

OFFICIAL STATEMENT

NEW ISSUE – BOOK-ENTRY ONLY

**RATINGS: S&P "AA-" / Stable
See "Ratings" herein**

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the Issuer, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"): (1) the interest on the Notes is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax; (2) the interest on the Notes is exempt from income taxation by the State of Kansas; and (3) the Notes are "qualified tax-exempt obligations" within the meaning of Code § 265(b)(3). Bond Counsel notes that for tax years beginning after December 31, 2022, interest on the Notes may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax. See "TAX MATTERS" in this Official Statement.

\$3,960,000

**UNIFIED SCHOOL DISTRICT NO. 385,
BUTLER COUNTY, KANSAS (ANDOVER)
GENERAL OBLIGATION TEMPORARY NOTES
SERIES 2023**

Dated: April 27, 2023

Due: September 1, as shown on the inside cover

The General Obligation Temporary Notes, Series 2023 (the "Notes") will be issued by Unified School District No. 385, Butler County, Kansas (Andover) (the "Issuer" or "District"), as fully registered notes, without coupons, and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Notes. Purchases of the Notes will be made in book-entry form, in the denominations of \$5,000 or any integral multiple thereof (the "Authorized Denomination"). Purchasers will not receive certificates representing their interests in Notes purchased. So long as Cede & Co. is the registered owner of the Notes, as nominee of DTC, references herein to the Note owners or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as herein defined) of the Notes. Principal will be payable annually on September 1, beginning in 2023, and semiannual interest will be payable on March 1 and September 1, beginning on September 1, 2023 (the "Interest Payment Dates"). Principal will be payable upon presentation and surrender of the Notes by the registered owners thereof at the office of the Treasurer of the State of Kansas, Topeka, Kansas, as paying agent and note registrar (the "Paying Agent" and "Note Registrar"). Interest payable on each Note shall be paid to the persons who are the registered owners of the Notes as of the close of business on the fifteenth day (whether or not a business day) of the calendar month preceding each Interest Payment Date by check or draft of the Paying Agent mailed to such registered owner or, in the case of an interest payment to a registered owner of \$500,000 or more in aggregate principal amount of Notes, by electronic transfer. So long as DTC or its nominee, Cede & Co., is the Owner of the Notes, such payments will be made directly to DTC. DTC is expected, in turn, to remit such principal and interest to the DTC Participants (herein defined) for subsequent disbursement to the Beneficial Owners.

The Notes are being issued to finance a portion of the remaining costs of the projects approved at election, as further described herein.

The Notes and the interest thereon will constitute general obligations of the Issuer, payable from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer.

MATURITY SCHEDULE LISTED ON INSIDE COVER PAGE

The Notes are **not** subject to redemption prior to maturity.

The Notes are offered when, as and if issued by the Issuer, subject to the approval of legality by Gilmore & Bell, P.C., Wichita, Kansas, Bond Counsel to the Issuer. Certain other legal matters will be passed upon by Tim Connell, Esq., El Dorado, Kansas, counsel for the Issuer. Certain legal matters will be passed on for the underwriter by Quarles & Brady LLP, Milwaukee, Wisconsin. It is expected that the Notes will be available for delivery through the facilities of DTC on or about April 27, 2023.

STIFEL

THE COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. THE COVER PAGE IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING ALL APPENDICES ATTACHED HERETO TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION. "APPENDIX C – SUMMARY OF FINANCING DOCUMENTS" CONTAINS DEFINITIONS USED IN THIS OFFICIAL STATEMENT.

The date of this Official Statement is April 4, 2023

\$3,960,000
UNIFIED SCHOOL DISTRICT NO. 385,
BUTLER COUNTY, KANSAS (ANDOVER)
GENERAL OBLIGATION TEMPORARY NOTES
SERIES 2023

MATURITY SCHEDULE

Stated Maturity <u>September 1</u>	Principal <u>Amount</u>	Annual Rate of Interest	Yield	Price	CUSIP¹ Base
2023	\$ 1,000,000	5.00%	2.77%	100.753%	DM 9
2024	1,000,000	5.00%	2.77%	102.919%	DN 7
2025	1,000,000	5.00%	2.73%	105.117%	DP 2
2026	960,000	5.00%	2.66%	107.437%	DQ 0

(All plus accrued interest, if any)

⁽¹⁾ CUSIP data is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc., and is included solely for the convenience of the Owners of the Notes. Neither the Issuer nor the Underwriter shall be responsible for the selection or correctness of the CUSIP numbers set forth above.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE NOTES AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE NOTES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THE NOTES ARE OFFERED PURSUANT TO AN EXEMPTION FROM REGISTRATION WITH THE SECURITIES AND EXCHANGE COMMISSION. THE REGISTRATION, QUALIFICATION OR EXEMPTION OF THE NOTES IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTIONS IN WHICH THESE SECURITIES HAVE BEEN REGISTERED, QUALIFIED OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE JURISDICTIONS NOR ANY OF THEIR AGENCIES HAVE GUARANTEED OR PASSED UPON THE SAFETY OF THE NOTES AS AN INVESTMENT, UPON THE PROBABILITY OF ANY EARNINGS THEREON OR UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

THIS OFFICIAL STATEMENT CONTAINS STATEMENTS THAT ARE "FORWARD-LOOKING STATEMENTS" AS DEFINED IN THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. WHEN USED IN THIS OFFICIAL STATEMENT, THE WORDS "ESTIMATE," "INTEND," "EXPECT" AND SIMILAR EXPRESSIONS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS. SUCH STATEMENTS ARE SUBJECT TO RISKS AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE CONTEMPLATED IN SUCH FORWARD-LOOKING STATEMENTS. READERS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THESE FORWARD-LOOKING STATEMENTS, WHICH SPEAK ONLY AS OF THE DATE HEREOF.

THIS OFFICIAL STATEMENT SHOULD BE CONSIDERED IN ITS ENTIRETY. NO ONE FACTOR SHOULD BE CONSIDERED MORE OR LESS IMPORTANCE THAN ANY OTHER BY REASON OF ITS POSITION IN THIS OFFICIAL STATEMENT. WHERE STATUTES, ORDINANCES, REPORTS OR OTHER DOCUMENTS ARE REFERRED TO IN THIS OFFICIAL STATEMENT, REFERENCE SHOULD BE MADE TO THOSE DOCUMENTS FOR MORE COMPLETE INFORMATION REGARDING THEIR SUBJECT MATTER.

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED.

**UNIFIED SCHOOL DISTRICT NO. 385,
BUTLER COUNTY, KANSAS (ANDOVER)**

Office of the Board of Education
1432 N. Andover Road
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(316) 218-4660

BOARD OF EDUCATION

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Susan DeVaughn, Vice President & Board member
Tim Brunson, Board member
Andrew Chaney, Board member
Pierre Harter, Board member
Jill Hodge, Board member
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SUPERINTENDENT
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CLERK
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Wichita, Kansas

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Quarles & Brady LLP
Milwaukee, Wisconsin

CERTIFIED PUBLIC ACCOUNTANTS
BFR CPA, LLC
Wichita, Kansas

No dealer, broker, salesman or other person has been authorized by the Issuer or the Underwriter to give any information or to make any representations with respect to the Notes other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy the Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein concerning the Issuer has been furnished by the Issuer and other sources which are believed to be reliable, but such information is not guaranteed as to accuracy or completeness. The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the Federal Securities Laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof. This Official Statement does not constitute a contract between the Issuer or the Underwriter and any one or more of the purchasers, Owners or Beneficial Owners of the Notes.

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OFFICIAL STATEMENT

**\$3,960,000
UNIFIED SCHOOL DISTRICT NO. 385,
BUTLER COUNTY, KANSAS (ANDOVER)
GENERAL OBLIGATION TEMPORARY NOTES
SERIES 2023**

INTRODUCTION

General Matters

The purpose of this Official Statement is to furnish information relating to Unified School District No. 385, Butler County, Kansas (Andover) (the "Issuer" or the "District"), and the General Obligation Temporary Notes, Series 2023 (the "Notes"), of the Issuer, dated April 27, 2023 (the "Dated Date").

The Appendices to this Official Statement are integral parts of this document, to be read in their entirety.

The Issuer is a unified school district duly organized and existing under the laws of the State of Kansas (the "State"). Additional information regarding the Issuer is contained in **APPENDIX A** to this Official Statement.

The materials contained on the cover page, in the body and in the Appendices to this Official Statement are to be read in their entirety. All financial and other information presented herein has been compiled by the Issuer. The presentation of information herein, including tables of receipts from various taxes, is intended to show recent historic information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the Issuer. No representation is made that past experience, as might be shown by such financial or other information, will necessarily continue or be repeated in the future. Except to the extent described under the section captioned "LEGAL MATTERS", Bond Counsel expresses no opinion as to the accuracy or sufficiency of any other information contained herein.

Definitions

Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in "**APPENDIX C – SUMMARY OF FINANCING DOCUMENTS**."

Continuing Disclosure

The Securities and Exchange Commission (the "SEC") has promulgated amendments to Rule 15c2-12 (the "Rule"), requiring continuous secondary market disclosure. In connection with the issuance of the Notes, the Issuer will enter into a continuing disclosure undertaking (the "Disclosure Undertaking"). The Issuer will covenant in the Disclosure Undertaking to annually provide certain financial information and operating data (collectively, the "Annual Report") and other information necessary to comply with the Rule, and to transmit the same to the Municipal Securities Rulemaking Board. Pursuant to the Disclosure Undertaking, the Issuer has agreed to file its Annual Report with the national repository ("EMMA") not later than the February 1st immediately following the end of the Issuer's Fiscal Year, commencing with the year ending June 30, 2023. In the Note Resolution, hereinafter defined, the Issuer covenants with the Underwriter and the Beneficial Owners to apply the provisions of the Disclosure Undertaking to the Notes. This covenant is for the benefit of and is enforceable by the Beneficial Owners of the Notes.

The Issuer has previously entered into disclosure undertakings pursuant to the Rule (the "Prior Undertakings"). The statistical information included in the June 30, 2018 and June 30, 2021 Annual Reports contained most, but not all, of the information described as Operating Data and failed to file within the time period prescribed by the Prior Undertakings. In 2017, the Issuer hired a third-party firm to assist the Issuer in meeting its continuing disclosure obligations.

For more information regarding the Disclosure Undertaking, see "**APPENDIX D – FORM OF DISCLOSURE UNDERTAKING**."

Additional Information

Additional information regarding the Issuer or the Notes may be obtained from the Clerk of the Issuer at the address set forth in the preface to this Official Statement.

THE NOTES

Authority for the Notes

The Notes are being issued pursuant to and in full compliance with the Constitution and statutes of the State, including K.S.A. 10-101 to 10-125, inclusive (specifically including K.S.A. 10-123), K.S.A. 10-620 *et seq.*, K.S.A. 25-2018(f), K.S.A. 72-5457 and K.S.A. 72-5458 *et seq.*, all as amended and supplemented from time to time (collectively the "Act"), and a resolution adopted by the governing body of the Issuer (the "Note Resolution").

Security for the Notes

The Notes shall be general obligations of the Issuer payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer. The full faith, credit and resources of the Issuer are irrevocably pledged for the prompt payment of the principal of and interest on the Notes as the same become due.

Description of the Notes

The Notes shall consist of fully registered book-entry-only notes in an Authorized Denomination and shall be numbered in such manner as the Note Registrar shall determine. All of the Notes shall be dated as of the Dated Date, shall become due in the amounts on the Stated Maturities, without option of prior redemption and payment, and shall bear interest at the rates per annum set forth on the cover page of this Official Statement (computed on the basis of twelve 30-day months) from the later of the Dated Date or the most recent Interest Payment Date to which interest has been paid, on the Interest Payment Dates in the manner hereinafter set forth.

Designation of Paying Agent and Note Registrar

The Issuer will at all times maintain a paying agent and note registrar meeting the qualifications set forth in the Note Resolution. The Issuer reserves the right to appoint a successor paying agent or note registrar. No resignation or removal of the paying agent or note registrar shall become effective until a successor has been appointed and has accepted the duties of paying agent or note registrar. Every paying agent or note registrar appointed by the Issuer shall at all times meet the requirements of Kansas law.

The Treasurer of the State of Kansas, Topeka, Kansas (the "Note Registrar" and "Paying Agent") has been designated by the Issuer as paying agent for the payment of principal of and interest on the Notes and note registrar with respect to the registration, transfer and exchange of Notes.

Method and Place of Payment of the Notes

The principal of, or Redemption Price, and interest on the Notes shall be payable in any coin or currency which, on the respective dates of payment thereof, is legal tender for the payment of public and private debts. The principal or Redemption Price of each Note and the interest thereon shall be paid at Maturity to the Person in whose name such Note is registered on the Note Register at the Maturity thereof, upon presentation and surrender of such Note at the principal office of the Paying Agent.

Notwithstanding the foregoing, any Defaulted Interest with respect to any Note shall cease to be payable to the Owner of such Note on the relevant Record Date and shall be payable to the Owner in whose name such Note is registered at the close of business on the Special Record Date for the payment of such Defaulted Interest, which Special Record Date shall be fixed as hereinafter specified. The Issuer shall notify the Paying Agent in writing of the amount of Defaulted Interest proposed to be paid on each Note and the date of the proposed payment (which date shall be at least 30 days after receipt of such notice by the Paying Agent) and shall deposit with the Paying Agent an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest. Following receipt of such funds the Paying Agent shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment. The Paying Agent shall notify the Issuer of such Special Record Date and shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, by first class mail, postage prepaid, to each Owner of a Note entitled to such notice not less than 10 days prior to such Special Record Date.

SO LONG AS CEDE & CO. REMAINS THE REGISTERED OWNER OF THE NOTES, THE PAYING AGENT SHALL TRANSMIT PAYMENTS TO THE SECURITIES DEPOSITORY, WHICH SHALL REMIT SUCH PAYMENTS IN ACCORDANCE WITH ITS NORMAL PROCEDURES. See "THE NOTES – Book-Entry Notes; Securities Depository."

Payments Due on Saturdays, Sundays and Holidays

In any case where a Note Payment Date is not a Business Day, then payment of principal, Redemption Price or interest need not be made on such Note Payment Date but may be made on the next succeeding Business Day with the same force and effect as if made on such Note Payment Date, and no interest shall accrue for the period after such Note Payment Date.

Book-Entry Notes: Securities Depository

The Notes shall initially be registered to Cede & Co., the nominee for the Securities Depository, and no Beneficial Owner will receive certificates representing their respective interests in the Notes, except in the event the Note Registrar issues Replacement Notes. It is anticipated that during the term of the Notes, the Securities Depository will make book-entry transfers among its Participants and receive and transmit payment of principal of, premium, if any, and interest on, the Notes to the Participants until and unless the Note Registrar authenticates and delivers Replacement Notes to the Beneficial Owners as described in the following paragraphs.

The Issuer may decide, subject to the requirements of the Operational Arrangements of DTC (or a successor Securities Depository), and the following provisions of this section to discontinue use of the system of book-entry transfers through DTC (or a successor Securities Depository):

- (a) If the Issuer determines (1) that the Securities Depository is unable to properly discharge its responsibilities, or (2) that the Securities Depository is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, or (3) that the continuation of a book-entry system to the exclusion of any Notes being issued to any Owner other than Cede & Co. is no longer in the best interests of the Beneficial Owners of the Notes; or
- (b) if the Note Registrar receives written notice from Participants having interest in not less than 50% of the Notes Outstanding, as shown on the records of the Securities Depository (and certified to such effect by the Securities Depository), that the continuation of a book-entry system to the exclusion of any Notes being issued to any Owner other than Cede & Co. is no longer in the best interests of the Beneficial Owners of the Notes, then the Note Registrar shall notify the Owners of such determination or such notice and of the availability of certificates to owners requesting the same, and the Note Registrar shall register in the name of and authenticate and deliver Replacement Notes to the Beneficial Owners or their nominees in principal amounts representing the interest of each, making such adjustments as it may find necessary or appropriate as to accrued interest and previous calls for redemption; provided, that in the case of a determination under (a)(1) or (a)(2) of this paragraph, the Issuer, with the consent of the Note Registrar, may select a successor securities depository in accordance with the following paragraph to effect book-entry transfers.

In such event, all references to the Securities Depository herein shall relate to the period of time when the Securities Depository has possession of at least one Note. Upon the issuance of Replacement Notes, all references herein to obligations imposed upon or to be performed by the Securities Depository shall be deemed to be imposed upon and performed by the Note Registrar, to the extent applicable with respect to such Replacement Notes. If the Securities Depository resigns and the Issuer, the Note Registrar or Owners are unable to locate a qualified successor of the Securities Depository, then the Note Registrar shall authenticate and cause delivery of Replacement Notes to Owners, as provided herein. The Note Registrar may rely on information from the Securities Depository and its Participants as to the names of the Beneficial Owners of the Notes. The cost of printing, registration, authentication, and delivery of Replacement Notes shall be paid for by the Issuer.

In the event the Securities Depository resigns, is unable to properly discharge its responsibilities, or is no longer qualified to act as a securities depository and registered clearing agency under the Securities and Exchange Act of 1934, as amended, the Issuer may appoint a successor Securities Depository provided the Note Registrar receives written evidence satisfactory to the Note Registrar with respect to the ability of the successor Securities Depository to discharge its responsibilities. Any such successor Securities Depository shall be a securities depository which is a registered clearing agency under the Securities and Exchange Act of 1934, as amended, or other applicable statute or regulation that operates a securities depository upon reasonable and customary terms. The Note Registrar upon its receipt of a Note or Notes for cancellation shall cause the delivery of the Notes to the successor Securities Depository in appropriate denominations and form as provided in the Note Resolution.

Registration, Transfer and Exchange of Notes

As long as any of the Notes remain Outstanding, each Note when issued shall be registered in the name of the Owner thereof on the Note Register. Notes may be transferred and exchanged only on the Note Register as hereinafter provided. Upon surrender of any Note at the principal office of the Note Registrar, the Note Registrar shall transfer or exchange such Note for a new Note or Notes in any Authorized Denomination of the same Stated Maturity and in the same aggregate principal amount as the Note that was presented for transfer or exchange. Notes presented for transfer or exchange shall be accompanied by a written instrument or instruments of transfer or authorization for exchange, in a form and with guarantee of signature satisfactory to the Note Registrar, duly executed by the Owner thereof or by the Owner's duly authorized agent.

In all cases in which the privilege of transferring or exchanging Notes is exercised, the Note Registrar shall authenticate and deliver Notes in accordance with the provisions of the Note Resolution. The Issuer shall pay the fees and expenses of the Note Registrar for the registration, transfer and exchange of Notes. Any additional costs or fees that might be incurred in the secondary market, other than fees of the Note Registrar, are the responsibility of the Owners of the Notes. In the event any Owner fails to provide a correct taxpayer identification number to the Paying Agent, the Paying Agent may make a charge against such Owner sufficient to pay any governmental charge required to be paid as a result of such failure.

The Issuer and the Note Registrar shall not be required to register the transfer or exchange of any Note during a period beginning at the opening of business on the day after receiving written notice from the Issuer of its intent to pay Defaulted Interest and ending at the close of business on the date fixed for the payment of Defaulted Interest.

Mutilated, Lost, Stolen or Destroyed Notes

If (a) any mutilated Note is surrendered to the Note Registrar or the Note Registrar receives evidence to its satisfaction of the destruction, loss or theft of any Note, and (b) there is delivered to the Issuer and the Note Registrar such security or indemnity as may be required by each of them, then, in the absence of notice to the Issuer or the Note Registrar that such Note has been acquired by a bona fide purchaser, the Issuer shall execute and, upon the Issuer's request, the Note Registrar shall authenticate and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Note, a new Note of the same Stated Maturity and of like tenor and principal amount. If any such mutilated, destroyed, lost or stolen Note has become or is about to become due and payable, the Issuer, in its discretion, may pay such Note instead of issuing a new Note. Upon the issuance of any new Note, the Issuer may require the payment by the Owner of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Paying Agent) connected therewith.

Nonpresentment of Notes

If any Note is not presented for payment when the principal thereof becomes due at Maturity, if funds sufficient to pay such Note have been made available to the Paying Agent all liability of the Issuer to the Owner thereof for the payment of such Note shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Paying Agent to hold such funds, without liability for interest thereon, for the benefit of the Owner of such Note, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Note Resolution or on, or with respect to, said Note. If any Note is not presented for payment within four (4) years following the date when such Note becomes due at Maturity, the Paying Agent shall repay to the Issuer the funds theretofore held by it for payment of such Note, and such Note shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the Issuer, and the Owner thereof shall be entitled to look only to the Issuer for payment, and then only to the extent of the amount so repaid to it by the Paying Agent, and the Issuer shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

Redemption Provisions

The Notes shall **not** be subject to redemption and payment prior to their Stated Maturity.

THE DEPOSITORY TRUST COMPANY

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Notes. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each scheduled maturity of the Notes and will be deposited with DTC.

2. DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve

System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a S&P's rating of "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

4. To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

6. Redemption notices shall be sent to DTC. If less than all of the Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or Paying Agent, on the payment date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Notes purchased or tendered, through its Participant, to the Paying Agent, and shall effect delivery of such Notes by causing the Direct Participant to transfer the Participant's interest in the Notes, on DTC's records, to the Paying Agent. The requirement for physical delivery of the Notes in connection

with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Notes are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Notes to the Paying Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the Issuer or Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Note certificates are required to be printed and delivered.

11. The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Note certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

THE PROJECTS

Pursuant to an election held in the District on May 9, 2017, the electors approved the following propositions:

Proposition No. 1:

Shall the following be adopted?

Shall Unified School District No. 385, Butler County, Kansas (Andover), issue general obligation bonds in an amount not to exceed \$168,800,000, to pay the costs to: (a) construct, equip and furnish additions to and make renovations and other improvements (including storm shelters and controlled-access entrances, as needed) to existing District facilities: Cottonwood Elementary, Robert Martin Elementary, Prairie Creek Elementary, Sunflower Elementary, Wheatland Elementary, Andover Middle School, Andover Central Middle School, and Andover Central High School for enhanced safety and security, improved teaching and learning environments, educational and building operating efficiencies, ADA and other code compliance, and improved student, staff, and patron accessibility; (b) construct, equip and furnish a new Andover High School facility to be located on the existing Andover High School site within the District; (c) acquire and improve a site and construct, equip and furnish a new Meadowlark Elementary School facility on such site to be located within the District; (d) make upgrades and improvements to District athletic facilities and support areas; (e) make improvements to the existing Meadowlark School to house District support functions; (f) make all other necessary facility improvements appurtenant thereto (collectively, "Project No. 1"); and (g) pay the costs of issuance and interest on said general obligation bonds of the District during construction of Project No. 1; all pursuant to the provisions of K.S.A. 10-101 *et seq.*; K.S.A. 25-2018(f); K.S.A. 72-6761; and K.S.A. 75-2315 *et seq.*?

Proposition No. 2:

Shall the following be adopted?

Shall Unified School District No. 385, Butler County, Kansas (Andover), issue general obligation bonds in an amount not to exceed \$19,805,000 to pay the costs to: (a) acquire and improve a site and construct, equip and furnish a new Career and Professional Studies Center for District high schools; (b) construct and equip a new swimming pool facility to be located at a site within the District; (c) acquire and install new turf fields at certain District varsity softball and baseball fields; (d) make all other necessary improvements appurtenant thereto (collectively, "Project No. 2"); and (e) pay the costs of issuance and interest on said general obligation bonds of the District during construction of Project No. 2; all pursuant to the provisions of K.S.A. 10-101 *et seq.*; K.S.A. 25-2018(f); K.S.A. 72-6761; and K.S.A. 75-2315 *et seq.*?

The District issued its General Obligation Refunding and School Building Bonds, Series 2017, dated June 29, 2017 and General Obligation Temporary Notes, Series 2019, dated December 20, 2019, of which, the aggregate amount of \$174,910,000 was issued to finance a portion of the authorized project costs. The Notes are being issued to finance a portion of the remaining costs of the projects approved at the election.

SOURCES AND USES OF FUNDS

The following table summarizes the sources and uses of funds associated with the issuance of the Notes:

Sources of Funds:

Principal Amount of the Notes	\$ 3,960,000.00
Reoffering Premium	<u>159,285.20</u>
Total	\$ <u>4,119,285.20</u>

Uses of Funds:

Deposit to Improvement Fund	\$ 4,043,843.20
Costs of Issuance	40,000.00
Underwriter's Discount	<u>35,442.00</u>
Total	\$ <u>4,119,285.20</u>

RISK FACTORS AND INVESTMENT CONSIDERATIONS

A PROSPECTIVE PURCHASER OF THE NOTES DESCRIBED HEREIN SHOULD BE AWARE THAT THERE ARE CERTAIN RISKS ASSOCIATED WITH THE NOTES WHICH MUST BE RECOGNIZED. THE FOLLOWING STATEMENTS REGARDING CERTAIN RISKS ASSOCIATED WITH THE OFFERING SHOULD NOT BE CONSIDERED AS A COMPLETE DESCRIPTION OF ALL RISKS TO BE CONSIDERED IN THE DECISION TO PURCHASE THE NOTES. PROSPECTIVE PURCHASERS OF THE NOTES SHOULD ANALYZE CAREFULLY THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT AND ADDITIONAL INFORMATION IN THE FORM OF THE COMPLETE DOCUMENTS SUMMARIZED HEREIN, COPIES OF WHICH ARE AVAILABLE AND MAY BE OBTAINED FROM THE ISSUER OR THE UNDERWRITER.

Legal Matters

Various state and federal laws, regulations and constitutional provisions apply to the obligations created by the Notes. There is no assurance that there will not be any change in, interpretation of, or addition to such applicable laws, provisions and regulations which would have a material effect, either directly or indirectly, on the Issuer or the taxing authority of the Issuer.

Limitations on Remedies Available to Owners of Notes

The enforceability of the rights and remedies of the owners of Notes, and the obligations incurred by the Issuer in issuing the Notes, are subject to the following: the federal Bankruptcy Code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; usual equity principles which may limit the specific enforcement under state law of certain remedies; the exercise by the United States of America of the powers delegated to it by the United States Constitution; and the reasonable and necessary exercise, in certain unusual situations, of the police power inherent in the State of Kansas and its governmental subdivisions in the interest of serving a legitimate and significant public purpose. Bankruptcy proceedings, or the exercise of powers by the federal or state government, if initiated, could subject the owners of the Notes to judicial discretion and interpretation of their rights in bankruptcy and otherwise, and consequently may involve risks of delay, limitation or modification of their rights.

Debt Service Source

The Notes are general obligations of the Issuer payable as to both principal and interest, if necessary, from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer. The Legislature may from time to time adopt changes in the property tax system or method of imposing and collecting property taxes within the State. Taxpayers may also challenge the fair market value of property assigned by the county appraiser. The effects of such legislative changes and successful challenges to the appraiser's determination of fair market value could affect the Issuer's property tax collections. If a taxpayer valuation challenge is successful, the liability of the Issuer to refund property taxes previously paid under protest may have a material impact on the Issuer's financial situation. See "**APPENDIX A – FINANCIAL INFORMATION – Property Valuations and Property Tax Levies and Collections.**"

State Aid

As described in "**APPENDIX A – FINANCIAL INFORMATION – Property Tax Levies and Collections – School District Funding Formula**" and the sections following in **APPENDIX A**, the State provides a substantial portion of the money for the operation of school districts in the State. Economic conditions may have an effect on State revenues that result in adjustments in the amount of State aid distributed to school districts for operating purposes. However, the District is obligated to levy unlimited ad valorem taxes to provide for debt service payments on the Notes regardless of the amount of State aid received.

Kansas Public Employees Retirement System

As described in "**APPENDIX A – FINANCIAL INFORMATION – Pension and Employee Retirement Plans**," the Issuer participates in the Kansas Public Employees Retirement System ("KPERS"), as an instrumentality of the State to provide retirement and related benefits to public employees in Kansas. KPERS administers three statewide defined benefit retirement plans for public employees which are separate and distinct with different membership groups, actuarial assumptions, experience, contribution rates and benefit options. The Issuer participates in the Public Employees Retirement System – State/School Group (the "Plan"). Under existing law, employees make contributions and the State makes all employer contributions to the Plan; the Issuer is not responsible for supplemental contributions or any unfunded accrued actuarial liability ("UAAL"). According to KPERS' Valuation Report, the State/School Group had an UAAL of approximately \$6.892 billion in calendar year 2021. No assurance can be given by the Issuer that future legislative action may require Issuer contributions to the Plan or mandated Issuer responsibility for a portion of the UAAL.

Taxation of Interest on the Notes

An opinion of Bond Counsel will be obtained to the effect that interest earned on the Notes is excludable from gross income for federal income tax purposes under current provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and applicable rulings and regulations under the Code; however, an application for a ruling has not been made and an opinion of counsel is not binding upon the Internal Revenue Service. There can be no assurance that the present provisions of the Code, or the rules and regulations thereunder, will not be adversely amended or modified, thereby rendering the interest earned on the Notes includable in gross income for federal income tax purposes.

The Issuer has covenanted in the Note Resolution and in other documents and certificates to be delivered in connection with the issuance of the Notes to comply with the provisions of the Code, including those which require the Issuer to take or omit to take certain actions after the issuance of the Notes. Because the existence and continuation of the excludability of the interest on the Notes depends upon events occurring after the date of issuance of the Notes, the opinion of Bond Counsel described under "TAX MATTERS" assumes the compliance by the Issuer with the provisions of the Code described above and the regulations relating thereto. No opinion is expressed by Bond Counsel with respect to the excludability of the interest on the Notes in the event of noncompliance with such provisions. The failure of the Issuer to comply with the provisions described above may cause the interest on the Notes to become includable in gross income as of the date of issuance.

No Additional Interest or Mandatory Redemption upon Event of Taxability

The Note Resolution does not provide for the payment of additional interest or penalty on the Notes or the mandatory redemption thereof if the interest thereon becomes includable in gross income for federal income tax purposes. Likewise, the Note Resolution does not provide for the payment of any additional interest or penalty on the Notes if the interest thereon becomes subject to income taxation by the State.

Suitability of Investment

The tax exempt feature of the Notes is more valuable to high tax bracket investors than to investors who are in low tax brackets, and so the value of the interest compensation to any particular investor will vary with individual tax rates. Each prospective investor should carefully examine this Official Statement, including the Appendices hereto, and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Notes are an appropriate investment.

Market for the Notes

Note Rating. The Notes have been assigned the financial ratings set forth in the section hereof entitled "RATINGS." There is no assurance that a particular rating will remain in effect for any given period of time or that it will not be revised, either downward or upward, or withdrawn entirely, if in the judgment of the agency originally establishing such rating, circumstances so warrant. Any downward revision or withdrawal of any rating may have an adverse affect on the market price of the Notes.

Secondary Market. There is no assurance that a secondary market will develop for the purchase and sale of the Notes. It is the present practice of the Underwriter, however, to make a secondary market as dealers in issues of municipal Notes which the Underwriter distributes. The Underwriter intends to continue this practice with respect to the Notes, but is not obligated to do so. Prices of Notes traded in the secondary market, though, are subject to adjustment upward and downward in response to changes in the credit markets. From time to time it may be necessary for the Underwriter to suspend indefinitely secondary market trading in the Notes as a result of the financial condition or market position of the Underwriter, prevailing market conditions, lack of adequate current financial information about the Issuer, or a material adverse change in the financial condition of the Issuer, whether or not the Notes are in default as to principal and interest payments, and other factors which in the opinion of the Underwriter may give rise to uncertainty concerning prudent secondary market practices.

Cybersecurity Risks

Security breaches, including electronic break-ins, computer viruses, attacks by hackers and similar breaches could create disruptions or shutdowns of the Issuer and the services it provides, or the unauthorized disclosure of confidential personal, health-related, credit and other information. If a security breach occurs, the Issuer may incur significant costs to remediate possible injury to the affected persons, and the Issuer may be subject to sanctions and civil penalties. Any failure to maintain proper functionality and security of information systems could interrupt the Issuer's operations, delay receipt of revenues, damage its reputation, subject it to liability claims or regulatory penalties and could have a material adverse effect on its operations, financial condition and results of operations.

Natural Disasters, Terrorist or Cyber Attacks

The occurrence of a terrorist attack or cyber security breach in the Issuer, or natural disasters, such as fires, tornados, earthquakes, floods or droughts, could damage the Issuer and its systems and infrastructure, and interrupt services or otherwise impair operations of the Issuer.

Impact of the Spread of COVID-19

On March 11, 2020, the World Health Organization proclaimed the Coronavirus (COVID-19) to be a pandemic. In an effort to lessen the risk of transmission of COVID-19, the United States government, state and local governments and private industries have taken measures to limit social interactions in an effort to limit the spread of COVID-19, affecting business activities and impacting global, state and local commerce and financial markets. The Governor of the State issued various Executive Orders in response to the COVID-19 pandemic, including Executive Orders temporarily preventing foreclosures and evictions, deferring certain tax deadlines and payments, instituting a temporary State-wide stay-at-home (expired as of May 2020), and instituting a mask mandate which granted each county the right to opt out of such order. The Issuer cannot predict whether any future executive orders or legislation will be enacted.

On April 27, 2020, the U.S. House of Representatives approved and former President Trump signed into law the Coronavirus Aid, Relief and Economic Security Act (the "Cares Act"). The Cares Act provides \$30 billion to education, specifically \$3 billion allocated to state governors to be used at their discretion to address the emergency, \$13.5 billion for K-12 education, and \$14.25 billion for postsecondary institutions. School districts will be able to use their share of the \$13.5 billion K-12 education allocation under the Cares Act, which will be based on the proportion of Title I funding received for the most recent fiscal year, for purposes authorized by federal law and other specified uses. K-12 schools in the State received \$89.5 million under the Cares Act, and the District's allocation is \$266,044. On December 27, 2020, former President Trump signed the Coronavirus Response and Supplemental Appropriations Act, which includes an additional \$54.3 billion to be allocated to public K-12 schools to address costs related to the COVID-19 pandemic. The District's total allocation is \$1,474,843. The District also received a Strengthening People and Revitalizing Kansas (SPARK) grant from Butler County in the amount of \$1,967,571. On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021, which includes a \$122.8 billion Elementary and Secondary Schools Emergency Relief Fund for purposes related to the COVID-19 pandemic. The District's allocation is \$3,072,215. The District has realized and expects to continue to realize certain additional expenses due to the COVID-19 pandemic which have been offset, in part, by funds received as described above, but the District cannot predict with certainty future expenses based on the duration of the pandemic.

State and local governmental authorities continue efforts to contain and limit the spread of COVID-19. Future revenue collections, including property tax collections that are essential to repayment of the Notes, may deviate from historical or anticipated levels. The Issuer is not able to predict and makes no representations as to the future economic impact of the COVID-19 pandemic on the Issuer.

RATINGS

S&P Global Ratings, a division of S&P Global Inc., has assigned a assigned a rating of "AA-" / Stable to the Notes.

Such rating reflects only the view of such rating agency, and an explanation of the significance of such rating may be obtained therefrom. No such rating constitutes a recommendation to buy, sell, or hold any notes, including the Notes, or as to the market price or suitability thereof for a particular investor. The Issuer furnished such rating agency with certain information and materials relating to the Notes that have not been included in this Official Statement. Generally, rating agencies base their ratings on the information and materials so furnished and on investigations, studies and assumptions by the rating agencies. There is no assurance that a particular rating will remain in effect for any given period of time or that it will not be revised, either downward or upward, or withdrawn entirely, if in the judgment of the agency originally establishing such rating, circumstances so warrant. Any downward revision or withdrawal of any rating may have an adverse affect on the market price of the Notes.

ABSENCE OF LITIGATION

The Issuer, in the ordinary course of business, is a party to various legal proceedings. In the opinion of management of the Issuer, any judgment rendered against the Issuer in such proceedings would not materially adversely affect the financial position of the Issuer.

The Issuer certifies that there is no controversy, suit or other proceeding of any kind pending or threatened wherein or whereby any question is raised or may be raised, questioning, disputing or affecting in any way the legal organization of the Issuer or its boundaries, or the right or title of any of its officers to their respective offices, or the legality of any official act or the constitutionality or validity of the indebtedness represented by the Notes or the validity of said Notes, or any of the proceedings had in relation to the authorization, issuance or sale thereof, or the levy and collection of a tax to pay the principal and interest thereof.

LEGAL MATTERS

Approval of Notes

All matters incident to the authorization and issuance of the Notes are subject to the approval of Gilmore & Bell, P.C., Wichita, Kansas ("Bond Counsel"), bond counsel to the Issuer. The factual and financial information appearing herein has been supplied or reviewed by certain officials of the Issuer and its certified public accountants, as referred to herein. Bond Counsel has participated in the preparation of the Official Statement but expresses no opinion as to the accuracy or sufficiency thereof, except for the matters appearing in the sections of this Official Statement captioned "THE NOTES," "LEGAL MATTERS," "TAX MATTERS" and "**APPENDIX C – SUMMARY OF FINANCING DOCUMENTS.**" Payment of the legal fee of Bond Counsel is contingent upon the delivery of the Notes. Certain legal matters have been passed on for the Issuer by Tim Connell, Esq.

Quarles & Brady LLP has been retained by the Underwriter to serve as counsel to the Underwriter with respect to the Notes. Although, as counsel to the Underwriter, Quarles & Brady LLP has assisted the Underwriter with certain matters, Quarles & Brady LLP has not undertaken to independently verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Notes and assumes no responsibility whatsoever nor shall have any liability to any other party for the statements or information contained or incorporated by reference in this Official Statement. Further, Quarles & Brady LLP makes no representation as to the suitability of the Notes for any investor.

TAX MATTERS

The following is a summary of the material federal and State of Kansas income tax consequences of holding and disposing of the Notes. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of holders subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the Notes as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of Kansas, does not discuss the consequences to an owner under state, local or foreign tax laws. The summary does not deal with the tax treatment of persons

who purchase the Notes in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the Notes.

Opinion of Bond Counsel

In the opinion of Bond Counsel, under the law existing as of the issue date of the Notes:

Federal Tax Exemption. The interest on the Notes is excludable from gross income for federal income tax purposes.

Alternative Minimum Tax. Interest on the Notes is not an item of tax preference for purposes of computing the federal alternative minimum tax.

Bank Qualification. The Notes are "qualified tax-exempt obligations" within the meaning of Code § 265(b)(3).

Kansas Tax Exemption. The interest on the Notes is exempt from income taxation by the State of Kansas.

Bond Counsel's opinions are provided as of the date of the original issue of the Notes, subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Notes in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Notes in gross income for federal income tax purposes retroactive to the date of issuance of the Notes. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Notes.

Other Tax Consequences

Original Issue Premium. For federal income tax purposes, premium is the excess of the issue price of a Note over its stated redemption price at maturity. The issue price of a Note is generally the first price at which a substantial amount of the Notes of that maturity have been sold to the public. Under Code § 171, premium on tax-exempt obligations amortizes over the term of the Note using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the owner's basis in the Note and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner, which will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the Note prior to its maturity. Even though the owner's basis is reduced, no federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of premium.

Sale, Exchange or Retirement of Notes. Upon the sale, exchange or retirement (including redemption) of a Note, an owner of the Note generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property received on the sale, exchange or retirement of the Note (other than in respect of accrued and unpaid interest) and such owner's adjusted tax basis in the Note. To the extent the Notes are held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Note has been held for more than 12 months at the time of sale, exchange or retirement.

Reporting Requirements. In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on Notes, and to the proceeds paid on the sale of Notes, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner's federal income tax liability.

Collateral Federal Income Tax Consequences. Prospective purchasers of the Notes should be aware that ownership of the Notes may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Notes. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Notes should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Notes, including the possible application of state, local, foreign and other tax laws.

Bond Counsel notes that for tax years beginning after December 31, 2022, the interest on the Notes may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax.

UNDERWRITING

The Notes are being purchased for reoffering by Stifel, Nicolaus & Company, Incorporated, Wichita, Kansas (the "Underwriter") at a price equal to the principal amount of the Notes, plus a reoffering premium of \$159,285.20, less an underwriting discount of \$35,442.00. The Note Purchase Agreement provides that the Underwriter will purchase all of the Notes if any are purchased. The obligation of the Underwriter to accept delivery of the Notes is subject to various conditions contained in the Note Purchase Agreement.

The Notes will be offered to the public initially at the prices set forth on the cover page of this Official Statement. The Underwriter may offer and sell the Notes to certain dealers (including dealers depositing the Notes into investment trusts) at prices other than the price stated on the cover page hereof and may change the initial offering price from time to time subsequent to the date hereof. In connection with the offering, the Underwriter may overallot or effect transactions which stabilize or maintain the market price of the Notes at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time.

AUTHORIZATION OF OFFICIAL STATEMENT

The preparation of this Official Statement and its distribution has been authorized by the governing body of the Issuer as of the date on the cover page hereof. This Official Statement is submitted in connection with the issuance of the Notes and may not be reproduced or used as a whole or in part for any other purpose. This Official Statement does not constitute a contract between the Issuer or the Underwriter and any one or more of the purchasers, Owners or Beneficial Owners of the Notes.

UNIFIED SCHOOL DISTRICT NO. 385, BUTLER COUNTY, KANSAS (ANDOVER)

By: /s/Jennifer Seymour
Name: Jennifer Seymour, President

By: /s/Sherame Kneisel
Name: Sherame Kneisel, Chief Financial Officer

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APPENDIX A

INFORMATION CONCERNING THE ISSUER

GENERAL

Size and Location

Unified School District No. 385, Butler County, Kansas (Andover) (the "Issuer" or "District") is located in Butler and Sedgwick counties of South Central Kansas. The District office is located in Andover, Kansas, approximately 5 miles east of Wichita, Kansas. Wichita is a prominent economic and social center within South Central Kansas and residents of the District enjoy the many employment and economic benefits of the city. The District's service area encompasses 47 square miles and has a current population of approximately 28,781.

Government and Organization of the District

The District was formed in 1965. The District is governed by a seven-member Board of Education which sets policy governing educational and administrative operations. The District consists of three voting districts consisting of two board members elected from each district and one board member elected at large.

District Facilities

The District presently operates ten (10) attendance centers and one (1) virtual school consisting of the following:

<u>Facility</u>	<u>Grades</u>
Prairie Creek Elementary School	Pre K-5
Robert M. Martin Elementary School	K-5
Cottonwood Elementary School	K-5
Meadowlark Elementary School	K-5
Sunflower Elementary School	K-5
Wheatland Elementary School	K-5
Andover Middle School	6-8
Andover Central Middle School	6-8
Andover High School	9-12
Andover Central High School	9-12
Andover eCademy	K-12

Source: Unified School District No. 385

District Enrollment

The following table lists the history of enrollment in the District's schools for the years indicated.

<u>Year</u>	<u>Total</u>
2018/19	8,964
2019/20	9,250
2020/21	8,922
2021/22	8,922
2022/23	9,159

Source: Unified School District No. 385

Municipal Services and Utilities

Energy (formerly Westar Energy) provides electricity service to District residents, while gas service is provided by Kansas Gas Service. The City of Wichita provides water service to District residents, the City of Andover provides sewer services and Waste Connections provides trash service. Local telephone and long distance service is provided by AT&T and Ideatek. Cable television is also available to residents of the District and is provided by Cox Communications.

Transportation and Communication Facilities

Andover is located along U.S. Highway 54 and Interstate 35. Interstate 70 is located approximately 100 miles north of Andover and Interstate 135 is approximately 15 miles to the west. Rail service is provided by the BNSF Railway. The nearest commercial air service is provided at Wichita Dwight D. Eisenhower National Airport approximately 20 miles west of Andover in Wichita. Daniels Landing Airport is available in Andover for non-commercial flights. Package delivery service is available to residents of the District through United Parcel Service, Federal Express and United States Parcel Service. Residents of the District have access to a daily newspaper publication, as well as multiple cable television channels and numerous radio stations.

Medical and Health Facilities

The City of Andover supports several health care providers including family physicians, dentists, chiropractors, and an optometrist. In addition, residents of the District have access to an abundance of healthcare providers in nearby Wichita including hospitals, family physicians, dentists, chiropractors, optometrists, and many other specialty health care providers.

Other Educational Facilities

Post-secondary education is accessible to residents of the District through Butler Community College (Western Center) in Andover, Kansas; Butler Community College in El Dorado, Kansas; and Wichita State University, Friends University, Newman University, the University of Kansas School of Medicine and Wichita Area Technical College in Wichita, Kansas.

Recreational, Cultural and Religious Facilities

Residents of the District have access to several recreational facilities including public and private golf courses, parks, tennis courts, a swimming pool and a library. Located within 25 miles of Andover are two public access lakes which provide fishing, boating, swimming, water skiing and camping to residents of the District.

ECONOMIC INFORMATION

Major Employers

Listed below are the major employers located in District and the number employed by each:

<u>Major Employers</u>	<u>Product/Service</u>	<u>Number of Full- & Part-time Employees</u>
1. The District	Public Education	807
2. Butler Community College	Secondary Education	350
3. Kansas Medical Center	Healthcare	225
4. YMCA	Recreational Facility	150
5. Sherwin Williams	Paint Manufacturing	141
6. Dillons	Grocery Store	120
7. City of Andover	Government Municipality	75
8. Everidge (formerly International Cold Storage)	Freezer Manufacturing	65
9. Vornado	Electric Fan Manufacturing	58
10. Terradyne Country Club	Recreation Facility	58

Source: Unified School District No. 385

Labor Force

The following table sets forth labor force figures for Butler County, Sedgwick County and the State of Kansas:

BUTLER COUNTY

<u>Year</u>	<u>Total Labor Force</u>	<u>Employed</u>	<u>Unemployed</u>	<u>Unemployed Rate</u>
2017	31,875	30,680	1,195	3.7%
2018	32,131	31,054	1,077	3.4%
2019	32,755	31,713	1,042	3.2%
2020	32,383	30,314	2,069	6.4%
2021	32,456	31,315	1,141	3.5%

SEDGWICK COUNTY

<u>Year</u>	<u>Total Labor Force</u>	<u>Employed</u>	<u>Unemployed</u>	<u>Unemployed Rate</u>
2017	246,480	236,093	10,387	4.2%
2018	248,463	239,315	9,148	3.7%
2019	253,832	245,173	8,659	3.4%
2020	257,484	235,491	21,993	8.5%
2021	255,086	243,391	11,695	4.6%

STATE OF KANSAS

<u>Year</u>	<u>Total Labor Force</u>	<u>Employed</u>	<u>Unemployed</u>	<u>Unemployed Rate</u>
2017	1,488,346	1,434,516	53,830	3.6%
2018	1,488,027	1,439,329	48,698	3.3%
2019	1,497,517	1,450,705	46,812	3.1%
2020	1,493,706	1,408,965	84,741	5.7%
2021	1,495,665	1,447,323	48,342	3.2%

The Kansas Department of Labor is reporting a 2.8% unemployment rate for Butler County, 3.0% unemployment rate for Sedgwick County and a 2.6% unemployment rate for the State of Kansas for the month of December 2022.

Source: Kansas Department of Labor

Retail Sales Tax Collections

The following table lists State of Kansas sales tax collections for the years indicated for sales occurring in Butler and Sedgwick Counties, Kansas:

<u>Year</u>	<u>Butler County</u>	<u>Sedgwick County</u>
2018	\$ 45,999,427	\$ 556,320,123
2019	47,248,435	575,431,484
2020	48,000,816	573,409,514
2021	51,872,934	640,432,342
2022 ¹	51,747,078	633,642,247

¹ Through November 2022

The statewide sales and use tax was increased to 6.50%, effective July 1, 2015.

Source: Kansas Department of Revenue

Oil Production

The oil production (in number of barrels) for Butler and Sedgwick Counties for the years listed is indicated in the following table:

<u>Year</u>	<u>Butler County</u>	<u>Sedgwick County</u>
2018	791,619	122,441
2019	744,542	111,958
2020	684,681	98,374
2021	689,731	94,739
2022 ¹	580,241	77,638

¹As of October 2022

Source: Kansas Geological Survey

Gas Production

The gas production (in number of barrels) for Sedgwick County for the years listed is indicated in the following table:

<u>Year</u>	<u>Gas Production</u>
2018	13,197
2019	14,649
2020	16,390
2021	11,115
2022 ¹	7,439

There is no Gas Production for Butler County

¹As of October 2022

Source: Kansas Geological Survey

Bank Deposits

For the years listed, bank deposits of Butler and Sedgwick County banks are as follows (in thousands of dollars):

<u>Year</u>	<u>Total Bank</u>	
	<u>Deposits Butler County</u>	<u>Deposits Sedgwick County</u>
2018	\$ 1,105,301	\$ 13,401,267
2019	1,166,789	13,633,610
2020	1,421,981	16,661,846
2021	1,607,612	18,605,019
2022	1,647,074	17,990,588

Source: FDIC

Population Trends

The following table shows the approximate population in the years indicated:

<u>Year</u>	<u>District Population</u>	<u>Butler County Population</u>	<u>Sedgwick County Population</u>
2017	23,658	66,845	513,176
2018	23,636	66,833	513,484
2019	23,714	66,911	516,042
2020	23,805	67,401	524,246
2021	28,781	67,889	523,828

The median age of persons in Butler County, Sedgwick County, and the State of Kansas is 37.2, 34.2 and 36.0, respectively, per the 2010 Census.

Source: United States Census Bureau; Kansas Statistical Abstract

Personal Income Trends

Butler and Sedgwick County per capita income and the State of Kansas per capita income are listed for the years indicated, in the following table.

Year	Butler County Per Capita	Sedgwick County Per Capita	State of Kansas Per Capita
	Income	Income	Income
2017	\$ 43,982	\$ 50,057	\$ 48,651
2018	45,908	51,313	50,663
2019	47,729	53,263	52,876
2020	49,703	55,122	55,974
2021	51,643	57,713	58,924

Source: Bureau of Economic Analysis

FINANCIAL INFORMATION

Accounting, Budgeting and Auditing Procedures

The District follows a modified accrual basis of accounting for all tax supported funds of the District, including the General Fund.

The District's fiscal year is mandated to run from July 1 to June 30. An annual budget for the coming eighteen months is required to be prepared by the District, for all funds not exempt from the budget requirement. A computation of estimated receipts and disbursements is prepared and presented to the governing body of the District prior to August 1, with a public hearing required to be held prior to August 15, with the final budget to be adopted by a majority vote of the governing body of the District prior to August 25 of each year.

The District may levy taxes in accordance with the requirements of its adopted budget. Property tax levies are based on the adopted budget of the District and the assessed valuations provided by the County appraiser. In 2021, the Kansas Legislature passed legislation (the "Revenue Neutral Tax Act") that repeals the "tax lid" (formerly K.S.A. 79-2925c) and provides that, beginning January 1, 2021, a taxing subdivision (which includes any political subdivision of the State that levies an ad valorem property tax, including the District) is not authorized to levy a property tax rate in excess of its revenue neutral rate without first providing notice, holding a public hearing, and authorizing such property tax rate by majority vote of its governing body (the "Revenue Neutral Tax Act"). The revenue neutral rate means the tax rate for the current tax year that would generate the same property tax revenue as levied the previous tax year using the current tax year's total assessed valuation.

The Revenue Neutral Tax Act provides that by June 15 of every year, each county clerk shall calculate the revenue neutral rate for each taxing subdivision in their respective county. If a taxing subdivision desires to levy a tax rate in excess of its revenue neutral rate, it must first publish notice of a public hearing and notify, by July 20, the county clerk of the taxing subdivision's intent to exceed the revenue neutral rate. The county clerk is required to provide notice of the public hearing to each taxpayer with property in the taxing subdivision, along with following information concerning the taxing subdivision: (1) the revenue neutral rate, (2) the proposed property tax revenue needed to fund the proposed budget, (3) the proposed tax rate based on the proposed budget, (4) the tax rate and property tax of each taxing subdivision on the taxpayer's property from the previous year's tax statement, (5) the appraised value and assessed value of the taxpayer's property, (6) estimates of the tax for the current tax year on the taxpayer's property based on the revenue neutral rate of each taxing subdivision and any proposed tax rates that exceed the revenue neutral rates, (7) the difference between the estimates of tax based on the proposed tax rate and the revenue neutral rate. The public hearing regarding exceeding the revenue neutral rate is to be held between August 20 and September 20, and can be held in conjunction with the taxing subdivision's budget hearing. If multiple taxing subdivisions within the county are required to hold a public hearing, the notices to the taxpayer can be combined into a single notice. After the public hearing, the taxing subdivision can approve exceeding the revenue neutral rate by a majority vote of its governing body, and the amount of tax to be levied must be certified to the county clerk by October 1. The taxing subdivision's adopted budget shall not result in a tax rate in excess of its proposed rate stated in the notice provided to the taxpayers. If a taxing subdivision fails to comply with the requirements of the Revenue Neutral Tax Act, it shall refund to the taxpayers any property taxes over-collected based on the amount of the levy that was in excess of the revenue neutral rate.

Kansas law prohibits governmental units from creating indebtedness unless there are funds on hand in the proper accounts and unencumbered by previous action with which to pay such indebtedness. An exception to this cash-basis operation is made where provision has been made for payment of obligations by notes or other specific debt obligations authorized by law.

The financial records of the District are audited annually by a firm of independent certified public accountants in accordance with generally accepted auditing standards. In recent years, the annual audit has been performed by BFR CPA, LLC, Wichita, Kansas. Copies of the audit reports for the past five (5) years are on file in the Clerk's office and are available for review. The audit for the Fiscal Year ended June 30, 2022 is attached hereto as **APPENDIX B**.

Potential purchasers should read such financial statements in their entirety for more complete information concerning the Issuer's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The Issuer has not requested or engaged the Auditor to perform, and the Auditor has not performed, any additional examination, assessment, procedures or evaluation with respect to such financial statements since the date thereof, nor has the Issuer requested that the Auditor consent to the use of such financial statements in this Official Statement. Although the inclusion of the financial information in this Official Statement is not intended to demonstrate the fiscal condition of the Issuer since the date of such financial information, in connection with the issuance of the Bonds, the Issuer represents that there has been no material adverse change in the financial position or results of operations of the Issuer, nor has the Issuer incurred any material liabilities, which would make such financial information misleading.

Sources of Revenue

The District finances its general operations through the local property tax levy and other miscellaneous sources as indicated below for the 2022/23 Fiscal Year:

<u>Source</u>	<u>Percent</u>
Local property tax	25.5%
State of Kansas	67.9
Federal Aid	3.5
Other	3.1
<i>Total</i>	<u>100.00%</u>

Source: Unified School District No. 385

Property Valuations

The determination of assessed valuation and the collection of property taxes for all political subdivisions in the state of Kansas is the responsibility of the various counties under the direction of state statutes. The Butler and Sedgwick County Appraiser's office determines the fair market value of all taxable property within Butler County and the assessed valuation thereof that is to be used as a basis for the mill levy on property located in the Issuer.

Property subject to ad valorem taxation is divided into two classes, real property and personal property. Real property is divided into seven subclasses; there are six subclasses of personal property. The real property (Class 1) subclasses are: (i) real property used for residential purposes including multi-family mobile or manufactured homes and the real property on which such homes are located, assessed at 11.5%, (ii) agricultural land, valued on the basis of agricultural income or productivity, assessed at 30%, (iii) vacant lots, assessed at 12%, (iv) real property, owned and operated by a not-for-profit organization not subject to federal income taxation, pursuant to Code §501, assessed at 12%, (v) public utility real property, except railroad real property, assessed at the average rate that all other commercial and industrial property is assessed, assessed at 33%, (vi) real property used for commercial and industrial purposes and buildings and other improvements located on land devoted to agricultural use, assessed at 25%, and (vii) all other urban and real property not otherwise specifically classified, assessed at 30%. Tangible personal property (Class 2) subclasses are: (i) mobile homes used for residential purposes, assessed at 11.5%, (ii) mineral leasehold interests, except oil leasehold interests, the average daily production from which is 5 barrels or less, and natural gas leasehold interests, the average daily production from which is 100 mcf or less, which shall be assessed at 25%, assessed at 30%, (iii) public utility tangible personal property, including inventories thereof, except railroad personal property, including inventories thereof, which shall be assessed at the average rate all other commercial and industrial property is assessed, assessed at 33%, (iv) all categories of motor vehicles not defined and specifically valued and taxed pursuant to law enacted prior to January 1, 1985, assessed at 30%, (v) commercial and industrial machinery and equipment which if its economic life is 7 years or more, shall be valued at its retail cost, when new, less seven-year straight-line depreciation, or which, if its economic life is less than 7 years, shall be valued at its retail cost when new, less straight-line depreciation over its economic life, except that, the value so obtained for such property, notwithstanding its economic life and as long as such property is being used, shall not be less than 20% of the retail cost when new of such property, assessed at 25%, and (vi) all

other tangible personal property not otherwise specifically classified, assessed at 30%. All property used exclusively for state, county, municipal, literary, educational, scientific, religious, benevolent and charitable purposes, farm machinery and equipment, merchants' and manufacturers' inventories, other than public utility inventories included in subclass (3) of class 2, livestock, and all household goods and personal effects not used for the production of income, shall be exempted from property taxation.

The Kansas Legislature (the "Legislature") reduced the applicable assessment rates on motor vehicles from 30% of market value to 20% of market value as of January 1, 2000.

The 2006 Legislature exempted from all property or ad valorem property taxes levied under the laws of the State all commercial, industrial, telecommunications and railroad machinery and equipment acquired by qualified purchase or lease after June 30, 2006 or transported into the State after June 30, 2006 for the purpose of expanding an existing business or creation of a new business.

The Legislature may from time to time adopt changes in the property tax system or method of imposing and collecting property taxes within the State. Taxpayers may also challenge the fair market value of property assigned by the county appraiser. The effects of such legislative changes and successful challenges to the appraiser's determination of fair market value could affect the Issuer's property tax collections. If a taxpayer valuation challenge is successful, the liability of the Issuer to refund property taxes previously paid under protest may have a material impact on the Issuer's financial situation.

Fair Market Value

The following table shows the fair market value of the taxable property within the District for the following years:

Butler County

<u>Year</u>	<u>Personal Property</u>	<u>Real Estate</u>	<u>State Assessed Utilities (Appraised)</u>	<u>Total</u>
2018	\$ 11,540,897	\$ 1,294,351,520	\$ 16,918,233	\$ 1,322,810,650
2019	11,532,987	1,352,113,900	17,710,470	1,381,357,357
2020	11,651,122	1,434,701,780	18,945,521	1,465,298,423
2021	12,633,811	1,485,015,200	21,754,785	1,519,403,796
2022	13,480,511	1,714,296,750	22,909,218	1,750,686,479

Sedgwick County

<u>Year</u>	<u>Personal Property</u>	<u>Real Estate</u>	<u>State Assessed Utilities (Appraised)</u>	<u>Total</u>
2018	\$ 532,953	\$ 1,414,474,080	\$ 8,147,521	\$ 1,423,154,554
2019	691,199	1,480,464,960	8,818,630	1,489,974,789
2020	730,609	1,552,863,420	9,389,473	1,562,983,502
2021	1,350,919	1,616,669,260	9,923,215	1,627,943,394
2022	1,927,164	1,728,862,840	10,635,003	1,741,425,007

Total

<u>Year</u>	<u>Butler County</u>	<u>Sedgwick County</u>	<u>Total</u>
2018	\$ 1,322,810,650	\$ 1,423,154,554	\$ 2,745,965,204
2019	1,381,357,357	1,489,974,789	2,871,332,146
2020	1,465,298,423	1,562,983,502	3,028,281,925
2021	1,519,403,796	1,627,943,394	3,147,347,190
2022	1,750,686,479	1,741,425,007	3,492,111,486

Source: Butler and Sedgwick County Clerks

Assessed Valuation

The following table shows the assessed valuation of the taxable tangible property within the District for the following years:

Butler County

<u>Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Utilities</u>	<u>Motor Vehicles</u>	<u>Total</u>
2018	\$ 167,048,994	\$ 1,860,543	\$ 5,583,017	\$ 21,435,653	\$ 195,928,207
2019	174,119,460	1,849,058	5,844,455	22,270,992	204,083,965
2020	185,986,600	1,855,593	6,252,022	23,098,348	217,192,563
2021	191,257,621	1,892,201	7,179,079	24,470,773	224,799,674
2022	217,147,270	1,969,035	7,560,042	24,347,498	251,023,845

Sedgwick County

<u>Year</u>	<u>Real Property</u>	<u>Personal Property</u>	<u>Utilities</u>	<u>Motor Vehicles</u>	<u>Total</u>
2018	\$ 166,256,456	\$ 143,066	\$ 2,688,682	\$ 25,657,100	\$ 194,745,304
2019	173,900,407	191,116	2,910,148	27,043,296	204,044,967
2020	182,698,465	207,349	3,098,526	27,004,588	213,008,928
2021	189,976,103	394,092	3,274,661	28,411,232	222,056,088
2022	203,098,390	567,122	3,509,551	27,895,417	235,070,480

Total

<u>Year</u>	<u>Butler County</u>	<u>Sedgwick County</u>	<u>Total</u>
2018	\$ 195,928,207	\$ 194,745,304	\$ 390,673,511
2019	204,083,965	204,044,967	408,128,932
2020	217,192,563	213,008,928	430,201,491
2021	224,799,674	222,056,088	446,855,762
2022	251,023,845	235,070,480	486,094,325

Source: Butler and Sedgwick County Clerks

Property Tax Levies and Collections

School District Funding Formula

Overview. The Kansas School Equity and Enhancement Act, adopted by the Kansas Legislature in 2017 and amended in 2018 (collectively the "KSEEA"), implemented a revised method of funding primary and secondary public education in the State of Kansas (the "State"). This overall funding formula, together with other existing legislation relating to education funding (collectively the "Plan"), contains many foundational characteristics of the funding plan employed by the State from 1992 to 2015, with certain modifications made in recent years in response to lawsuits challenging the constitutionality of the State's school funding plans and the court decisions rendered. The following is a high-level summary of the Plan and certain funds and accounts created thereunder. This summary does not purport to be comprehensive.

Funding for the Plan. In general, funding for the Plan is provided by a State-mandated 20-mill property tax, motor vehicle tax collections, grants, certain federal impact aid and remaining fund balances (the "School Financing Sources"). School districts are also allowed to levy certain ad valorem taxes to fund operations. The District's Bond and Interest Fund, from which principal and interest payments on general obligation bonds are financed, is a separate, unrestricted levy of ad valorem taxes.

General Fund. Revenue to support general fund operations is provided to districts through the State's total foundation aid ("TFA"). TFA is determined by a formula which provides a fixed amount of funding per student, titled base aid for student excellence ("BASE"). TFA is calculated each year by multiplying BASE by the adjusted enrollment of a district. Adjusted enrollment means the district's full-time enrollment adjusted by certain weighting factors related to the estimated cost of educating certain students. The amount of TFA that a district actually receives each year from the State is determined each school year by the State Board of Education (the "State Board") and is a function of the district's School Financing Sources and TFA.

A district's general state aid entitlement is paid monthly from the State school district finance fund during July through May according to the amount needed to meet operating expenses, with the balance paid in June. Any amount not so paid in

June is paid on July 1 or as soon thereafter as funds are available for such payment. State law permits such funds to be recorded and accounted by the district as if received on June 30.

Supplemental General Fund. In order to provide additional funding for operations, the Plan provides for the creation of a supplemental general fund that can be used for the same purposes as the general fund. Such supplemental general fund shall be implemented through a local option budget ("LOB") approved by the district's governing body and financed by an ad valorem tax levied within the district. Each district shall provide for an LOB in an amount not less than 15% of the district's TFA. In addition, any district, by resolution of its governing body, may provide for an increased LOB, and depending on amount, may be subject to notice and protest and/or referendum. A district that has adopted a LOB is eligible for supplemental general state aid determined by a formula that takes into account the district's assessed value per pupil ("AVPP") and other factors.

The District has a LOB in an amount of 33% of its TFA, which generates approximately \$4,772,570 of revenues annually.

Capital Outlay Funds. The Plan authorizes any district to initiate a capital outlay levy in an amount not to exceed 8 mills upon all taxable tangible property within the district. Prior to instituting a capital outlay levy, the district's governing body must adopt a resolution declaring an intent to institute the levy, and the resolution must be published and is subject to protest petition. Funds generated by a district's capital outlay levy may be expended for certain capital improvements, equipment and expenses provided by the Plan. A district may also issue general obligation capital outlay bonds, in an amount determined by formula, that are expected to be repaid from funds derived from the capital outlay levy. The District has a current capital outlay levy of 8 mills, which generates approximately \$3,727,257.

Any district that levies a capital outlay levy is eligible to receive moneys from the school district capital outlay state aid fund based on a state aid percentage factor determined on a formula inversely related to the AVPP as compared to the median AVPP of all districts in the State.

Capital Improvement Fund. There is established in the State Treasury the school district Capital Improvement Fund ("CIF"). The CIF is intended to assist districts in making principal and interest payments on voted general obligation bond issues. Subject to an annual cap on total State CIF expenditures, each district may apply to the State Board to receive CIF State aid in an amount inversely related to its AVPP. Determination of CIF funding was not modified by KSEEA.

It is anticipated that the CIF will pay approximately 15% of the debt service on the Notes for the 2022-2023 fiscal year. No assurance can be given that State CIF assistance will continue in future years. The District is obligated to levy unlimited ad valorem taxes to provide for debt service payments on its general obligation bonds, regardless of any amounts received from the CIF.

Other State Funding. The Plan also provides additional State aid to school districts for various specific purposes and also provides increased funding based on certain weighting factors.

Ongoing Litigation. The methods employed by the State for funding primary and secondary education, including the Plan, have been regularly subject to lawsuits challenging the constitutionality of such methods. Certain lawsuits have successfully asserted that various components of State funding are constitutionally inadequate and/or inequitable, and the resulting court decisions have mandated that the Legislature address such deficiencies within provided deadlines. In response, the Legislature has actively amended and revised components in the State funding formula.

The KSEEA is currently subject to ongoing litigation. On June 25, 2018, the Kansas Supreme Court (the "Court") held that the KSEEA satisfied constitutional provisions based on equity but was unconstitutional with respect to financial adequacy, relating primarily with respect to inflationary factors for funding in future years. Among other items, the Court's opinion: (1) permitted the KSEEA to remain in temporary effect; (2) provided guidance for obtaining adequacy compliance; (3) stayed the opinion's mandate until June 30, 2019, or until further order of the Court, to provide the Legislature an opportunity to address the Court's ruling (the "Stay"); and (4) retained jurisdiction over the State's appeal. In response to the Court's June 2018 ruling, the Kansas Legislature passed and the Governor signed House Substitute for Senate Bill 16 ("SB 16") amending the KSEEA. In an opinion dated June 14, 2019, the Court subsequently held that, due to the additional funding contained in SB 16, the State substantially complied with the Court's mandate regarding financial adequacy and the KSEEA, as amended by SB 16, was constitutionally compliant. The Court retained jurisdiction to ensure continued compliance with that mandate.

The impact on the District and the Plan of the ongoing and any future litigation is not able to be determined at this time. There can be no assurance that the Plan or any components thereof will continue in their current form. Additionally, as stated by the Court in previous decisions regarding the Plan, the implementation of an unconstitutional system of school funding

system may be enjoined, in which case it could be possible that funds could not be raised, distributed or spent for the operation of public primary and secondary schools in the State.

Tax Collections:

Tax statements are mailed November 1 each year and may be paid in full or one-half on or before December 20 with the remaining one-half due on or before May 10 of the following year. Taxes that are unpaid on the due dates are considered delinquent and accrue interest at a per annum rate established by State law until paid or until the property is sold for taxes. Real estate bearing unpaid taxes is advertised for sale on or before August 1 of each year and is sold by the County for taxes and all legal charges on the first Tuesday in September. Properties that are sold and not redeemed within two years after the tax sale are subject to foreclosure sale, except homestead properties which are subject to foreclosure sale after three years.

Personal taxes are due and may be paid in the same manner as real estate taxes, with the same interest applying to delinquencies. If personal taxes are not paid when due, and after written notice, warrants are issued and placed in the hands of the Sheriff for collection. If not paid on or before October 1, legal judgment is entered and the delinquent tax becomes a lien on the property. Unless renewed, a non-enforced lien expires five years after it is entered.

Motor vehicle taxes are collected periodically throughout the year concurrently with the renewal of motor vehicle tags based upon the value of such vehicles. Such tax receipts are distributed to all taxing subdivisions, including the State of Kansas, in proportion to the number of mills levied within each taxpayer's tax levy unit.

Tax Rates:

The District may levy taxes in accordance with the requirements of its adopted budget and within the restrictions of the State school finance formula. Property tax levies are based on the adopted budget of the District and the assessed valuations provided by the county appraiser.

The following table shows the District's mill levies by fund (per \$1,000 of assessed valuation) for each of the years indicated and the current year:

<u>Year</u>	<u>General Fund</u>	<u>Supplemental Fund</u>	<u>Capital Fund</u>	<u>G.O. Bonds</u>	<u>Total Levy</u>
2018/19	20.000	10.617	8.000	28.995	67.612
2019/20	20.000	10.911	8.000	28.825	67.736
2020/21	20.000	11.149	7.994	28.716	67.859
2021/22	20.000	10.732	7.977	28.708	67.417
2022/23	20.000	10.512	7.995	28.830	67.337

Source: Kansas Department of Administration Accounts and Reports

Aggregate Tax Levies:

The aggregate tax levies (per \$1,000 assessed valuation) of the District and overlapping and underlying jurisdictions for the years indicated are included in the following table:

<u>Year</u>	<u>City of Andover</u>	<u>Butler County</u>	<u>Sedgwick County</u>	<u>USD 385</u>	<u>State</u>	<u>Butler County Community College</u>
2018/19	41.013	34.274	47.546	67.612	1.5	20.068
2019/20	42.311	34.280	47.280	67.736	1.5	19.336
2020/21	42.273	34.013	47.267	67.859	1.5	18.007
2021/22	43.831	32.766	47.187	67.417	1.5	15.262
2022/23	43.727	32.093	47.280	67.337	1.5	13.855

Source: Kansas Department of Administration Accounts and Reports

Tax Collection Record:

The following table sets forth tax collection information for the District for the years indicated:

<u>Year</u>	<u>Total</u>	<u>Total Taxes</u>	Current Taxes Collected		Current & Delinquent Taxes Collected	
	<u>Levy</u>	<u>Levied</u>	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
2018/19	67,612	\$ 22,855,625	\$ 22,403,074	98.02%	\$ 22,713,305	99.38%
2019/20	67,736	23,928,792	23,155,808	96.77%	23,275,651	97.27%
2020/21	67,859	25,428,808	24,725,562	97.23%	25,051,854	98.52%
2021/22	67,417	26,194,466	25,648,255	97.91%	25,768,470	98.37%
2022/23*	67,337	28,422,322	16,441,689	57.85%	8,142,243	28.65%

* Partial; through January 31, 2023

Source: Butler & Sedgwick County Treasurers

Major Taxpayers:

The following table sets forth the ten largest taxpayers in the District for taxes levied in the most recent tax collection period (2022/2023):

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>Taxes Levied</u>	<u>% of Total 2022 Assessed Valuation</u>
1. Evergy Kansas South Inc.	\$6,464,183	\$847,992	1.33%
2. Founders' Real Estate LLC	3,379,800	535,739	0.70%
3. Kansas Gas Service – A Division of One Gas	2,883,638	345,115	0.59%
4. Vornado Air LLC	2,006,646	332,125	0.41%
5. Flint Hills Nat'l Golf Club Inc	1,957,473	310,283	0.40%
6. Paul Properties Andover LLC	1,755,653	274,428	0.36%
7. Cottages Crestview LLC	3,658,071	246,140	0.75%
8. Dillons Companies Inc	1,550,001	245,694	0.32%
9. Portofino Wichita LLC	3,120,618	210,041	0.64%
10. Prairie Point At Cornerstone LLC	894,186	140,175	0.18%

Source: Butler and Sedgwick County Clerks

History of Employment

The following table indicates the history of the Issuer's employment for the years indicated.

<u>Fiscal Year</u>	<u>Total Full-Time Employees</u>	<u>Total Part-Time Employees</u>	<u>Total</u>
2018/19	436	338	774
2019/20	441	340	781
2020/21	575	263	838
2021/22	570	227	797
2022/23	559	248	807

Source: Unified School District No. 385

Employee Relations

The District has approximately 807 employees, of which 411 are certified. Employee relations are characterized as good.

Pension and Employee Retirement Plans

The Issuer participates in the Kansas Public Employees Retirement System ("KPERS") established in 1962, as an instrumentality of the State, pursuant to K.S.A. 74-4901 *et seq.*, to provide retirement and related benefits to public employees in Kansas. KPERS is governed by a board of trustees consisting of nine members each of whom serve four-year terms. The

board of trustees appoints an executive director to serve as the managing officer of KPERS and manage a staff to carry out daily operations of the system.

As of December 31, 2021, KPERS serves approximately 333,000 members and approximately 1,500 participating employers, including the State, school districts, counties, cities, public libraries, hospitals and other governmental units. KPERS administers the following three statewide, defined benefit retirement plans for public employees:

- (a) Kansas Public Employees Retirement System;
- (b) Kansas Police and Firemen's Retirement System; and
- (c) Kansas Retirement System for Judges.

These three plans are separate and distinct with different membership groups, actuarial assumptions, experience, contribution rates and benefit options. The Kansas Public Employees Retirement System is the largest of the three plans, accounting for approximately 95% of the members. The Kansas Public Employees Retirement System is further divided into two separate groups, as follows:

(a) *State/School Group* - includes members employed by the State, school districts, community colleges, vocational-technical schools and educational cooperatives. The State of Kansas makes all employer contributions for this group, the majority of which comes from the State General Fund.

(b) *Local Group* - all participating cities, counties, library boards, water districts and political subdivisions are included in this group. Local employers contribute at a different rate than the State/School Group rate.

KPERS is currently a qualified, governmental, § 401(a) defined benefit pension plan, and has received IRS determination letters attesting to the plan's qualified status dated September 14, 1999 and March 5, 2001. KPERS is also a "contributory" defined benefit plan, meaning that employees make contributions to the plan. This contrasts it from noncontributory pension plans, which are funded solely by employer contributions. The Issuer's employees currently annually contribute 6% of their gross salary to the plan if such employees are KPERS Tier 1 members (covered employment prior to July 1, 2009), KPERS Tier 2 members (covered employment on or after July 1, 2009), or KPERS Tier 3 members (covered employment on or after January 1, 2015).

In 2021, the Legislature authorized the issuance of revenue bonds to provide net proceeds of up to \$500 million (the "Revenue Bonds") the proceeds of which must be applied to the unfunded actuarial pension liability as directed by KPERS. The Revenue Bonds in the principal amount of \$504,535,000 were issued August 26, 2021. The repayment of the Revenue Bonds shall be subject to legislative annual appropriation, shall not be an obligation of the KPERS system, and the full faith and credit or taxing power of the State shall not be pledged to the repayment of the Revenue Bonds. Due to the authorization of the Revenue Bonds, the Legislature changed the State/School employer contribution rate from 14.09% to 13.33% for fiscal year 2022 and from 13.86% to 13.11% for fiscal year 2023. In 2022, the Legislature authorized additional contributions totaling \$1.125 billion in four payments to be deposited into the KPERS trust fund for the School Group. Typically when such additional contributions are made by the State, the statutory employer contribution rates for the following two fiscal years are recertified by the Legislation; however the recertification has not yet occurred. For more information about the Legislature's actions related to KPERS, please see the 2021 Valuation Report referenced below.

The State's contribution for school employees varies from year to year based upon the annual actuarial valuation and appraisal made by KPERS, subject to legislative caps on percentage increases. The State's contribution is 13.11% for the period beginning July 1, 2022, through June 30, 2023. In addition, the Issuer contributes 1% of the employee's gross salary for Death and Disability Insurance for covered employees.

According to the Valuation Report as of December 31, 2021 (the "2021 Valuation Report") the KPERS School Group, of which the Issuer is a member, carried an unfunded accrued actuarial liability ("UAAL") of approximately \$5.803 billion at the end of 2021. The amount of the UAAL in 2021 changed from the previous year's amount due to the factors discussed in the 2021 Valuation Report; such report also includes additional information relating to the funded status of the KPERS School Group, including recent trends in the funded status of the KPERS School Group. A copy of the 2021 Valuation Report is available on the KPERS website at kpers.org/about/reports.html. The Issuer has no means to independently verify any of the information set forth on the KPERS website or in the 2021 Valuation Report, which is the most recent financial and actuarial information available on the KPERS website relating to the funded status of the KPERS School Group. The 2021 Valuation Report sets the employer contribution rate for the period beginning July 1, 2024, for the KPERS School Group, and KPERS' actuaries identified that an employer contribution rate of 11.60% of covered payroll would be necessary, in addition to additional employer contributions of 0.60% for the period beginning July 1, 2023 (related to contribution reductions for the KPERS School Group approved by the Legislature), and statutory contributions by covered employees to eliminate the UAAL by the end of the actuarial periods set forth in the 2021 Valuation Report. Because the annual growth in employer contribution rates is limited by State law, the actual contribution rate permitted at the time of calculation was only 11.42%. As a result,

members of the School Group are underfunding their projected actuarial liabilities and the UAAL can be expected to grow over time. KPERS' actuaries project the required employer contribution rate to increase by an amount not exceeding the maximum statutorily allowed rate, which is 1.2% in fiscal year 2017 and thereafter, until such time as the permitted rate equals the actuarial rate.

Other Postemployment Benefits

In addition to KPERS, the Issuer provides other postemployment benefits ("OPEB") as part of the total compensation offered to attract and retain the services of qualified employees. Retirees may participate in the group health plan but are responsible for the payment of the full premiums, resulting in an implicit rate subsidy. For information specific to the Issuer's OPEB obligations see "Note 9 – Postemployment Benefits" to the Issuer's financial statements included in Appendix B to this Official Statement.

Historical Unencumbered Fund Balances

The following table provides a five-year history of unencumbered cash balances, revenues, and expenditures for certain operating funds of the District. Since the Kansas school district funding formula (see "**APPENDIX A – FINANCIAL INFORMATION – School District Funding Formula**") requires school districts to carryover minimal cash balances in the General Fund, many districts set aside operational reserves in the funds shown below. Cash balances may also be held in a district's Bond & Interest Fund, but such reserves are restricted solely for the payment of debt service on general obligation bonds.

FY Ending	Unencumbered Cash Balance						Revenues in Same Funds ⁽¹⁾	Expenditures in Same Funds ⁽¹⁾⁽²⁾
	General Fund	Supplemental General	Capital Outlay ⁽³⁾	Special Education	Contingency Reserve	Total Balance		
2022	\$1,827	\$373,383	\$2,571,977	\$68,870	\$1,823,938	\$4,839,995	\$56,839,989	\$59,748,077
2021	281	404,926	4,032,035	1,205,073	2,105,768	7,748,083	57,473,532	58,141,136
2020	71	327,755	5,055,386	825,892	2,206,583	8,415,687	53,803,797	55,440,776
2019	16	256,277	7,034,516	555,274	2,206,583	10,052,666	52,181,658	49,414,979
2018	27	532,627	4,054,796	491,954	2,206,583	7,285,987	47,292,134	46,226,462

(1) The Special Education and Contingency Reserve funds are funded primarily with transfers of revenue from the General Fund. In order to avoid double counting, Revenues and Expenditures have been adjusted to reflect such interfund transfers and other periodic transfers between the funds shown. Interfund transfers are described more fully in the notes to the audited financial statements.

(2) Net of adjustment for prior year cancelled encumbrances.

(3) The decrease in Capital Outlay balance was a result of an unexpected natural disaster that damaged a school building in April 2022, and insurance proceeds were not received in time to cover expenses incurred by fiscal year end.

Source: Audited financial statements

DEBT STRUCTURE

Debt Summary

The following table summarizes certain key statistics with respect to the Issuer's general obligation debt, including the Notes:

Debt Summary (As of April 27, 2023)	District Debt
2022 Fair Market Value of Taxable Property ¹	\$ 3,492,111,486
2022 Equalized Assessed Valuation of Tangible Valuation for Computation of Bonded Debt Limitations ²	\$ 486,094,325
Legal limitation of Bonded Debt.....	\$ 68,053,206
Outstanding General Obligation Debt (including the Notes)	\$ 169,150,000
Direct Debt Per Capita (Population = 28,781)	\$ 5,877
Overlapping Debt.....	\$ 86,094,425
Direct and Overlapping Debt	\$ 255,244,425
Direct and Overlapping Debt Per Capita.....	\$ 8,869
Direct Debt as a Percentage of Assessed Valuation.....	34.80%
Direct and Overlapping Debt as a Percentage of Assessed Valuation	52.51%
Direct Debt as a Percentage of Actual Fair Market Value	4.84%
Direct and Overlapping Debt as a Percentage of Actual Fair Market Value.....	7.31%

¹ See "Property Valuations" *infra*.

² The assessed valuation of taxable tangible property within the District, including the taxable value of motor vehicles.

Current Indebtedness of the Issuer

The following table sets forth as of the Dated Date all of the outstanding obligations of the Issuer, including the Notes:

GENERAL OBLIGATION BONDS

<u>Category of Indebtedness</u>	<u>Date of Indebtedness</u>	<u>Final Maturity</u>	<u>Original Principal Amount</u>	<u>Amount Outstanding</u>
General Obligation Refunding & School Building Bonds, Series 2017	06/29/17	09/01/31	\$ 170,760,000	\$ 103,710,000
Taxable General Obligation Refunding Bonds, Series 2021	04/06/21	09/01/34	63,005,000	<u>61,480,000</u>
Total				<u>\$ 165,190,000</u>

TEMPORARY NOTES

<u>Description of Indebtedness</u>	<u>Dated Date</u>	<u>Final Maturity</u>	<u>Original Principal Amount</u>	<u>Amount Outstanding</u>
General Obligation Temporary Notes, Series 2023 (this issue)	04/27/23	09/01/26	\$ 3,960,000	\$ 3,960,000

Source: Unified School District No. 385

History of General Obligation Indebtedness

The Issuer has no record of default on the payment of any of its debt obligations.

Lease Obligations

In addition to the foregoing debt obligations, the District has entered into the following lease obligations. Lease obligations of the District constitute valid and binding obligations of the District in accordance with their terms subject to funds budgeted and appropriated for that purpose during the District's current budget year or funds made available from any lawfully operated revenue producing source as per K.S.A. 10-1116b.

Purpose of Indebtedness	Dated Date	Term	Amount Outstanding
Print/Copier-Konica Lease Purchase	08/01/21	60 months	\$ 429,944
Data Center Lease Purchase	10/01/21	53 months	554,074
Data Center Lease Purchase	02/01/22	53 months	81,653
Total			\$ 1,065,671

Source: Unified School District No. 385

Overlapping Indebtedness

The following table sets forth overlapping indebtedness as of June 30, 2022, and the percent attributable (on the basis of assessed valuation) to the District:

Taxing Jurisdiction	2022 Assessed Valuation	Outstanding General Obligation Indebtedness	Percent Applicable to Issuer	Amount Applicable to Issuer
City of Andover	\$ 201,178,171	\$ 64,320,000	100.000%	\$ 64,320,000
Butler County	935,888,245	111,000	24.220%	26,884
City of Augusta	71,497,721	13,390,000	0.005%	670
Fire District #3	93,981,600	210,000	2.351%	4,937
Fire District #7	46,915,360	350,000	6.859%	24,007
City of Wichita	3,942,965,115	518,410,000	3.868%	20,052,099
Sedgwick County	5,499,916,842	43,505,000	3.521%	1,531,811
Minneha Township	111,604,299	419,000	31.985%	134,017
Total				\$ 86,094,425

Source: Butler and Sedgwick County Clerks

Future Indebtedness

At this time, the District does not currently have any plans to issue additional general obligation debt in the next 12 months but continues to monitor its need for any borrowings.

APPENDIX B

**FINANCIAL STATEMENTS AND REPORT OF
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS
(FOR THE FISCAL YEAR ENDED 06/30/2022)**

**ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
ANDOVER, KANSAS**

**FINANCIAL STATEMENT
JUNE 30, 2022**



ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
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INDEPENDENT AUDITORS' REPORT

**Board of Education
Andover Unified School District No. 385
Andover, Kansas**

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of **Andover Unified School District No. 385, Andover, Kansas**, as of and for the year ended **June 30, 2022**, and the related notes to the financial statement.

Adverse and Unmodified Opinions

Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of **Andover Unified School District No. 385, Andover, Kansas**, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of **Andover Unified School District No. 385, Andover, Kansas**, as of **June 30, 2022**, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide*. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statement section of the report. We are required to be independent of **Andover Unified School District No. 385, Andover, Kansas** and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

**Board of Education
Andover Unified School District No. 385**

Matter Giving Rise to Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

As discussed in Note 1 of the financial statement, the financial statement is prepared by **Andover Unified School District No. 385, Andover, Kansas**, on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Responsibilities of Management for the Financial Statement

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

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about **Andover Unified School District No. 385, Andover, Kansas**' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

**Board of Education
Andover Unified School District No. 385**

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit 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 **Andover Unified School District No. 385, Andover, Kansas'** internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt the **Andover Unified School District No. 385, Andover, Kansas'** ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual, schedule of cash receipts and expenditures-capital projects, agency funds schedules of regulatory basis cash receipts and disbursements, district activity funds schedules of regulatory basis cash receipts, expenditures and unencumbered cash (Regulatory-Required Supplementary Information as listed in the table of contents) are presented for purposes of additional analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the basic financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the

**Board of Education
Andover Unified School District No. 385**

United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statement as a whole, on the basis of accounting described in Note 1.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the **Andover Unified School District No. 385, Andover, Kansas**, as of and for the year ended June 30, 2021, and have issued our report thereon dated October 28, 2021, which contained an unmodified opinion on the basic financial statement.

The 2021 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration at the following link: <https://admin.ks.gov/offices/oar/municipal-services>. The 2021 actual column (2021 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget for the year ended June 30, 2021 (as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2021 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2021 basic financial statement. The 2021 comparative information was subjected to the auditing procedures applied in the audit of the 2021 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2021 basic financial statement or to the 2021 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2021 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended June 30, 2021, on the basis of accounting described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 28, 2022, on our consideration of **Andover Unified School District No. 385, Andover, Kansas'** 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 **Andover Unified School District No. 385, Andover, Kansas'** 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 **Andover Unified School District No. 385, Andover, Kansas'** internal control over financial reporting and compliance.

BFR CPA, LLC

BFR CPA, LLC
November 28, 2022

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
SUMMARY OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

Fund	Beginning		Prior Year				Ending		Add	
	Unencumbered		Canceled				Unencumbered		Encumbrances	
	Cash Balance	Encumbrances	Cash Receipts	Expenditures	Cash Balance	Payable	and Accounts	Balance		
General Fund	\$ 281	\$ 1,827	\$ 38,730,208	\$ 38,730,489	\$ 1,827	\$ 223,854	\$ 225,681			
Special Purpose Funds										
Supplemental General	404,926	935	11,652,613	11,685,091	373,383	269,624	643,007			
Preschool-Aged At-Risk	26,760	0	357,755	357,684	26,831	2,708	29,539			
At Risk (K-12)	150,874	0	1,440,140	1,418,673	172,341	0	172,341			
Bilingual Education	33,383	0	349,444	382,430	397	0	397			
Virtual Education	1,010,168	60	2,015,004	3,020,964	4,268	6,750	11,018			
Capital Outlay	4,032,035	54,839	6,324,881	7,839,778	2,571,977	2,876,497	5,448,474			
Driver Training	162,122	0	43,798	32,883	173,037	0	173,037			
Food Service	80,391	0	3,237,562	2,648,295	669,658	25,890	695,548			
Professional Development	9,457	0	33,041	40,631	1,867	11,685	13,552			
Summer School	20,712	0	12,900	10,103	23,509	0	23,509			
Special Education	1,205,073	0	6,882,569	8,018,772	68,870	36,747	105,617			
Career and Postsecondary Education	18,361	0	729,082	746,046	1,397	81	1,478			
KPERS Contribution	0	0	4,649,267	4,649,267	0	0	0			
Federal Funds	(52,441)	0	1,630,170	1,831,212	(253,483)	57,571	(195,912)			
Gifts and Grants	88,204	0	150,463	158,102	80,565	12,825	93,390			
Contingency Reserve	2,105,768	67,837	0	349,667	1,823,938	349,667	2,173,605			
Textbook & Student Material Revolving	649,168	110	682,656	394,848	937,086	19,722	956,808			
District Activity Funds	532,829	0	1,156,409	974,135	715,103	102	715,205			
Bond and Interest Fund	13,147,980	0	14,844,414	13,086,610	14,905,784	0	14,905,784			
Capital Projects	2,581,517	2,703,148	0	5,126,659	158,006	1,728,187	1,886,193			
	<u>\$ 26,207,568</u>	<u>\$ 2,828,756</u>	<u>\$ 94,922,376</u>	<u>\$ 101,502,339</u>	<u>\$ 22,456,361</u>	<u>\$ 5,621,910</u>	<u>\$ 28,078,271</u>			

Composition of Cash:	Checking and Money Market Accounts	\$ 28,557,016
	Certificates of Deposit	19,119
		28,576,135
	Agency Funds	(497,864)
		<u>\$ 28,078,271</u>

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

**ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2022**

Note 1 - Summary of Significant Accounting Policies:

Financial Reporting Entity

Andover Unified School District No. 385 is a municipal corporation established under State of Kansas statutes designed to meet educational requirements at the primary and secondary levels in and around Andover, Kansas. The District is governed by an elected seven-member Board of Education. The District's financial statement includes all funds over which the Board of Education exercises financial responsibility. Financial responsibility includes appointment of governing body members, designation of management, the ability to significantly influence operations and accountability for fiscal matters.

KMAAG Regulatory Basis of Presentation Fund Definitions:

General Fund-the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

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

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

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

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

Regulatory Basis of Accounting and Departure from Accounting Principles Generally accepted in the United States of America

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

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

**ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2022**

Budget and Tax Cycle

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

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
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.

If the District is holding a revenue neutral rate hearing, the budget timeline for adoption of the final budget has been adjusted to on or before September 20th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no amendments for the year ended June 30, 2022.

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

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

A legal operating budget is not required for capital projects funds, trust funds, and the following special purpose funds:

Federal Funds
Contingency Reserve Fund
District Activity Funds

Gifts and Grants Fund
Textbook & Student Material Revolving Fund

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2022

Note 2 - In Substance Receipt in Transit:

The District received \$1,906,206 subsequent to June 30, 2022, and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2022.

Note 3 - Defined Benefit Pension Plan:

Plan description

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

Contributions

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

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate and the statutory contribution rate (not including the 1% contribution rate for the Death and Disability Program) was 15.59% and 14.23%, respectively, for the fiscal year ended June 30, 2021. The actuarially determined employer contribution rate and the statutory contribution rate was 14.83% and 13.33% for the fiscal year ended June 30, 2022.

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

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2022

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

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled \$4,649,267 for the year ended June 30, 2022.

Net Pension Liability

At June 30, 2022, the District's proportionate share of the collective net pension liability reported by KPERS was \$34,704,877. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020, which was rolled forward to June 30, 2021. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2021. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

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

Note 4 - Contingencies:

Grant Programs

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

Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District carries commercial insurance for all risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2022

Note 5 - Compensated Absences:

All permanent full-time employees are eligible for vacation and/or sick leave benefits in varying annual amounts depending on position and length of service.

It is the policy of the District to record vacation and sick leave benefits as expenditures when paid.

Note 6 - Reimbursed Expenditures:

The District records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as a receipt to the fund that receives the reimbursement. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements under the KMAAG regulatory basis of accounting.

Note 7 - Deposits:

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

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

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

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at June 30, 2022.

At June 30, 2022, the District's carrying amount of deposits was \$28,576,135 and the bank balance was \$32,162,462. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$269,119 was covered by federal depository insurance and the remaining \$31,893,343 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2022

Note 8 - Interfund Transactions:

Operating transfers in accordance with K.S.A. 72-7063 were as follows:

Transfer from:	Transfer To:								Total
	Preschool-Aged At-Risk	At Risk (K-12)	Bilingual Education	Virtual Education	Professional Development	Special Education	Career and Postsecondary Education		
General Fund	\$ 119,105	\$ 1,081,909	\$ 232,816	\$ 1,992,969	\$ 0	\$ 5,349,294	\$ 495,842	\$ 9,271,935	
Supplemental General Fund	0	358,231	116,628	0	29,531	1,400,988	233,240	2,138,618	
	<u>\$ 119,105</u>	<u>\$ 1,440,140</u>	<u>\$ 349,444</u>	<u>\$ 1,992,969</u>	<u>\$ 29,531</u>	<u>\$ 6,750,282</u>	<u>\$ 729,082</u>	<u>\$ 11,410,553</u>	

Note 9 - Postemployment Benefits:

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

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

Note 10 - Subsequent Events:

The District has evaluated subsequent events through November 28, 2022, the date which the financial statement was available to be issued.

Note 11 - Statutory Violation:

The Capital Outlay Fund expenditures exceeded budgeted expenditures by \$794,197 resulting in a violation of K.S.A 79-2935 due to an unexpected natural disaster that heavily damaged a school building on April 29, 2022. Insurance proceeds were not received in time to cover expenses incurred by fiscal year end.

Note 12 - Capital Projects:

Capital project authorizations with approved change orders compared with expenditures from inception are as follows:

	Project Authorization	Expenditures to Date
School Additions and Improvements	<u>\$193,257,497</u>	<u>\$193,099,491</u>

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2022

Note 13 - Advance Refunding of Bond Obligation:

On April 6, 2021, the District issued \$63,005,000 in General Obligation Bonds with interest rates ranging from 0.247% to 2.297%. Of the issue, \$62,329,976 was used to purchase U.S. government securities. Those securities were deposited with an escrow agent to provide for the future debt service payments on a portion of the 2017 bonds. As of June 30, 2022, \$49,930,000 of bonds outstanding are considered defeased and not included in long-term debt below.

Note 14 - Long-Term Debt:

Principal payments are due annually for general obligation bonds on September 1. Interest payments are due semi-annually on March 1 and September 1.

Lease payments are due monthly.

Terms for long-term liabilities for the District for the year ended June 30, 2022, were as follows:

Issue	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity
General Obligation Bonds				
2017 Series	3.00 - 5.00	6/29/2017	\$ 170,760,000	9/1/2034
2021 Series	0.247 - 2.297	4/6/2021	\$ 63,005,000	9/1/2034
Qualified School Construction Bonds				
2011 Series	4.79	3/1/2011	\$ 2,000,000	9/1/2021
Capital Leases				
V Block - Dell 2017	2.33	7/1/2017	\$ 1,082,441	7/1/2022
Printer/Copier - Konica 2021	4.38	8/1/2021	\$ 554,935	12/1/2026
Computer Equipment - Dell 2021	0.00	10/1/2021	\$ 760,553	10/1/2025
Computer Equipment - Dell 2022	0.00	2/1/2022	\$ 112,082	12/1/2025

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2022

Changes in long-term liabilities for the District for the year ended June 30, 2022, were as follows:

Issue	Balance		Reductions/ Payments	Balance End		Interest Paid
	Beginning of Year	Additions		of Year		
General Obligation Bonds						
2017 Series	\$ 118,135,000	\$ 0	\$ 6,865,000	\$ 111,270,000	\$ 4,548,750	
2021 Series	63,005,000	0	520,000	62,485,000	1,152,860	
Qualified School Construction Bonds						
2011 Series	200,000	0	200,000	0	4,809	
	181,340,000	0	7,585,000	173,755,000	5,706,419	
Capital Leases						
V Block - Dell 2017	223,915	0	223,915	0	7,964	
Printer/Copier - Konica 2021	0	554,935	70,205	484,730	18,696	
Computer Equipment - Dell 2021	0	760,553	21,790	738,763	0	
Computer Equipment - Dell 2022	0	112,082	3,211	108,871	0	
	223,915	1,427,570	319,121	1,332,364	26,660	
	<u>\$ 181,563,915</u>	<u>\$ 1,427,570</u>	<u>\$ 7,904,121</u>	<u>\$ 175,087,364</u>	<u>\$ 5,733,079</u>	

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

	Principal			Interest			Total Principal and Interest	
	General Obligation			General Obligation				
	Bonds	Capital Leases	Total Principal	Bonds	Capital Leases	Total Interest		
2023	\$ 8,565,000	\$ 311,776	\$ 8,876,776	\$ 5,544,373	\$ 18,666	\$ 5,563,039	\$ 14,439,815	
2024	9,285,000	316,103	9,601,103	5,232,260	14,339	5,246,599	14,847,702	
2025	10,070,000	320,618	10,390,618	4,882,633	9,825	4,892,458	15,283,076	
2026	10,895,000	325,328	11,220,328	4,501,329	5,115	4,506,444	15,726,772	
2027	11,770,000	58,539	11,828,539	4,081,539	728	4,082,267	15,910,806	
2028-2032	71,135,000	0	71,135,000	12,854,354	0	12,854,354	83,989,354	
2033-2035	52,035,000	0	52,035,000	1,779,556	0	1,779,556	53,814,556	
	<u>\$ 173,755,000</u>	<u>\$ 1,332,364</u>	<u>\$ 175,087,364</u>	<u>\$ 38,876,044</u>	<u>\$ 48,673</u>	<u>\$ 38,924,717</u>	<u>\$ 214,012,081</u>	

**REGULATORY REQUIRED
SUPPLEMENTARY INFORMATION**

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

Fund	Certified	Adjustment to	Adjustment for	Expenditures		Variance - Over (Under)
	Budget	Comply with Legal Max	Qualifying Budget Credits	Total Budget	Chargeable to Current Year	
General Fund	\$ 40,503,097	\$ (2,337,975)	\$ 565,367	\$ 38,730,489	\$ 38,730,489	\$ 0
Special Purpose Funds						
Supplemental General	12,056,569	(387,801)	16,323	11,685,091	11,685,091	0
Preschool-Aged At-Risk	392,636	0	0	392,636	357,684	(34,952)
At Risk (K-12)	1,861,423	0	0	1,861,423	1,418,673	(442,750)
Bilingual Education	470,758	0	0	470,758	382,430	(88,328)
Virtual Education	3,310,168	0	0	3,310,168	3,020,964	(289,204)
Capital Outlay	6,015,000	0	1,030,581	7,045,581	7,839,778	794,197
Driver Training	113,150	0	0	113,150	32,883	(80,267)
Food Service	2,780,461	0	0	2,780,461	2,648,295	(132,166)
Professional Development	125,000	0	0	125,000	40,631	(84,369)
Summer School	31,988	0	0	31,988	10,103	(21,885)
Special Education	8,888,006	0	0	8,888,006	8,018,772	(869,234)
Career and Postsecondary Education	932,000	0	0	932,000	746,046	(185,954)
KPERS Contribution	5,160,179	0	0	5,160,179	4,649,267	(510,912)
Federal Funds	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	1,831,212	XXXXXXXXXXXX
Gifts and Grants	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	158,102	XXXXXXXXXXXX
Contingency Reserve	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	349,667	XXXXXXXXXXXX
Textbook & Student Material Revolving	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	394,848	XXXXXXXXXXXX
District Activity Funds	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	974,135	XXXXXXXXXXXX
Bond and Interest Fund	13,086,610	0	0	13,086,610	13,086,610	0
Capital Projects	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	XXXXXXXXXXXX	5,126,659	XXXXXXXXXXXX
	<u>\$ 95,727,045</u>	<u>\$ (2,725,776)</u>	<u>\$ 1,612,271</u>	<u>\$ 94,613,540</u>	<u>\$ 101,502,339</u>	<u>\$ (1,945,824)</u>

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	<u>General Fund</u>	<u>Current Year</u>			<u>Variance -</u> <u>Over (Under)</u>	
		<u>Prior Year</u>		<u>Budget</u>		
		<u>Actual</u>	<u>Actual</u>			
Cash Receipts						
Local Sources	\$ 291,327	\$ 565,367	\$ 0	\$ 565,367		
State Sources	<u>40,285,961</u>	<u>38,164,841</u>	<u>40,502,816</u>	<u>(2,337,975)</u>		
	<u>40,577,288</u>	<u>38,730,208</u>	<u>\$40,502,816</u>	<u>\$ (1,772,608)</u>		
Expenditures						
Instruction	18,502,095	19,060,028	\$17,875,793	\$ 1,184,235		
Student Support Services	1,532,199	1,686,431	1,626,672	59,759		
Instructional Support Staff	1,035,717	1,070,536	1,098,944	(28,408)		
School Administration	2,902,998	3,104,280	2,703,146	401,134		
Operations & Maintenance	2,519,480	2,208,951	3,033,151	(824,200)		
Student Transportation Services	1,850,344	2,262,964	2,197,000	65,964		
Other Supplemental Services	69,175	65,364	73,391	(8,027)		
Transfers	12,165,348	9,271,935	11,895,000	(2,623,065)		
Adjustment to Comply With Legal Max	0	0	(2,337,975)	2,337,975		
Adjustment for Qualifying Budget Credits	0	0	565,367	(565,367)		
	<u>40,577,356</u>	<u>38,730,489</u>	<u>\$38,730,489</u>	<u>\$ 0</u>		
Receipts Over (Under) Expenditures	(68)	(281)				
Unencumbered Cash, Beginning	71	281				
Prior Year Canceled Encumbrances	<u>278</u>	<u>1,827</u>				
Unencumbered Cash, Ending	<u>\$ 281</u>	<u>\$ 1,827</u>				

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS

FOR THE YEAR ENDED JUNE 30, 2022

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

Supplemental General Fund	Current Year			Variance - Over (Under)	
	Prior Year		Budget		
	Actual	Actual			
Cash Receipts					
Local Sources	\$ 4,218,011	\$ 4,209,261	\$ 3,932,626	\$ 276,635	
County Sources	543,899	529,572	575,500	(45,928)	
State Sources	6,749,926	6,913,780	7,143,517	(229,737)	
	<u>11,511,836</u>	<u>11,652,613</u>	<u>\$11,651,643</u>	<u>\$ 970</u>	
Expenditures					
Instruction	1,534,491	2,417,831	\$ 2,622,594	\$ (204,763)	
General Administration	1,063,127	1,097,751	1,203,398	(105,647)	
Central Services	2,560,194	2,503,185	5,995,237	(3,492,052)	
Operations & Maintenance	3,055,989	3,513,710	0	3,513,710	
Facility Acquisition & Construction Services	162,160	13,996	200,000	(186,004)	
Transfers	3,058,729	2,138,618	2,035,340	103,278	
Adjustment to Comply With Legal Max	0	0	(387,801)	387,801	
Adjustment for Qualifying Budget Credits	0	0	16,323	(16,323)	
	<u>11,434,690</u>	<u>11,685,091</u>	<u>\$11,685,091</u>	<u>\$ 0</u>	
Receipts Over (Under) Expenditures	77,146	(32,478)			
Unencumbered Cash, Beginning	327,755	404,926			
Prior Year Canceled Encumbrances	25	935			
Unencumbered Cash, Ending	<u>\$ 404,926</u>	<u>\$ 373,383</u>			

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

<u>Preschool-Aged At-Risk Fund</u>	<u>Current Year</u>			<u>Variance - Over (Under)</u>	
	<u>Prior Year</u>		<u>Budget</u>		
	<u>Actual</u>	<u>Actual</u>			
Cash Receipts					
Local Sources	\$ 190,945	\$ 238,650	\$ 190,945	\$ 47,705	
Transfers	125,903	119,105	175,000	(55,895)	
	<u>316,848</u>	<u>357,755</u>	<u>\$ 365,945</u>	<u>\$ (8,190)</u>	
Expenditures					
Instruction	323,391	357,684	\$ 392,636	\$ (34,952)	
	<u>323,391</u>	<u>357,684</u>	<u>\$ 392,636</u>	<u>\$ (34,952)</u>	
Receipts Over (Under) Expenditures	(6,543)	71			
Unencumbered Cash, Beginning	33,245	26,760			
Prior Year Canceled Encumbrances	58	0			
Unencumbered Cash, Ending	<u>\$ 26,760</u>	<u>\$ 26,831</u>			

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

At Risk (K-12) Fund	Current Year			Variance - Over (Under)	
	Prior Year		Budget		
	Actual	Actual			
Cash Receipts					
Transfers	\$ 1,370,664	\$ 1,440,140	\$ 1,823,327	\$ (383,187)	
	<u>1,370,664</u>	<u>1,440,140</u>	<u>\$ 1,823,327</u>	<u>\$ (383,187)</u>	
Expenditures					
Instruction	1,228,325	1,345,252	\$ 1,611,423	\$ (266,171)	
Instructional Support Staff	2,061	73,421	250,000	(176,579)	
	<u>1,230,386</u>	<u>1,418,673</u>	<u>\$ 1,861,423</u>	<u>\$ (442,750)</u>	
Receipts Over (Under) Expenditures	140,278	21,467			
Unencumbered Cash, Beginning	10,596	150,874			
Prior Year Canceled Encumbrances	0	0			
Unencumbered Cash, Ending	<u>\$ 150,874</u>	<u>\$ 172,341</u>			

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS

FOR THE YEAR ENDED JUNE 30, 2022

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

	<u>Bilingual Education Fund</u>	Current Year			Variance - Over (Under)	
		Prior Year		Budget		
		Actual	Actual			
Cash Receipts						
Transfers		\$ 404,173	\$ 349,444	\$ 437,375	\$ (87,931)	
		<u>404,173</u>	<u>349,444</u>	<u>\$ 437,375</u>	<u>\$ (87,931)</u>	
Expenditures						
Instruction		370,790	369,266	\$ 470,758	\$ (101,492)	
School Administration		0	13,164	0	13,164	
		<u>370,790</u>	<u>382,430</u>	<u>\$ 470,758</u>	<u>\$ (88,328)</u>	
Receipts Over (Under) Expenditures		33,383	(32,986)			
Unencumbered Cash, Beginning		0	33,383			
Prior Year Canceled Encumbrances		0	0			
Unencumbered Cash, Ending		<u>\$ 33,383</u>	<u>\$ 397</u>			

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	<u>Virtual Education Fund</u>	<u>Current Year</u>			<u>Variance -</u> <u>Over (Under)</u>
		Prior Year Actual	Actual	Budget	
Cash Receipts					
Local Sources	\$ 48,919	\$ 22,035	\$ 0	\$ 22,035	
Transfers	<u>4,743,587</u>	<u>1,992,969</u>	<u>2,300,000</u>	<u>(307,031)</u>	
	<u>4,792,506</u>	<u>2,015,004</u>	<u>\$ 2,300,000</u>	<u>\$ (284,996)</u>	
Expenditures					
Instruction	3,540,252	2,452,401	\$ 2,774,253	\$ (321,852)	
Student Support Services	154,564	121,138	164,494	(43,356)	
Instructional Support Staff	569	875	1,500	(625)	
School Administration	343,768	392,142	313,733	78,409	
Central Services	53,089	54,408	56,188	(1,780)	
	<u>4,092,242</u>	<u>3,020,964</u>	<u>\$ 3,310,168</u>	<u>\$ (289,204)</u>	
Receipts Over (Under) Expenditures	700,264	(1,005,960)			
Unencumbered Cash, Beginning	309,889	1,010,168			
Prior Year Canceled Encumbrances	<u>15</u>	<u>60</u>			
Unencumbered Cash, Ending	<u>\$ 1,010,168</u>	<u>\$ 4,268</u>			

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

Capital Outlay Fund	Current Year			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Local Sources	\$ 3,261,317	\$ 4,238,388	\$ 3,272,904	\$ 965,484
County Sources	405,198	390,752	629,550	(238,798)
State Sources	1,617,205	1,695,741	1,701,929	(6,188)
	<u>5,283,720</u>	<u>6,324,881</u>	<u>\$ 5,604,383</u>	<u>\$ 720,498</u>
Expenditures				
Instruction	2,452,475	2,280,339	\$ 1,100,000	\$ 1,180,339
Instructional Support Staff	75,853	6,117	150,000	(143,883)
General Administration	299,080	246,048	800,000	(553,952)
School Administration	77,859	316,370	80,000	236,370
Central Services	308,482	717,635	375,000	342,635
Operations & Maintenance	1,310,543	1,331,979	1,500,000	(168,021)
Facility Acquisition & Construction Services	1,833,429	2,941,290	2,010,000	931,290
Adjustment for Qualifying Budget Credits	0	0	1,030,581	(1,030,581)
	<u>6,357,721</u>	<u>7,839,778</u>	<u>\$ 7,045,581</u>	<u>\$ 794,197</u>
Receipts Over (Under) Expenditures	(1,074,001)	(1,514,897)		
Unencumbered Cash, Beginning	5,055,386	4,032,035		
Prior Year Canceled Encumbrances	<u>50,650</u>	<u>54,839</u>		
Unencumbered Cash, Ending	<u>\$ 4,032,035</u>	<u>\$ 2,571,977</u>		

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	<u>Driver Training Fund</u>	<u>Current Year</u>			<u>Variance -</u> <u>Over (Under)</u>	
		<u>Prior Year</u>		<u>Budget</u>		
		<u>Actual</u>	<u>Actual</u>			
Cash Receipts						
Local Sources	\$ 39,350	\$ 21,350	\$ 0	\$ 21,350		
State Sources	0	22,448	22,320	128		
	<u>39,350</u>	<u>43,798</u>	<u>\$ 22,320</u>	<u>\$ 21,478</u>		
Expenditures						
Instruction	36,126	21,371	\$ 58,580	\$ (37,209)		
School Administration	833	2,451	4,570	(2,119)		
Vehicle Operations, Maintenance						
Services	27,074	9,061	50,000	(40,939)		
	<u>64,033</u>	<u>32,883</u>	<u>\$ 113,150</u>	<u>\$ (80,267)</u>		
Receipts Over (Under) Expenditures	(24,683)	10,915				
Unencumbered Cash, Beginning	186,805	162,122				
Prior Year Canceled Encumbrances	0	0				
Unencumbered Cash, Ending	<u>\$ 162,122</u>	<u>\$ 173,037</u>				

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS

FOR THE YEAR ENDED JUNE 30, 2022

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

Food Service Fund	Current Year			Variance - Over (Under)	
	Prior Year		Budget		
	Actual	Actual			
Cash Receipts					
Local Sources	\$ 250,502	\$ 418,528	\$ 342,450	\$ 76,078	
State Sources	18,296	23,410	19,000	4,410	
Federal Sources	1,421,720	2,795,624	2,346,514	449,110	
Transfers	7,900	0	0	0	
	<u>1,698,418</u>	<u>3,237,562</u>	<u>\$ 2,707,964</u>	<u>\$ 529,598</u>	
Expenditures					
Food Service Operation	1,704,067	2,648,295	\$ 2,780,461	\$ (132,166)	
	<u>1,704,067</u>	<u>2,648,295</u>	<u>\$ 2,780,461</u>	<u>\$ (132,166)</u>	
Receipts Over (Under) Expenditures	(5,649)	589,267			
Unencumbered Cash, Beginning	86,040	80,391			
Prior Year Canceled Encumbrances	0	0			
Unencumbered Cash, Ending	<u>\$ 80,391</u>	<u>\$ 669,658</u>			

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	Professional Development Fund		Current Year		Variance - Over (Under)	
	Prior Year					
	Actual	Actual	Budget			
Cash Receipts						
Local Sources	\$ 5,030	\$ 3,510	\$ 543	\$ 2,967		
State Sources	9,640	0	0	0		
Transfers	56,412	29,531	115,000	(85,469)		
	<u>71,082</u>	<u>33,041</u>	<u>\$ 115,543</u>	<u>\$ (82,502)</u>		
Expenditures						
Instructional Support Staff	61,790	40,631	\$ 125,000	\$ (84,369)		
	<u>61,790</u>	<u>40,631</u>	<u>\$ 125,000</u>	<u>\$ (84,369)</u>		
Receipts Over (Under) Expenditures	9,292	(7,590)				
Unencumbered Cash, Beginning	0	9,457				
Prior Year Canceled Encumbrances	165	0				
Unencumbered Cash, Ending	<u>\$ 9,457</u>	<u>\$ 1,867</u>				

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	<u>Summer School Fund</u>	<u>Current Year</u>			Variance - Over (Under)	
		<u>Prior Year</u>		<u>Budget</u>		
		<u>Actual</u>	<u>Actual</u>			
Cash Receipts						
Local Sources		\$ 15,225	\$ 12,900	\$ 15,000	\$ (2,100)	
		<u>15,225</u>	<u>12,900</u>	<u>\$ 15,000</u>	<u>\$ (2,100)</u>	
Expenditures						
Instruction		11,973	9,268	\$ 29,768	\$ (20,500)	
School Administration		833	835	2,220	(1,385)	
		<u>12,806</u>	<u>10,103</u>	<u>\$ 31,988</u>	<u>\$ (21,885)</u>	
Receipts Over (Under) Expenditures		2,419	2,797			
Unencumbered Cash, Beginning		18,293	20,712			
Prior Year Canceled Encumbrances		0	0			
Unencumbered Cash, Ending		\$ <u>20,712</u>	\$ <u>23,509</u>			

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

Special Education Fund	Current Year			Variance - Over (Under)	
	Prior Year		Budget		
	Actual	Actual			
Cash Receipts					
Local Sources	\$ 17,317	\$ 27,184	\$ 0	\$ 27,184	
Federal Sources	83,371	105,103	0	105,103	
Transfers	7,752,592	6,750,282	8,166,000	(1,415,718)	
	<u>7,853,280</u>	<u>6,882,569</u>	<u>\$ 8,166,000</u>	<u>\$ (1,283,431)</u>	
Expenditures					
Instruction	6,858,569	7,338,100	\$ 7,974,473	\$ (636,373)	
Student Support Services	78,313	42,210	83,533	(41,323)	
Student Transportation Services	537,233	638,462	830,000	(191,538)	
	<u>7,474,115</u>	<u>8,018,772</u>	<u>\$ 8,888,006</u>	<u>\$ (869,234)</u>	
Receipts Over (Under) Expenditures	379,165	(1,136,203)			
Unencumbered Cash, Beginning	825,892	1,205,073			
Prior Year Canceled Encumbrances	<u>16</u>	<u>0</u>			
Unencumbered Cash, Ending	<u>\$ 1,205,073</u>	<u>\$ 68,870</u>			

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

Career and Postsecondary

	Education Fund	Current Year			Variance - Over (Under)
		Prior Year Actual	Actual	Budget	
Cash Receipts					
Transfers		\$ 762,846	\$ 729,082	\$ 913,638	\$ (184,556)
		<u>762,846</u>	<u>729,082</u>	<u>\$ 913,638</u>	<u>\$ (184,556)</u>
Expenditures					
Instruction		575,028	566,404	\$ 752,420	\$ (186,016)
School Administration		169,457	179,642	179,580	62
		<u>744,485</u>	<u>746,046</u>	<u>\$ 932,000</u>	<u>\$ (185,954)</u>
Receipts Over (Under) Expenditures		18,361	(16,964)		
Unencumbered Cash, Beginning		0	18,361		
Prior Year Canceled Encumbrances		0	0		
Unencumbered Cash, Ending		\$ <u>18,361</u>	\$ <u>1,397</u>		

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS

FOR THE YEAR ENDED JUNE 30, 2022

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

	<u>KPERS Contribution Fund</u>		Current Year		Variance - Over (Under)	
	Prior Year					
	Actual	Actual	Budget			
Cash Receipts						
State Sources	\$ 4,264,611	\$ 4,649,267	\$ 5,160,179	\$ (510,912)		
	<u>4,264,611</u>	<u>4,649,267</u>	<u>\$ 5,160,179</u>	<u>\$ (510,912)</u>		
Expenditures						
Instruction	2,926,000	3,150,082	\$ 3,586,930	\$ (436,848)		
Student Support Services	197,464	222,821	258,325	(35,504)		
Instructional Support Staff	113,728	135,683	169,983	(34,300)		
General Administration	109,502	125,534	115,525	10,009		
School Administration	371,235	415,856	441,653	(25,797)		
Central Services	143,073	153,712	150,942	2,770		
Operations & Maintenance	298,566	330,217	326,000	4,217		
Other Supplemental Services	6,173	7,841	6,513	1,328		
Food Service Operation	<u>98,870</u>	<u>107,521</u>	<u>104,308</u>	<u>3,213</u>		
	<u>4,264,611</u>	<u>4,649,267</u>	<u>\$ 5,160,179</u>	<u>\$ (510,912)</u>		
Receipts Over (Under) Expenditures	0	0				
Unencumbered Cash, Beginning	0	0				
Prior Year Canceled Encumbrances	0	0				
Unencumbered Cash, Ending	\$ 0	\$ 0				

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS

FOR THE YEAR ENDED JUNE 30, 2022

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

Bond and Interest Fund	Current Year			Variance - Over (Under)	
	Prior Year		Budget		
	Actual	Actual			
Cash Receipts					
Local Sources	\$10,845,562	\$11,508,365	\$10,861,386	\$ 646,979	
County Sources	1,468,128	1,111,232	1,507,488	(396,256)	
State Sources	3,438,628	2,224,817	2,224,724	93	
	<u>15,752,318</u>	<u>14,844,414</u>	<u>\$14,593,598</u>	<u>\$ 250,816</u>	
Expenditures					
Debt Service	15,059,488	13,086,610	\$13,086,610	\$ 0	
	<u>15,059,488</u>	<u>13,086,610</u>	<u>\$13,086,610</u>	<u>\$ 0</u>	
Receipts Over (Under) Expenditures	692,830	1,757,804			
Unencumbered Cash, Beginning	12,455,150	13,147,980			
Prior Year Canceled Encumbrances	0	0			
Unencumbered Cash, Ending	<u>\$13,147,980</u>	<u>\$14,905,784</u>			

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

<u>Federal Funds</u>	Prior Year Actual	Current Year Actual
Cash Receipts		
Federal Sources	<u>\$ 2,375,428</u>	<u>\$ 1,630,170</u>
	<u>2,375,428</u>	<u>1,630,170</u>
 Expenditures		
Instruction	1,009,113	1,122,648
Student Support Services	152	379,214
Instructional Support Staff	291,729	274,815
General Administration	2,577	0
School Administration	0	3,446
Central Services	0	0
Operations & Maintenance	1,099,791	0
Student Transportation Services	29,523	45,671
Food Service Operation	32,702	5,418
	<u>2,465,587</u>	<u>1,831,212</u>
 Receipts Over (Under) Expenditures	(90,159)	(201,042)
 Unencumbered Cash, Beginning	37,718	(52,441)
 Prior Year Canceled Encumbrances	0	0
 Unencumbered Cash, Ending	<u>\$ (52,441)</u>	<u>\$ (253,483)</u>

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

Gifts and Grants Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	<u>\$ 119,751</u>	<u>\$ 150,463</u>
	<u>119,751</u>	<u>150,463</u>
 Expenditures		
Instruction	110,241	138,530
Instructional Support Staff	0	1,572
General Administration	17,996	18,000
Central Services	0	0
Operations and Maintenance	35,350	0
	<u>163,587</u>	<u>158,102</u>
 Receipts Over (Under) Expenditures	(43,836)	(7,639)
 Unencumbered Cash, Beginning	132,009	88,204
 Prior Year Canceled Encumbrances	31	0
 Unencumbered Cash, Ending	<u>\$ 88,204</u>	<u>\$ 80,565</u>

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

Contingency Reserve Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Transfers	\$ 0	\$ 0
	<hr/>	<hr/>
Expenditures		
Operations & Maintenance	100,815	349,667
	<hr/>	<hr/>
Receipts Over (Under) Expenditures	100,815	349,667
	<hr/>	<hr/>
Unencumbered Cash, Beginning	2,206,583	2,105,768
	<hr/>	<hr/>
Prior Year Canceled Encumbrances	0	67,837
	<hr/>	<hr/>
Unencumbered Cash, Ending	<u>\$ 2,105,768</u>	<u>\$ 1,823,938</u>

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

Textbook & Student Material

Revolving Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	\$ 658,387	\$ 682,656
	<u>658,387</u>	<u>682,656</u>
 Expenditures		
Instruction	<u>841,820</u>	<u>394,848</u>
	<u>841,820</u>	<u>394,848</u>
 Receipts Over (Under) Expenditures	(183,433)	287,808
 Unencumbered Cash, Beginning	832,443	649,168
 Prior Year Canceled Encumbrances	<u>158</u>	<u>110</u>
 Unencumbered Cash, Ending	<u>\$ 649,168</u>	<u>\$ 937,086</u>

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - CAPITAL PROJECTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022
(With Comparative Actual Totals for the Prior Year Ended June 30, 2021)

	Prior Year Actual	Current Year Actual
Cash Receipts		
Reimbursements	\$ 17,012	\$ 0
	<u>17,012</u>	<u>0</u>
Expenditures		
Facility Acquisition and Construction	12,598,764	5,126,659
	<u>12,598,764</u>	<u>5,126,659</u>
Receipts Over (Under) Expenditures	(12,581,752)	(5,126,659)
Unencumbered Cash, Beginning	12,888,311	2,581,517
	0	
Prior Year Canceled Encumbrances	<u>2,274,958</u>	<u>2,703,148</u>
Unencumbered Cash, Ending	<u>\$ 2,581,517</u>	<u>\$ 158,006</u>

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
AGENCY FUNDS
SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Andover High School				
General Activity Account	\$ 580	\$ 8,297	\$ 8,206	\$ 671
AMPED	943	2,191	3,134	0
Geometry in Construction	1,495	1,042	0	2,537
Yearbook	16,471	27,513	33,784	10,200
Band Boosters	5,807	40	165	5,682
Band-AHS	41,424	9,555	9,521	41,458
Band Uniforms	13,122	5,700	4,984	13,838
Debate-AHS	93	1,477	939	631
Color Guard	407	1,355	847	915
Desktop Publishing	2,747	1,800	2,381	2,166
Forensics	612	894	1,341	165
Drama-AHS	6,515	23,060	21,981	7,594
Drama Trip	701	4,705	5,017	389
Journalism	2,072	75	728	1,419
Journalism Trip	1,146	0	1,146	0
Choir Travel	4,031	25	0	4,056
Madrigals	2,761	0	0	2,761
Choir Uniforms	5,372	4,249	7,319	2,302
Music Festival	45	0	0	45
Scholar's Bowl	0	590	573	17
Student Council	4,168	14,066	12,352	5,882
FAA - Field Trips	253	0	0	253
AHS Stadium Bakery	28,111	8,339	4,381	32,069
Shop Spirit	4,860	0	0	4,860
Greenhouse	101	0	0	101
	143,837	114,973	118,799	140,011

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
AGENCY FUNDS
SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Andover High School (Continued)				
Class of 2015	96	0	73	23
Class of 2019	2,175	0	2,175	0
Class of 2020	6,180	0	5,292	888
Class of 2021	258	0	228	30
Class of 2022	883	9,443	10,326	0
Class of 2023	9,301	8,627	7,278	10,650
Class of 2024	1,800	7,289	1,181	7,908
Class of 2025	0	2,240	1,372	868
Outdoor Club	310	0	0	310
Quill & Scroll	200	0	0	200
Fellowship of Christian Students	117	0	0	117
Kids for Kids Club	282	3,387	3,569	100
FBLA	330	29,159	10,066	19,423
FACS - Beef	186	0	0	186
Clay Target Club	1,583	6,253	4,825	3,011
Arts and Crafts Club	467	0	0	467
Circle of Friends	132	0	0	132
National Honor Society	981	2,415	1,591	1,805
Science Olympiad	715	842	1,089	468
EMS Club	215	0	0	215
Fishing Club	538	0	0	538
MESAC	120	531	483	168
Esports Club	0	220	0	220
Booster Club New Sign	208	0	0	208
Scholarships/Banquet	1,604	420	500	1,524
Memorials	1,035	0	0	1,035
	29,716	70,826	50,048	50,494

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
AGENCY FUNDS
SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Andover Central High School				
General Activities	2,014	250	72	2,192
Band	23,627	20,361	35,966	8,022
Band Uniform, Music	5,268	4,880	3,833	6,315
Band Trips	2,253	9,250	2,827	8,676
Tri-M Music Honor Society	1,708	0	1,183	525
Debate	2,615	0	761	1,854
School Publications	407	500	407	500
Drama	13,783	16,446	8,711	21,518
Forensics	650	0	0	650
Newspaper	4,408	2,414	2,695	4,127
Choirs	5,979	3,883	2,265	7,597
Choir Cleaning	6,396	2,225	0	8,621
Choir Trips	1,624	0	0	1,624
Scholar's Bowl	1,557	1,234	800	1,991
Sewing	1,360	0	0	1,360
StuCo	5,595	5,175	4,429	6,341
Voc Ed	420	0	391	29
YE	20	0	0	20
Yearbook	1,991	18,119	14,179	5,931
Key Club	140	0	21	119
Circle of Friends	1,025	195	95	1,125
Clay Target	0	4,552	3,863	689
English	1,125	0	86	1,039
FBLA Donations	0	2,781	2,772	9
FCCLA	1,673	0	0	1,673
French Club	47	0	0	47
Jag Ambassadors	414	0	0	414
Greenhouse	2,417	1,036	1,074	2,379
	88,516	93,301	86,430	95,387

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
AGENCY FUNDS
SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Andover Central High School (Continued)				
Kansas BEST	126	0	0	126
Kids 4 Kids	711	189	0	900
Kindness Club	189	283	472	0
National Honor Society	28	1,309	363	974
ProStart	110	8,731	6,491	2,350
Science Olympiad	0	2,179	1,930	249
Robotics	258	0	0	258
Spanish Club	61	516	577	0
Spirit Club	3,488	3,242	2,789	3,941
Table Tennis	24	0	0	24
Teen View	381	0	0	381
UTC	148	312	0	460
Coffee Shop	0	1,240	758	482
eSports	0	21	0	21
Project Graduation	4,950	574	1,858	3,666
Class of 2020	1,824	0	0	1,824
Class of 2021	6,033	0	6,033	0
Class of 2022	4,485	5,939	10,424	0
Class of 2023	4,769	9,268	1,862	12,175
Class of 2024	1,375	1,720	0	3,095
Class of 2025	0	2,099	0	2,099
Jaguar Assistance Group	2,514	0	250	2,264
Scholarships/Memorials	760	0	0	760
Scholarships-Billy Means Fund	32,506	0	500	32,006
Scholarships-teacher funded	1	1,725	1,725	1
Scholarships - AMP	0	500	500	0
Scholarships - Patrick Kennedy	12,350	0	5,000	7,350
	77,091	39,847	41,532	75,406

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
AGENCY FUNDS
SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Andover Middle School				
PE Sports	6,993	8,051	10,446	4,598
AMSPO Donations	0	724	0	724
Lost/Damaged Textbook				
Equip	4,182	702	197	4,687
Cheerleaders	42	5,932	3,443	2,531
Student Council	259	5,435	3,628	2,066
Choir	854	524	1,117	261
Math Club	2	0	0	2
Rocketry	1	0	0	1
Math Moves U MS Grant	2,630	0	0	2,630
Scholar Bowl	255	102	53	304
Science Wish List	25	0	0	25
FACS	8	0	0	8
Mentoring Program	81	0	0	81
5th Incoming 6th	500	0	0	500
6th Students	1,600	0	0	1,600
7th Students	1,100	0	0	1,100
8th Students	1,100	0	0	1,100
	19,632	21,470	18,884	22,218

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
AGENCY FUNDS
SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Andover Central Middle School				
Student Council	2,626	3,935	2,988	3,573
Math Relay Team	15	0	15	0
Scholar Bowl	9	0	0	9
Fundraiser	24,659	29,685	30,858	23,486
PE Uniforms	4,150	12,695	8,699	8,146
8th Celebration	50	0	35	15
Veterans Day Assembly	995	1,351	1,150	1,196
Activity Equipment	0	1,317	0	1,317
Yearbook Sales	37	1,343	217	1,163
Media Arts	142	176	32	286
Teacher Advisor	1,009	790	690	1,109
Choir	25	94	96	23
Band	75	0	60	15
R. Smith Jags	664	0	0	664
Resource	435	0	0	435
Counselor	647	0	0	647
Nelson-Science	48	0	0	48
Naccarto	0	43	0	43
Gifted	0	148	0	148
Weightroom	0	500	0	500
6th Team	0	934	934	0
8th Team	0	185	0	185
	<u>35,586</u>	<u>53,196</u>	<u>45,774</u>	<u>43,008</u>

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
AGENCY FUNDS
SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Meadowlark Elementary Student Activity Fund	2,267	6,756	6,716	2,307
	<u>2,267</u>	<u>6,756</u>	<u>6,716</u>	<u>2,307</u>

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
AGENCY FUNDS
SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
Robert Martin Elementary				
Pictures	1,771	237	0	2,008
2nd Grade Popcorn Fundraiser	165	0	0	165
	1,936	237	0	2,173

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
AGENCY FUNDS
SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

Fund	Beginning		Cash Disbursements	Ending Cash Balance
	Cash Balance	Cash Receipts		
Sunflower Elementary				
5th Grade Projects	1,320	530	423	1,427
2nd Grade Popcorn Unit	468	0	0	468
3rd Grade Carnival	6,564	1,339	0	7,903
	<u>8,352</u>	<u>1,869</u>	<u>423</u>	<u>9,798</u>

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
AGENCY FUNDS
SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

Fund	Beginning		Cash Disbursements	Ending Cash Balance
	Cash Balance	Cash Receipts		
Prairie Creek Elementary Student Activity Fund	2,409	11,652	10,599	3,462
	2,409	11,652	10,599	3,462

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
AGENCY FUNDS
SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

Fund	Beginning	Cash		Ending Cash Balance
	Cash Balance	Cash Receipts	Disbursements	
Andover eCademy				
Field Trips	0	1,383	1,368	15
	0	1,383	1,368	15

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
AGENCY FUNDS
SCHEDULE OF CASH RECEIPTS AND CASH DISBURSEMENTS
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

Fund	Beginning Cash Balance	Cash Receipts	Cash Disbursements	Ending Cash Balance
District				
BOE Scholarships	22,787	2,021	3,500	21,308
Piano Music Festival	97	1,470	1,489	78
Miscellaneous	0	1	0	1
Interest Earned	0	11	0	11
Sales Tax	215	45,431	45,431	215
	<u>23,099</u>	<u>48,934</u>	<u>50,420</u>	<u>21,613</u>
Payroll Clearing	30,509	159,585	158,122	31,972
Total Agency Funds	\$ 462,950	\$ 624,029	\$ 589,115	\$ 497,864

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
DISTRICT ACTIVITY FUNDS
SCHEDULE OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

Fund	Beginning		Prior Year		Ending		Add	
	Unencumbered	Canceled	Encumbrances	Cash Receipts	Expenditures	Unencumbered	Encumbrances and Accounts	Ending Cash Balance
	Cash Balance				Cash Balance	Payable		
Andover High School								
Athletics	\$ 20,497	\$ 0	\$ 170,525	\$ 147,933	\$ 43,089	0	\$ 43,089	
Athletics - Facility	95	0	0	0	95	0	0	95
AHS Broadcasting	(80)	0	500	80	340	0	0	340
Athletics	1,961	0	1,202	0	3,163	0	0	3,163
Athletics - RefPay	0	0	10,000	0	10,000	0	0	10,000
District Concessions	295	0	0	0	295	0	0	295
AHS Concessions	4,363	0	39,693	33,605	10,451	0	0	10,451
Athletics - Hall of	791	0	1,000	0	1,791	0	0	1,791
Trojan Booster Club	17,614	0	26,987	17,873	26,728	0	0	26,728
Baseball	4,671	0	10,889	7,403	8,157	0	0	8,157
Baseball Coaches	118	0	905	789	234	0	0	234
Boys Soccer	4,554	0	1,780	1,926	4,408	0	0	4,408
Soccer Boys Coach	438	0	0	36	402	0	0	402
Soccer Concessions	749	0	959	1,708	0	0	0	0
Girls Soccer	1,784	0	1,215	159	2,840	0	0	2,840
Soccer Girls Coach	839	0	0	0	839	0	0	839
Wrestling	4,925	0	685	2,681	2,929	0	0	2,929
Track	9	0	3,278	2,844	443	0	0	443
Track Coach	602	0	0	320	282	0	0	282
Wrestling Coaches	4,192	0	0	320	3,872	0	0	3,872
Volleyball	3,380	0	11,153	4,728	9,805	0	0	9,805
Volleyball Coaches	1,975	0	0	0	1,975	0	0	1,975
Boys Golf	1,113	0	697	752	1,058	0	0	1,058
Girls Golf	45	0	56	96	5	0	0	5
Cross Country	1,554	0	19,188	18,047	2,695	0	0	2,695
Cross Country Coaches	1,034	0	0	321	713	0	0	713
Softball	7,717	0	7,625	4,464	10,878	0	0	10,878
Softball Coaches	101	0	0	0	101	0	0	101
Cheerleaders	86	0	23,793	15,292	8,587	0	0	8,587
Cheer Coach	52	0	0	0	52	0	0	52
Trojan Dance Team	1,419	0	6,048	5,988	1,479	0	0	1,479
Football Concessions	1,619	0	0	0	1,619	0	0	1,619
	88,512	0	338,178	267,365	159,325	0	0	159,325

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
DISTRICT ACTIVITY FUNDS
SCHEDULE OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

Fund	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
Andover High School (Continued)							
Bowling	374	0	296	436	234	0	234
Girls Tennis	1,657	0	70	990	737	0	737
Girls Tennis Coach	253	0	0	110	143	0	143
Boys Tennis	480	0	(1)	0	479	0	479
Boys Tennis Coach	420	0	0	0	420	0	420
Athletic Training	738	0	0	0	738	0	738
Boys Basketball	244	0	9,264	4,395	5,113	0	5,113
Boys Basketball Coaches	2,556	0	150	2,525	181	0	181
Girls Basketball	1,652	0	5,176	2,661	4,167	0	4,167
Girls Basketball Coaches	2,741	0	450	144	3,047	0	3,047
Football	1,622	0	11,311	9,757	3,176	0	3,176
Football Milk Project	765	0	0	765	0	0	0
Girls Swim	1,085	0	0	92	993	0	993
Girls Swim Coach	246	0	0	0	246	0	246
Football Coaches	1,433	0	1,325	1,875	883	0	883
Swim Boys	50	0	445	545	(50)	0	(50)
Swim Boys Coach	99	0	0	99	0	0	0
LINK Crew	0	0	384	384	0	0	0
Educational Services	4,066	0	1,191	2,362	2,895	0	2,895
Crime Stoppers	300	0	0	0	300	0	300
Student Obligations	23	0	0	0	23	0	23
Library	18,881	0	1,210	2,590	17,501	0	17,501
Lifetouch Senior Sitting Fee	4,328	0	1,776	10	6,094	0	6,094
Testing	7,467	0	34,107	32,624	8,950	0	8,950
Staff Professional Learning	2,271	0	0	442	1,829	0	1,829
Vending Machines	1,959	0	10,111	9,363	2,707	0	2,707
After Prom	454	0	7,280	4,500	3,234	0	3,234
Student Locker	1,690	0	490	985	1,195	0	1,195
Activity Transportation / Field Trip	350	0	9,367	7,581	2,136	0	2,136
YE Pop up Coffee Shop	17	0	0	0	17	0	17
Walkin' & Rollin' Costumes	187	0	0	94	93	0	93
Sales Tax	25	0	18,919	18,398	546	0	546
Interest	0	0	1,100	0	1,100	0	1,100
	58,433	0	114,421	103,727	69,127	0	69,127

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
DISTRICT ACTIVITY FUNDS
SCHEDULE OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

Fund	Beginning	Prior Year		Expenditures	Ending Unencumbered Cash Balance	Add	
	Unencumbered Cash Balance	Prior Year Encumbrances	Canceled			Encumbrances and Accounts Payable	Ending Cash Balance
Andover Central High School							
Athletics	19,403	0	975	13,902	6,476	0	6,476
Athletic Gate/Officials	0	0	117,302	76,947	40,355	0	40,355
Girls' Basketball	104	0	1,150	1,254	0	0	0
Baseball	3,616	0	8,554	10,280	1,890	0	1,890
Boy's Basketball	1,210	0	6,495	7,705	0	0	0
Bowling	273	0	1,116	1,258	131	0	131
Cheerleaders	11,841	0	37,920	40,493	9,268	0	9,268
Concessions	1,730	0	37,206	36,099	2,837	0	2,837
District Concessions Due AHS	221	0	0	0	221	0	221
District Concessions	0	0	67	67	0	0	0
Commissions	3,105	0	3,364	2,496	3,973	0	3,973
Cross Country	1,171	0	946	1,223	894	0	894
Dance Team	3,227	0	8,571	7,973	3,825	0	3,825
Football	1,848	0	11,046	10,156	2,738	0	2,738
Golf-Boys	302	0	170	151	321	0	321
Golf-Girls	0	0	171	0	171	0	171
Soccer-Boys	3,757	0	7,845	7,111	4,491	0	4,491
Soccer-Girls	4,607	0	767	999	4,375	0	4,375
Softball	9,477	0	5,736	3,969	11,244	0	11,244
Swimming-Girls	869	0	90	0	959	0	959
Swimming-Boys	634	0	1,171	1,697	108	0	108
	67,395	0	250,662	223,780	94,277	0	94,277

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
DISTRICT ACTIVITY FUNDS
SCHEDULE OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

Fund	Beginning	Prior Year			Ending	Add		Ending Cash Balance
	Unencumbered	Canceled	Encumbrances	Cash Receipts		Unencumbered	Encumbrances and Accounts Payable	
Andover Central High School (Continued)								
Tennis-Girls	507	0	0	0	507	0	0	507
Tennis-Boys	570	0	0	0	570	0	0	570
Track	4,603	0	5,071	2,365	7,309	0	0	7,309
Training Room	83	0	0	0	83	0	0	83
Volleyball	2,891	0	3,378	3,589	2,680	0	0	2,680
Wrestling	1,769	0	2,590	3,613	746	0	0	746
Non-Student Activities	1,984	0	0	0	1,984	0	0	1,984
Educational Services	5,400	0	416	642	5,174	0	0	5,174
Enrollment/Lunch Account	532	0	245	176	601	0	0	601
Lifetouch	3,913	0	1,870	0	5,783	0	0	5,783
Library	3,816	0	501	294	4,023	0	0	4,023
Textbook Rebind or Lost	17,707	0	133	0	17,840	0	0	17,840
Science	2,140	0	129	313	1,956	0	0	1,956
Testing	4,911	0	18,935	16,467	7,379	0	0	7,379
Transportation - Student Paid	2,189	0	2,793	2,867	2,115	0	0	2,115
Vending Machines	2,780	0	3,762	3,731	2,811	0	0	2,811
Vending Teachers Lounge	111	0	251	240	122	0	0	122
Pepsi Guarantee	20,413	0	3,955	2,545	21,823	0	0	21,823
Graduation Donations	155	0	0	0	155	0	0	155
Student to Staff Appreciation	0	0	8,798	506	8,292	0	0	8,292
Interest	0	0	993	0	993	0	0	993
Sales Tax	740	0	18,326	18,351	715	0	0	715
	77,214	0	72,146	55,699	93,661	0	0	93,661

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
DISTRICT ACTIVITY FUNDS
SCHEDULE OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

Fund	Beginning Unencumbered Cash Balance		Prior Year Canceled Encumbrances		Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts		Ending Cash Balance
	Cash Balance	Encumbrances	Cash Receipts				Cash Balance	Payable	
Andover Middle School									
Athletics	1,720	0	4,572		7,075	(783)	0	0	(783)
Volleyball	29	0	0		0	29	0	0	29
Cross Country	477	0	0		162	315	0	0	315
Football	321	0	400		721	0	0	0	0
Football Fundraising	645	0	0		645	0	0	0	0
Girls Tennis	3	0	0		0	3	0	0	3
Boys Tennis	2	0	0		0	2	0	0	2
Girls BB	267	0	0		0	267	0	0	267
Boys BB	196	0	85		0	281	0	0	281
Wrestling	128	0	60		105	83	0	0	83
Track	8	0	0		0	8	0	0	8
Adidas Rebates	3,926	0	1,692		274	5,344	0	0	5,344
Concessions	73	0	10,490		6,762	3,801	0	0	3,801
Officials / Gate Proceeds	0	0	22,885		18,324	4,561	0	0	4,561
Middle School	2,624	0	0		28	2,596	0	0	2,596
Trojan Booster Club Donation	277	0	0		0	277	0	0	277
Newspaper	20	0	0		712	(692)	0	0	(692)
Yearbook	3,625	0	1,131		3,716	1,040	0	0	1,040
Band	5,879	0	9,905		10,625	5,159	0	0	5,159
Science Olympiad	0	0	648		721	(73)	0	0	(73)
Fall Fundraiser	1,398	0	0		200	1,198	0	0	1,198
Library	4,869	0	2,228		981	6,116	0	0	6,116
Web Leader	476	0	0		487	(11)	0	0	(11)
Pencil/Pen Machine	306	0	1,345		453	1,198	0	0	1,198
8th Grade Promotion	0	0	7,375		6,280	1,095	0	0	1,095
Wounded Warrior Project	1,068	0	312		0	1,380	0	0	1,380
Circle of Friends Donations	738	0	465		451	752	0	0	752
Physical Education Uniforms	6,340	0	9,508		6,340	9,508	0	0	9,508
Commissions and Donations	6,973	0	53,929		16,289	44,613	0	0	44,613
FAA	839	0	0		0	839	0	0	839
6th Teachers	140	0	0		0	140	0	0	140
7th Teachers	10	0	0		0	10	0	0	10
8th Teachers	217	0	0		0	217	0	0	217
Teachers Activity	0	0	149		0	149	0	0	149
Interest Earned - Equity	0	0	288		0	288	0	0	288
	43,594	0	127,467		81,351	89,710	0	0	89,710

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
DISTRICT ACTIVITY FUNDS
SCHEDULE OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

Fund	Beginning Unencumbered Cash Balance	Prior Year			Ending Unencumbered Cash Balance	Encumbrances and Accounts Payable	Ending Cash Balance	Add
		Encumbrances	Canceled	Cash Receipts				
Andover Central Middle School								
Athletics	36,088	0	568	19,589	17,067	0	17,067	
A Passes/Gate/Officials	113	0	23,878	0	23,991	0	23,991	
Concessions	10,052	0	14,198	13,095	11,155	0	11,155	
Cheerleaders	129	0	0	34	95	0	95	
Football	2,891	0	2,447	1,983	3,355	0	3,355	
Cross Country	48	0	0	0	48	0	48	
Girls Tennis	810	0	0	0	810	0	810	
Girls Basketball	89	0	1,257	1,067	279	0	279	
Boys Basketball	1,485	0	0	436	1,049	0	1,049	
Wrestling	592	0	0	55	537	0	537	
Track	766	0	342	460	648	0	648	
Boys Tennis	241	0	0	0	241	0	241	
Volleyball	521	0	1,881	1,685	717	0	717	
Middle School	8,502	0	4,936	4,831	8,607	0	8,607	
Media Center	1,456	0	0	66	1,390	0	1,390	
Lost/Damaged Books	3,848	0	770	2,565	2,053	0	2,053	
Locker Fees	1,977	0	454	2,030	401	0	401	
Interest	0	0	331	0	331	0	331	
	69,608	0	51,062	47,896	72,774	0	72,774	

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
DISTRICT ACTIVITY FUNDS
SCHEDULE OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

Fund	Beginning	Prior Year			Ending	Add		Ending Cash Balance
	Unencumbered Cash Balance	Prior Year Encumbrances	Canceled Encumbrances	Cash Receipts	Expenditures	Unencumbered Cash Balance	Encumbrances and Accounts Payable	
Meadowlark Elementary								
P.T.O. Funded	3,315	0	20,779	21,382	2,712	0	0	2,712
Library Book Fair	3,003	0	4,378	3,690	3,691	0	0	3,691
Lost/Damaged Library Books	2,074	0	175	231	2,018	0	0	2,018
Andover State Bank Interest	0	0	52	0	52	0	0	52
Picture Donation	453	0	595	886	162	0	0	162
Yearbook	555	0	0	522	33	0	0	33
Student Assistance	24	0	0	0	24	0	0	24
Holiday Giving Project	494	0	2,159	2,423	230	0	0	230
Meadowlark Milers Run Club	20	0	1,575	1,595	0	0	0	0
MES PTO Grants	1,400	0	2,186	3,586	0	0	0	0
Kindness Project	146	0	250	0	396	0	0	396
Service League	1,362	0	300	1,542	120	0	0	120
2nd Grade Popcorn	609	0	0	0	609	0	0	609
	13,455	0	32,449	35,857	10,047	0	0	10,047

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
DISTRICT ACTIVITY FUNDS
SCHEDULE OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

Fund	Beginning	Prior Year			Ending	Add		Ending Cash Balance
	Unencumbered Cash Balance	Prior Year Encumbrances	Canceled	Cash Receipts	Expenditures	Unencumbered Cash Balance	Encumbrances and Accounts Payable	
Cottonwood Elementary								
Cottonwood Student Activity	2,082	0	1,209	1,416	1,875	0	0	1,875
2nd Grade Popcorn Acct	109	0	0	0	109	0	0	109
Cottonwood Yearbook	5,164	0	1,918	1,056	6,026	0	0	6,026
PTO Gifts to Teachers	633	0	13,993	8,547	6,079	0	0	6,079
Kids In Need	810	0	0	223	587	0	0	587
Coke Commission	474	0	342	408	408	0	0	408
Piano Festival	275	0	90	55	310	0	0	310
Cottonwood Music Department	1,447	0	0	0	1,447	0	0	1,447
Library Book Fair	741	0	1,638	785	1,594	0	0	1,594
Lost/Damaged Library Books	1,182	0	256	497	941	0	0	941
Interest Earned - Equity	0	0	54	0	54	0	0	54
Cottonwood Staff Social Fund	0	0	20	20	0	0	0	0
KDG Field Trips	0	0	337	337	0	0	0	0
1st Grade Field Trips	0	0	839	839	0	0	0	0
2nd Grade Field Trips	0	0	523	523	0	0	0	0
4th Grade Field Trips	0	0	310	308	2	0	0	2
Stuco	911	0	3,303	2,510	1,704	0	0	1,704
	13,828	0	24,832	17,524	21,136	0	0	21,136

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
DISTRICT ACTIVITY FUNDS
SCHEDULE OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

Fund	Beginning Unencumbered Cash Balance	Prior Year			Ending Unencumbered Cash Balance	Encumbrances and Accounts Payable	Add Ending Cash Balance
		Encumbrances	Canceled	Cash Receipts			
Robert Martin Elementary							
Library	2	0	2,700	0	2,702	0	2,702
Target	0	0	58	0	58	0	58
Interest	0	0	145	0	145	0	145
Library Book Club	0	0	171	0	171	0	171
Library Fines	167	0	83	0	250	0	250
Textbook Fines	3	0	0	0	3	0	3
Student Council	0	0	716	0	716	0	716
Music Program	30	0	0	0	30	0	30
Music	0	0	90	0	90	0	90
Pepsi	250	0	282	0	532	0	532
Art	400	0	0	0	400	0	400
General Donations	234	0	528	0	762	0	762
Donations	39,804	0	29,177	46,204	22,777	0	22,777
	40,890	0	33,950	46,204	28,636	0	28,636

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
DISTRICT ACTIVITY FUNDS
SCHEDULE OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

Fund	Beginning Unencumbered Cash Balance	Prior Year		Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable		Ending Cash Balance
		Canceled Encumbrances	Cash Receipts			Ending Unencumbered Cash Balance	Encumbrances and Accounts Payable	
Sunflower Elementary								
PTO Assistance Fund	113	0	0	0	113	0	0	113
Book Fair	2,745	0	2,225	1,458	3,512	0	0	3,512
CAAMP Activities	2,749	0	3,493	3,553	2,689	0	0	2,689
Student Activity	3,672	0	5,104	5,657	3,119	0	0	3,119
Student Council	2,946	0	540	568	2,918	0	0	2,918
Yearbook	5,345	0	858	309	5,894	0	0	5,894
Library Book Fair	5,494	0	11,456	9,778	7,172	102	102	7,274
Library Lost Book Fund	2,434	0	217	7	2,644	0	0	2,644
Music	294	0	1,668	1,772	190	0	0	190
Sales Tax	357	0	874	595	636	0	0	636
NSF	(501)	0	0	0	(501)	0	0	(501)
Interest Income	0	0	100	0	100	0	0	100
	25,648	0	26,535	23,697	28,486	102	102	28,588

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
DISTRICT ACTIVITY FUNDS
SCHEDULE OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

Fund	Beginning Unencumbered Cash Balance	Prior Year			Ending Unencumbered Cash Balance	Encumbrances and Accounts Payable	Ending Cash Balance	Add
		Canceled Encumbrances	Cash Receipts	Expenditures				
Prairie Creek Elementary								
Music	24	0	1,314	1,102	236	0	236	
PE	468	0	0	0	468	0	468	
Student Council	2	0	699	0	701	0	701	
Fundraiser	0	0	2,389	2,407	(18)	0	(18)	
F & R Donations	2,254	0	0	15	2,239	0	2,239	
Technology	4,695	0	0	0	4,695	0	4,695	
Library Book Fair	8,333	0	4,700	1,311	11,722	0	11,722	
Lost/Damaged Library Books	642	0	125	0	767	0	767	
Interest	0	0	54	0	54	0	54	
	16,418	0	9,281	4,835	20,864	0	20,864	

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
DISTRICT ACTIVITY FUNDS
SCHEDULE OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

Fund	Beginning Unencumbered Cash Balance	Prior Year			Ending Unencumbered Cash Balance	Encumbrances and Accounts Payable	Ending Cash Balance	Add
		Encumbrances	Canceled	Cash Receipts				
Wheatland Elementary								
Library Book Fair	267	0	3,622	0	3,889	0	3,889	
Student Activity	7,294	0	8,887	11,515	4,666	0	4,666	
WES PTO Donations	2,436	0	52,093	49,754	4,775	0	4,775	
Principal Library Book Fair	503	0	0	0	503	0	503	
Library Birthday Book Club	85	0	0	0	85	0	85	
Library Lost Book Fund	243	0	719	394	568	0	568	
Commissions Fund	0	0	4,986	68	4,918	0	4,918	
Music	153	0	667	579	241	0	241	
STUCO	582	0	0	0	582	0	582	
Interest Earned - Equity	0	0	66	0	66	0	66	
	11,563	0	71,040	62,310	20,293	0	20,293	

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
DISTRICT ACTIVITY FUNDS
SCHEDULE OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

Fund	Beginning Unencumbered Cash Balance		Prior Year Canceled Encumbrances		Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable		Ending Cash Balance
			Cash Receipts						
Center for Advanced Professional Studies									
Commissions	0	0	1,581		0	1,581		0	1,581
Sales Tax	0	0	97		67	30		0	30
	<hr/>	<hr/>	1,678		67	1,611		0	1,611

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
DISTRICT ACTIVITY FUNDS
SCHEDULE OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2022

Fund	Beginning	Prior Year			Ending	Add		Ending Cash Balance
	Unencumbered Cash Balance	Prior Year Encumbrances	Canceled Encumbrances	Cash Receipts		Unencumbered Cash Balance	Encumbrances and Accounts Payable	
Andover eCademy								
Box Tops	300	0	2	292	10	0	0	10
Damaged/Missing Equipment	0	0	85	85	0	0	0	0
Graduation	116	0	1	0	117	0	0	117
Student/Staff Fundraiser	696	0	0	86	610	0	0	610
Southeastern Guide Dogs	0	0	302	0	302	0	0	302
Student Service Center	34	0	0	0	34	0	0	34
Student Service Center Supplies	1,168	0	0	0	1,168	0	0	1,168
PTO	3,191	0	1,772	3,061	1,902	0	0	1,902
Employee Spirit Wear	422	0	162	281	303	0	0	303
Student spirit wear sales	344	0	0	0	344	0	0	344
Yearbook	0	0	156	0	156	0	0	156
Interest Earned - Equity	0	0	22	18	4	0	0	4
Non-Returned Materials Recovery	0	0	206	0	206	0	0	206
	6,271	0	2,708	3,823	5,156	0	0	5,156
Total District Activity Funds	\$ 532,829	\$ 0	\$ 1,156,409	\$ 974,135	\$ 715,103	\$ 102	\$ 715,205	

FEDERAL AWARD INFORMATION



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

**Board of Education
Andover Unified School District No. 385
Andover, Kansas**

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of **Andover Unified School District No. 385, Andover, Kansas**, as of and for the year ended **June 30, 2022**, and the related notes to the financial statement, which collectively comprise **Andover Unified School District No. 385, Andover, Kansas'** basic financial statement, and have issued our report thereon dated November 28, 2022. In our report, our opinion on the financial statement was unmodified based on the prescribed basis of accounting that demonstrates compliance with the *Kansas Municipal Audit and Accounting Guide* which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered **Andover Unified School District No. 385, Andover, Kansas'** internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of **Andover Unified School District No. 385, Andover, Kansas'** internal control. Accordingly, we do not express an opinion on the effectiveness of **Andover Unified School District No. 385, Andover, Kansas'** internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or 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.

**Board of Education
Andover Unified School District No. 385**

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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether **Andover Unified School District No. 385, Andover, Kansas'** financial statement is 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 statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

BFR CPA, LLC

BFR CPA, LLC
November 28, 2022



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

**Board of Education
Andover Unified School District No. 385
Andover, Kansas**

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited **Andover Unified School District No. 385, Andover, Kansas'** compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of **Andover Unified School District No. 385, Andover, Kansas'** major federal programs for the year ended **June 30, 2022**. **Andover Unified School District No. 385, Andover, Kansas'** major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, **Andover Unified School District No. 385, Andover, Kansas** 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, 2022**.

Basis for Opinion on Each Major Federal Program

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 (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the *Kansas Municipal Audit and Accounting Guide*. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of **Andover Unified School District No. 385, Andover, Kansas** and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of **Andover Unified School District No. 385, Andover, Kansas'** compliance with the compliance requirements referred to above.

**Board of Education
Andover Unified School District No. 385**

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to **Andover Unified School District No. 385, Andover, Kansas'** major federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on **Andover Unified School District No. 385, Andover, Kansas'** compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in aggregate, it would influence the judgment made by a reasonable user of the report on compliance about **Andover Unified School District No. 385, Andover, Kansas'** compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding **Andover Unified School District No. 385, Andover, Kansas'** compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of **Andover Unified School District No. 385, Andover, Kansas'** internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 **Andover Unified School District No. 385, Andover, Kansas'** internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

**Board of Education
Andover Unified School District No. 385**

Report on 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 major federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a major 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 major 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weakness or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 result of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

BFR CPA, LLC

BFR CPA, LLC
November 28, 2022

ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022

Grant Title	Assistance Listing Number	Unencumbered			Unencumbered		
		Program Amount	Cash 7/1/2021	Receipts	Expenditures	Cash 6/30/2022	
<u>(Passes Through Kansas Department of Education)</u>							
Department of Agriculture							
Child Nutrition Cluster-Cluster							
School Breakfast Program	10.553	\$ 300,813	\$ 0	\$ 300,813	\$ 300,813	\$ 0	
National School Lunch Program	10.555	2,340,866	0	2,340,865	2,193,536	147,329	
Summer Food Service Program for Children	10.559	153,332	0	153,332	153,332	0	
		2,795,011	0	2,795,010	2,647,681	147,329	
State Pandemic Electronic Benefit Transfer Administrative Costs							
Grants	10.649	614	0	614	614	0	
		2,795,625	0	2,795,624	2,648,295	147,329	
Department of Education							
Title I Grants to Local Education Agencies	84.010	422,556	238	422,556	452,978	(30,184)	
English Language Acquisition State Grants	84.365	14,844	3,748	14,844	19,622	(1,030)	
Supporting Effective Instruction State Grants	84.367	80,750	18,055	80,750	98,805	0	
Student Support and Academic Enrichment Program	84.424	25,706	1,554	25,706	16,201	11,059	
COVID-19 Education Stabilization Fund	84.425D	4,688,446	(76,643)	989,213	1,055,928	(143,358)	
		5,232,302	(53,048)	1,533,069	1,643,534	(163,513)	
Department of Health and Human Services							
Epidemiology and Laboratory Capacity for Infectious Diseases	93.323	271,575	0	181,297	271,575	(90,278)	
<u>(Passes Through South Central Kansas Education Service Center)</u>							
Department of Education							
Career and Technical Education - Basic Grants to States	84.048	20,907	607	20,907	21,206	308	
Total Federal Awards		\$ 8,320,409	\$ (52,441)	\$ 4,530,897	\$ 4,584,610	\$ (106,154)	

The accompanying notes are an integral part of this schedule.

**ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022**

Note 1 - Basis of Presentation:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of **Andover Unified School District No. 385, Andover, Kansas**, and is prepared on the basis of accounting as described in Note 1 of the notes to the financial statement. 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).

Note 2 - Indirect Cost Rate:

The District has elected not to use the 10% de minimis cost rate allowed under Section 200.414(f) of the Uniform Guidance.

**ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022**

SUMMARY OF AUDIT RESULTS

1. The independent auditors' report expresses an unmodified opinion on the financial statement of **Andover Unified School District No. 385, Andover, Kansas**.
2. No significant deficiencies or material weaknesses were reported in the 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*.
3. No instances of noncompliance material to the financial statement of **Andover Unified School District No. 385, Andover, Kansas**, were disclosed during the audit.
4. No significant deficiencies or material weakness were reported in the Report On Compliance For Each Major Program And On Internal Control Over Compliance Required By The Uniform Guidance.
5. The independent auditors' report on compliance for the major federal award programs for **Andover Unified School District No. 385, Andover, Kansas**, expresses an unmodified opinion on all major federal programs.
6. There were no audit findings relative to the major federal award programs for **Andover Unified School District No. 385, Andover, Kansas**.
7. The programs tested as major programs were:

Child Nutrition Cluster-Cluster	
School Breakfast Program	10.553
National School Lunch Program	10.555
Summer Food Service Program for Children	10.559
COVID-19 Education Stabilization Fund	84.425D

8. The threshold for distinguishing Types A and B programs was \$750,000.
9. **Andover Unified School District No. 385, Andover, Kansas**, was determined not to be a low-risk auditee.

**ANDOVER UNIFIED SCHOOL DISTRICT NO. 385
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022**

There are no prior audit findings.

APPENDIX C

SUMMARY OF FINANCING DOCUMENTS

The following is a summary of certain provisions contained in the Note Resolution authorizing the issuance of the Notes. This summary does not purport to be complete and is qualified by reference to the entirety of the foregoing document.

THE NOTE RESOLUTION

DEFINITIONS

In addition to words and terms defined elsewhere in this Official Statement, the following words and terms as used herein shall have the meanings hereinafter set forth. Unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.

“Act” means the Constitution and statutes of the State, including K.S.A. 10-101 to 10-125, inclusive (specifically including K.S.A. 10-123), K.S.A. 10-620 *et seq.*, K.S.A. 25-2018(f), K.S.A. 72-5457 and K.S.A. 72-5458 *et seq.*, all as amended and supplemented.

“Authorized Denomination” means \$5,000 or any integral multiples thereof.

“Beneficial Owner” of the Notes includes any Owner of the Notes and any other Person who, directly or indirectly has the investment power with respect to such Notes.

“Bond and Interest Fund” means the Bond and Interest Fund of the Issuer for its general obligation bonds.

“Bond Counsel” means the firm of Gilmore & Bell, P.C., or any other attorney or firm of attorneys whose expertise in matters relating to the issuance of obligations by states and their political subdivisions is nationally recognized and acceptable to the Issuer.

“Business Day” means a day other than a Saturday, Sunday or any day designated as a holiday by the Congress of the United States or by the Legislature of the State and on which the Paying Agent is scheduled in the normal course of its operations to be open to the public for conduct of its operations.

“Business Manager” means the duly appointed and acting Business Manager of the Issuer or, in the Business Manager’s absence, the duly appointed Deputy, Assistant or Acting Business Manager of the Issuer.

“Cede & Co.” means Cede & Co., as nominee of DTC and any successor nominee of DTC with respect to the Notes.

“Clerk” means the duly appointed and acting Clerk of the Issuer or, in the Clerk’s absence, the duly appointed Deputy, Assistant or Acting Clerk of the Issuer.

“Code” means the Internal Revenue Code of 1986, as amended, and the applicable regulations promulgated thereunder of the United States Department of the Treasury.

“Compliance Account” means the account by that name created by the Note Resolution.

“Consulting Engineer” means an independent engineer or engineering firm, or architect or architectural firm, having a favorable reputation for skill and experience in the construction, financing and operation of public facilities, at the time employed by the Issuer for the purpose of carrying out the duties imposed on the Consulting Engineer by the Note Resolution.

“Costs of Issuance” means all costs of issuing the Notes, including but not limited to all publication, printing, signing and mailing expenses in connection therewith, registration fees, financial advisory fees, all legal fees and expenses of Bond Counsel and other legal counsel, expenses incurred in connection with compliance with the Code, and all expenses incurred in connection with receiving ratings on the Notes.

“Costs of Issuance Account” means the account by that name created by the Note Resolution.

“Dated Date” means April 27, 2023.

“Debt Service Account” means the account by that name (within the Bond and Interest Fund) created by the Note Resolution.

“Debt Service Requirements” means the aggregate principal payments (whether at maturity or pursuant to scheduled mandatory sinking fund redemption requirements) and interest payments on the Notes for the period of time for which calculated; provided, however, that for purposes of calculating such amount, principal and interest shall be excluded from the determination of Debt Service Requirements to the extent that such principal or interest is payable from amounts deposited in trust, escrowed or otherwise set aside for the payment thereof with the Paying Agent or other commercial bank or trust company located in the State and having full trust powers.

“Defaulted Interest” means interest on any Note which is payable but not paid on any Interest Payment Date.

“Defeasance Obligations” means any of the following obligations:

(a) United States Government Obligations that are not subject to redemption in advance of their maturity dates; or

(b) obligations of any state or political subdivision of any state, the interest on which is excluded from gross income for federal income tax purposes and which meet the following conditions:

(1) the obligations are (i) not subject to redemption prior to maturity or (ii) the trustee for such obligations has been given irrevocable instructions concerning their calling and redemption and the issuer of such obligations has covenanted not to redeem such obligations other than as set forth in such instructions;

(2) the obligations are secured by cash or United States Government Obligations that may be applied only to principal of, premium, if any, and interest payments on such obligations;

(3) such cash and the principal of and interest on such United States Government Obligations (plus any cash in the escrow fund) are sufficient to meet the liabilities of the obligations;

(4) such cash and United States Government Obligations serving as security for the obligations are held in an escrow fund by an escrow agent or a trustee irrevocably in trust;

(5) such cash and United States Government Obligations are not available to satisfy any other claims, including those against the trustee or escrow agent; and

(6) such obligations are rated in a rating category by Moody's or Standard & Poor's that is no lower than the rating category then assigned by that Rating Agency to United States Government Obligations.

“Derivative” means any investment instrument whose market price is derived from the fluctuating value of an underlying asset, index, currency, futures contract, including futures, options and collateralized mortgage obligations.

“Disclosure Undertaking” means the Continuing Disclosure Undertaking, dated as of the Dated Date, relating to certain obligations contained in the SEC Rule.

“District” means Unified School District No. 385, Butler County, Kansas (Andover).

“DTC” means The Depository Trust Company.

“Event of Default” means each of the following occurrences or events:

(a) Payment of the principal and of the redemption premium, if any, of any of the Notes shall not be made when the same shall become due and payable, either at Stated Maturity or by proceedings for redemption or otherwise;

(b) Payment of any installment of interest on any of the Notes shall not be made when the same shall become due; or

(c) The Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Notes or in the Note Resolution (other than the covenants relating to continuing

disclosure contained in the Note Resolution or the Disclosure Undertaking) on the part of the Issuer to be performed, and such default shall continue for thirty (30) days after written notice specifying such default and requiring same to be remedied shall have been given to the Issuer by the Owner of any of the Notes then Outstanding.

“Federal Tax Certificate” means the Issuer's Federal Tax Certificate for the Notes, dated as of the Issue Date, as the same may be amended or supplemented in accordance with the provisions thereof.

“Fiscal Year” means the twelve month period ending on June 30.

“Financeable Costs” means the amount of expenditure for an Improvement which has been duly authorized by action of the governing body of the Issuer to be financed by general obligation bonds, less: (a) the amount of any temporary notes or general obligation bonds of the Issuer which are currently Outstanding and available to pay such Financeable Costs; and (b) any amount of Financeable Costs which has been previously paid by the Issuer or by any eligible source of funds unless such amounts are entitled to be reimbursed to the Issuer under State or federal law.

“Funds and Accounts” means funds and accounts created by or referred to in the Note Resolution.

“Improvement Fund” means the fund by that name created in the Note Resolution.

“Improvements” means the improvements referred to in the preamble to the Note Resolution and any Substitute Improvements.

“Independent Accountant” means an independent certified public accountant or firm of independent certified public accountants at the time employed by the Issuer for the purpose of carrying out the duties imposed on the Independent Accountant by the Note Resolution.

“Interest Payment Date(s)” means the Stated Maturity of an installment of interest on any Note which shall be March 1 and September 1 of each year, commencing September 1, 2023.

“Issue Date” means the date when the Issuer delivers the Notes to the Purchaser in exchange for the Purchase Price.

“Issuer” means the District and any successors or assigns.

“Maturity” when used with respect to any Note means the date on which the principal of such Note becomes due and payable as therein and in the Note Resolution provided, whether at the Stated Maturity thereof or call for redemption or otherwise.

“Moody’s” means Moody's Investors Service, a corporation organized and existing under the laws of the State of Delaware, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody's” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

“Note Payment Date” means any date on which principal of or interest on any Note is payable.

“Note Purchase Agreement” means the Note Purchase Agreement between the Issuer and the Purchaser.

“Note Register” means the books for the registration, transfer and exchange of Notes kept at the office of the Note Registrar.

“Note Registrar” means the State Treasurer, and its successors and assigns.

“Note Resolution” means the resolution adopted by the governing body of the Issuer authorizing the issuance of the Notes, as amended from time to time.

“Notes” means the General Obligation Temporary Notes, Series 2023, authorized and issued by the Issuer pursuant to the Note Resolution.

“Official Statement” means the Issuer's Official Statement relating to the Notes.

“Outstanding” means, when used with reference to the Notes, as of a particular date of determination, all Notes theretofore, authenticated and delivered, except the following Notes:

- (a) Notes theretofore canceled by the Paying Agent or delivered to the Paying Agent for cancellation;
- (b) Notes deemed to be paid in accordance with the provisions of the Note Resolution; and
- (c) Notes in exchange for or in lieu of which other Notes have been authenticated and delivered hereunder.

“Owner” when used with respect to any Note means the Person in whose name such Note is registered on the Note Register. Whenever consent of the Owners is required pursuant to the terms of this Note Resolution, and the Owner of the Notes, as set forth on the Note Register, is Cede & Co., the term Owner shall be deemed to be the Beneficial Owner of the Notes.

“Participants” means those financial institutions for whom the Securities Depository effects book-entry transfers and pledges of securities deposited with the Securities Depository, as such listing of Participants exists at the time of such reference.

“Paying Agent” means the State Treasurer, and any successors and assigns.

“Permitted Investments” shall mean the investments hereinafter described, provided, however, no moneys or funds shall be invested in a Derivative: (a) investments authorized by K.S.A. 12-1675 and amendments thereto; (b) the municipal investment pool established pursuant to K.S.A. 12-1677a, and amendments thereto; (c) direct obligations of the United States Government or any agency thereof; (d) the Issuer's temporary notes issued pursuant to K.S.A. 10-123 and amendments thereto; (e) interest-bearing time deposits in commercial banks or trust companies located in the county or counties in which the Issuer is located, which are insured by the Federal Deposit Insurance Corporation or collateralized by securities described in (c); (f) obligations of the federal national mortgage association, federal home loan banks, federal home loan mortgage corporation or government national mortgage association; (g) repurchase agreements for securities described in (c) or (f); (h) investment agreements or other obligations of a financial institution the obligations of which at the time of investment are rated in either of the three highest rating categories by Moody's or Standard & Poor's; (i) investments and shares or units of a money market fund or trust, the portfolio of which is comprised entirely of securities described in (c) or (f); (j) receipts evidencing ownership interests in securities or portions thereof described in (c) or (f); (k) municipal bonds or other obligations issued by any municipality of the State as defined in K.S.A. 10-1101 which are general obligations of the municipality issuing the same; or (l) bonds of any municipality of the State as defined in K.S.A. 10-1101 which have been refunded in advance of their maturity and are fully secured as to payment of principal and interest thereon by deposit in trust, under escrow agreement with a bank, of securities described in (c) or (f), all as may be further restricted or modified by amendments to applicable State law.

“Person” means any natural person, corporation, partnership, joint venture, association, firm, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof or other public body.

“President” means the duly elected and acting President, or in the President's absence, the duly appointed and/or elected Vice President or Acting President of the Issuer.

“Purchaser” means the financial institution or investment banking firm that is original purchaser of the Notes.

“Rating Agency” means any company, agency or entity that provides ratings for the Notes.

“Record Dates” for the interest payable on any Interest Payment Date means the fifteenth day (whether or not a Business Day) of the calendar month next preceding such Interest Payment Date.

“Redemption Date” when used with respect to any Note to be redeemed means the date fixed for the redemption of such Note pursuant to the terms of the Note Resolution.

“Redemption Price” when used with respect to any Note to be redeemed means the price at which such Note is to be redeemed pursuant to the terms of the Note Resolution, including the applicable redemption premium, if any, but excluding installments of interest whose Stated Maturity is on or before the Redemption Date.

“Replacement Notes” means Notes issued to the Beneficial Owners of the Notes in accordance with the Note Resolution.

“SEC Rule” means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

“Securities Depository” means, initially, The Depository Trust Company, New York, New York, and its successors and assigns.

“Special Record Date” means the date fixed by the Paying Agent for the payment of Defaulted Interest.

“Standard & Poor’s” means S&P Global Ratings, a division of S&P Global Inc., a corporation organized and existing under the laws of the State of New York, and its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, Standard & Poor's shall be deemed to refer to any other nationally recognized securities rating agency designated by the Issuer.

“State” means the state of Kansas.

“State Treasurer” means the duly elected Treasurer or, in the Treasurer's absence, the duly appointed Deputy Treasurer or acting Treasurer of the State.

“Stated Maturity” when used with respect to any Note or any installment of interest thereon means the date specified in such Note and the Note Resolution as the fixed date on which the principal of such Note or such installment of interest is due and payable.

“Substitute Improvements” means the substitute or additional improvements of the Issuer described in the Note Resolution.

“Treasurer” means the duly appointed and/or elected Treasurer or, in the Treasurer's absence, the duly appointed Deputy Treasurer or acting Treasurer of the Issuer.

“United States Government Obligations” means bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of, or obligations the principal of and interest on which are fully and unconditionally guaranteed as to full and timely payment by, the United States of America, including evidences of a direct ownership interest in future interest or principal payment on obligations issued by the United States of America (including the interest component of obligations of the Resolution Funding Corporation), or securities which represent an undivided interest in such obligations, which obligations are rated in the highest rating category by a nationally recognized rating service and such obligations are held in a custodial account for the benefit of the Issuer.

ESTABLISHMENT OF FUNDS AND ACCOUNTS; DEPOSIT AND APPLICATION OF NOTE PROCEEDS

Creation of Funds and Accounts. Simultaneously with the issuance of the Notes, there shall be created within the Treasury of the Issuer the following Funds and Accounts:

- (a) Improvement Fund.
- (b) Debt Service Account.
- (c) Costs of Issuance Account.
- (d) Compliance Account.

The above Funds and Accounts shall be administered in accordance with the provisions of the Note Resolution so long as the Notes are Outstanding.

Deposit of Note Proceeds. The net proceeds received from the sale of the Notes shall be deposited simultaneously with the delivery of the Notes as follows:

- (a) An amount necessary to pay the Costs of Issuance shall be deposited in the Costs of Issuance Account.
- (b) The remaining balance of the proceeds derived from the sale of the Notes shall be deposited in the Improvement Fund.

Application of Moneys in the Improvement Fund. Moneys in the Improvement Fund shall be used for the sole purpose of: (a) paying the costs of the Improvements; (b) paying interest on the Notes during construction of the Improvements; and (c) paying Costs of Issuance, if necessary.

Withdrawals from the Improvement Fund shall be made only when authorized by the governing body of the Issuer. Each authorization for costs of the Improvements shall be supported by a certificate executed by the Consulting Engineer stating that such payment is being made for a purpose within the scope of the Note Resolution and that the amount of such

payment represents only the contract price of the property, equipment, labor, materials or service being paid for or, if such payment is not being made pursuant to an express contract, that such payment is not in excess of the reasonable value thereof. Authorizations for withdrawals for other authorized purposes shall be supported by a certificate executed by the Clerk (or designate) stating that such payment is being made for a purpose within the scope of the Note Resolution. Upon completion of the Improvements, any surplus remaining in the Improvement Fund shall be deposited in the Debt Service Account.

Substitution of Improvements; Reallocation of Proceeds. The Issuer may elect for any reason to substitute or add other public improvements to be financed with proceeds of the Notes provided the following conditions are met: (a) the Substitute Improvement and the issuance of general obligation bonds to pay the cost of the Substitute Improvement has been duly authorized by the governing body of the Issuer in accordance with the laws of the State; (b) a resolution authorizing the use of the proceeds of the Notes to pay the Financeable Costs of the Substitute Improvement has been duly adopted by the governing body of the Issuer pursuant to this Section, (c) the Attorney General of the State has approved the amendment made by such resolution to the transcript of proceedings for the Notes to include the Substitute Improvements; and (d) the use of the proceeds of the Notes to pay the Financeable Cost of the Substitute Improvement will not adversely affect the tax-exempt status of the Notes under State or federal law.

The Issuer may reallocate expenditure of Note proceeds among all Improvements financed by the Notes; provided the following conditions are met: (a) the reallocation is approved by the governing body of the Issuer; (b) the reallocation shall not cause the proceeds of the Notes allocated to any Improvement to exceed the Financeable Costs of the Improvement; and (c) the reallocation will not adversely affect the tax-exempt status of the Notes under State or federal law.

Application of Moneys in the Debt Service Account. All amounts paid and credited to the Debt Service Account shall be expended and used by the Issuer for the sole purpose of paying the principal or Redemption Price of and interest on the Notes as and when the same become due and the usual and customary fees and expenses of the Note Registrar and Paying Agent. The Treasurer is authorized and directed to withdraw from the Debt Service Account sums sufficient to pay both principal or Redemption Price of and interest on the Notes and the fees and expenses of the Note Registrar and Paying Agent as and when the same become due, and to forward such sums to the Paying Agent in a manner which ensures that the Paying Agent will receive immediately available funds in such amounts on or before the Business Day immediately preceding the dates when such principal, interest and fees of the Paying Agent will become due. If, through the lapse of time or otherwise, the Owners of Notes are no longer entitled to enforce payment of the Notes or the interest thereon, the Paying Agent shall return said funds to the Issuer. All moneys deposited with the Paying Agent shall be deemed to be deposited in accordance with and subject to all of the provisions contained in the Note Resolution and shall be held in trust by the Paying Agent for the benefit of the Owners of the Notes entitled to payment from such moneys.

Any moneys or investments remaining in the Debt Service Account after the retirement of the indebtedness for which the Notes were issued shall be transferred and paid into the Bond and Interest Fund.

Payments Due on Saturdays, Sundays and Holidays. In any case where a Note Payment Date is not a Business Day, then payment of principal, Redemption Price or interest need not be made on such Note Payment Date but may be made on the next succeeding Business Day with the same force and effect as if made on such Note Payment Date, and no interest shall accrue for the period after such Note Payment Date.

Application of Moneys in the Costs of Issuance Account. Moneys in the Costs of Issuance Account shall be used by the Issuer to pay the Costs of Issuance.

Application of Moneys in the Compliance Account. Moneys in the Compliance Account shall be used by the Issuer to pay the fees and expenses relating to compliance with federal arbitrage law and state or federal securities laws.

DEPOSIT AND INVESTMENT OF MONEYS

Deposits. Moneys in each of the Funds and Accounts shall be deposited in a bank, savings and loan association or savings bank which are members of the Federal Deposit Insurance Corporation, or otherwise as permitted by State law, and which meet certain guidelines of State law. All such deposits shall be held in cash or invested in Permitted Investments or shall be adequately secured as provided by the laws of the State.

Investments. Moneys held in any Fund or Account may be invested in accordance with the Note Resolution and the Federal Tax Certificate, in Permitted Investments; provided, however, that no such investment shall be made for a period extending longer than to the date when the moneys invested may be needed for the purpose for which such fund was created. All earnings on any investments held in any Fund or Account shall accrue to and become a part of such Fund or Account; provided that, during the period of construction of the Improvements, earnings on the investment of such funds may be credited to the Debt Service Account.

DEFAULT AND REMEDIES

Remedies. The provisions of the Note Resolution, including the covenants and agreements herein contained, shall constitute a contract between the Issuer and the Owners of the Notes. If an Event of Default occurs and shall be continuing, the Owner or Owners of not less than 10% in principal amount of the Notes at the time Outstanding shall have the right for the equal benefit and protection of all Owners of Notes similarly situated:

- (a) by mandamus or other suit, action or proceedings at law or in equity to enforce the rights of such Owner or Owners against the Issuer and its officers, agents and employees, and to require and compel duties and obligations required by the provisions of the Note Resolution or by the Constitution and laws of the State;
- (b) by suit, action or other proceedings in equity or at law to require the Issuer, its officers, agents and employees to account as if they were the trustees of an express trust; and
- (c) by suit, action or other proceedings in equity or at law to enjoin any acts or things which may be unlawful or in violation of the rights of the Owners of the Notes.

Limitation on Rights of Owners. The covenants and agreements of the Issuer contained in the Note Resolution and in the Notes shall be for the equal benefit, protection, and security of the Owners of any or all of the Notes, all of which Notes of any series shall be of equal rank and without preference or priority of one Note over any other Note in the application of the Funds and Accounts pledged to the payment of the principal of and the interest on the Notes, or otherwise, except as to rate of interest, date of maturity and right of prior redemption as provided in the Note Resolution. No one or more Owners secured hereby shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security granted and provided for in the Note Resolution, or to enforce any right, except in the manner provided in the Note Resolution, and all proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all Owners of such Outstanding Notes.

Remedies Cumulative. No remedy conferred upon the Owners is intended to be exclusive of any other remedy, but each such remedy shall be cumulative and in addition to every other remedy and may be exercised without exhausting and without regard to any other remedy conferred. No waiver of any default or breach of duty or contract by the Owner of any Note shall extend to or affect any subsequent default or breach of duty or contract or shall impair any rights or remedies thereon.

DEFEASANCE

When any or all of the Notes, redemption premium, if any, or scheduled interest payments thereon have been paid and discharged, then the requirements contained in the Note Resolution and all other rights granted thereby shall terminate with respect to the Notes or scheduled interest payments thereon so paid and discharged. Notes, redemption premium, if any, or scheduled interest payments thereon shall be deemed to have been paid and discharged within the meaning of the Note Resolution if there has been deposited with the Paying Agent, or other commercial bank or trust company located in the State and having full trust powers, at or prior to the Stated Maturity or Redemption Date of said Notes or the interest payments thereon, in trust for and irrevocably appropriated thereto, moneys and/or Defeasance Obligations which, together with the interest to be earned on any such Defeasance Obligations, will be sufficient for the payment of the principal or Redemption Price of said Notes and/or interest accrued to the Stated Maturity or Redemption Date, or if default in such payment has occurred on such date, then to the date of the tender of such payments. If the amount to be so deposited is based on the Redemption Price of any Notes, no such satisfaction shall occur until: (a) the Issuer has elected to redeem such Notes, and (b) either notice of such redemption has been given, or the Issuer has given irrevocable instructions, or shall have provided for an escrow agent to give irrevocable instructions, to the Note Registrar to give such notice of redemption.

TAX COVENANTS

General Covenants. The Issuer covenants and agrees that: it will comply with: (a) all applicable provisions of the Code necessary to maintain the exclusion from gross income for federal income tax purposes of the interest on the Notes; and (b) all provisions and requirements of the Federal Tax Certificate. The Issuer will, in addition, adopt such other resolutions and take such other actions as may be necessary to comply with the Code and with all other applicable future laws, regulations, published rulings and judicial decisions, in order to ensure that the interest on the Notes will remain excluded from federal gross income, to the extent any such actions can be taken by the Issuer.

Survival of Covenants. The covenants contained in the Note Resolution and in the Federal Tax Certificate shall remain in full force and effect notwithstanding the defeasance of the Notes pursuant to the Note Resolution or any other provision thereof until such time as is set forth in the Federal Tax Certificate

CONTINUING DISCLOSURE REQUIREMENTS

Disclosure Requirements. The Issuer covenants in the Note Resolution with the Purchaser and the Beneficial Owners to provide and disseminate such information as is required by the SEC Rule and as further set forth in the Disclosure Undertaking and to make the provisions of the Disclosure Undertaking applicable to the Notes. Such covenant shall be for the benefit of and enforceable by the Purchaser and the Beneficial Owners.

Failure to Comply with Continuing Disclosure Requirements. In the event the Issuer fails to comply in a timely manner with its covenants contained in the Note Resolution, the Purchaser and/or any Beneficial Owner may make demand for such compliance by written notice to the Issuer. In the event the Issuer does not remedy such noncompliance within 10 days of receipt of such written notice, the Purchaser or any Beneficial Owner may in its discretion, without notice or demand, proceed to enforce compliance by a suit or suits in equity for the specific performance of such covenant or agreement or for the enforcement of any other appropriate legal or equitable remedy, as the Purchaser and/or any Beneficial Owner shall deem effectual to protect and enforce any of the duties of the Issuer under such preceding section.

MISCELLANEOUS PROVISIONS

Annual Audit. Annually, promptly after the end of the Fiscal Year, the Issuer will cause an audit to be made of the financial statements of the Issuer for the preceding Fiscal Year by an Independent Accountant. Within 30 days after the completion of each such annual audit, a copy thereof shall be filed in the office of the Clerk. Such audits shall at all times during the usual business hours be open to the examination and inspection by any Owner of any of the Notes, or by anyone acting for or on behalf of such user or Owner.

Levy and Collection of Annual Tax. The governing body of the Issuer shall annually make provision for the payment of Debt Service Requirements on the Notes as the same become due by levying and collecting the necessary taxes upon all of the taxable tangible property within the Issuer in the manner provided by law.

The taxes referred to above shall be extended upon the tax rolls in each of the several years, respectively, and shall be levied and collected at the same time and in the same manner as the other ad valorem taxes of the Issuer are levied and collected. The proceeds derived from said taxes shall be deposited in the Bond and Interest Fund, shall be kept separate and apart from all other funds of the Issuer shall thereafter be deposited in the Debt Service Account and shall be used solely for the payment of the principal of and interest on the Notes as and when the same become due, taking into account any scheduled mandatory redemptions, and the fees and expenses of the Paying Agent.

If at any time said taxes are not collected in time to pay the principal of or interest on the Notes when due, the Treasurer is hereby authorized and directed to pay said principal or interest out of the general funds of the Issuer and to reimburse said general funds for money so expended when said taxes are collected.

Amendments. The rights and duties of the Issuer and the Owners, and the terms and provisions of the Notes or of the Note Resolution, may be amended or modified at any time in any respect by resolution of the Issuer with the written consent of the Owners of not less than a majority in principal amount of the Notes then Outstanding, such consent to be evidenced by an instrument or instruments executed by such Owners and duly acknowledged or proved in the manner of a deed to be recorded, and such instrument or instruments shall be filed with the Clerk, but no such modification or alteration shall:

- (a) extend the maturity of any payment of principal or interest due upon any Note;
- (b) effect a reduction in the amount which the Issuer is required to pay as principal of or interest on any Note;
- (c) permit preference or priority of any Note over any other Note; or
- (d) reduce the percentage in principal amount of Notes required for the written consent to any modification or alteration of the provisions of the Note Resolution.

Any provision of the Notes or of the Note Resolution may, however, be amended or modified by resolution duly adopted by the governing body of the Issuer at any time in any legal respect with the written consent of the Owners of all of the Notes at the time Outstanding.

Without notice to or the consent of any Owners, the Issuer may amend or supplement the Note Resolution for the purpose of curing any formal defect, omission, inconsistency or ambiguity, to grant to or confer upon the Owners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Owners, to more

precisely identify the Improvements, to reallocate proceeds of the Notes among Improvements, to provide for Substitute Improvements, to conform the Note Resolution to the Code or future applicable federal law concerning tax-exempt obligations, or in connection with any other change therein which is not materially adverse to the interests of the Owners.

Notices, Consents and Other Instruments by Owners. Any notice, request, complaint, demand or other communication required or desired to be given or filed under the Note Resolution shall be in writing, and shall be deemed duly given or filed if the same shall be: (a) duly mailed by registered or certified mail, postage prepaid; or (b) communicated via fax, with electronic or telephonic confirmation of receipt. Copies of such notices shall also be given to the Paying Agent. The Issuer, the Paying Agent and the Purchaser may from time to time designate, by notice given hereunder to the others of such parties, such other address to which subsequent notices, certificates or other communications shall be sent.

All notices given by: (a) certified or registered mail as aforesaid shall be deemed duly given as of the date they are so mailed; (b) fax as aforesaid shall be deemed duly given as of the date of confirmation of receipt. If, because of the temporary or permanent suspension of regular mail service or for any other reason, it is impossible or impractical to mail any notice in the manner herein provided, then such other form of notice as shall be made with the approval of the Paying Agent shall constitute a sufficient notice.

Electronic Transaction. The issuance of the Notes and the transactions related thereto and described herein may be conducted and documents may be stored by electronic means.

Severability. If any section or other part of the Note Resolution, whether large or small, is for any reason held invalid, the invalidity thereof shall not affect the validity of the other provisions of the Note Resolution.

Governing Law. The Notes and the Note Resolution shall be governed exclusively by and construed in accordance with the applicable laws of the State.

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APPENDIX D
FORM OF DISCLOSURE UNDERTAKING

Gilmore & Bell, P.C.
04/04/2023

CONTINUING DISCLOSURE UNDERTAKING

DATED AS OF APRIL 27, 2023

BY

**UNIFIED SCHOOL DISTRICT NO. 385,
BUTLER COUNTY, KANSAS (ANDOVER)**

\$3,960,000

**UNIFIED SCHOOL DISTRICT NO. 385,
BUTLER COUNTY, KANSAS (ANDOVER)
GENERAL OBLIGATION TEMPORARY NOTES
SERIES 2023
DATED APRIL 27, 2023**

CONTINUING DISCLOSURE UNDERTAKING

This **CONTINUING DISCLOSURE UNDERTAKING** dated as of April 27, 2023 (the "Continuing Disclosure Undertaking"), is executed and delivered by **UNIFIED SCHOOL DISTRICT NO. 385, BUTLER COUNTY, KANSAS (ANDOVER)** (the "Issuer").

RECITALS

1. This Continuing Disclosure Undertaking is executed and delivered by the Issuer in connection with the issuance by the Issuer of its General Obligation Temporary Notes, Series 2023 (the "Notes"), pursuant to a Resolution adopted by the governing body of the Issuer (the "Note Resolution").

2. The Issuer is entering into this Continuing Disclosure Undertaking for the benefit of the Beneficial Owners of the Notes and in order to assist the Participating Underwriter in complying with Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the "Rule"). The Issuer is the only "obligated person" with responsibility for continuing disclosure hereunder.

The Issuer covenants and agrees as follows:

Section 1. Definitions. In addition to the definitions set forth in the Note Resolution, which apply to any capitalized term used in this Continuing Disclosure Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any Annual Report provided by the Issuer pursuant to, and as described in, **Section 2** of this Continuing Disclosure Undertaking.

"Beneficial Owner" means any registered owner of any Notes and any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Notes (including persons holding Notes through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Notes for federal income tax purposes.

"Business Day" means a day other than (a) a Saturday, Sunday or legal holiday, (b) a day on which banks located in any city in which the principal office or designated payment office of the paying agent or the Dissemination Agent is located are required or authorized by law to remain closed, or (c) a day on which the Securities Depository or the New York Stock Exchange is closed.

"Dissemination Agent" means any entity designated in writing by the Issuer to serve as dissemination agent pursuant to this Continuing Disclosure Undertaking and which has filed with the Issuer a written acceptance of such designation.

"EMMA" means the Electronic Municipal Market Access system for municipal securities disclosures established and maintained by the MSRB, which can be accessed at www.emma.msrb.org.

"Financial Obligation" means a: (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) in this definition; *provided however*, the term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Fiscal Year” means the 12-month period beginning on July 1 and ending on June 30 or any other 12-month period selected by the Issuer as the Fiscal Year of the Issuer for financial reporting purposes.

“Material Events” means any of the events listed in **Section 3** of this Continuing Disclosure Undertaking.

“MSRB” means the Municipal Securities Rulemaking Board, or any successor repository designated as such by the Securities and Exchange Commission in accordance with the Rule.

“Participating Underwriter” means any of the original underwriter(s) of the Notes required to comply with the Rule in connection with the offering of the Notes.

Section 2. Provision of Annual Reports.

(a) The Issuer shall, not later than February 1st immediately following the end of the Issuer’s Fiscal Year, commencing with the year ending June 30, 2023, file with the MSRB, through EMMA, the following financial information and operating data (the “Annual Report”):

(1) The audited financial statements of the Issuer for the prior Fiscal Year, in substantially the format contained in the Official Statement relating to the Notes. A more detailed explanation of the accounting basis and method of preparation of the financial statements is contained in the Official Statement relating to the Notes. If audited financial statements are not available by the time the Annual Report is required to be provided pursuant to this Section, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement relating to the Notes, and the audited financial statements shall be provided in the same manner as the Annual Report promptly after they become available.

(2) Updates as of the end of the Fiscal Year of certain financial information and operating data contained in the final Official Statement related to the Notes, as described in **Exhibit A**, in substantially the same format contained in the final Official Statement with such adjustments to formatting or presentation determined to be reasonable by the Issuer.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues with respect to which the Issuer is an “obligated person” (as defined by the Rule), which have been provided to the MSRB and are available through EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB on EMMA. The Issuer shall clearly identify each such other document so included by reference.

In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in this Section; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Issuer’s Fiscal Year changes, it shall give notice of such change in the same manner as for a Material Event under **Section 3**, and the Annual Report deadline provided above shall automatically become the first day of the eighth month after the end of the Issuer’s new fiscal year.

(b) The Annual Report shall be filed with the MSRB in such manner and format as is prescribed by the MSRB.

Section 3. Reporting of Material Events. Not later than 10 Business Days after the occurrence of any of the following events, the Issuer shall give, or cause to be given to the MSRB, through EMMA, notice of the occurrence of any of the following events with respect to the Notes (“Material Events”):

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes;
- (7) modifications to rights of bondholders, if material;
- (8) bond calls, if material, and tender offers;
- (9) defeasances;
- (10) release, substitution or sale of property securing repayment of the Notes, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the obligated person;
- (13) the consummation of a merger, consolidation, or acquisition involving the obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) appointment of a successor or additional trustee or the change of name of the trustee, if material;
- (15) incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

If the Issuer has not submitted the Annual Report to the MSRB by the date required in **Section 2(a)**, the Issuer shall send a notice to the MSRB of the failure of the Issuer to file on a timely basis the Annual Report, which notice shall be given by the Issuer in accordance with this **Section 3**.

Section 4. Termination of Reporting Obligation. The Issuer’s obligations under this Continuing Disclosure Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Notes. If the Issuer’s obligations under this Continuing Disclosure Undertaking are assumed in full by some other entity, such person shall be responsible for compliance with this Continuing Disclosure Undertaking in the same manner as if it were the Issuer, and the Issuer shall have no further responsibility hereunder. If such termination or substitution occurs prior to the final maturity of the Notes, the Issuer shall give notice of such termination or substitution in the same manner as for a Material Event under **Section 3**.

Section 5. Dissemination Agents. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Continuing Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign as dissemination agent hereunder at any time

upon 30 days prior written notice to the Issuer. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report (including without limitation the Annual Report) prepared by the Issuer pursuant to this Continuing Disclosure Undertaking.

Section 6. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Undertaking, the Issuer may amend this Continuing Disclosure Undertaking and any provision of this Continuing Disclosure Undertaking may be waived, provided that Bond Counsel or other counsel experienced in federal securities law matters provides the Issuer with its written opinion that the undertaking of the Issuer contained herein, as so amended or after giving effect to such waiver, is in compliance with the Rule and all current amendments thereto and interpretations thereof that are applicable to this Continuing Disclosure Undertaking.

In the event of any amendment or waiver of a provision of this Continuing Disclosure Undertaking, the Issuer shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (1) notice of such change shall be given in the same manner as for a Material Event under **Section 3**, and (2) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 7. Additional Information. Nothing in this Continuing Disclosure Undertaking shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Undertaking or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that required by this Continuing Disclosure Undertaking. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Material Event, in addition to that specifically required by this Continuing Disclosure Undertaking, the Issuer shall have no obligation under this Continuing Disclosure Undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

Section 8. Default. If the Issuer fails to comply with any provision of this Continuing Disclosure Undertaking, any Participating Underwriter or any Beneficial Owner of the Notes may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Continuing Disclosure Undertaking. A default under this Continuing Disclosure Undertaking shall not be deemed an event of default under the Note Resolution or the Notes, and the sole remedy under this Continuing Disclosure Undertaking in the event of any failure of the Issuer to comply with this Continuing Disclosure Undertaking shall be an action to compel performance.

Section 9. Beneficiaries. This Continuing Disclosure Undertaking shall inure solely to the benefit of the Issuer, the Participating Underwriter, and the Beneficial Owners from time to time of the Notes, and shall create no rights in any other person or entity.

Section 10. Severability. If any provision in this Continuing Disclosure Undertaking, the Note Resolution or the Notes shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 11. Electronic Transactions. The arrangement described herein may be conducted and related documents may be sent, received, or stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 12. Governing Law. This Continuing Disclosure Undertaking shall be governed by and construed in accordance with the laws of the State of Kansas.

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IN WITNESS WHEREOF, the Issuer has caused this Continuing Disclosure Undertaking to be executed as of the day and year first above written.

**UNIFIED SCHOOL DISTRICT NO. 385,
BUTLER COUNTY, KANSAS (ANDOVER)**

(SEAL)

President

Clerk

EXHIBIT A

**FINANCIAL INFORMATION AND OPERATING DATA
TO BE INCLUDED IN ANNUAL REPORT**

The financial information and operating data contained in tables in the following sections contained in *Appendix A* of the final Official Statement relating to the Notes:

- Assessed Valuation
- Tax Rates
- Aggregate Tax Levies
- Tax Collection Record
- Major Taxpayers
- District Enrollment

APPENDIX E
FORM OF BOND COUNSEL OPINION

Gilmore & Bell, P.C.
04/04/2023

[FORM OF BOND COUNSEL OPINION]

GILMORE & BELL, P.C.
Attorneys at Law
100 N. Main Suite 800
Wichita, Kansas 67202

[April 27, 2023]

Governing Body
Unified School District No. 385,
Butler County, Kansas (Andover)

Stifel, Nicolaus & Company, Inc.
Wichita, Kansas

Re: \$3,960,000 General Obligation Temporary Notes, Series 2023, of Unified School District No. 385, Butler County, Kansas (Andover), Dated April 27, 2023

We have acted as Bond Counsel in connection with the issuance by Unified School District No. 385, Butler County, Kansas (Andover) (the "Issuer"), of the above-captioned notes (the "Notes"). In this capacity, we have examined the law and the certified proceedings, certifications and other documents that we deem necessary to render this opinion. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the resolution adopted by the governing body of the Issuer authorizing the issuance and prescribing the details of the Notes.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify them by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Notes have been duly authorized, executed and delivered by the Issuer and are valid and legally binding general obligations of the Issuer.

2. The Notes are payable as to both principal and interest from ad valorem taxes which may be levied without limitation as to rate or amount upon all the taxable tangible property, real and personal, within the territorial limits of the Issuer. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Notes to the extent that necessary funds are not provided from other sources.

3. The interest on the Notes is: (a) excludable from gross income for federal income tax purposes; and (b) not an item of tax preference for purposes of the federal alternative minimum tax. The opinions set forth in this paragraph are subject to the condition that the Issuer complies with all requirements of the Internal Revenue Code of 1986, as amended (the "Code") that must be satisfied subsequent to the issuance of the Notes in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause interest on the Notes to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Notes. The Notes are "qualified

tax-exempt obligations" within the meaning of Code § 265(b)(3). We express no opinion regarding other federal tax consequences arising with respect to the Notes.

4. The interest on the Notes is exempt from income taxation by the State of Kansas.

We express no opinion regarding the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Notes (except to the extent, if any, stated in the Official Statement). Further, we express no opinion regarding tax consequences arising with respect to the Notes other than as expressly set forth in this opinion.

The rights of the owners of the Notes and the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

This opinion is given as of its date, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may come to our attention or any changes in law that may occur after the date of this opinion.

GILMORE & BELL, P.C.

GJH:rrd