$ 129,891	\$ 21,326,736
Local sources	-	-	1,552,792	2,165,292
Charges for services	-	-	729,411	1,122,705
State aid	-	4,798,101	17,525,988	148,294,588
Federal aid	-	-	3,365,902	17,228,946
Interest	94,870	229,193	3,617	735,367
Miscellaneous	-	-	-	565,325
Total revenues	<u>94,870</u>	<u>8,381,131</u>	<u>23,307,601</u>	<u>191,438,959</u>
Expenditures:				
Instruction	1,275,674	-	3,187,738	94,427,743
Student support	-	-	1,757,584	19,322,976
Instructional support	815,835	-	12,584	5,440,859
General administration	-	-	363,415	2,972,405
School administration	-	-	18,245	10,963,229
Business support	1,750	-	637,378	2,981,720
Operations and maintenance	566,956	-	30,859	17,427,954
Transportation	-	-	-	5,360,944
Central support services	1,211,559	-	300,369	9,385,283
Other support	-	-	-	150,568
Food service	-	-	-	2,173
Student activities	-	-	692,582	565,724
On behalf expenditures:				
KPERs	-	-	17,000,973	17,000,973
Debt service:				
Principal	-	2,555,000	-	2,555,000
Interest and other charges	-	7,203,637	-	7,203,637
Site improvement	2,254,994	-	-	5,051,819
Total expenditures	<u>6,126,768</u>	<u>9,758,637</u>	<u>24,001,727</u>	<u>200,813,007</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,031,898)</u>	<u>(1,377,506)</u>	<u>(694,126)</u>	<u>(9,374,048)</u>
Other financing sources (uses):				
Transfers in	-	-	45,000	17,706,103
Transfers out	-	-	-	(18,206,278)
Sale of capital assets	-	-	-	49,381
Bonds issued	-	105,225,000	-	105,225,000
Insurance reimbursements	-	-	-	672
Total other financing sources (uses)	<u>-</u>	<u>105,225,000</u>	<u>45,000</u>	<u>104,774,878</u>
Net change in fund balances	<u>(6,031,898)</u>	<u>103,847,494</u>	<u>(649,126)</u>	<u>95,400,830</u>
Fund balance, beginning of year	<u>11,203,989</u>	<u>16,311,387</u>	<u>3,783,015</u>	<u>60,841,254</u>
Fund balance, end of year	<u>\$ 5,172,091</u>	<u>\$ 120,158,881</u>	<u>\$ 3,133,889</u>	<u>\$ 156,242,084</u>

See accompanying notes to financial statements.

TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
Year Ended June 30, 2020

Net change in fund balances - governmental funds	\$ 95,400,830
The change in net position reported for governmental activities in the statement of activities is different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense of \$ 8,564,448 is less than capital outlays of \$ 15,312,354. Gains/losses on disposals of \$ 14,504 are taken into consideration as well.	6,733,402
The repayment of the principal of long-term debt (e.g., bonds, leases) consumes the current financial resources of governmental funds, however, has no effect on net position.	2,555,000
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(105,225,000)
Governmental funds report the effect of premiums, discounts, and similar items when debt is issued. These amounts are deferred and amortized in the statement of activities.	101,105
Internal service funds are used by the District to charge the costs of dental insurance and workers' compensation insurance to individual funds.	997,048
Due to the difference between accrual and modified accrual basis of accounting some expenses recorded in the statement of activities are recorded in different periods in the governmental funds. These expenses include compensated absences, other post employment benefits, net pension liability, and accrued interest payable.	9,334,150
Change in net position of governmental activities	\$ 9,896,535

See accompanying notes to financial statements.

TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
June 30, 2020

	Business-Type Activities Nonmajor Proprietary Funds	Governmental Activities Internal Service Funds
<u>ASSETS</u>		
Current assets:		
Cash and investments	\$ 3,520,907	\$ 5,784,624
Inventory of supplies and materials, at cost	358,575	-
Total current assets	3,879,482	5,784,624
Noncurrent assets:		
Furniture, fixtures, and equipment	3,861,616	-
Less accumulated depreciation	(2,489,141)	-
Total noncurrent assets	1,372,475	-
Total assets	\$ 5,251,957	\$ 5,784,624
<u>LIABILITIES AND NET POSITION</u>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 11,800	\$ -
Unearned revenue	23,159	-
Estimated insurance claims	-	882,489
Total liabilities	34,959	882,489
Net position:		
Investment in capital assets	1,372,475	-
Unrestricted	3,844,523	4,902,135
Total net position	5,216,998	4,902,135
Total liabilities and net position		\$ 5,784,624
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	31,745	
Net position of business-type activities	\$ 5,248,743	

See accompanying notes to financial statements.

TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
Year Ended June 30, 2020

	Business-Type Activities <u>Nonmajor Proprietary Funds</u>	Governmental Activities <u>Internal Service Funds</u>
Operating revenues:		
Charges for services	\$ 946,470	\$ 2,808,659
Other	-	1,415
Total operating revenues	<u>946,470</u>	<u>2,810,074</u>
Operating expenses:		
Instruction	558,721	3,752
Instructional support staff	1,277	-
Student support services	2,606	-
Business support	-	957,228
Central support services	-	1,395,570
Operations and maintenance	339,365	-
Depreciation	98,540	-
Food service	6,246,939	-
Other	1,816	-
Total operating expenses	<u>7,249,264</u>	<u>2,356,550</u>
Operating income (loss)	<u>(6,302,794)</u>	<u>453,524</u>
Nonoperating revenues:		
Interest	31,567	59,659
State grants	70,686	-
Federal grants	5,822,966	-
Total nonoperating revenues	<u>5,925,219</u>	<u>59,659</u>
Income (loss) before transfers	<u>(377,575)</u>	<u>513,183</u>
Transfers in	-	500,175
Change in net position	<u>(377,575)</u>	<u>1,013,358</u>
Net position, beginning of year		<u>3,888,777</u>
Net position, end of year		<u>\$ 4,902,135</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	<u>16,310</u>	
Change in net position of business-type activities	<u>\$ (361,265)</u>	

See accompanying notes to financial statements.

TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
Year Ended June 30, 2020

	Business-Type Activities	Governmental Activities
	Proprietary Non-Major Funds	Internal Service Funds
Cash flows from operating activities:		
Received from user charges	\$ 946,470	\$ 2,808,659
Received from other sources	-	1,415
Payments to employees for services	(2,652,600)	(733,711)
Payments to suppliers for goods and services	(4,783,565)	(1,520,051)
Net cash from operating activities	<u>(6,489,695)</u>	<u>556,312</u>
Cash flows from noncapital financing activities:		
Transfers from other funds	-	500,175
Nonoperating grants received	5,869,905	-
Net cash from noncapital financing activities	<u>5,869,905</u>	<u>500,175</u>
Cash flows from capital and related financing activities:		
Purchase of capital assets	(365,193)	-
Cash flows from investing activities:		
Interest received	31,567	59,659
Net change in cash and cash equivalents	(953,416)	1,116,146
Cash and investments, beginning	4,474,323	4,668,478
Cash and investments, ending	<u>\$ 3,520,907</u>	<u>\$ 5,784,624</u>
Reconciliation of operating income (loss) to net cash from operating activities:		
Operating income (loss)	\$ (6,302,794)	\$ 453,524
Adjustments to reconcile operating income (loss) to net cash from operating activities:		
Depreciation	98,540	-
Changes in assets and liabilities:		
Inventory of supplies	(33,461)	-
Accounts payable	(251,980)	-
Estimated insurance claims	-	102,788
Net cash from operating activities	<u>\$ (6,489,695)</u>	<u>\$ 556,312</u>

See accompanying notes to financial statements.

TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
June 30, 2020

	<u>Agency</u>
Assets:	
Cash	<u>\$ 517,477</u>
Liabilities:	
Due to student organizations	<u>\$ 517,477</u>

See accompanying notes to financial statements.

TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2020

1 - Summary of Significant Accounting Policies

The financial statements of Topeka Public Schools, Unified School District No. 501 (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting policies of the District are described below.

Reporting Entity

The District is a municipal corporation governed by an elected seven-member board. In evaluating the District's financial reporting entity, management has considered all potential component units and has determined there are no component units over which the District is financially accountable. Financial accountability is based primarily on nonoperational or financial relationships with the District (as distinct from legal relationships). These financial statements include all the accounts for which the District is considered to be financially accountable.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: 1) charges to students who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds even though the latter are excluded from the government-wide financial statements. The emphasis of the fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.



TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means the balance is collectible within the current period, or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within sixty days of the end of the reporting period. Expenditures are recorded when the related fund liability is incurred, except for debt service payments, claims and judgments, and compensated absences, which are recognized as expenditures only when a payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources and uses.

The agency funds have no measurement focus but utilize the accrual basis of accounting for reporting their assets and liabilities.

The District reports the following major governmental funds:

*General Fund*, which is used to account for the general operations of the District and all unrestricted revenues and expenditures not required to be accounted for in other funds.

*Special Education Fund*, which is used to account for the revenues and expenditures related to the education and services for special education within the District.

*Capital Outlay Fund*, which is used to account for revenues that are primarily utilized for the acquisition, construction, repair, and remodeling of the District's buildings.

*USDE Pass Through Fund*, which is used to account for the revenues and expenditures related to federal grants received from the United States Department of Education.

*Bond Fund*, which is used to account for the 2014 and 2015 bond proceeds that are primarily utilized for the constructing, renovating, improving, furnishing, and equipping certain new and existing District education facilities and storm shelter facilities, acquiring and installing new security system and lighting equipment and improvements in the District's school building and other facilities, and acquiring and installing certain technology enhancements throughout the District and its facilities.

TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

*Bond and Interest Fund*, which is used to account for resources accumulated and payments made for principal and interest on long-term debt.

Additionally, the District reports the following fund types:

*Other Proprietary Funds*, which are used to account for all monies received and expended attributable to the District's textbook and study material programs, breakfast and lunch programs, Meals on Wheels program, and Kanza Café program.

*Internal Service Funds*, which account for dental insurance, Flex 125 spending and workers' compensation insurance provided to other departments on a cost-reimbursement basis.

*Agency Funds*, which account for monies held for student organizations.

Proprietary Funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's proprietary funds are charges to students for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expense transactions not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, followed by unrestricted resources as needed.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the District's governmental and business-type activities. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

#### Statement of Cash Flows

For the purposes of the statement of cash flows for the proprietary funds, cash and investments with an original maturity of three months or less are considered to be cash equivalents.

#### Inventory

Inventory is valued at the lower of cost, using the first-in, first-out (FIFO) method, or market. The cost is recorded as an expenditure at the time individual inventory items are purchased rather than when consumed.

#### Investments

Investments include U.S. Treasury securities and money deposited in the State of Kansas Municipal Investment Pool (MIP). The U.S. Treasury securities and MIP are recorded at fair value. The fair value of the District's position in the MIP is the same as the value of the pool shares.

TOPEKA PUBLIC SCHOOLS  
 UNIFIED SCHOOL DISTRICT NO. 501  
 TOPEKA, KANSAS  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 (Continued)

Capital Assets

Capital assets, which include land, buildings, furniture, vehicles, fixtures, equipment, and construction in progress, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The term capital assets includes tangible assets such as property, plant, and equipment as well as intangible assets such as easements, water rights, and software. Such assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Major additions and improvements are capitalized.

The District's capital assets are depreciated using the straight-line method over the estimated useful lives of the capital assets. The following table represents the District's capitalization thresholds and standards for useful lives of capital assets:

Asset Type	Capitalization Threshold	Useful Life
Buildings and Improvements	\$ 50,000	40 years
Land and Improvements	50,000	40 years
Vehicles	5,000	15 years
Furniture	5,000	10 years
Equipment	5,000	10 years
Computers	5,000	6 years
Video and Television Equipment	5,000	6 years
Intangibles - Software	100,000	8 years
Intangibles - Other	100,000	0-40 years

Liabilities

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt, and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using a method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

Compensated Absences

Under the terms of the District's personnel policy, District employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is paid for accumulated vacation days up to the maximum of one and one-half years' vacation.

TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

Employees are only compensated for unused sick leave upon death or retirement. The maximum amount of sick leave for which an employee may be compensated depends upon the individual's length of service but cannot exceed sixty days.

In the government-wide and proprietary financial statements, vacation leave is accrued when incurred and sick leave is accrued upon attaining eligibility for retirement. Liabilities for these amounts are reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Net Position

The District's net position is classified as follows:

Net investment in capital assets – This represents the District's total investment in capital assets, net of accumulated depreciation and related debt.

Restricted net position – This includes resources that are legally or contractually obligated to be spent in accordance with restrictions imposed by external third parties.

Unrestricted net position – This includes resources derived from charges for services, property taxes, state appropriations, and interest. The resources are used for transactions relating to the educational and general operations of the District and may be used at the discretion of the Board of Education to meet current expenses in accordance with approved budgets.

Fund Balances

As prescribed by GASB Statement No. 54, governmental funds report fund balance classifications based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2020, fund balances for governmental funds are made up of the following:

*Non-spendable fund balance* includes amounts that are (a) not in spendable form, or (b) legally or contractually required to remain intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash (for example: inventories, prepaid amounts, and long-term notes receivable).

*Restricted fund balance* includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally, or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

*Committed fund balance* includes amounts that can only be used for specific purposes determined by formal action, such as a resolution, of the District's highest level of decision-making authority, the District's Board. Commitments may be changed or lifted only by the District taking the same formal action that imposed the constraint originally (for example: resolution or ordinance).

TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

*Assigned fund balance* includes amounts intended to be used by the District for specific purposes that are neither restricted nor committed. Intent is expressed by (a) the District's Board, or (b) a body or official to whom the District's Board has delegated the authority to assign amounts to be used for specific purposes (General Director of Fiscal Services).

*Unassigned fund balance* is the residual classification for the general fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose.

In circumstances when an expenditure is made for a purpose which amounts are available in multiple fund balance classifications, fund balance is depleted in the following order: restricted, committed, assigned, and unassigned.

#### Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and, therefore, will *not* be recognized as an outflow of resources (expense/expenditure) until that time. The District has two items that qualify for reporting in this category. The items are deferred outflows of resources – pension and deferred outflows of resources – OPEB. See Note 8 for more information on the deferred outflows of resources – pension and Note 9 for more information on the deferred outflows of resources – OPEB.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and, therefore, will *not* be recognized as an inflow of resources (revenue) until that time. The District has two types of items that qualify for reporting in this category. The items are deferred inflows of resources – pension and deferred inflows of resources – OPEB. See Note 8 for more information on the deferred inflows of resources – pension and Note 9 for more information on the deferred inflows of resources – OPEB.

#### Pensions

For purposes of measuring the collective net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Kansas Public Employees Retirement System (KPERs) and additions to/deductions from KPERs' fiduciary net position have been determined on the same basis as they are reported by KPERs. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial

TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
NOTES TO BASIC FINANCIAL STATEMENTS  
(Continued)

statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Pending Governmental Accounting Standards Board Statements

At June 30, 2020, the Governmental Accounting Standards Board (GASB) had issued several statements not yet implemented by the District. The statements that might impact the District are as follows:

GASB Statement No. 84, *Fiduciary Activities*, improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The statement establishes criteria for identifying fiduciary activities, with the focus of the criteria on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. An activity meeting the criteria should be reported in a fiduciary fund. The requirements of this statement are effective for periods beginning after December 15, 2019.

GASB Statement No. 87, *Leases*, improves accounting and financial reporting for leases by governments. Statement 87 increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement are effective for periods beginning after June 15, 2021. Earlier application is encouraged.

2 - Budgetary Basis of Accounting

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds, and enterprise funds. 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 revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time. The District had no amendments to the budget for the fiscal year ended June 30, 2020.

TOPEKA PUBLIC SCHOOLS  
 UNIFIED SCHOOL DISTRICT NO. 501  
 TOPEKA, KANSAS  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 (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 modified accrual basis of accounting modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services and are usually evidenced by a purchase order or written contract.

The following governmental and proprietary funds have annual budgets that are legally adopted:

Adult Basic Education	Food Service	Special Liability
At-Risk 4-Year-Old	General	Summer School
At-Risk K-12	Gifts and Grants	Supplemental General
Bilingual Education	KPERS Special Retirement	Virtual Education
Bond and Interest	Contribution	Career and Post Secondary
Capital Outlay	Parent Education	Education
Contingency Reserve	Professional Development	
Federal Grants	Special Education	

The following governmental and proprietary funds do not require a legally adopted annual budget:

All District Activity Funds	Miscellaneous Other Grants	Trust Gift Legacy
Bond	Payroll Liability Clearing	US HHS Direct
Dental Self-Insurance	Pepsi Exclusivity	US HHS Thru KS HHS
Federal Program Overhead	Risk Management	USDE Direct
Flex 125 Spending	Self-Insurance Reserve	USDE Pass Through
Internal Service Reserve	Sports Park Operations	Workers' Compensation
Kansas Miscellaneous Other	TANF	Workforce Investment
Grants	Textbook/Study Material	
Kanza Cafe	Revolving	

3 - Cash and Investments

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an adequate rate of return on funds.

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*Credit risk.* Kansas State Statutes authorize the District, with certain restrictions, to deposit or invest in open accounts, time deposits, certificates of deposit, repurchase agreements, the State of Kansas Municipal Investment Pool (the MIP), and U.S. treasury bills and notes. The District maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is shown as cash and investments. In addition, certain cash and investments are separately held by some of the District's funds. At June 30, 2020 and throughout the year ended June 30, 2020, the District's cash and investments included certificates of deposit, U.S. government securities, and the MIP. The MIP is under the oversight of the Pooled Money Investment Board (the 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 ten 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. The District's investments in the MIP were not rated by a rating agency as of June 30, 2020.

The credit rating for the U.S. government securities at June 30, 2020 is AA+ (Standard & Poors). Investment earnings, including interest income, are allocated to the funds required to accumulate interest; other investment earnings are allocated based on management discretion.

*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 identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. For the year ended June 30, 2020, the U.S. government securities were valued with significant other observable inputs (Level 2). Fair value measurement hierarchy information is not provided for the MIP which is considered a cash equivalent, as all of the District's funds are invested in the overnight pool.

*Custodial credit risk – deposits and investments.* In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. For an investment, custodial credit risk is the risk that, in the event of the failure of the 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. Statutes require that deposits and investment be collateralized and that collateral pledged must have a fair market value equal to 100% of the deposits (less insured amounts) and deposits and investments must be assigned for the benefit of the District. At June 30, 2020, the District's deposits were not exposed to custodial credit risk.

*Interest rate risk.* Interest rate risk is the risk that changes in the interest rates may adversely affect the investment's fair value. The District does not have a policy to address interest rate risk. The District is not exposed to significant interest rate risk.



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As of June 30, 2020, maturities of the District's investments are as follows:

Investment Type	Fair Value	Investments Maturities (in Years)			
		Less than 1	1-5	6-10	More than 10
U.S. Treasury securities	\$ 112,857,087	\$ 2,259,715	\$ 110,597,372	\$ -	\$ -
Certificates of Deposit	735,000	735,000	-	-	-
Municipal Investment Overnight Pool	45,201,367	45,201,367	-	-	-
	<u>\$ 158,793,454</u>	<u>\$ 48,196,082</u>	<u>\$ 110,597,372</u>	<u>\$ -</u>	<u>\$ -</u>

*Concentration of credit risk.* The District's investment policy does not place any limitations on the percentage of the District's total investments that may be with any one issuer. Kansas statutes indirectly prohibit such a limitation, as local banks must be given preference on each investment of idle funds.

4 - Tax Revenue, Taxes Receivable, and Tax Abatements

In accordance with Kansas statutes, property taxes levied during the current year are revenue sources to be used to finance the budget of the ensuing year. The District's property tax is levied each November 1 on the assessed value as of the prior January 1 for all property located in the District. Property taxes are due in total by December 20 following the levy date, or they may be paid in equal installments if paid by December 20 (first installment) and the following May 10 (second installment).

Assessed values are established by the Shawnee County appraiser's office. The assessed valuation at January 1, 2019 of the tangible, taxable property for purposes of local taxation was \$ 575,648,509 for the general fund and \$ 666,495,588 in total.

The tax levy per \$ 1,000 of the November 1, 2019 levy of tangible, taxable property levied for District taxation was as follows by fund:

General	\$ 20.000
Supplemental general	19.970
Capital outlay	5.796
Debt service	4.620
Special liability	0.177
	<u>\$ 50.563</u>

Tax Abatements and Rebates

The City of Topeka, Kansas and Shawnee County, Kansas enter into property tax abatement and rebate agreements with local businesses and entities for the purpose of attracting and improving business and neighborhood conditions within their jurisdictions. These agreements affect local municipalities, including

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the District. For the fiscal year ended June 30, 2020, abated or rebated property taxes not distributed to the District because of such agreements totaled \$ 1,920,893 (includes economic development, IRB exemptions of \$ 813,799, and NRA property tax rebates of \$ 1,107,094). One-hundred and thirty-nine (139) parcels made up the total rebated amount, including the following that exceeded ten percent of the total amount of undistributed tax:

- An IRB exemption to a large medical care provider. The District's portion of the abatement amounted to \$ 667,636.
- An NRA property tax rebate to a large retailer. The District's portion of the rebate amounted to \$ 217,054.

5 - Capital Assets

A summary of changes in capital assets follows:

Governmental Activities				
	Balance July 1, 2019	Additions	Retirements	Balance June 30, 2020
<u>Capital assets not being depreciated:</u>				
Land	\$ 6,623,440	\$ -	\$ -	\$ 6,623,440
Construction in progress	13,310,238	8,584,159	(19,919,144)	1,975,253
Total capital assets not being depreciated	19,933,678	8,584,159	(19,919,144)	8,598,693
<u>Capital assets being depreciated:</u>				
Buildings	306,186,659	25,777,633	-	331,964,292
Furniture, fixtures, and equipment	31,533,651	869,706	(65,949)	32,337,408
Total capital assets being depreciated	337,720,310	26,647,339	(65,949)	364,301,700
Less accumulated depreciation	(134,417,183)	(8,564,448)	51,445	(142,930,186)
Total capital assets being depreciated, net	203,303,127	18,082,891	(14,504)	221,371,514
	<u>\$ 223,236,805</u>	<u>\$ 26,667,050</u>	<u>\$ (19,933,648)</u>	<u>\$ 229,970,207</u>

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Business-Type Activities				
	Balance July 1, 2019	Additions	Retirements	Balance June 30, 2020
<u>Capital assets being depreciated:</u>				
Furniture, fixtures, and equipment	\$ 3,496,423	\$ 365,193	\$ -	\$ 3,861,616
Less accumulated depreciation	(2,390,601)	(98,540)	-	(2,489,141)
	\$ 1,105,822	\$ 266,653	\$ -	\$ 1,372,475

Depreciation expense was charged to functions/programs of the District as follows:

Governmental activities:

Instruction	\$ 1,224,137
Student support	11,072
Instructional support	16,201
General administration	966
School administration	7,413
Support services	1,922,870
Transportation	48,411
Central support services	584,080
Operations and maintenance	735,263
Enterprise operations	13,848
Building acquisition	1,483,124
Building remodeling	1,594,762
Community service	402
Student activities	1,932
Site improvement	31,901
Architecture/engineering	378,307
Building additions	509,759
	\$ 8,564,448
Total depreciation expense - governmental activities	\$ 8,564,448

Business-type activities:

Nonmajor proprietary funds	\$ 98,540
Total depreciation expense - business-type activities	\$ 98,540

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6 - Liabilities

The following is a summary of changes in long-term debt for the year ended June 30, 2020:

	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020	Due Within One Year
General obligation bonds paid with ad valorem taxes	\$ 155,710,000	\$ 105,225,000	\$ 2,555,000	\$ 258,380,000	\$ 2,615,000
Add unamortized premium on bonds				1,950,769	
				\$ 260,330,769	
Total OPEB liability	\$ 42,375,895	\$ 3,183,696	\$ 10,342,372	\$ 35,217,219	\$ -
Compensated absences	\$ 2,699,074	\$ 1,027,598	\$ 1,060,502	\$ 2,666,170	\$ 1,060,502
Net pension liability	\$ 143,320,910	\$ 6,163,914	\$ -	\$ 149,484,824	\$ -

For governmental activities, the general fund is typically used to liquidate post-employment benefits and compensated absences.

General Obligation Bonds

General obligation bonds consisted of the following at June 30, 2020:

Series	Date Issued	Original Final Scheduled Maturity	Original Principal Amount	Principal Amount Outstanding June 30, 2020	Interest Ranges
2014A	7/8/2014	9/1/2044	\$ 110,000,000	\$ 110,000,000	3.75% to 5.00%
2014B	7/8/2014	8/1/2020	8,160,000	2,100,000	2.00% to 2.15%
2016A	4/19/2016	8/1/2044	33,000,000	32,015,000	2.00% to 4.00%
2017A	11/21/2017	8/1/2028	9,040,000	9,040,000	2.50%
2020A	1/29/2020	8/1/2039	94,770,000	94,770,000	3.59%T/2.72%NT
2020B	1/29/2020	8/1/2039	10,455,000	10,455,000	3.59%T/2.72%NT
			\$ 265,425,000	\$ 258,380,000	

T - Taxable; NT - Nontaxable

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Annual debt service requirements to maturity for the bonds are as follows (includes bonds defeased through crossover refunding):

Year	Principal	Interest	Total
2021	\$ 2,615,000	\$ 9,541,015	\$ 12,156,015
2022	2,980,000	9,417,053	12,397,053
2023	3,175,000	9,272,178	12,447,178
2024	5,545,000	9,078,816	14,623,816
2025	5,805,000	8,835,666	14,640,666
2026 - 2030	48,280,000	39,810,387	88,090,387
2031 - 2035	64,340,000	29,297,949	93,637,949
2036 - 2040	80,080,000	16,087,586	96,167,586
2041 - 2045	45,560,000	4,388,944	49,948,944
Total	<u>\$ 258,380,000</u>	<u>\$ 135,729,594</u>	<u>\$ 394,109,594</u>

Issued and Defeased Bonds

During the year ended June 30, 2018, the District issued \$ 9,040,000 of general obligation refunding bonds (Series 2017A) to purchase securities that were placed in an irrevocable trust for the purpose of generating resources for \$ 8,905,000 of future debt service payments related to its Series 2014A general obligation bonds. However, the Series 2014A bond principal payments are not considered to be defeased until the crossover date of August 1, 2022, the redemption date for the August 1, 2026; August 1, 2027; and August 1, 2028 bond payments, since they were refunded through a crossover refunding transaction. Because there is no defeasance in such a transaction until the crossover date, the assets held in trust by the escrow agent are reported in the bond and interest fund as restricted cash and investments in the amount of \$ 9,032,250. The refunded bonds are reported in long-term liabilities until the crossover date.

During the year ended June 30, 2020, the District issued \$ 94,770,000 and \$ 10,455,000 of general obligation bonds (Series 2020A and 2020B, respectively), to purchase securities that were placed in an irrevocable trust for the purpose of generating resources for \$ 88,510,000 of future debt payments related to its Series 2014A and \$ 8,910,000 of future debt payments for its 2016A general obligation bonds. However, the Series 2014A bond principal payments are not considered to be defeased until the crossover date of August 1, 2022, the redemption date for the August 1, 2029 through August 1, 2044 serial and term bond payments; and the 2016A bond principal payments are not considered to be defeased until the crossover date of August 1, 2026, the redemption date for the August 1, 2040 through August 1, 2044 serial bond payments, since they were refunded through a crossover refunding transaction. Further, because the 2020A and 2020B bonds were issued more than 90 days prior to the call date of the refunded bonds, the 2020 bonds were issued with a taxable interest rate of 3.59%. On the call date of the refunded bonds, the interest rates convert to the predetermined tax-exempt rate of 2.70%. The bonds then pay the tax-exempt rate through their maturity. The tax-exempt interest rate shall only be effective on and after the tax-exempt conversion date if the interest rate on the series 2020A and 2020B Bonds is converted to the tax-exempt interest rate pursuant to Section 214 of the bond resolution for the series 2020A and B bonds. Because there is no defeasance in such a transaction until the crossover date, the assets held in trust by the escrow agent are reported in the bond and interest fund as restricted cash and investments in the amount of

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\$ 103,824,837. The refunded bonds are reported in long-term liabilities until the crossover dates. The transaction resulted in an economic gain of \$ 4,833,933 and a reduction of approximately \$ 20,000,000 in future debt service payments.

Bonded Indebtedness Limitation

Kansas statutes restrict the level of the authorized and outstanding bonded indebtedness of the District to not more than 14% of the assessed value of tangible, taxable property within the District.

At June 30, 2020, based upon the assessed valuation of \$ 648,472,791, the general obligation limit was \$ 90,786,191. The District's bonded indebtedness totaled \$ 258,430,000 less \$ 16,383,625 available in the bond and interest fund, and less \$ 116,365,000 in refunding bonds resulting in a general obligation debt margin of \$ (34,895,184). The District obtained a waiver to exceed the general obligation debt limit for the Series 2014A and 2016A bond issuances.

7 - Cash Deficits

The District expended monies in excess of available cash in the General Fund and the Supplemental General Fund. This was a result of the State of Kansas failing to make its final state aid payments before June 30, 2020. The District was instructed by the State Department of Education to expend the authorized budget for the year ended June 30, 2020 in accordance with Senate Bill 16. The balance of monies due the District from the State was received in July 2020. The District expended monies in excess of available cash in the USDE Pass Thru, TANF, Workforce Investment and Kansas Miscellaneous Other Grants Funds. This was the result of timing of reimbursements received from grantors.

8 - Defined Benefit Pension Plan

General Information About the Pension Plan

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

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*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 are 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) were 14.59% and 13.21%, respectively, for the fiscal year ended June 30, 2019. The actuarially determined employer contribution rate and the statutory contribution rate were 16.15% and 14.41% for the fiscal year ended June 30, 2020.

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

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

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

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

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled \$ 17,000,973 for the year ended June 30, 2020.

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Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2019, the District's proportionate share of the collective net pension liability reported by KPERS was \$ 149,484,824. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018, which was rolled forward to June 30, 2019. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contribution of the State/School subgroup within KPERS for the fiscal year ended June 30, 2019.

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.

Although KPERS administers one cost-sharing, multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense are determined separately for each of the following groups of the plan:

- State/School
- Local
- Police and Firemen
- Judges

To facilitate the separate (sub) actuarial valuations, KPERS maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer and non-employer allocations are applied to amounts presented in the schedules of pension amounts by employer and non-employer. The District's proportion of the collective net pension liability was based on the ratio of the District's actual contributions to KPERS, relative to the total employer and non-employer contributions of the State/School group within KPERS for the fiscal year ended June 30, 2019. The contributions used exclude contributions made for prior service, excess benefits, and irregular payments. At June 30, 2019, the District's proportion was 2.311246%, which was an increase of 0.114247% from its proportion measured as of June 30, 2018.



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For the year ended June 30, 2020, the District recognized pension expense of \$ 13,708,905. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 1,298,769	\$ 3,866,312
Net difference between projected and actual earnings on pension plan investments	2,484,542	-
Change of assumptions	4,014,561	54,970
Changes in proportionate share	8,865,887	2,796,960
District contributions subsequent to measurement date	<u>15,897,731</u>	<u>-</u>
Total	<u>\$ 32,561,490</u>	<u>\$ 6,718,242</u>

The \$ 15,897,731 reported as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	
2021	\$ 4,436,890
2022	812,466
2023	2,000,359
2024	2,519,528
2025	<u>176,274</u>
	<u>\$ 9,945,517</u>

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*Actuarial assumptions.* The total pension liability for KPERS in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Price inflation	2.75 percent
Salary increases, including wage increases	3.50 to 12.00 percent, including inflation
Long-term rate of return net of investment expense, and including price inflation	7.75 percent

Mortality rates were based on the RP-2014 Combined Mortality Tables with future mortality improvements based on Scale MP-2016.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study conducted for the three-year period ending December 31, 2015.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocations, as of the most recent experience study, dated November 18, 2016 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global equities	47%	6.85%
Fixed income	13%	1.25%
Yield driven	8%	6.55%
Real return	11%	1.71%
Real estate	11%	5.05%
Alternatives	8%	9.85%
Short-term investments	2%	0.25%
	<hr/>	
Total	<u>100%</u>	

*Discount rate.* The discount rate used by KPERS to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the contractually required rate. The State/School employers do not necessarily contribute the full actuarial determined rate. Based on legislation passed in 1993, the employer contribution rates certified by the KPERS Board of Trustees for this group may not increase by more than the statutory cap.

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The expected KPERS employer statutory contribution was modeled for future years, assuming all actuarial assumptions are met in the future. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the District's proportionate share of the collective net pension liability to changes in the discount rate.* The following presents the District's proportionate share of the collective net pension liability calculated using the discount rate of 7.75%, as well as what the District's proportionate share of the collective net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
District's proportionate share of the collective net pension liability	\$ 204,607,480	\$ 149,484,824	\$ 103,227,251

*Pension plan fiduciary net position.* Detailed information about the pension plan's fiduciary net position is available in the separately issued KPERS financial report.

9 - Other Postemployment Benefits

*Plan Description.* The District offers postemployment benefits to retired employees. The benefits are provided through a single employer defined benefit postemployment plan administered by the District. Kansas statutes provide that postemployment healthcare benefits be extended to retired employees who have met age and/or service eligibility requirements until the individuals become eligible for Medicare coverage at age 65. The District's employee benefit plan provides the same medical, pharmacy, and dental benefits to eligible retirees and their dependents as it does to active employees, until age 66 for administrators and age 65 for all other retirees. In addition, the District provides an early retirement incentive to eligible employees who retire before age 65 and a life insurance benefit through age 66 for administrators. The District pays the equivalent of the base plan premiums on behalf of retirees, and the retirees who have chosen the buy-up plan pay any additional cost of the plan. Covered spouses pay 100% of their premiums. Full-time employees are eligible to retire at age 60 with at least ten years of service with the District. Part-time employees are eligible to retire at age 60 with at least 15 years of service. The benefit is available for selection at retirement and is extended to retirees and their dependents until the individuals become eligible for Medicare at 65. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. The plan does not issue a stand-alone financial report.

As of June 30, 2020, the District has approximately 194 employees who are eligible to receive early retirement benefits. The benefits vary based on employee classification. Classified employees receive \$ 260 per month in cash and \$ 513 per month in health and dental insurance coverage until their sixty-fifth (65) birthday. Certified employees receive one-third of the certified base salary monthly, which is one-third of

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the base salary of a beginning professional employee in effect at the time the retirement commences, and \$ 513 per month in health and dental insurance coverage until their sixty-fifth (65) birthday. Administrators receive \$ 1,250 per month in cash and \$ 513 per month in health and dental insurance coverage plus \$ 13 for life insurance premiums per month. The District's contributions are financed on a pay-as-you-go basis. During the year ended June 30, 2020, payments to early retirees along with insurance benefits totaled approximately \$ 2,422,000. These amounts are reflected in general fund instruction and support services expenditures.

*Funding Policy.* The District provides health insurance benefits to retirees and their dependents in accordance with Kansas law (K.S.A. 12-5040). Kansas statutes, which may be amended by the state legislature, establishes that participating retirees may be required to contribute to the employee group health benefits plan, including administrative costs.

The District appropriates funds annually for the costs associated with this retirement benefit and provides funding for the expenditures on a pay-as-you-go basis through the General Fund. In fiscal year 2020, the District contributed \$ 2,908,942 to the plan.

*Employees Covered by Benefit Terms.* At the actuarial valuation date of July 1, 2019, the following employees were covered by the benefit terms.

Inactive employees or beneficiaries currently receiving benefit payments	104
Active employees	1,367
	1,471
	1,471

*Total OPEB Liability.* The District's total OPEB liability of \$ 32,578,632 was measured as of June 30, 2020 and was determined by an actuarial valuation performed as of July 1, 2019.

*Actuarial Assumptions and Other Inputs.* The total OPEB liability in the actuarial valuation with a measurement date of June 30, 2020 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Individual entry age normal as a level percentage of payroll
Discount rate	3.36% at valuation date, 2.66 percent, as of measurement period ending June 30, 2020
Annual wage increases	3.00 percent per year
Price inflation	2.50 percent

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Mortality

*Pre-retirement Healthy*  
Male: 80% of RP-2014 M with White Collar Adjustment  
Female: 80% of RP-2014 F with White Collar Adjustment

*Post-retirement Healthy*  
Male: RP-2014 M with White Collar Adjustment  
Female: RP-2014 F with White Collar Adjustment

*Disabled*  
RP-2014 Disabled Life Table

Margin for mortality improvements: Scale MP-2016, fully generational

Annual Healthcare Trend

Years after Valuation	Medical & Pharmacy	Dental
1	8.00 %	4.50 %
2	7.50	4.50
3	7.00	4.50
4	6.50	4.50
5	6.00	4.50
6	5.50	4.50
7	5.00	4.50
8+	4.50	4.50

*Changes in Total OPEB Liability.*

	Total OPEB Liability
Balance at June 30, 2019	\$ 40,095,224
Changes for the year:	
Service cost	1,546,961
Interest	1,060,514
Net benefits paid by employer	(2,908,942)
Changes in assumptions and inputs	(7,215,125)
Net changes	(7,516,592)
Balance at June 30, 2020	\$ 32,578,632

Changes of assumptions and other inputs reflect a change in the discount rate from 3.36 percent in 2019 to 2.66 percent in 2020.

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*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate.* The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.66 percent) or 1-percentage-point higher (3.66 percent) than the current discount rate:

	1% Decrease (1.66%)	Discount Rate (2.66%)	1% Increase (3.66%)
Total OPEB liability	\$ 34,685,190	\$ 32,578,632	\$ 30,582,239

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates.* The following represents the total OPEB liability of the District as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$ 30,420,995	\$ 32,578,632	\$ 35,122,083

*OPEB Expense and Deferred Inflows of Resources Related to OPEB.* For the year ended June 30, 2020, the District recognized OPEB expense of \$ 1,812,777. At June 30, 2020, the District reported deferred inflows of resources related to OPEB from the following source:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 154,624	\$ (5,912,209)
Differences between expected and actual experience	-	(957,891)
	\$ 154,624	\$ (6,870,100)

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Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,		
2021	\$	(922,077)
2022		(922,077)
2023		(922,077)
2024		(922,077)
2025		(918,028)
Thereafter		(2,109,140)
	\$	(6,715,476)

Disability Benefits and Life Insurance

*Plan Description.* The District participates in a multiple-employer defined benefit other postemployment benefit (OPEB) plan (the Plan) which is administered by the Kansas Public Employees Retirement System (KPERS). The Plan provides long-term disability benefits and a life insurance benefit for disabled members to KPERS members, as provided by K.S.A. 74-04927. The Plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. However, because the trust's assets are used to pay employee benefits other than OPEB, the trust does not meet the criteria in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Accordingly, the Plan is considered to be administered on a pay-as-you-go basis.

*Benefits.* Benefits are established by statute and may be amended by the KPERS Board of Trustees. The Plan provides long-term disability benefits equal to 60 percent (prior to January 1, 2006, 66 2/3 percent) of annual compensation, offset by other benefits. Members receiving long-term disability benefits also receive credit towards their KPERS retirement benefits and have their group life insurance coverage continued under the waiver of premium provision.

The monthly long-term disability benefit is 60 percent of the member's monthly compensation, with a minimum of \$ 100 and a maximum of \$ 5,000. The monthly benefit is subject to reduction by deductible sources of income, which include Social Security primary disability or retirement benefits, workers compensation benefits, other disability benefits from any other sources by reason of employment, and earnings from any form of employment. If the disability begins before age 60, benefits are payable while the disability continues until the member's 65<sup>th</sup> birthday or retirement date, whichever occurs first. If the disability begins after age 60, benefits are payable while the disability continues, for a period of five years or until the member retires, whichever occurs first. Benefit payments for disabilities caused or contributed to by substance abuse or non-biologically based mental illnesses are limited to the shorter of the term of the disability or 24 months per lifetime.

The death benefit paid to beneficiaries of disabled members is 150% of the greater of 1) the member's annual rate of compensation at the time of disability, or 2) the members previous 12 months of

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compensation at the time of the last date on payroll. If the member has been disabled for five or more years, the annual compensation or salary rate at the time of death will be indexed using the consumer price index, less one percentage point, to compute the death benefit. If a member is diagnosed as terminally ill with a life expectancy of 12 months or less, the member may be eligible to receive up to 100% of the death benefit rather than having the benefit paid to the beneficiary. If a member retires or disability benefits end, the member may convert the group life insurance coverage to an individual insurance policy.

*Employees Covered by Benefit Terms.* The District has the following employees covered by the Plan as of June 30, 2020:

Inactive employees or beneficiaries currently receiving benefit payments	27
Active employees	2,388
	2,415
	2,415

*Total OPEB Liability.* The District's total OPEB liability of \$ 2,638,587 reported as of June 30, 2020 was measured as of June 30, 2019 (the measurement date) and was determined by an actuarial valuation as of December 31, 2018, which was rolled forward to June 30, 2019.

*Actuarial Assumptions and Other Inputs.* The total OPEB liability in the July 1, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified.

Valuation date	December 31, 2018
Measurement date	June 30, 2019
Actuarial cost method	Entry age normal
Inflation	2.75%
Salary increases	3.50%
Payroll growth	4.00%
Discount rate	3.50%

The discount rate was based on the bond buyer general obligation 20-bond municipal index.

Mortality rates used for the death benefits were based on the RP-2014 White Collar Mortality Table for Males and Females, adjusted for generational mortality improvement using MP-2019.



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The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period of January 1, 2013 to December 31, 2015. Other demographic assumptions are set to be consistent with the actuarial assumptions reflected in the December 31, 2018 KPERs pension valuation.

*Changes in Total OPEB Liability.*

Balance at June 30, 2019	\$ 2,280,671
Changes for the year:	
Service cost	193,828
Interest on total OPEB liability	91,579
Changes in assumptions or other inputs	290,814
Benefit payments	<u>(218,305)</u>
Net changes	<u>357,916</u>
Balance at June 30, 2020	<u><u>\$ 2,638,587</u></u>

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate.* The following presents the District's total OPEB liability calculated using the discount rate of 3.5%, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.5%) or 1-percentage point higher (4.5%) than the current rate:

	1% Decrease (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB liability	\$ 2,771,550	\$ 2,638,587	\$ 2,509,695

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates.* The following represents the total OPEB liability of the District as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$ 2,638,587	\$ 2,638,587	\$ 2,638,587

*OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB.* For the year ended June 30, 2020, the District recognized OPEB expense of \$ 292,290.

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At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 217,606	\$ (84,476)
Differences between expected and actual experience	43,320	(83,572)
Benefit payments subsequent to the measurement date	809,754	-
Total	\$ 1,070,680	\$ (168,048)

The deferred outflow of resources related to the benefit payments subsequent to the measurement date totaling \$ 809,754 consists of payments made to KPERS for benefits and administrative costs and will be recognized as a reduction in the total OPEB liability during the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,		
2020	\$	6,883
2021		6,883
2022		6,883
2023		6,883
2024		6,883
Thereafter		58,463
	\$	92,878

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10 - Interfund Transactions

A summary of transfers for the year is as follows:

Transfers to	Transfers from General Fund
Governmental funds:	
Special education	\$ 17,661,103
Nonmajor governmental funds	45,000
Internal service funds:	
Flex 125 spending reserve	250,000
Dental self-insurance	250,175
	\$ 18,206,278

Transfers are used to move unrestricted monies to finance various programs that the District must account for in other funds in accordance with budgetary authorizations, including amounts provided as matching funds for various grants and to close out finished capital project funds.

11 - Commitments and Contingencies

Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruptions; errors and omission; injuries to employees and natural disasters. Commercial insurance coverage is purchased for claims arising from such matters other than those relating to workers' compensation and dental. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. There have been no decreases in insurance coverage from the prior year.

Self-Insurance Funds

The District has established internal service funds for self-insured worker's compensation and dental insurance. The worker's compensation program began in July 1993, and the dental insurance program began in September 2005.

Funds are accumulated for payment of claims and insurance premiums through charges to the District's funds. Currently, the District is funding the worker's compensation reserve fund with annual contributions. The dental self-insured fund is funded with contributions made during each payroll period from the employer and the employees. All plans are administered by a third party, which accumulates claims. During 2020, the District's maximum responsibility for payment of worker's compensation benefits was \$ 500,000 per occurrence (\$ 1,000,000 in aggregate). The District's maximum responsibility for payment of dental insurance benefits was \$ 1,500 per employee per year. The District purchases commercial insurance for

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claims in excess of the maximum and for all other risks of loss. The claims liability at June 30, 2020 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

The claims liability of \$ 882,489 is included in the governmental activities column of the statement of net position as estimated insurance claims. Changes in the claims liability for the years ended June 30, 2020 and 2019 were:

	Beginning of Year Liability		Change in Estimate	Claims and Premium Payments	End of Year Liability
2020	\$ 779,701	\$	553,602	\$ 450,814	\$ 882,489
2019	949,298		492,009	661,606	779,701

No amounts have been reflected in the financial statements for dental insurance claims liability as of June 30, 2020.

Grants

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed expenditures, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the District expects such amounts, if any, to not be material to the financial statements.

Litigation

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the District.

Encumbrances

The District uses encumbrances to control expenditure commitments for the year and to enhance cash management. Encumbrances represent commitments related to executory contracts not yet performed and purchase orders not yet filled. Commitments for such expenditure of monies are encumbered to reserve a portion of applicable appropriations. Encumbrances still open at year-end are not accounted for as expenditures and liabilities, but, rather, as restricted, committed, or assigned fund balance. At June 30, 2020, the District's recorded encumbrances in governmental funds were as follows:

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General	\$ 770,509
Capital outlay	3,758,276
Special education	65,668
Bond	2,261,550
Other nonmajor governmental funds	7,793
	\$ 6,863,796

Project authorizations compared with expenditures to date for significant projects open at year-end are as follows:

	Expenditures to Date	Project Authorization
Projects in process:		
Boiler Replacement	\$ 34,353	\$ 392,593
Boiler Replacement	9,400	192,878
Boiler Replacement	111,433	161,700
Carpet Replacement	4,036	106,390
Ceiling/Light Replacement Phase I	101,948	117,300
Chiller Replacement	9,838	179,797
Chiller Replacement	6,400	112,793
Door & Security Lock Replace	299,288	734,760
Fencing	20,025	489,655
F5 Network Applicant Upgrade	451,340	533,540
HVAC System Replacement Phase II	294,741	558,450
Milestone Replacement - Phase 1	-	605,057
Playground Asphalt Replace Phase II	-	72,990
Playground Asphalt Replace	-	90,730
Replace Drain Lines/Dishwasher	3,000	50,000
Replace HVAC	18,700	212,500
Replace North Parking Lot	-	57,900
Replace RTU Music & Media	12,792	158,800
Roof Replacement	-	219,025
Roof Replacement	-	52,795
RTU Replacement	46,945	47,820
Siding/Window Replace Final Phase	97,313	113,200
Steam Pipe Replacement	-	80,308
Storm Shelter Additions Quinton Heights	152,750	1,961,870
Window/Door Replacement	300,951	473,167
	\$ 1,975,253	\$ 7,776,018

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12 - Risks and Uncertainties

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 corona virus 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, 2020, management believes that a material impact on the District's financial position and results of future operations is reasonably possible.

REQUIRED SUPPLEMENTARY INFORMATION

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FUND (BUDGET BASIS)  
Year Ended June 30, 2020

	General			Variance Over (Under)
	Original Budget	Final Budget	Actual	
Revenues:				
Intergovernmental:				
State and local	\$ 104,232,511	\$ 102,184,223	\$ 102,857,784	\$ 673,561
Reimbursed expenses	-	-	392,333	392,333
Total revenues	<u>104,232,511</u>	<u>102,184,223</u>	<u>103,250,117</u>	<u>1,065,894</u>
Expenditures and transfers out subject to budget:				
Current:				
Instruction	28,677,239	28,677,239	24,853,880	(3,823,359)
Support services	41,153,503	41,153,503	35,723,730	(5,429,773)
Transfers out	34,401,769	34,401,769	41,606,613	7,204,844
Budget adjustment to comply with legal max		(2,048,288)		2,048,288
Total expenditures and transfers out subject to budget	<u>104,232,511</u>	<u>102,184,223</u>	<u>102,184,223</u>	<u>-</u>
Expenditures not subject to budget:				
Reimbursed expenses	-	-	392,333	392,333
Total expenditures	<u>104,232,511</u>	<u>102,184,223</u>	<u>102,576,556</u>	<u>392,333</u>
Excess of revenues over expenditures, transfers out subject to budget, and expenditures not subject to budget	-	-	673,561	<u>\$ 673,561</u>
Fund balances, beginning of year, budget basis	-	-	(4,825,921)	
Fund balances, end of year, budget basis	<u>\$ -</u>	<u>\$ -</u>	<u>(4,152,360)</u>	
<u>Reconciliation to GAAP</u>				
Plus receivables at June 30, 2020			4,152,360	
Plus inventories at June 30, 2020			23,092	
Plus encumbrances outstanding at June 30, 2020			<u>630,624</u>	
Fund balance on the basis of GAAP - General Fund only			653,716	
Fund balances for separately budgeted funds included with the General Fund on GAAP basis financials:				
Supplemental general			776,565	
At-risk 4-year-old			626,884	
At-risk K-12			3,204,515	
Bilingual education			1,005,918	
Vocational education			1,539,852	
Professional development			383,105	
Summer school			225,884	
Contingency reserve			3,225,001	
Fund balances for non-budgeted funds included with the General Fund on GAAP basis financials:				
Pepsi exclusivity			88,043	
Internal service reserve			-	
Sports park operations			796,832	
Payroll liability clearing			-	
Self-insurance reserve			707,406	
Risk management reserve			843,465	
			<u>\$ 14,077,186</u>	

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FUND (BUDGET BASIS)  
Year Ended June 30, 2020

	Original Budget	Supplemental General		Variance Over (Under)
		Final Budget	Actual	
Revenues:				
Taxes:				
In process	\$ 454,550	\$ 454,550	\$ 265,980	\$ (188,570)
Current	12,535,131	12,535,131	13,080,845	545,714
Delinquent	113,644	113,644	265,133	151,489
State aid	21,941,675	21,314,202	21,722,610	408,408
Total revenues	<u>35,045,000</u>	<u>34,417,527</u>	<u>35,334,568</u>	<u>917,041</u>
Expenditures and transfers out:				
Current:				
Instruction	3,585,355	3,585,355	1,640,117	(1,945,238)
Support services	5,422,483	5,422,483	4,755,776	(666,707)
Community service operations	9,017	9,017	-	(9,017)
Transfers out	26,028,145	26,028,145	28,021,634	1,993,489
Budget adjustment to comply with legal max		(627,473)		627,473
Total expenditures and transfers out	<u>35,045,000</u>	<u>34,417,527</u>	<u>34,417,527</u>	<u>-</u>
Excess of revenues over expenditures and transfers out	-	-	917,041	\$ 917,041
Fund balances, beginning of year, budget basis	-	-	(1,722,544)	
Fund balances, end of year, budget basis	<u>\$ -</u>	<u>\$ -</u>	<u>(805,503)</u>	
<u>Reconciliation to GAAP</u>				
Plus receivables at June 30, 2020			1,548,748	
Plus encumbrances outstanding at June 30, 2020			33,320	
Fund balance on the basis of GAAP			<u>\$ 776,565</u>	

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 FUND (BUDGET BASIS)  
 Year Ended June 30, 2020

	Summer School		
	Original and Final Budget	Actual	Variance Over (Under)
Expenditures:			
Current:			
Instruction	\$ 228,208	\$ 25,378	\$ (202,830)
Support services	36,214	13,161	(23,053)
Total expenditures	<u>264,422</u>	<u>38,539</u>	<u>\$ (225,883)</u>
Fund balances, beginning of year, budget basis	<u>264,422</u>	<u>264,423</u>	
Fund balances, end of year, budget basis	<u>\$ -</u>	<u>225,884</u>	
<u>Reconciliation to GAAP</u>			
Plus encumbrances outstanding at June 30, 2020		-	
Fund balance on the basis of GAAP		<u>\$ 225,884</u>	

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FUND (BUDGET BASIS)  
Year Ended June 30, 2020

	Professional Development		
	Original and Final Budget	Actual	Variance Over (Under)
Revenues and transfers in:			
Interest	\$ -	\$ 2,588	\$ 2,588
State Aid	43,125	34,039	(9,086)
Total revenues and transfers in	43,125	36,627	(6,498)
Expenditures:			
Current:			
Support services	578,124	328,382	(249,742)
Deficiency of revenues under expenditures	(534,999)	(291,755)	243,244
Other financing sources:			
Transfers in	260,000	333,000	73,000
Excess (deficiency) of revenues and transfers in over (under) expenditures	(274,999)	41,245	\$ 316,244
Fund balances, beginning of year, budget basis	274,999	275,000	
Fund balances, end of year, budget basis	\$ -	316,245	
<u>Reconciliation to GAAP</u>			
Plus encumbrances outstanding at June 30, 2020		66,860	
Fund balance on the basis of GAAP		\$ 383,105	

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BUDGET AND ACTUAL - FUNDS INCLUDED IN THE COMBINED GENERAL  
FUND (BUDGET BASIS)  
Year Ended June 30, 2020

	At-Risk K-12		Variance Over (Under)
	Original and Final Budget	Actual	
Expenditures:			
Current:			
Instruction	\$ 27,860,414	\$ 26,486,797	\$ (1,373,617)
Support services	496,697	479,608	(17,089)
Total expenditures	<u>28,357,111</u>	<u>26,966,405</u>	<u>(1,390,706)</u>
Other financing sources:			
Transfers in	<u>24,646,085</u>	<u>26,459,892</u>	<u>1,813,807</u>
Deficiency of other financing sources under expenditures	<u>(3,711,026)</u>	<u>(506,513)</u>	<u>\$ 3,204,513</u>
Fund balances, beginning of year, budget basis	<u>3,711,026</u>	<u>3,711,028</u>	
Fund balances, end of year, budget basis	<u>\$ -</u>	<u>3,204,515</u>	
<u>Reconciliation to GAAP</u>			
Plus encumbrances outstanding at June 30, 2020		-	
Fund balance on the basis of GAAP		<u>\$ 3,204,515</u>	

(Continued)

TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - FUNDS INCLUDED IN THE COMBINED GENERAL  
FUND (BUDGET BASIS)  
Year Ended June 30, 2020

	Career and Postsecondary Education		
	Original and Final Budget	Actual	Variance Over (Under)
Revenues:			
Intergovernmental:			
State and local	\$ 13,340	\$ 26,407	\$ 13,067
Expenditures:			
Current:			
Instruction	2,990,426	2,464,175	(526,251)
Support services	639,106	449,405	(189,701)
Total expenditures	3,629,532	2,913,580	(715,952)
Deficiency of revenues under expenditures	(3,616,192)	(2,887,173)	(729,019)
Other financing sources:			
Transfers in	1,860,000	2,665,000	805,000
Excess (deficiency) of revenues and transfers in over (under) expenditures	(1,756,192)	(222,173)	\$ 75,981
Fund balances, beginning of year, budget basis	1,756,192	1,756,192	
Fund balances, end of year, budget basis	\$ -	1,534,019	
<u>Reconciliation to GAAP</u>			
Plus encumbrances outstanding at June 30, 2020		5,833	
Fund balance on the basis of GAAP		\$ 1,539,852	

(Continued)

TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - FUNDS INCLUDED IN THE COMBINED GENERAL  
FUND (BUDGET BASIS)  
Year Ended June 30, 2020

	Bilingual Education		
	Original and Final Budget	Actual	Variance Over (Under)
Expenditures:			
Current:			
Instruction	\$ 4,004,890	\$ 3,322,682	\$ (682,208)
Support services	924,485	601,107	(323,378)
Total expenditures	4,929,375	3,923,789	(1,005,586)
Other financing sources:			
Transfers in	4,005,555	4,005,555	-
Excess (deficiency) of other financing sources over (under) expenditures	(923,820)	81,766	\$ 1,005,586
Fund balances, beginning of year, budget basis	923,820	923,822	
Fund balances, end of year, budget basis	\$ -	1,005,588	
<u>Reconciliation to GAAP</u>			
Plus encumbrances outstanding at June 30, 2020		330	
Fund balance on the basis of GAAP		\$ 1,005,918	

(Continued)

TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - FUNDS INCLUDED IN THE COMBINED GENERAL  
FUND (BUDGET BASIS)  
Year Ended June 30, 2020

	At-Risk 4-Year-Old		
	Original and Final Budget	Actual	Variance Over (Under)
Expenditures:			
Current:			
Instruction	\$ 1,419,784	\$ 1,285,091	\$ (134,693)
Support services	-	7,807	7,807
Total expenditures	1,419,784	1,292,898	(126,886)
Other financing sources:			
Transfers in	760,000	1,260,000	500,000
Excess (deficiency) of other financing sources over (under) expenditures	(659,784)	(32,898)	\$ 626,886
Fund balances, beginning of year, budget basis	659,784	659,782	
Fund balances, end of year, budget basis	\$ -	\$ 626,884	

(Continued)

TOPEKA PUBLIC SCHOOLS  
 UNIFIED SCHOOL DISTRICT NO. 501  
 TOPEKA, KANSAS  
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL - FUNDS INCLUDED IN THE COMBINED GENERAL  
 FUND (BUDGET BASIS)  
 Year Ended June 30, 2020

	Contingency Reserve		Variance Over (Under)
	Original and Final Budget	Actual	
Other financing sources (uses):			
Transfers in	\$ -	\$ -	\$ -
Transfers out	-	-	-
Total other financing sources (uses)	-	-	\$ -
Fund balances, beginning of year, budget basis	3,225,001	3,225,001	
Fund balances, end of year, budget basis	\$ 3,225,001	\$ 3,225,001	



TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - MAJOR BUDGETED  
SPECIAL REVENUE FUND (BUDGET BASIS)  
Year Ended June 30, 2020

	Special Education		
	Original and Final Budget	Actual	Variance Over (Under)
Revenues:			
Intergovernmental:			
Federal	\$ 5,891,507	\$ 5,166,913	\$ (724,594)
State and local	-	2,370	2,370
Total revenues	<u>5,891,507</u>	<u>5,169,283</u>	<u>(722,224)</u>
Expenditures:			
Current:			
Instruction	27,029,901	25,574,673	(1,455,228)
Support services	13,617,549	13,291,948	(325,601)
Total expenditures	<u>40,647,450</u>	<u>38,866,621</u>	<u>(1,780,829)</u>
Deficiency of revenues under expenditures	(34,755,943)	(33,697,338)	1,058,605
Other financing sources:			
Transfers in	<u>28,898,274</u>	<u>34,359,627</u>	<u>5,461,353</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	(5,857,669)	662,289	<u>\$ 6,519,958</u>
Fund balances, beginning of year, budget basis	<u>5,857,669</u>	<u>5,857,668</u>	
Fund balances, end of year, budget basis	<u>\$ -</u>	<u>6,519,957</u>	
<u>Reconciliation to GAAP</u>			
Plus encumbrances outstanding at June 30, 2020		<u>65,668</u>	
Fund balance on the basis of GAAP		<u>\$ 6,585,625</u>	

TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND  
RELATED RATIOS - HEALTH INSURANCE  
Last Three Fiscal Years<sup>1</sup>

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability:			
Service cost	\$ 1,546,961	\$ 1,949,626	\$ 1,983,181
Interest	1,060,514	1,350,820	1,243,268
Net benefits paid by employer	(2,908,942)	(3,182,243)	(3,528,898)
Changes of assumptions	<u>(7,215,125)</u>	<u>206,510</u>	<u>(805,343)</u>
Net change in total OPEB liability	(7,516,592)	324,713	(1,107,792)
Total OPEB liability, beginning	<u>40,095,224</u>	<u>39,770,511</u>	<u>40,878,303</u>
Total OPEB liability, ending	<u>\$ 32,578,632</u>	<u>\$ 40,095,224</u>	<u>\$ 39,770,511</u>
Covered payroll	\$ 39,804,623	\$ 37,723,726	\$ 38,167,181
District's total OPEB liability as a percentage of covered payroll	81.8%	106.3%	104.2%

*Changes of Assumptions:*

1. Discount rate was decreased from 3.36% to 2.66%, based on municipal bond yields as of the measurement date.

<sup>1</sup> GASB 75 requires the presentation of ten years. Data was not available prior to fiscal year 2018; therefore, ten years of data is unavailable.

TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND  
RELATED RATIOS - DISABILITY BENEFITS AND LIFE INSURANCE  
Last Three Fiscal Years<sup>1</sup>

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB liability:			
Service cost	\$ 193,828	\$ 192,616	\$ 205,058
Interest	91,579	87,576	71,333
Changes of assumptions	290,814	(137,899)	(84,933)
Benefit payments	<u>(218,305)</u>	<u>(228,454)</u>	<u>(243,290)</u>
Net change in total OPEB liability	357,916	(86,161)	(51,832)
Total OPEB liability, beginning	<u>2,280,671</u>	<u>2,366,832</u>	<u>2,418,664</u>
Total OPEB liability, ending	<u>\$ 2,638,587</u>	<u>\$ 2,280,671</u>	<u>\$ 2,366,832</u>
Covered payroll	\$ 100,143,635	\$ 94,603,689	\$ 92,994,938
District's total OPEB liability as a percentage of covered payroll	2.63%	2.41%	2.55%

*Changes of Assumptions:*

1. The discount rate was updated in accordance with the requirements of GASB 75.
2. The mortality projection scale was updated to the most recent table published by the Society of Actuaries.

<sup>1</sup> GASB 75 requires the presentation of ten years. Data was not available prior to fiscal year 2018; therefore, ten years of data is unavailable.

TOPEKA PUBLIC SCHOOLS  
 UNIFIED SCHOOL DISTRICT NO. 501  
 TOPEKA, KANSAS  
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITY  
 KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM  
 Last Seven Fiscal Years<sup>1</sup>

	2020	2019	2018	2017	2016	2015	2014
District's proportion of the collective net pension liability	2.311246%	2.196999%	2.229486%	2.262925%	2.119396%	2.174282%	2.117605%
District's proportionate share of the collective net pension liability	\$ 149,484,824	\$ 143,320,910	\$ 149,798,454	\$ 152,092,568	\$ 146,756,723	\$ 138,934,472	\$ 153,820,765
District's covered payroll	\$ 112,340,308	\$ 112,340,308	\$ 102,966,206	\$ 96,737,828	\$ 95,139,490	\$ 86,430,695	\$ 82,671,274
District's proportionate share of the collective net pension liability as a percentage of its covered payroll	133%	128%	145%	157%	154%	161%	186%
Plan fiduciary net position as a percentage of the total pension liability	69.88%	68.88%	67.12%	65.10%	64.95%	66.60%	59.94%

<sup>1</sup> GASB requires presentation of ten years. Data was not available prior to 2014; therefore, ten years of data is unavailable.

TOPEKA PUBLIC SCHOOLS  
 UNIFIED SCHOOL DISTRICT NO. 501  
 TOPEKA, KANSAS  
 SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS  
 KANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM  
 Last Ten Fiscal Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Contractually required contribution	\$ 17,000,973	\$ 6,975,264	\$ 12,643,425	\$ 8,298,120	\$ 8,594,373	\$ 9,585,143	\$ 10,057,121	\$ 8,863,533	\$ 9,979,449	\$ 5,945,869
Contributions in relation to the contractually required contribution	(17,000,973)	(6,975,264)	(12,643,425)	(8,298,120)	(8,594,373)	(9,585,143)	(10,057,121)	(8,863,533)	(9,979,449)	(5,945,869)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 112,340,308	\$ 112,340,308	\$ 102,966,206	\$ 96,737,828	\$ 95,139,490	\$ 86,430,695	\$ 82,671,274	\$ 82,124,120	\$ 80,299,115	\$ 80,163,800
Contributions as a percentage of covered payroll	15.13%	6.21%	12.28%	8.58%	9.03%	11.09%	12.17%	10.79%	12.43%	7.42%

TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
June 30, 2020

1 - General

All budgets are prepared utilizing the modified accrual basis further modified by the encumbrance method of accounting – that is, commitments such as purchase orders and contracts, in addition to disbursements and accounts payable, are recorded as expenditures.

SUPPLEMENTARY INFORMATION

TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - MAJOR BUDGETED  
CAPITAL PROJECTS FUND (BUDGET BASIS)  
Year Ended June 30, 2020

	Capital Outlay		
	Original and Final Budget	Actual	Variance Over (Under)
Revenues:			
Taxes:			
In process	\$ 176,066	\$ 104,303	\$ (71,763)
Current	3,992,722	4,022,315	29,593
Delinquent	45,898	104,431	58,533
Interest	500,000	374,957	(125,043)
State aid	2,278,849	2,174,646	(104,203)
Other	-	71,659	71,659
Total revenues	<u>6,993,535</u>	<u>6,852,311</u>	<u>(141,224)</u>
Expenditures:			
Current:			
Instruction	2,375,000	658,890	(1,716,110)
Support services	5,150,000	5,718,268	568,268
Facilities acquisition and construction	4,577,688	2,278,223	(2,299,465)
Total expenditures	<u>12,102,688</u>	<u>8,655,381</u>	<u>(3,447,307)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,109,153)</u>	<u>(1,803,070)</u>	<u>3,306,083</u>
Other financing sources:			
Sale of capital assets	-	49,381	49,381
Insurance reimbursements	-	672	672
Total other financing sources	<u>-</u>	<u>50,053</u>	<u>50,053</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	<u>(5,109,153)</u>	<u>(1,753,017)</u>	<u>\$ 3,356,136</u>
Fund balances, beginning of year, budget basis	<u>5,109,153</u>	<u>5,109,153</u>	
Fund balances, end of year, budget basis	<u>\$ -</u>	<u>3,356,136</u>	
<u>Reconciliation to GAAP</u>			
Plus encumbrances outstanding at June 30, 2020		<u>3,758,276</u>	
Fund balance on the basis of GAAP		<u>\$ 7,114,412</u>	



TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - BUDGETED PROPRIETARY FUND (BUDGET BASIS)  
Year Ended June 30, 2020

	Food Service		
	Original and Final Budget	Actual	Variance Over (Under)
Revenues:			
Intergovernmental:			
Federal	\$ 7,061,263	\$ 5,822,966	\$ (1,238,297)
State and local	65,882	70,686	4,804
Interest on idle funds	15,000	7,423	(7,577)
Other	1,171,696	688,121	(483,575)
Total revenues	<u>8,313,841</u>	<u>6,589,196</u>	<u>(1,724,645)</u>
Expenditures:			
Current:			
Support services	539,978	343,449	(196,529)
Noninstructional services	9,156,071	6,397,248	(2,758,823)
Total expenditures	<u>9,696,049</u>	<u>6,740,697</u>	<u>(2,955,352)</u>
Deficiency of revenues under expenditures	(1,382,208)	(151,501)	<u>\$ 1,230,707</u>
Fund balances, beginning of year, budget basis	<u>1,382,208</u>	<u>1,382,209</u>	
Fund balances, end of year, budget basis	<u>\$ -</u>	<u>1,230,708</u>	
<u>Reconciliation to GAAP</u>			
Net adjustment for capitalization of assets		1,368,566	
Less deferred revenue at June 30, 2020		(23,159)	
Plus encumbrances outstanding at June 30, 2020		<u>2,956</u>	
Fund balance on the basis of GAAP		<u>\$ 2,579,071</u>	

TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - BOND AND INTEREST FUND (BUDGET BASIS)  
Year Ended June 30, 2020

	Bond and Interest		
	Original and Final Budget	Actual	Variance Over (Under)
Revenues:			
Taxes:			
In process	\$ 149,236	\$ 87,297	\$ (61,939)
Current	3,098,461	3,176,185	77,724
Delinquent	37,339	90,355	53,016
Intergovernmental:			
State and local	4,798,101	4,798,101	-
Interest	155,000	229,193	74,193
Total revenues	<u>8,238,137</u>	<u>8,381,131</u>	<u>142,994</u>
Expenditures subject to budget:			
Debt service:			
Principal	2,555,000	2,555,000	-
Interest and other charges	5,577,375	5,577,375	-
Total expenditures subject to budget	<u>8,132,375</u>	<u>8,132,375</u>	<u>-</u>
Expenditures not subject to budget:			
Interest and other charges	-	226,000	226,000
Bond issuance costs	-	1,400,262	1,400,262
Total expenditures not subject to budget	<u>-</u>	<u>1,626,262</u>	<u>1,626,262</u>
Total expenditures	<u>8,132,375</u>	<u>9,758,637</u>	<u>1,626,262</u>
Excess of revenues over (under) expenditures	<u>105,762</u>	<u>(1,377,506)</u>	<u>(1,483,268)</u>
Other financing sources:			
Bonds issued	-	105,225,000	105,225,000
Excess of revenues and other financing sources over expenditures	<u>105,762</u>	<u>103,847,494</u>	<u>\$ 103,741,732</u>
Fund balances, beginning of year, budget basis	1,229,557	16,311,387	
Fund balances, end of year, budget basis	<u>\$ 1,335,319</u>	<u>\$ 120,158,881</u>	

TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - ALL NONMAJOR BUDGETED FUNDS (BUDGET BASIS)  
Year Ended June 30, 2020

	Special Liability		
	Original and Final Budget	Actual	Variance Over (Under)
Revenues:			
Taxes:			
In process	\$ 5,474	\$ 3,203	\$ (2,271)
Current	118,837	121,993	3,156
Delinquent	1,371	4,184	2,813
Interest	2,500	1,796	(704)
Total revenues	<u>128,182</u>	<u>131,176</u>	<u>2,994</u>
Expenditures and transfers out:			
Current:			
Support services	359,404	322,128	(37,276)
Transfers out	1,400	-	(1,400)
Total expenditures and transfers out	<u>360,804</u>	<u>322,128</u>	<u>(38,676)</u>
Deficiency of revenues under expenditures and transfers out	(232,622)	(190,952)	<u>\$ 41,670</u>
Fund balances, beginning of year, budget basis	<u>248,171</u>	<u>248,171</u>	
Fund balances, end of year, budget basis	<u>\$ 15,549</u>	<u>57,219</u>	
<u>Reconciliation to GAAP</u>			
Plus encumbrances outstanding at June 30, 2020		<u>6,128</u>	
Fund balance on the basis of GAAP		<u>\$ 63,347</u>	

(Continued)

TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - ALL NONMAJOR BUDGETED FUNDS (BUDGET BASIS)  
Year Ended June 30, 2020

	Adult Basic Education		
	Original and Final Budget	Actual	Variance Over (Under)
Revenues:			
Taxes:			
Current	\$ -	\$ 2	\$ 2
In process	-	1	1
Delinquent	-	508	508
Total revenues	<u>-</u>	<u>511</u>	<u>511</u>
Expenditures:			
Current:			
Instruction	79,853	-	(79,853)
Deficiency of revenues over (under) expenditures	<u>(79,853)</u>	<u>511</u>	<u>\$ 80,364</u>
Fund balances, beginning of year, budget basis	79,853	79,853	
Fund balances, end of year, budget basis	<u>\$ -</u>	<u>\$ 80,364</u>	

(Continued)

TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - ALL NONMAJOR BUDGETED FUNDS (BUDGET BASIS)  
Year Ended June 30, 2020

	Parent Education		
	Original and Final Budget	Actual	Variance Over (Under)
Revenues:			
Intergovernmental:			
State aid	\$ 521,366	\$ 525,015	\$ 3,649
Expenditures:			
Current:			
Support services	939,905	583,679	(356,226)
Deficiency of revenues under expenditures	(418,539)	(58,664)	359,875
Other financing sources:			
Transfers in	-	45,000	45,000
	(418,539)	(13,664)	\$ 404,875
Fund balances, beginning of year, budget basis	418,539	418,538	
Fund balances, end of year, budget basis	\$ -	404,874	
<u>Reconciliation to GAAP</u>			
Plus encumbrances outstanding at June 30, 2020		1,665	
Fund balance on the basis of GAAP		\$ 406,539	

(Continued)

TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - ALL NONMAJOR BUDGETED FUNDS (BUDGET BASIS)  
Year Ended June 30, 2020

	Gifts and Grants		
	Original and Final Budget	Actual	Variance Over (Under)
Revenues:			
Local	\$ 266,184	\$ 1,625,150	\$ 1,358,966
State	1,108,158	540,142	(568,016)
Interest	-	12,531	12,531
Charges for services	375,000	217,873	(157,127)
Miscellaneous	942,429	76,450	(865,979)
Total revenues	<u>2,691,771</u>	<u>2,472,146</u>	<u>(219,625)</u>
Expenditures:			
Current:			
Instruction	927,688	601,253	(326,435)
Student support services	1,371,876	924,299	(447,577)
Instructional support staff	288,700	5,403	(283,297)
General administration	28,700	10,768	(17,932)
School administration	32,165	(8,322)	(40,487)
Central services	216,152	-	(216,152)
Supplemental services central	-	57,737	57,737
Support services business	-	24,065	24,065
Operations and maintenance	37,200	806,277	769,077
Transportation	13,133	9,158	(3,975)
Food service	-	2,173	2,173
Enterprise operations	-	114,480	114,480
Community service operations	132,254	-	(132,254)
Total expenditures	<u>3,047,868</u>	<u>2,547,291</u>	<u>(500,577)</u>
Deficiency of revenues over (under) expenditures	(356,097)	(75,145)	\$ 280,952
Fund balances, beginning of year, budget basis	356,097	(103,481)	
Fund balances, end of year, budget basis	<u>\$ -</u>	<u>\$ (178,626)</u>	

(Continued)

TOPEKA PUBLIC SCHOOLS  
 UNIFIED SCHOOL DISTRICT NO. 501  
 TOPEKA, KANSAS  
 SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL - ALL NONMAJOR BUDGETED FUNDS (BUDGET BASIS)  
 Year Ended June 30, 2020

	Virtual Education		Variance Over (Under)
	Original and Final Budget	Actual	
Expenditures:			
Current:			
Instruction	\$ 380,154	\$ 60,215	\$ (319,939)
Fund balances, beginning of year, budget basis	380,154	380,154	
Fund balances, end of year, budget basis	\$ -	\$ 319,939	

(Continued)

TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - ALL NONMAJOR BUDGETED FUNDS (BUDGET BASIS)  
Year Ended June 30, 2020

	KPERs Special Retirement Contribution		
	Original and Final Budget	Actual	Variance Over (Under)
Revenues:			
State	\$ 18,192,779	\$ 17,000,973	\$ (1,191,806)
Expenditures:			
Current:			
Instruction	11,566,987	-	(11,566,987)
Student support services	1,876,948	-	(1,876,948)
Instructional support staff	671,170	-	(671,170)
General administration	183,503	-	(183,503)
School administration	1,452,378	-	(1,452,378)
Central services	824,214	-	(824,214)
Operations and maintenance	972,771	-	(972,771)
Transportation	86,831	-	(86,831)
Enterprise operations	557,977	-	(557,977)
On-behalf expenditures - KPERs	-	17,000,973	17,000,973
Total expenditures	18,192,779	17,000,973	(1,191,806)
Excess of revenues over expenditures	-	-	\$ -
Fund balances, beginning of year, budget basis	-	-	
Fund balances, end of year, budget basis	\$ -	\$ -	



TOPEKA PUBLIC SCHOOLS  
 UNIFIED SCHOOL DISTRICT NO. 501  
 TOPEKA, KANSAS  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BUDGET AND ACTUAL - FEDERAL GRANT FUNDS (BUDGET BASIS)  
 Year Ended June 30, 2020

	Federal Grants		
	Original and Final Budget	Actual	Variance Over (Under)
Revenues:			
Intergovernmental:			
Federal	\$ 12,503,953	\$ 10,939,728	\$ (1,564,225)
Expenditures			
Current:			
Instruction	8,104,069	6,095,674	(2,008,395)
Support services	2,369,126	3,017,823	648,697
Noninstructional services	3,084,596	2,339,335	(745,261)
Total expenditures	<u>13,557,791</u>	<u>11,452,832</u>	<u>(2,104,959)</u>
Excess (deficiency) of revenue over (under) expenditures	(1,053,838)	(513,104)	<u>\$ 540,734</u>
Fund balances, beginning of year, budget basis	1,053,838	(950,426)	
Fund balances, end of year, budget basis	<u>\$ -</u>	<u>\$ (1,463,530)</u>	

TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS  
Year Ended June 30, 2020

	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020
<u>Senior High Schools</u>				
Athletic Support Groups:				
Highland Park	\$ 3,057	\$ 10,708	\$ 9,059	\$ 4,706
Topeka High	4,653	8,580	5,593	7,640
Topeka West	29,318	46,591	64,367	11,542
	<u>37,028</u>	<u>65,879</u>	<u>79,019</u>	<u>23,888</u>
Graduating Classes:				
Highland Park	3,050	2,329	712	4,667
Topeka High	8,099	6,089	1,626	12,562
Topeka West	14,145	3,116	997	16,264
	<u>25,294</u>	<u>11,534</u>	<u>3,335</u>	<u>33,493</u>
Clubs and Organizations:				
Highland Park	11,805	10,151	4,437	17,519
Topeka High	75,237	68,459	68,812	74,884
Topeka West	21,334	20,632	22,407	19,559
	<u>108,376</u>	<u>99,242</u>	<u>95,656</u>	<u>111,962</u>
Miscellaneous Fund Raisers:				
Highland Park	12,658	2,095	2,961	11,792
Topeka High	18,521	289	-	18,810
Topeka West	5,881	734	769	5,846
	<u>37,060</u>	<u>3,118</u>	<u>3,730</u>	<u>36,448</u>
Performing Arts:				
Highland Park	9,007	6,616	7,173	8,450
Topeka High	24,687	165,867	169,737	20,817
Topeka West	30,538	26,036	26,714	29,860
	<u>64,232</u>	<u>198,519</u>	<u>203,624</u>	<u>59,127</u>
Scholarships and Memorials:				
Highland Park	11,468	5,984	6,500	10,952
Topeka High	31,677	6,584	6,276	31,985
Topeka West	32,158	15,469	34,626	13,001
	<u>75,303</u>	<u>28,037</u>	<u>47,402</u>	<u>55,938</u>
Total Senior High Schools	<u>\$ 347,293</u>	<u>\$ 406,329</u>	<u>\$ 432,766</u>	<u>\$ 320,856</u>

(Continued)

TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS  
Year Ended June 30, 2020

	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020
<u>Middle Schools</u>				
Clubs and Organizations:				
Chase	\$ 3,832	\$ 1,537	\$ 3,150	\$ 2,219
Eisenhower	2,060	10,448	6,778	5,730
French	4,350	2,817	635	6,532
Jardine	3,008	1,487	2,008	2,487
Landon	2,299	1,933	1,132	3,100
Robinson	742	1,735	1,957	520
	<u>16,291</u>	<u>19,957</u>	<u>15,660</u>	<u>20,588</u>
Graduating Classes:				
Chase	353	-	-	353
French	947	-	-	947
Jardine	559	-	-	559
Robinson	28	-	-	28
	<u>1,887</u>	<u>-</u>	<u>-</u>	<u>1,887</u>
Miscellaneous Fund Raisers:				
Chase	3,512	2,538	2,177	3,873
Eisenhower	629	-	45	584
Jardine	12,200	5,616	4,627	13,189
Landon	14,909	13,909	8,795	20,023
Robinson	316	1,582	1,889	9
	<u>31,566</u>	<u>23,645</u>	<u>17,533</u>	<u>37,678</u>
Performing Arts:				
Chase	1,248	458	467	1,239
Eisenhower	2,400	845	468	2,777
French	3,795	2,627	1,629	4,793
Jardine	16,479	3,990	3,305	17,164
Landon	5,551	3,282	5,215	3,618
Robinson	2,615	3,204	2,992	2,827
	<u>32,088</u>	<u>14,406</u>	<u>14,076</u>	<u>32,418</u>
Total Middle Schools	<u>\$ 81,832</u>	<u>\$ 58,008</u>	<u>\$ 47,269</u>	<u>\$ 92,571</u>

(Continued)

TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS  
Year Ended June 30, 2020

	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020
<u>Elementary Schools</u>				
Clubs and Organizations:				
Jardine	\$ 727	\$ 416	\$ 325	\$ 818
Lowman Hill	653	117	74	696
McEachron	451	5,818	3,130	3,139
Meadows	777	985	1,170	592
Ross	80	-	80	-
Scott	179	-	-	179
Whitson	909	-	166	743
	<u>3,776</u>	<u>7,336</u>	<u>4,945</u>	<u>6,167</u>
Graduating Class:				
Lowman Hill	4,431	1,774	1,594	4,611
Meadows	1,297	-	-	1,297
Ross	78	-	60	18
Scott	2,868	1,388	1,621	2,635
Whitson	1,091	-	-	1,091
Williams	35	-	-	35
	<u>9,800</u>	<u>3,162</u>	<u>3,275</u>	<u>9,687</u>
Miscellaneous Fund Raisers:				
Highland Park Central	5,104	692	915	4,881
Jardine	5,902	11,335	6,612	10,625
Lowman Hill	2,964	457	51	3,370
McCarter	23,764	1,078	-	24,842
McClure	279	4,624	2,454	2,449
McEachron	5,610	3,738	6,174	3,174
Meadows	-	369	369	-
Quincy	4,824	324	1,102	4,046
Randolph	1,000	1,737	1,248	1,489
Ross	1,157	1,113	1,164	1,106
Scott	2,713	2,281	1,000	3,994
State Street	433	4,055	2,611	1,877
Stout	3,303	-	323	2,980
Whitson	163	1,057	1,125	95
Williams	1,575	961	1,019	1,517
	<u>58,791</u>	<u>33,821</u>	<u>26,167</u>	<u>66,445</u>
Subtotals forward	<u>\$ 72,367</u>	<u>\$ 44,319</u>	<u>\$ 34,387</u>	<u>\$ 82,299</u>

(Continued)

TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS  
Year Ended June 30, 2020

	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020
Subtotals forward	\$ 72,367	\$ 44,319	\$ 34,387	\$ 82,299
Scholarships and Memorials:				
McClure	1	-	-	1
McEachron	45	-	45	-
Quincy	1,672	-	-	1,672
Randolph	6,768	-	-	6,768
Ross	18	-	18	-
State Street	2,851	1,366	1,526	2,691
Stout	250	-	250	-
Whitson	41	-	-	41
	<u>11,646</u>	<u>1,366</u>	<u>1,839</u>	<u>11,173</u>
Total Elementary Schools	<u>\$ 84,013</u>	<u>\$ 45,685</u>	<u>\$ 36,226</u>	<u>\$ 93,472</u>
<u>Other Locations</u>				
Clubs and Organizations:				
Capital City	\$ 217	\$ -	\$ -	\$ 217
Hope Street Academy	1,982	547	92	2,437
	<u>2,199</u>	<u>547</u>	<u>92</u>	<u>2,654</u>
Miscellaneous Fund Raisers:				
Capital City	247	181	10	418
Hope Street Academy	110	128	149	89
Sheldon Head Start	918	505	47	1,376
	<u>1,275</u>	<u>814</u>	<u>206</u>	<u>1,883</u>
Scholarships and Memorials:				
Capital City	927	50	180	797
Hope Street Academy	5,150	1,172	1,133	5,189
Sheldon Head Start	783	-	728	55
	<u>6,860</u>	<u>1,222</u>	<u>2,041</u>	<u>6,041</u>
Total Other Locations	<u>\$ 10,334</u>	<u>\$ 2,583</u>	<u>\$ 2,339</u>	<u>\$ 10,578</u>
Total - all schools:				
Assets:				
Cash	\$ 523,472	\$ 512,605	\$ 518,600	\$ 517,477
Liabilities:				
Due to student organizations	\$ 523,472	\$ 512,605	\$ 518,600	\$ 517,477

TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
COMBINING BALANCE SHEET  
GENERAL FUND  
June 30, 2020

	General	Supplemental General	At-Risk 4-Year-Old	At-Risk K-12
<u>ASSETS</u>				
Cash and investments	\$ (870,556)	\$ (680,646)	\$ 706,980	\$ 5,384,940
State aid receivables	4,152,360	1,548,748	-	-
Inventory of materials and supplies	23,092	-	-	-
Total assets	<u>\$ 3,304,896</u>	<u>\$ 868,102</u>	<u>\$ 706,980</u>	<u>\$ 5,384,940</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 2,651,180	\$ 91,537	\$ 80,096	\$ 2,180,425
Payroll liabilities	-	-	-	-
Total liabilities	<u>2,651,180</u>	<u>91,537</u>	<u>80,096</u>	<u>2,180,425</u>
Fund balances:				
Nonspendable:				
Inventories	23,092	-	-	-
Assigned	630,624	33,320	626,884	3,204,515
Unassigned	-	743,245	-	-
Total fund balances	<u>653,716</u>	<u>776,565</u>	<u>626,884</u>	<u>3,204,515</u>
Total liabilities and fund balances	<u>\$ 3,304,896</u>	<u>\$ 868,102</u>	<u>\$ 706,980</u>	<u>\$ 5,384,940</u>

(Continued)

TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
COMBINING BALANCE SHEET  
GENERAL FUND  
(Continued)  
June 30, 2020

	Bilingual Education	Career and Postsecondary Education	Professional Development	Summer School
<u>ASSETS</u>				
Cash and investments	\$ 1,222,415	\$ 1,735,469	\$ 388,573	\$ 225,884
State aid receivables	-	-	-	-
Inventory of materials and supplies	-	-	-	-
Total assets	<u>\$ 1,222,415</u>	<u>\$ 1,735,469</u>	<u>\$ 388,573</u>	<u>\$ 225,884</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 216,497	\$ 195,617	\$ 5,468	\$ -
Payroll liabilities	-	-	-	-
Total liabilities	<u>216,497</u>	<u>195,617</u>	<u>5,468</u>	<u>-</u>
Fund balances:				
Nonspendable:				
Inventories	-	-	-	-
Assigned	1,005,918	1,539,852	383,105	225,884
Unassigned	-	-	-	-
Total fund balances	<u>1,005,918</u>	<u>1,539,852</u>	<u>383,105</u>	<u>225,884</u>
Total liabilities and fund balances	<u>\$ 1,222,415</u>	<u>\$ 1,735,469</u>	<u>\$ 388,573</u>	<u>\$ 225,884</u>

(Continued)

TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
COMBINING BALANCE SHEET  
GENERAL FUND  
(Continued)  
June 30, 2020

	Pepsi Exclusivity	Internal Service Reserve	Sports Park Operations	Payroll Liability Clearing
<u>ASSETS</u>				
Cash and investments	\$ 88,043	\$ 3,579	\$ 796,832	\$ 7,989,251
State aid receivables	-	-	-	-
Inventory of materials and supplies	-	-	-	-
Total assets	<u>\$ 88,043</u>	<u>\$ 3,579</u>	<u>\$ 796,832</u>	<u>\$ 7,989,251</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -
Payroll liabilities	-	3,579	-	7,989,251
Total liabilities	<u>-</u>	<u>3,579</u>	<u>-</u>	<u>7,989,251</u>
Fund balances:				
Nonspendable:				
Inventories	-	-	-	-
Assigned	473	-	796,832	-
Unassigned	87,570	-	-	-
Total fund balances	<u>88,043</u>	<u>-</u>	<u>796,832</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 88,043</u>	<u>\$ 3,579</u>	<u>\$ 796,832</u>	<u>\$ 7,989,251</u>

(Continued)



TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
COMBINING BALANCE SHEET  
GENERAL FUND  
(Continued)  
June 30, 2020

	Self-Insurance Reserve	Risk Management	Contingency Reserve	Total General Fund
<u>ASSETS</u>				
Cash and investments	\$ 868,806	\$ 843,465	\$ 3,225,001	\$ 21,928,036
State aid receivables	-	-	-	5,701,108
Inventory of materials and supplies	-	-	-	23,092
	<u>868,806</u>	<u>843,465</u>	<u>3,225,001</u>	<u>27,652,236</u>
Total assets	<u>\$ 868,806</u>	<u>\$ 843,465</u>	<u>\$ 3,225,001</u>	<u>\$ 27,652,236</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 161,400	\$ -	\$ -	\$ 5,582,220
Payroll liabilities	-	-	-	7,992,830
	<u>161,400</u>	<u>-</u>	<u>-</u>	<u>13,575,050</u>
Total liabilities	<u>161,400</u>	<u>-</u>	<u>-</u>	<u>13,575,050</u>
Fund balances:				
Nonspendable:				
Inventories	-	-	-	23,092
Assigned	707,406	843,465	-	9,998,278
Unassigned	-	-	3,225,001	4,055,816
	<u>707,406</u>	<u>843,465</u>	<u>3,225,001</u>	<u>14,077,186</u>
Total fund balances	<u>707,406</u>	<u>843,465</u>	<u>3,225,001</u>	<u>14,077,186</u>
Total liabilities and fund balances	<u>\$ 868,806</u>	<u>\$ 843,465</u>	<u>\$ 3,225,001</u>	<u>\$ 27,652,236</u>

TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
GENERAL FUND  
Year Ended June 30, 2020

	General	Supplemental General	At-Risk 4-Year-Old
<b>Revenues:</b>			
Property taxes	\$ -	\$ 13,611,958	\$ -
Local sources	-	-	-
Charges for services	-	-	-
State aid	85,485,699	21,548,814	-
Interest	-	-	-
Miscellaneous	392,333	-	-
<b>Total revenues</b>	<b>85,878,032</b>	<b>35,160,772</b>	<b>-</b>
<b>Expenditures:</b>			
Instruction	24,886,992	1,635,679	1,285,091
Student support	5,297,048	84,006	-
Instructional support	2,889,195	56,545	-
General administration	1,379,889	1,156,106	-
School administration	9,248,490	237,463	7,807
Business support	1,595,477	84,634	-
Operations and maintenance	9,501,075	2,087,295	-
Transportation	2,952,524	-	-
Central support services	3,193,436	1,046,456	-
Other support	21,026	17,136	-
Food service	-	-	-
Student activities	(131,618)	1,140	-
Site improvement	-	-	-
<b>Total expenditures</b>	<b>60,833,534</b>	<b>6,406,460</b>	<b>1,292,898</b>
Excess (deficiency) of revenues over (under) expenditures	25,044,498	28,754,312	(1,292,898)
<b>Other financing sources (uses):</b>			
Transfers in	-	-	1,260,000
Transfers out	(24,908,091)	(28,021,634)	-
<b>Total other financing sources (uses)</b>	<b>(24,908,091)</b>	<b>(28,021,634)</b>	<b>1,260,000</b>
<b>Net change in fund balances</b>	<b>136,407</b>	<b>732,678</b>	<b>(32,898)</b>
Fund balance, beginning of year	517,309	43,887	659,782
Fund balance, end of year	\$ 653,716	\$ 776,565	\$ 626,884

(Continued)

TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
GENERAL FUND  
(Continued)  
Year Ended June 30, 2020

	At-Risk K-12	Bilingual Education	Career and Postsecondary Education	Professional Development	Summer School
Revenues:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Local sources	-	-	-	-	-
Charges for services	-	-	-	-	-
State aid	-	-	26,407	34,039	-
Interest	-	-	-	2,588	-
Miscellaneous	-	-	-	-	-
Total revenues	-	-	26,407	36,627	-
Expenditures:					
Instruction	26,487,327	3,329,440	2,468,695	-	25,458
Student support	109,042	43,651	-	-	-
Instructional support	-	-	41,431	293,827	-
General administration	-	-	-	-	-
School administration	370,566	36,043	312,776	-	13,161
Business support	-	-	-	-	-
Operations and maintenance	-	10,095	95,040	-	-
Transportation	-	511,318	-	-	-
Central support services	-	-	-	-	-
Other support	-	-	-	-	-
Food service	-	-	-	-	-
Student activities	-	-	-	-	-
Site improvement	-	-	-	-	-
Total expenditures	26,966,935	3,930,547	2,917,942	293,827	38,619
Excess (deficiency) of revenues over (under) expenditures	(26,966,935)	(3,930,547)	(2,891,535)	(257,200)	(38,619)
Other financing sources (uses):					
Transfers in	26,459,892	4,005,555	2,665,000	333,000	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	26,459,892	4,005,555	2,665,000	333,000	-
Net change in fund balances	(507,043)	75,008	(226,535)	75,800	(38,619)
Fund balance, beginning of year	3,711,558	930,910	1,766,387	307,305	264,503
Fund balance, end of year	\$ 3,204,515	\$ 1,005,918	\$ 1,539,852	\$ 383,105	\$ 225,884

(Continued)

TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
GENERAL FUND  
(Continued)  
Year Ended June 30, 2020

	Pepsi Exclusivity	Internal Service Reserve	Sports Park Operations	Payroll Liability Clearing
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Local sources	12,500	-	600,000	-
Charges for services	17,262	-	200,611	-
State aid	-	-	-	-
Interest	998	-	9,712	-
Miscellaneous	-	-	76,450	-
Total revenues	<u>30,760</u>	<u>-</u>	<u>886,773</u>	<u>-</u>
Expenditures:				
Instruction	27,126	-	(250)	-
Student support	-	-	-	-
Instructional support	4,203	-	-	-
General administration	10,495	-	-	-
School administration	-	-	(8,322)	-
Business support	1,119	-	22,946	-
Operations and maintenance	1,514	-	779,906	-
Transportation	-	-	9,158	-
Central support services	-	-	-	-
Other support	-	-	112,406	-
Food service	2,173	-	-	-
Student activities	3,620	-	-	-
Site improvement	-	-	(4,979)	-
Total expenditures	<u>50,250</u>	<u>-</u>	<u>910,865</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(19,490)</u>	<u>-</u>	<u>(24,092)</u>	<u>-</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(19,490)	-	(24,092)	-
Fund balance, beginning of year	<u>107,533</u>	<u>-</u>	<u>820,924</u>	<u>-</u>
Fund balance, end of year	<u>\$ 88,043</u>	<u>\$ -</u>	<u>\$ 796,832</u>	<u>\$ -</u>

(Continued)

TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
GENERAL FUND  
(Continued)  
Year Ended June 30, 2020

	Self-Insurance Reserve	Risk Management	Contingency Reserve	Eliminations	Total General Fund
Revenues:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 13,611,958
Local sources	-	-	-	-	612,500
Charges for services	103,762	-	-	-	321,635
State aid	-	-	-	-	107,094,959
Interest	9,569	9,863	-	-	32,730
Miscellaneous	96,542	-	-	-	565,325
<b>Total revenues</b>	<b>209,873</b>	<b>9,863</b>	<b>-</b>	<b>-</b>	<b>122,239,107</b>
Expenditures:					
Instruction	388	-	-	-	60,145,946
Student support	87,137	2,250	-	-	5,623,134
Instructional support	-	-	-	-	3,285,201
General administration	-	62,500	-	-	2,608,990
School administration	-	-	-	-	10,217,984
Business support	203,400	2,898	-	-	1,910,474
Operations and maintenance	96,170	21,331	-	-	12,592,426
Transportation	-	-	-	-	3,473,000
Central support services	-	7,756	-	-	4,247,648
Other support	-	-	-	-	150,568
Food service	-	-	-	-	2,173
Student activities	-	-	-	-	(126,858)
Site improvement	-	-	-	-	(4,979)
<b>Total expenditures</b>	<b>387,095</b>	<b>96,735</b>	<b>-</b>	<b>-</b>	<b>104,125,707</b>
Excess (deficiency) of revenues over (under) expenditures	(177,222)	(86,872)	-	-	18,113,400
Other financing sources (uses):					
Transfers in	-	-	-	(34,723,447)	-
Transfers out	-	-	-	34,723,447	(18,206,278)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(18,206,278)</b>
<b>Net change in fund balances</b>	<b>(177,222)</b>	<b>(86,872)</b>	<b>-</b>	<b>-</b>	<b>(92,878)</b>
Fund balance, beginning of year	884,628	930,337	3,225,001	-	14,170,064
<b>Fund balance, end of year</b>	<b>\$ 707,406</b>	<b>\$ 843,465</b>	<b>\$ 3,225,001</b>	<b>\$ -</b>	<b>\$ 14,077,186</b>

TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
COMBINING BALANCE SHEET  
OTHER GOVERNMENTAL FUNDS  
June 30, 2020

	<u>Adult Basic Education</u>	<u>Virtual Education</u>	<u>Parent Education</u>	<u>Special Liability</u>
<u>ASSETS</u>				
Cash and investments	\$ 80,364	\$ 326,165	\$ 406,539	\$ 63,347
Due from other governmental units	-	-	-	-
Total assets	<u>\$ 80,364</u>	<u>\$ 326,165</u>	<u>\$ 406,539</u>	<u>\$ 63,347</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ 6,226	\$ -	\$ -
Unearned revenue	-	-	-	-
Total liabilities	<u>-</u>	<u>6,226</u>	<u>-</u>	<u>-</u>
Fund balances:				
Restricted	-	-	-	55,235
Assigned	80,364	319,939	406,539	8,112
Total fund balances	<u>80,364</u>	<u>319,939</u>	<u>406,539</u>	<u>63,347</u>
Total liabilities and fund balances	<u>\$ 80,364</u>	<u>\$ 326,165</u>	<u>\$ 406,539</u>	<u>\$ 63,347</u>

(Continued)

TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
COMBINING BALANCE SHEET  
OTHER GOVERNMENTAL FUNDS  
(Continued)  
June 30, 2020

	KPERs Special Retirement Contribution	USDE Direct	US HHS Direct	TANF	Workforce Investment
<u>ASSETS</u>					
Cash and investments	\$ -	\$ 260,766	\$ 80,916	\$ (57,557)	\$ (8,613)
Due from other governmental units	-	2,055	4,671	65,565	13,598
Total assets	<u>\$ -</u>	<u>\$ 262,821</u>	<u>\$ 85,587</u>	<u>\$ 8,008</u>	<u>\$ 4,985</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Accounts payable and accrued liabilities	\$ -	\$ 262,821	\$ 85,587	\$ 8,008	\$ 4,985
Unearned revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>262,821</u>	<u>85,587</u>	<u>8,008</u>	<u>4,985</u>
Fund balances:					
Restricted	-	-	-	-	-
Assigned	-	-	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 262,821</u>	<u>\$ 85,587</u>	<u>\$ 8,008</u>	<u>\$ 4,985</u>

(Continued)

TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
COMBINING BALANCE SHEET  
OTHER GOVERNMENTAL FUNDS  
(Continued)  
June 30, 2020

	US HHS Thru KS HHS	Kansas Miscellaneous Other Grants	Miscellaneous Other Grants	Federal Program Overhead	Trust Gift Legacy
<u>ASSETS</u>					
Cash and investments	\$ 300	\$ (13,336)	\$ 123,309	\$ 1,039,832	\$ 176,816
Due from other governmental units	-	30,810	131,731	-	-
Total assets	<u>\$ 300</u>	<u>\$ 17,474</u>	<u>\$ 255,040</u>	<u>\$ 1,039,832</u>	<u>\$ 176,816</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Accounts payable and accrued liabilities	\$ 300	\$ 51	\$ 40,855	\$ -	\$ -
Unearned revenue	-	17,423	214,185	-	-
Total liabilities	<u>300</u>	<u>17,474</u>	<u>255,040</u>	<u>-</u>	<u>-</u>
Fund balances:					
Restricted	-	-	-	1,039,832	176,816
Assigned	-	-	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,039,832</u>	<u>176,816</u>
Total liabilities and fund balances	<u>\$ 300</u>	<u>\$ 17,474</u>	<u>\$ 255,040</u>	<u>\$ 1,039,832</u>	<u>\$ 176,816</u>

(Continued)



TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
COMBINING BALANCE SHEET  
OTHER GOVERNMENTAL FUNDS  
(Continued)  
June 30, 2020

	High School Activity	Middle School Activity	Elementary School Activity	Other Locations Activity	Total Other Governmental Funds
<u>ASSETS</u>					
Cash and investments	\$ 638,030	\$ 129,067	\$ 212,211	\$ 67,744	\$ 3,525,900
Due from other governmental units	-	-	-	-	248,430
Total assets	<u>\$ 638,030</u>	<u>\$ 129,067</u>	<u>\$ 212,211</u>	<u>\$ 67,744</u>	<u>\$ 3,774,330</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ 408,833
Unearned revenue	-	-	-	-	231,608
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>640,441</u>
Fund balances:					
Restricted	638,030	129,067	212,211	67,744	2,318,935
Assigned	-	-	-	-	814,954
Total fund balances	<u>638,030</u>	<u>129,067</u>	<u>212,211</u>	<u>67,744</u>	<u>3,133,889</u>
Total liabilities and fund balances	<u>\$ 638,030</u>	<u>\$ 129,067</u>	<u>\$ 212,211</u>	<u>\$ 67,744</u>	<u>\$ 3,774,330</u>

TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - OTHER GOVERNMENTAL FUNDS  
Year Ended June 30, 2020

	Adult Basic Education	Virtual Education	Parent Education	Special Liability
Revenues:				
Property taxes	\$ 511	\$ -	\$ -	\$ 129,380
Local sources	-	-	-	-
Charges for services	-	-	-	-
State aid	-	-	525,015	-
Federal aid	-	-	-	-
Interest	-	-	-	1,796
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	511	-	525,015	131,176
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditures:				
Instruction	-	60,215	-	-
Student support	-	-	552,001	-
Instructional support	-	-	4,383	-
General administration	-	-	-	320,724
School administration	-	-	-	-
Business support	-	-	-	-
Operations and maintenance	-	-	26,707	-
Central support services	-	-	-	-
Student activities	-	-	-	-
On behalf expenditures:				
KPERS	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	-	60,215	583,091	320,724
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over (under) expenditures before transfers	511	(60,215)	(58,076)	(189,548)
Transfers in	-	-	45,000	-
	<hr/>	<hr/>	<hr/>	<hr/>
Change in fund balance	511	(60,215)	(13,076)	(189,548)
Fund balance, beginning of year	79,853	380,154	419,615	252,895
	<hr/>	<hr/>	<hr/>	<hr/>
Fund balance, end of year	\$ 80,364	\$ 319,939	\$ 406,539	\$ 63,347
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(Continued)

TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - OTHER GOVERNMENTAL FUNDS  
(Continued)  
Year Ended June 30, 2020

	KPERS Special Retirement Contribution	USDE Direct	US HHS Direct	TANF	Workforce Investment
Revenues:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Local sources	-	-	-	-	-
Charges for services	-	-	-	-	-
State aid	17,000,973	-	-	-	-
Federal aid	-	81,345	2,352,973	191,281	130,802
Interest	-	-	-	-	-
Total revenues	17,000,973	81,345	2,352,973	191,281	130,802
Expenditures:					
Instruction	-	66,130	2,110,346	160,067	119,765
Student support	-	11,063	242,627	31,214	-
Instructional support	-	-	-	-	-
General administration	-	-	-	-	-
School administration	-	-	-	-	-
Business support	-	-	-	-	-
Operations and maintenance	-	4,152	-	-	-
Central support services	-	-	-	-	11,037
Student activities	-	-	-	-	-
On behalf expenditures:					
KPERS	17,000,973	-	-	-	-
Total expenditures	17,000,973	81,345	2,352,973	191,281	130,802
Excess (deficiency) of revenues over (under) expenditures before transfers	-	-	-	-	-
Transfers in	-	-	-	-	-
Change in fund balance	-	-	-	-	-
Fund balance, beginning of year	-	-	-	-	-
Fund balance, end of year	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - OTHER GOVERNMENTAL FUNDS  
(Continued)  
Year Ended June 30, 2020

	US HHS Thru KS HHS	Kansas Miscellaneous Other Grants	Miscellaneous Other Grants	Federal Program Overhead	Trust Gift Legacy
Revenues:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Local sources	-	622,705	930,087	-	-
Charges for services	-	-	-	-	-
State aid	-	-	-	-	-
Federal aid	300	-	-	609,201	-
Interest	-	-	-	-	1,821
Total revenues	300	622,705	930,087	609,201	1,821
Expenditures:					
Instruction	300	95,278	479,098	96,539	-
Student support	-	527,427	393,252	-	-
Instructional support	-	-	-	7,200	1,001
General administration	-	-	-	42,691	-
School administration	-	-	-	18,245	-
Business support	-	-	-	637,378	-
Operations and maintenance	-	-	-	-	-
Central support services	-	-	57,737	231,595	-
Student activities	-	-	-	-	-
On behalf expenditures:					
KPERS	-	-	-	-	-
Total expenditures	300	622,705	930,087	1,033,648	1,001
Excess (deficiency) of revenues over (under) expenditures	-	-	-	(424,447)	820
Transfers in	-	-	-	-	-
Change in fund balance	-	-	-	(424,447)	820
Fund balance, beginning of year	-	-	-	1,464,279	175,996
Fund balance, end of year	\$ -	\$ -	\$ -	\$ 1,039,832	\$ 176,816

(Continued)

TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - OTHER GOVERNMENTAL FUNDS  
(Continued)  
Year Ended June 30, 2020

	High School Activity	Middle School Activity	Elementary School Activity	Other Locations Activity	Total Other Governmental Funds
Revenues:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ 129,891
Local sources	-	-	-	-	1,552,792
Charges for services	427,183	77,426	185,759	39,043	729,411
State aid	-	-	-	-	17,525,988
Federal aid	-	-	-	-	3,365,902
Interest	-	-	-	-	3,617
<b>Total revenues</b>	<b>427,183</b>	<b>77,426</b>	<b>185,759</b>	<b>39,043</b>	<b>23,307,601</b>
Expenditures:					
Instruction	-	-	-	-	3,187,738
Student support	-	-	-	-	1,757,584
Instructional support	-	-	-	-	12,584
General administration	-	-	-	-	363,415
School administration	-	-	-	-	18,245
Business support	-	-	-	-	637,378
Operations and maintenance	-	-	-	-	30,859
Central support services	-	-	-	-	300,369
Student activities	399,091	72,472	174,426	46,593	692,582
On behalf expenditures:					
KPERS	-	-	-	-	17,000,973
<b>Total expenditures</b>	<b>399,091</b>	<b>72,472</b>	<b>174,426</b>	<b>46,593</b>	<b>24,001,727</b>
Excess (deficiency) of revenues over (under) expenditures	28,092	4,954	11,333	(7,550)	(694,126)
Transfers in	-	-	-	-	45,000
Change in fund balance	28,092	4,954	11,333	(7,550)	(649,126)
Fund balance, beginning of year	609,938	124,113	200,878	75,294	3,783,015
Fund balance, end of year	<u>\$ 638,030</u>	<u>\$ 129,067</u>	<u>\$ 212,211</u>	<u>\$ 67,744</u>	<u>\$ 3,133,889</u>

TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
COMBINING BALANCE SHEET  
NONMAJOR PROPRIETARY FUNDS  
June 30, 2020

	Textbook/Study Material Revolving	Food Service	Kanza Café	Total Nonmajor Proprietary Funds
<u>ASSETS</u>				
Current assets:				
Cash and investments	\$ 2,275,443	\$ 1,245,464	\$ -	\$ 3,520,907
Inventory of supplies and materials, at cost	358,575	-	-	358,575
Total current assets	<u>2,634,018</u>	<u>1,245,464</u>	<u>-</u>	<u>3,879,482</u>
Noncurrent assets:				
Furniture, fixtures, and equipment	-	3,847,069	14,547	3,861,616
Less accumulated depreciation	-	(2,478,503)	(10,638)	(2,489,141)
Total noncurrent assets	<u>-</u>	<u>1,368,566</u>	<u>3,909</u>	<u>1,372,475</u>
Total assets	<u>\$ 2,634,018</u>	<u>\$ 2,614,030</u>	<u>\$ 3,909</u>	<u>\$ 5,251,957</u>
<u>LIABILITIES AND NET POSITION</u>				
Current liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ 11,800	\$ -	\$ 11,800
Unearned revenue	-	23,159	-	23,159
Total liabilities	<u>-</u>	<u>34,959</u>	<u>-</u>	<u>34,959</u>
Net position:				
Investment in capital assets	-	1,368,566	3,909	1,372,475
Unrestricted	2,634,018	1,210,505	-	3,844,523
Total net position	<u>2,634,018</u>	<u>2,579,071</u>	<u>3,909</u>	<u>5,216,998</u>
Total liabilities and net position	<u>\$ 2,634,018</u>	<u>\$ 2,614,030</u>	<u>\$ 3,909</u>	<u>\$ 5,251,957</u>

TOPEKA PUBLIC SCHOOLS  
 UNIFIED SCHOOL DISTRICT NO. 501  
 TOPEKA, KANSAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN NET POSITION  
 NONMAJOR PROPRIETARY FUNDS  
 Year Ended June 30, 2020

	Textbook/Study Material Revolving	Food Service	Kanza Café	Total Nonmajor Proprietary Funds
Operating revenues:				
Charges for services	\$ 258,349	\$ 688,121	\$ -	\$ 946,470
Operating expenses:				
Instruction	558,721	-	-	558,721
Instructional support staff	1,277	-	-	1,277
Student support services	-	2,606	-	2,606
Operations and maintenance	-	339,365	-	339,365
Depreciation	-	97,085	1,455	98,540
Food service	-	6,246,939	-	6,246,939
Other	1,816	-	-	1,816
Total operating expenses	561,814	6,685,995	1,455	7,249,264
Operating loss	(303,465)	(5,997,874)	(1,455)	(6,302,794)
Nonoperating revenues:				
Interest	24,144	7,423	-	31,567
State grants	-	70,686	-	70,686
Federal grants	-	5,822,966	-	5,822,966
Total nonoperating revenues	24,144	5,901,075	-	5,925,219
Change in net position	(279,321)	(96,799)	(1,455)	(377,575)
Net position, beginning of year	2,913,339	2,675,870	5,364	5,594,573
Net position, end of year	\$ 2,634,018	\$ 2,579,071	\$ 3,909	\$ 5,216,998

TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR PROPRIETARY FUNDS  
Year Ended June 30, 2020

	Textbook/ Study Material Revolving	Food Service	Kanza Café	Total Nonmajor Proprietary Funds
Cash flows from operating activities:				
Received from user charges	\$ 258,349	\$ 688,121	\$ -	\$ 946,470
Payments to employees for services	(1,173)	(2,651,427)	-	(2,652,600)
Payments to suppliers for goods and services	(760,815)	(4,022,750)	-	(4,783,565)
Net cash from operating activities	(503,639)	(5,986,056)	-	(6,489,695)
Cash flows from noncapital financing activities:				
Nonoperating grants received	-	5,869,905	-	5,869,905
Net cash from noncapital financing activities	-	5,869,905	-	5,869,905
Cash flows from capital and related financing activities:				
Purchase of capital assets	-	(365,193)	-	(365,193)
Cash flows from investing activities:				
Interest received	24,144	7,423	-	31,567
Net change in cash and cash equivalents	(479,495)	(473,921)	-	(953,416)
Cash and investments, beginning	2,754,938	1,719,385	-	4,474,323
Cash and investments, ending	\$ 2,275,443	\$ 1,245,464	\$ -	\$ 3,520,907
Reconciliation of operating loss to net cash from operating activities:				
Operating loss	\$ (303,465)	\$ (5,997,874)	\$ (1,455)	\$ (6,302,794)
Adjustments to reconcile operating loss to net cash from operating activities:				
Depreciation	-	97,085	1,455	98,540
Changes in assets and liabilities:				
Inventory of supplies	(33,461)	-	-	(33,461)
Accounts payable	(166,713)	(85,267)	-	(251,980)
Net cash from operating activities	\$ (503,639)	\$ (5,986,056)	\$ -	\$ (6,489,695)



TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
COMBINING BALANCE SHEET  
INTERNAL SERVICE FUNDS  
June 30, 2020

	<u>Dental Self-Insurance</u>	<u>Flex 125 Spending</u>	<u>Workers' Compensation</u>	<u>Total Internal Service Funds</u>
<u>ASSETS</u>				
Cash and investments	<u>\$ 1,463,238</u>	<u>\$ 643,435</u>	<u>\$ 3,677,951</u>	<u>\$ 5,784,624</u>
<u>LIABILITIES AND NET POSITION</u>				
Liabilities:				
Estimated insurance claims	\$ -	\$ -	\$ 882,489	\$ 882,489
Net position:				
Unrestricted	<u>1,463,238</u>	<u>643,435</u>	<u>2,795,462</u>	<u>4,902,135</u>
Total liabilities and net position	<u>\$ 1,463,238</u>	<u>\$ 643,435</u>	<u>\$ 3,677,951</u>	<u>\$ 5,784,624</u>

TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN NET POSITION - INTERNAL SERVICE FUNDS  
Year Ended June 30, 2020

	Dental Self-Insurance	Flex 125 Spending	Workers' Compensation	Total Internal Service Funds
Operating revenues:				
Charges for services	\$ 728,945	\$ 804,070	\$ 1,275,644	\$ 2,808,659
Other	-	-	1,415	1,415
Total operating revenues	<u>728,945</u>	<u>804,070</u>	<u>1,277,059</u>	<u>2,810,074</u>
Operating expenses:				
Instruction	-	-	3,752	3,752
Business support	-	759,013	198,215	957,228
Central support services	671,296	-	724,274	1,395,570
Total operating expenses	<u>671,296</u>	<u>759,013</u>	<u>926,241</u>	<u>2,356,550</u>
Operating income	57,649	45,057	350,818	453,524
Nonoperating revenues:				
Interest	15,556	3,193	40,910	59,659
Income before transfers	73,205	48,250	391,728	513,183
Transfers in	250,175	250,000	-	500,175
Change in net position	323,380	298,250	391,728	1,013,358
Net position, beginning of year	<u>1,139,858</u>	<u>345,185</u>	<u>2,403,734</u>	<u>3,888,777</u>
Net position, end of year	<u>\$ 1,463,238</u>	<u>\$ 643,435</u>	<u>\$ 2,795,462</u>	<u>\$ 4,902,135</u>

TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
Year Ended June 30, 2020

	Dental Self-Insurance	Flex 125 Spending	Workers' Compensation	Total
Cash flows from operating activities:				
Received from user charges	\$ 728,945	\$ 804,070	\$ 1,275,644	\$ 2,808,659
Received from other sources	-	-	1,415	1,415
Payments to employees for services	(605,693)	(19,016)	(109,002)	(733,711)
Payments to suppliers for goods and services	(65,603)	(739,997)	(714,451)	(1,520,051)
Net cash from operating activities	<u>57,649</u>	<u>45,057</u>	<u>453,606</u>	<u>556,312</u>
Cash flows from noncapital financing activities:				
Transfers from other funds	<u>250,175</u>	<u>250,000</u>	<u>-</u>	<u>500,175</u>
Cash flows from investing activities:				
Interest received	<u>15,556</u>	<u>3,193</u>	<u>40,910</u>	<u>59,659</u>
Net change in cash and cash equivalents	323,380	298,250	494,516	1,116,146
Cash and investments, beginning	<u>1,139,858</u>	<u>345,185</u>	<u>3,183,435</u>	<u>4,668,478</u>
Cash and investments, ending	<u>\$ 1,463,238</u>	<u>\$ 643,435</u>	<u>\$ 3,677,951</u>	<u>\$ 5,784,624</u>
Reconciliation of operating income to net cash from operating activities:				
Operating income	\$ 57,649	\$ 45,057	\$ 350,818	\$ 453,524
Adjustments to reconcile operating income to net cash from operating activities:				
Changes in assets and liabilities:				
Estimated insurance claims	-	-	102,788	102,788
Net cash from operating activities	<u>\$ 57,649</u>	<u>\$ 45,057</u>	<u>\$ 453,606</u>	<u>\$ 556,312</u>

TOPEKA PUBLIC SCHOOLS  
 UNIFIED SCHOOL DISTRICT NO. 501  
 TOPEKA, KANSAS  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Grant Number	Federal CFDA Number	Expenditures
U.S. Department of Agriculture:			
Passed through State of Kansas Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program		10.553	\$ 1,272,918
National School Lunch Program		10.555	3,472,739
Summer Food Service Program for Children		10.559	720,301
Total Child Nutrition Cluster			<u>5,465,958</u>
Child and Adult Care Food Program		10.558	266,148
State Administrative Expenses for Child Nutrition		10.560	150
Fresh Fruits & Vegetables		10.582	66,558
Total U.S. Department of Agriculture			<u>5,798,814</u>
U.S. Department of Labor:			
Passed through Heartland Works:			
WIOA Cluster:			
Workforce Investment Act	WIOAY-15-02	17.259	133,377
Total U.S. Department of Labor			<u>133,377</u>
U.S. Department of Education:			
Direct Programs:			
Indian Education - Grants to Local Educational Agencies - FY20	S060A190807	84.060	70,898
Arts in Education - FY18	U351D140074-17	84.351	10,447
Total direct funding			<u>81,345</u>
Passed through State of Kansas Department of Education:			
Special Education Cluster (IDEA):			
Special Education		84.027	3,218,991
Special Education Continuous Improvement	H027A170031	84.027	10
Special Education Continuous Improvement		84.027	53,620
Special Education Preschool Grants		84.173	86,106
Total Special Education Cluster (IDEA)			<u>\$ 3,358,727</u>

(Continued)

TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
(Continued)  
Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Grant Number	Federal CFDA Number	Expenditures
Noncluster Programs:			
Title I:			
Title 1 - FY18	S010A170016	84.010	\$ 200,338
Title 1 - FY19	S010A180016	84.010	329,819
Title 1 - FY20	S010A200016	84.010	4,062,793
Title I Part D - FY18	S010A170016	84.010	21,928
Title I Part D - FY19	S010A180016	84.010	29,472
Title I Part D - FY20	S010A200016	84.010	63,702
Title I Migrant - Summer - FY19	S011A180016	84.011	17,762
Title I Migrant - FY20	S011A200016	84.011	60,842
Vocational Education - Secondary Program Improvement - FY18	V048A170016	84.048	563
Vocational Education - Secondary Program Improvement - FY20	V048A190016	84.048	225,504
Vocational Education - Secondary Program Improvement - Reserve	V048A180016	84.048	895
Education for Homeless Children and Youth - FY19	S196A180017	84.196	3,862
Education for Homeless Children and Youth - FY20	S196A190017	84.196	16,720
21st Century Community Learning Centers - FY18	S287C170016	84.287	1,137
21st Century Community Learning Centers - FY19	S287C180016	84.287	18,773
21st Century Community Learning Centers - FY20	S287C190016	84.287	53,276
21st Century Community Learning Centers - FY19	S287C180016	84.287	10,683
21st Century Community Learning Centers - FY20	S287C190016	84.287	56,114
Title III - English Language Acquisition - FY19	S365A180016	84.365	9,926
Title III - English Language Acquisition - FY20	S365A200016	84.365	127,225
Improving Teacher Quality - FY18	S367A170015	84.367	13,491
Improving Teacher Quality - FY19	S367A180015	84.367	145,132
Improving Teacher Quality - FY20	S367A200015	84.367	462,164
School Improvement 1003(a) Grant Program	S377A160017	84.377	281,909
Title IV SSAE Program - FY18	S424A170017	84.424	2,712
Title IV SSAE Program - FY19	S424A180017	84.424	76,964
Title IV SSAE Program - FY20	S424A200017	84.424	169,981
COVID -19 Education Stabilization Fund (ESF)	S425D200002	84.425D	2,177,892
COVID -19 Education Stabilization Fund (ESF)	S425D200002	84.425D	18,967
Total noncluster programs			<u>8,660,546</u>
Total passed through State of Kansas Department of Education			<u>12,019,273</u>
Total U.S. Department of Education			<u>\$ 12,100,618</u>

(Continued)

TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
(Continued)  
Year Ended June 30, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Grant Number	Federal CFDA Number	Expenditures
U.S. Department of Health and Human Services:			
Direct Programs:			
Head Start - FY19	07CH010344-03-03	93.600	\$ 615,503
Head Start - FY20	07CH010344-05-03	93.600	1,737,470
Total direct programs			<u>2,352,973</u>
Passed through United Way of Greater Topeka:			
TANF Cluster:			
Kansas Preschool Program (KPP) - FY20		93.558	191,281
Total TANF Cluster			<u>191,281</u>
Total passed through non-federal entities			<u>191,281</u>
Total U.S. Department of Health and Human Services			<u>2,544,254</u>
Corporation for National and Community Service:			
Passed through State of Kansas Department of Education:			
COVID-19 Volunteer Grant FY20	17VGHKS01	94.021	1,000
Total federal expenditures			<u>\$ 20,578,063</u>

See accompanying notes to schedule of  
expenditures of federal awards.

TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
June 30, 2020

1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Topeka Public Schools, Unified School District No. 501 (the District) under programs of the federal government for the year ended June 30, 2020. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* 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 statements of the District. 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, changes in net position, or cash flows of the District.

2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The District has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

TOPEKA PUBLIC SCHOOLS  
 UNIFIED SCHOOL DISTRICT NO. 501  
 TOPEKA, KANSAS  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 Year Ended June 30, 2020

**Part I - Summary of Auditors' Results**

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness identified:	None
Significant deficiencies identified that are not considered to be material weaknesses:	None reported
Noncompliance material to financial statements noted:	None

Federal Awards

Type of auditors' report issued on compliance for major program:	Unmodified
Internal control over major program:	
Material weaknesses identified:	None
Significant deficiencies identified that are not considered to be material weaknesses:	None reported
Audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a):	None

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
84.027/84.173	Special Education Cluster COVID-19-Education Stabilization Fund (ESF)
84.425D	
93.600	Head Start

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 750,000
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Auditee qualified as a low-risk auditee?	Yes
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**Part II – Financial Statement Findings**

No matters reported.



TOPEKA PUBLIC SCHOOLS  
UNIFIED SCHOOL DISTRICT NO. 501  
TOPEKA, KANSAS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

**Part III – Federal Award Findings and Questioned Costs**

No matters reported.



Certified Public Accountants

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

Board of Education  
Topeka Public Schools  
Unified School District No. 501:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Topeka Public Schools, Unified School District No. 501 (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 8, 2021.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control 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 statements are free from 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 statements. 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.

BT&Co, P.A.

March 8, 2021  
Topeka, Kansas



Certified Public Accountants

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

Board of Education  
Topeka Public Schools  
Unified School District No. 501:

**Report on Compliance for the Major Federal Program**

We have audited Topeka Public Schools, Unified School District No. 501'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, 2020. 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 the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

**Opinion on Each Major Federal Program**

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

BT&Co., P.A.

March 8, 2021  
Topeka, Kansas

## **Summary Schedule of Prior Audit Findings**

There were no findings in the prior year.