UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS

FINANCIAL STATEMENT
with
INDEPENDENT AUDITOR'S REPORT
and
UNIFORM GUIDANCE REPORTS

YEAR ENDED JUNE 30, 2021

TABLE OF CONTENTS

Page

Independent Auditor's Report 1

FINANCIAL SECTION

Statement 1
Summary Statement of Receipts, Expenditures and Unencumbered Cash 4

Notes to the Financial Statement 6

REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

Schedule 1
Summary of Expenditures – Actual and Budget 16

Schedule 2
Schedule of Receipts and Expenditures

General Funds

2-1 General Fund 17
2-2 Supplemental General Fund 18

Special Purpose Funds

2-3 Parents As Teachers Fund 19
2-4 Bilingual Education Fund 20
2-5 Capital Outlay Fund 21
2-6 Food Service Fund 22
2-7 Professional Development Fund 23
2-8 Special Education Fund 24
2-9 At Risk Fund 25
2-10 Virtual Education Fund… 26
2-11 Summer School Fund 27
2-12 Career and Postsecondary Education Fund 28
2-13 KPERS Special Retirement Contribution Fund 29
2-14 Preschool-Aged At Risk Fund 30
2-15 Non-Budgeted Special Purpose Funds 31
2-16 Special Purpose Federal Grant Funds 32

Bond and Interest Funds

2-17 Special Assessment Fund 34
2-18 Bond and Interest Fund 35
2-19 Certificates of Participation P & I 2010 Fund 36

Capital Project Fund

2-20 Construction Fund 37

Business Fund

2-21 Health Care Services Reserve Fund 38

Trust Fund

2-22 Marilyn Shipley Children Literacy Fund 39

TABLE OF CONTENTS (CONTINUED)

Page

Schedule 3
Schedule of Receipts, Expenditures and Unencumbered Cash
District Activity Funds 40

Schedule 4
Summary of Receipts and Disbursements
Agency Funds 42

APPENDICES

Independent Auditor's 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* 44

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance 46

Schedule of Expenditures of Federal Awards 49

Notes to the Schedule of Expenditures of Federal Awards 52

Schedule of Findings and Questioned Costs 53

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INDEPENDENT AUDITOR'S REPORT

Board of Education
Unified School District No. 443
Dodge City, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash of Unified School District No. 443, as of and for the year ended June 30, 2021, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

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

As described in Note A, the financial statement is prepared by Unified School District No. 443 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 A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion of U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Unified School District No. 443 as of June 30, 2021, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balances of Unified School District No. 443 as of June 30, 2021, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note A.

Other Matters

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 (basic financial statement) as a whole. The summary of regulatory basis expenditures – actual and budget, individual fund schedules of regulatory basis receipts and expenditures, schedule of regulatory basis receipts, expenditures, and unencumbered cash – district activity funds, and summary of regulatory basis receipts and disbursements – agency funds (Schedules 1, 2, 3, and 4 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The schedule of expenditures of federal awards is presented for additional analysis as required by the Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* and is also not a required part of the basic financial 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 United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note A.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of Unified School District No. 443 as of and for the year ended June 30, 2020 (not presented herein), and have issued our report thereon dated December 9, 2020, which contained an unmodified opinion on the basic financial statement. The 2020 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the website of the Kansas Department of Administration at the following link: http://admin.ks.gov/offices/oar/municipal-services/municipal-audits. The 2020 column (2020 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures for the year ended June 30, 2021 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2020 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2020 basic financial statement. The 2020 comparative information was subjected to the auditing procedures applied in the audit of the 2020 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2020 basic financial statement or to the 2020 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2020 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended June 30, 2020, on the basis of accounting described in Note A.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2022, on our consideration of Unified School District No. 443's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Unified School District No. 443's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Unified School District No. 443's internal control over financial reporting and compliance.

Kennedy McKee & Company LLP

January 20, 2022

UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH REGULATORY BASIS

For the Year Ended June 30, 2021

Funds	Beginning unencumbered cash balance (deficit)	Prior year canceled encumbrances	Receipts
General funds:			
General	$ 4,261	$ 10,031	$ 57,176,995
Supplemental general	129,706	4,050	19,821,733
Total general funds	133,967	14,081	76,998,728
Special purpose funds:			
Parents as teachers	987	-	61,229
Bilingual education	5,019	21	4,586,824
Capital outlay	13,950,277	100,167	10,705,681
Food service	499,980	163	6,015,676
Professional development	500,303	-	267,037
Special education	1,809,230	-	8,131,487
At risk	5,000	415	14,129,572
Virtual education	143,681	-	87,814
Summer school	782,673	-	72,654
Career and postsecondary education	316,332	179	1,894,563
KPERS special retirement contribution	-	-	7,367,812
Preschool-aged at risk	-	-	518,581
Non-budgeted special purpose funds:			
Coke donation agreement	24,494	-	13,269
Textbook and student materials revolving	3,000,713	3,029	3,002,122
Civic Center	-	-	440
Building blocks grant	(39,275)	-	105,275
Gifts and grants	2,777,170	210	159,887
Contingency reserve	7,617,366	-	127,788
Special purpose federal grant funds:			
Pre-K pilot program	(3,171)	-	32,575
Title IV - 21st Century Community Learning Center	(8,787)	12	74,032
Link Grant	(518,929)	-	1,646,993
Title I	(154,275)	-	1,489,162
Title I migrant	(81,753)	512	395,665
Head start	(399,550)	750	2,625,016
Kansas early head start	(81,129)	-	1,029,419
Title III English language acquisition	(86,772)	-	287,269
Title IIA teacher quality	(48,042)	-	239,559
Program improvement/Carl Perkins	-	-	59,780
Title IV	(6,435)	-	91,182
ESSER I CARES Act	-	-	1,141,504
Head start CARES Act	-	-	218,444
SPARKS	-	-	2,746,410
ESSER II CARES Act	-	-	-
District activity funds	362,370	-	619,248
Total special purpose funds	30,367,477	105,458	69,943,969

Expenditures	Ending unencumbered cash balance (deficit)	Add encumbrances and accounts payable	Ending cash balance (deficit)
$ 57,181,256	$ 10,031	$ 151,510	$ 161,541
19,137,500	817,989	112,801	930,790
76,318,756	828,020	264,311	1,092,331
61,229	987	2,721	3,708
4,586,824	5,040	4,158	9,198
4,279,496	20,476,629	1,201,525	21,678,154
5,135,310	1,380,509	39,101	1,419,610
267,037	500,303	4,371	504,674
8,131,487	1,809,230	-	1,809,230
14,129,572	5,415	39,876	45,291
143,681	87,814	-	87,814
4,278	851,049	-	851,049
1,894,563	316,511	702	317,213
7,367,812	-	-	-
518,581	-	65,587	65,587
16,149	21,614	-	21,614
2,196,946	3,808,918	114,252	3,923,170
440	-	-	-
66,000	-	1,325	1,325
913,960	2,023,307	16,791	2,040,098
1,802,793	5,942,361	1,342,316	7,284,677
34,500	(5,096)	-	(5,096)
72,996	(7,739)	4,904	(2,835)
1,128,064	-	688	688
1,334,887	-	636	636
510,166	(195,742)	46,730	(149,012)
2,720,014	(493,798)	24,857	(468,941)
1,130,981	(182,691)	10,106	(172,585)
264,843	(64,346)	-	(64,346)
234,274	(42,757)	-	(42,757)
59,780	-	-	-
84,747	-	-	-
1,141,504	-	-	-
222,174	(3,730)	-	(3,730)
2,746,410	-	-	-
2,946,376	(2,946,376)	19,066	(2,927,310)
472,052	509,566	-	509,566
66,619,926	33,796,978	2,939,712	36,736,690

UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH REGULATORY BASIS

For the Year Ended June 30, 2021

Funds	Beginning unencumbered cash balance (deficit)	Prior year canceled encumbrances	Receipts
Bond and interest funds:			
Special assessment	$ 30,414	$ -	$ -
Bond and interest	6,491,337	-	7,678,290
Certificates of participation P & I 2010	2	-	-
Total bond and interest funds	6,521,753	-	7,678,290
Capital project fund:			
Construction	208,367	-	35
Business fund:			
Health care services reserve	8,729,631	-	7,055,734
Trust fund:			
Marilyn Shipley children literacy	5,275	-	1,239
Total reporting entity (excluding agency funds)	$ 45,966,470	$ 119,539	$ 161,677,995
Composition of cash balance:			
Checking accounts			
Money market accounts			
Certificates of deposit			
Kansas municipal investment pool			
Trust accounts:			
Money market accounts			
Investments			
Petty cash			
Agency funds			
Total reporting entity (excluding agency funds)			

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

Expenditures	Ending unencumbered cash balance (deficit)	Add encumbrances and accounts payable	Ending cash balance (deficit)
$ 7	$ 30,407	$ -	$ 30,407
6,782,488	7,387,139	-	7,387,139
-	2	-	2
6,782,495	7,417,548	-	7,417,548
6,350	202,052	-	202,052
6,421,831	9,363,534	663,671	10,027,205
275	6,239	-	6,239
$ 156,149,633	$ 51,614,371	$ 3,867,694	$ 55,482,065

	$ 41,348,078
	10,345,567
	2,000,000
	1,943,731
	12,005
	35
	73
	55,649,489
	(167,424)
	$ 55,482,065

UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS

NOTES TO THE FINANCIAL STATEMENT

June 30, 2021

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies applied in the preparation of the accompanying financial statement is presented to assist in understanding the District's financial statement. The financial statement, schedules, and notes are representations of the District's management, which is responsible for their integrity and objectivity.

1. Municipal Financial Reporting Entity

   Unified School District No. 443 is a municipal corporation governed by an elected seven-member board. This financial statement presents only Unified School District No. 443.

2. Basis of Presentation – Fund Accounting

   The accounts of the District are organized and operated on the basis of funds. In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

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

   REGULATORY BASIS FUND TYPES

   General funds – the chief operating funds. 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 funds – used to account for the accumulation of resources (including tax levies, transfers from other funds) and payment of general long-term debt.

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

   Business fund – funds financed in whole or in part by fees charged to users of the goods or services (i.e., enterprise and internal service funds, etc.).

   Trust fund – used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.).

   Agency funds – used to report assets held by the municipal financial reporting entity in a purely custodial capacity (student organization funds).

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

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

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

4. Budgetary Information

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

a. Preparation of the budget for the succeeding fiscal year on or before August 1st.

b. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.

c. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.

d. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held, and the governing body may amend the budget at that time. The following budgets were amending in the current year:

Fund	Original budget	Amended budget
Preschool-Aged At Risk	$ 437,500	$ 518,581

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Budgetary Information (Continued)

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison 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 prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for the certificate of participation fund, capital project fund, trust fund, business fund, agency funds, and the following special purpose funds:

Coke Donation Agreement
Textbook and Student Materials Revolving
Civic Center
Building Blocks Grant
Gifts and Grants
Contingency Reserve
Federal Grant Funds
District Activity Funds

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.

5. Cash and Investments and Restricted Cash

The District pools cash resources of its various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements. Cash in excess of current requirements is invested in interest-bearing deposits and disclosed as part of the District's cash balances. Unless specifically designated, all investment income is credited to funds designated by K.S.A. 10-131, K.S.A. 12-1677, and K.S.A. 72-6427. Investments are recorded at cost.

The cash in the Marilyn Shipley Children Literacy fund is restricted for the purchase of books.

6. In-Substance Receipt in Transit

The District received $4,600,970 subsequent to June 30, 2021 and as required by K.S.A. 72-5135 and 72-5145 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2021.

B. COMPLIANCE WITH KANSAS STATUTES

References made herein to the statutes are not intended as interpretations of law but are offered for consideration of the Director of Accounts and Reports, the State Department of Education, and legal representatives of the District.

The budget law provided by K.S.A. 79-2935 prohibits the expenditure of funds in excess of that allowed by budget. At year end, expenditures in the Special Education Fund exceeded the adopted budget by $404,242.

The cash basis law provided by K.S.A. 10-1113 prohibits the creation of indebtedness in any fund in excess of monies available in that fund. Although certain special purpose grant funds overspent their cash balances, according to K.S.A. 12-1664, the District is not prohibited from financing the federal share of a local program from current funds, if available.

C. DEPOSITS AND INVESTMENTS

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

Investment Type	Fair Value	Maturities	Rating U.S.
Kansas Municipal Investment Pool	$ 1,943,731	Less than 1 year	AAAf
Federated Government Obligations Fund 395	35	Less than 1 year	AAAm
	$ 1,943,766		

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. The rating of the District's investments is noted above.

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

Investments	Percentage of investments
Kansas Municipal Investment Pool	99.998%
Federated Government Obligations Fund 395	0.002%

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

C. DEPOSITS AND INVESTMENTS (CONTINUED)

At June 30, 2021, the District's carrying amount of deposits was $53,705,651 and the bank balance was $54,225,559. Of the bank balance, $755,764 was covered by federal depository insurance and $53,469,795 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

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

At June 30, 2021, the District had invested $1,943,731 in the State's municipal investment pool. The municipal investment pool is under the oversight of the Pooled Money Investment Board. The Board is comprised of the State Treasurer and four additional members appointed by the State Governor. The Board reports annually to the Kansas Legislature. State pooled monies may be invested in direct obligations of, or obligations that are insured as to principal and interest, by the U.S. government or any agency thereof, with maturities up to four years. No more than ten percent of those funds may be invested in mortgage-backed securities. In addition, the State pool may invest in repurchase agreements with Kansas banks or with primary government securities dealers.

D. CAPITAL PROJECTS

Capital project authorizations with approved change orders compared with cash disbursements and accounts payable from inception are as follows:

	Project commitments authorized	Cash disbursements and accounts payable to date	Remaining financial commitment
Food Storage Improvements	$ 631,522	$ 631,522	$ -
Pavement Replacement	566,182	566,182	-
Administration Building	18,066,061	18,066,061	-
Memorial Stadium	2,532,073	2,200,531	331,542
HVAC Upgrades	1,807,085	1,245,177	561,908
Sunnyside Sidewalk	34,322	34,322	-
Carpet Replacement	248,865	198,865	50,000
Playground Improvements	301,643	179,042	122,601
DCHS Boiler Replacement	421,833	19,350	402,483
Roof Replacement	17,300	-	17,300
	$ 24,626,886	$ 23,141,052	$ 1,485,834

E. LONG-TERM DEBT

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

Issue	Balance beginning of year	Additions/ net change	Reductions/ net change	Balance end of year	Interest paid
School building bonds - Series 2015-A Issued November 17, 2015 In the amount of $85,600,000 At interest rate of 2.00% to 5.00% Maturing March 1, 2036	$ 82,060,000	$ -	$3,655,000	$78,405,000	$3,127,488

E. LONG-TERM DEBT (CONTINUED)

Current maturities of general obligation bonds and interest for the next five years and in five-year increments through maturity are as follows:

	Principal due	Interest due	Total due
2022	$ 3,785,000	$ 3,054,388	$ 6,839,388
2023	3,925,000	2,978,687	6,903,687
2024	4,080,000	2,782,438	6,862,438
2025	4,250,000	2,578,438	6,828,438
2026	4,435,000	2,365,937	6,800,937
2027-2031	25,465,000	8,695,737	34,160,737
2032-2036	32,465,000	3,540,200	36,005,200
Total	$ 78,405,000	$ 25,995,825	$ 104,400,825

F. OPERATING LEASES

The District has entered into operating lease agreements for copier rental and maintenance, mail system equipment, and fiber optic networking. Rental payments for the current year totaled $250,692. The operating lease agreements expire at various dates through the year 2026.

The following is a yearly schedule of future minimum rental payments under the operating leases:

2022	$ 242,821
2023	179,765
2024	179,765
2025	119,841
2026	32,909
	$ 755,101

G. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Amount	Regulatory authority
General	Parents as Teachers	$ 20,410	K.S.A. 72-5167
General	Bilingual Education	3,272,078	K.S.A. 72-5167
General	Capital Outlay	6,733,076	K.S.A. 72-5167
General	Food Service	11,477	K.S.A. 72-5167
General	Professional Development	234,382	K.S.A. 72-5167
General	Special Education	7,428,629	K.S.A. 72-5167
General	At Risk	9,393,657	K.S.A. 72-5167
General	Virtual Education	87,814	K.S.A. 72-5167
General	Career and Postsecondary Education	1,894,563	K.S.A. 72-5167
General	Preschool-Aged At Risk	518,581	K.S.A. 72-5167
General	Textbook and Student Materials Revolving	2,830,021	K.S.A. 72-5167
General	Contingency Reserve	127,788	K.S.A. 72-5167
Total General		32,552,476	
Supplemental General	Bilingual Education	1,314,746	K.S.A. 72-5143
Supplemental General	Special Education	608,175	K.S.A. 72-5143
Supplemental General	At Risk	4,735,915	K.S.A. 72-5143
Total Supplemental General		6,658,836	
Total operating transfers		$ 39,211,312	

H. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Other post-employment benefits. As provided by K.S.A. 12-5040, the District allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the District is subsidizing the 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.

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

Compensated absences. The District's policy is to recognize the costs of compensated absences when actually paid. District policies regarding vacation and sick pay permit full-time employees to earn five days of vacation at the close of the first year and ten days after each subsequent year of service up to ten years. After ten years of service, fifteen days are earned. Anniversary dates for vacation purposes are July 1st to correspond with the fiscal year of the District. Vacation time is prorated for new or separating employees who do not complete a full fiscal year of employment on a July 1 through June 30 cycle. Policies prohibit payment for vacation time in lieu of time off. Sick leave, for all employees, may be accumulated at the rate of twelve days per year up to a total accumulation of one hundred and five days. In the event of retirement, resignation, or termination of service, accumulated sick leave is lost. In the event of death, the beneficiary of the employee may receive payment for the amount of accumulated sick leave or one and one-half additional months' pay from the time of death, whichever is greater.

Section 125 plan. The District offers a Section 125 flexible benefit plan to all eligible employees. It is used for qualified insurance premiums, unreimbursed medical expenses, and qualified dependent care expenses. The plan is administered by a third-party administrator.

I. DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

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

I. DEFINED BENEFIT PENSION PLAN (CONTINUED)

General Information about the Pension Plan (Continued)

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

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate and the statutory contribution rate (not including the 1% contribution rate for the Death and Disability Program) was 16.15% and 14.41%, respectively, for the fiscal year ended June 30, 2020. The actuarially determined employer contribution rate and the statutory contribution rate was 15.59% and 14.23% for the fiscal year ended June 30, 2021.

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

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

The State of Kansas is required to contribute the statutory required employer's share except for retired District employees. The District is responsible for the employer's portion of the cost for retired District employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled $7,367,812 for the year ended June 30, 2021.

I. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Net Pension Liability

At June 30, 2021, the District's proportionate share of the collective net pension liability reported by KPERS was $76,265,268. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019, which was rolled forward to June 30, 2020. The District's proportion of the net pension liability was based on the ratio of the District's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2020. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in the 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.

J. 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; natural disasters, and medical needs of employees. The District purchases commercial insurance to cover these risks. There have been no significant reductions in coverage from the prior year. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three years.

The District has established an internal service fund to account for its medical self-insurance program and has entered into a partially self-funded agreement. This agreement allows the District to assume a limited amount of liability by self-insuring a portion of the employees' medical expenses. Premiums paid for an excess coverage insurance policy cover individual and family claims in excess of $50,000 and the District is also protected by an aggregate stop-loss protection provision, which limits its liability on total self-insurance claims for a contract period. Liabilities for unpaid claims are those claims that are unpaid at year end. Changes in the claims liability amount are as follows:

	Beginning of year liability	Claims and changes in estimates	Stop-loss reimbursement	Claim payments	End of year liability
2020	$ 670,589	$4,780,958	$ 408,856	$4,690,552	$352,139
2021	352,139	4,935,039	364,350	4,259,157	663,671

K. CONTINGENCIES

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

L. CORONAVIRUS (COVID-19)

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the District's financial condition, liquidity, and future result of operations. The District is actively monitoring the global and local situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the District is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2022.

M. SUBSEQUENT EVENTS

The District has evaluated events subsequent to year end through January 20, 2022 and believes the following event affects the financial statement as presented along with the ongoing concern regarding the novel strain of coronavirus (COVID-19) as discussed in Note L above:

On September 30, 2021, the District issued $56,050,000 in general obligation bonds with interest rates varying from 0.261% to 1.872% to advance refund $48,455,000 of outstanding 2015-A Series bonds with interest rates varying from 3.00% to 4.00%. The net proceeds of $55,493,468 ($56,050,000 less underwriters discount of $420,375 and issuance costs of $136,157) were deposited with an escrow agent to provide for the future debt service payments of the refunded portion of the 2015-A Series bonds.

The District advance refunded the callable portion of the 2015-A Series bonds to reduce its total debt service payments over the next 15 years by $7,417,247 and to obtain an economic gain of $2,413,573.

REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2021

Funds	Certified budget	Adjustment to comply with legal maximum budget	Adjustment for qualifying budget credits	Total budget for comparison	Expenditures chargeable to current year	Variance favorable (unfavorable)
General funds:						
General	$ 58,545,512	$ (1,386,985)	$ 22,729	$ 57,181,256	$ 57,181,256	$ -
Supplemental general	19,439,793	(302,293)	-	19,137,500	19,137,500	-
Special purpose funds:						
Parents as teachers	61,229	-	-	61,229	61,229	-
Bilingual education	5,167,317	-	-	5,167,317	4,586,824	580,493
Capital outlay	20,100,000	-	-	20,100,000	4,279,496	15,820,504
Food service	6,813,029	-	-	6,813,029	5,135,310	1,677,719
Professional development	756,648	-	-	756,648	267,037	489,611
Special education	7,727,245	-	-	7,727,245	8,131,487	(404,242)
At risk	15,433,997	-	-	15,433,997	14,129,572	1,304,425
Virtual education	143,681	-	-	143,681	143,681	-
Summer school	611,663	-	-	611,663	4,278	607,385
Career and postsecondary education	1,928,065	-	-	1,928,065	1,894,563	33,502
KPERS special retirement contribution	8,712,278	-	-	8,712,278	7,367,812	1,344,466
Preschool-aged at risk	518,581	-	-	518,581	518,581	-
Bond and interest funds:						
Special assessment	30,414	-	-	30,414	7	30,407
Bond and interest	6,782,488	-	-	6,782,488	6,782,488	-
Total	$ 152,771,940	$ (1,689,278)	$ 22,729	$ 151,105,391	$ 129,621,121	$ 21,484,270

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

		2021		
	2020	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
State sources:				
State aid - general	$ 51,340,228	$ 51,361,606	$ 52,540,921	$ (1,179,315)
State aid - special education	5,172,481	5,789,315	6,000,330	(211,015)
State aid - reimbursement	36,423	22,729	-	22,729
Mineral production tax and other	7,687	3,345	-	3,345
Total receipts	56,556,819	57,176,995	$ 58,541,251	$ (1,364,256)
Expenditures:				
Instruction	12,643,697	13,183,437	$ 16,833,650	$ 3,650,213
Student support services	30,691	25,804	112,847	87,043
Instructional support staff	294,838	333,544	408,285	74,741
General administration	882,007	733,812	934,468	200,656
School administration	245,853	188,153	181,874	(6,279)
Central services	1,607,126	1,718,581	1,655,593	(62,988)
Operations and maintenance	6,220,086	6,432,543	6,705,948	273,405
Student transportation services:				
Supervision	287,370	300,894	263,957	(36,937)
Vehicle operating services	1,151,075	1,303,042	1,643,402	340,360
Vehicle services and maintenance services	438,065	404,970	441,842	36,872
Other support services	19,015	-	-	-
Community services operations	-	4,000	-	(4,000)
Operating transfers	32,739,110	32,552,476	29,363,646	(3,188,830)
Adjustment to comply with legal maximum budget	-	-	(1,386,985)	(1,386,985)
Legal general fund budget	56,558,933	57,181,256	57,158,527	(22,729)
Adjustment for qualifying budget credit	-	-	22,729	22,729
Total expenditures	56,558,933	57,181,256	$ 57,181,256	$ -
Receipts over (under) expenditures	(2,114)	(4,261)		
Unencumbered cash, beginning of year	4,125	4,261		
Prior year canceled encumbrances	2,250	10,031		
Unencumbered cash, end of year	$ 4,261	$ 10,031		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS

SUPPLEMENTAL GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

		2021		
	2020	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Taxes and shared receipts:				
Tax in process	$ 109,247	$ 255,243	$ 336,602	$ (81,359)
Current tax	3,997,671	4,485,332	4,198,276	287,056
Delinquent tax	108,097	166,979	78,641	88,338
Motor vehicle tax	619,506	602,807	347,914	254,893
Recreational vehicle tax	3,701	3,792	2,147	1,645
In lieu of tax	41,183	44,401	-	44,401
State aid	14,126,209	14,263,179	14,488,478	(225,299)
Total receipts	19,005,614	19,821,733	$ 19,452,058	$ 369,675
Expenditures:				
Instruction	1,344,514	1,022,819	$ 1,826,228	$ 803,409
Student support services	1,284,486	1,373,880	1,444,702	70,822
Instructional support staff	1,082,887	1,021,914	1,187,113	165,199
General administration	364,987	569,330	349,520	(219,810)
School administration	4,602,994	4,765,921	4,810,583	44,662
Central services	820,031	820,202	833,684	13,482
Operations and maintenance	2,948,109	2,900,175	3,145,247	245,072
Food service operations	4,443	4,423	-	(4,423)
Operating transfers	6,772,112	6,658,836	5,842,716	(816,120)
Adjustment to comply with legal maximum budget	-	-	(302,293)	(302,293)
Total expenditures	19,224,563	19,137,500	$ 19,137,500	$ -
Receipts over (under) expenditures	(218,949)	684,233		
Unencumbered cash, beginning of year	348,338	129,706		
Prior year canceled encumbrances	317	4,050		
Unencumbered cash, end of year	$ 129,706	$ 817,989		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS

PARENTS AS TEACHERS FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

		2021		
	2020	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
State aid	$ 40,819	$ 40,819	$ 40,819	$ -
Transfer from general fund	20,410	20,410	20,410	-
Total receipts	61,229	61,229	$ 61,229	$ -
Expenditures:				
Student support services	48,022	51,242	$ 51,008	$ (234)
Instructional support staff	11,357	7,459	6,721	(738)
Central services	1,850	2,528	3,500	972
Total expenditures	61,229	61,229	$ 61,229	$ -
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning of year	987	987		
Unencumbered cash, end of year	$ 987	$ 987		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS

BILINGUAL EDUCATION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

		2021		
	2020	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Transfer from:				
General fund	$ 3,161,272	$ 3,272,078	$ 3,767,317	$ (495,239)
Supplemental general fund	1,424,577	1,314,746	1,400,000	(85,254)
Total receipts	4,585,849	4,586,824	$ 5,167,317	$ (580,493)
Expenditures:				
Instruction	4,252,521	4,161,412	$ 4,794,896	$ 633,484
Student support services	120,437	108,586	127,925	19,339
School administration	216,655	316,826	244,496	(72,330)
Total expenditures	4,589,613	4,586,824	$ 5,167,317	$ 580,493
Receipts over (under) expenditures	(3,764)	-		
Unencumbered cash, beginning of year	8,759	5,019		
Prior year canceled encumbrances	24	21		
Unencumbered cash, end of year	$ 5,019	$ 5,040		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS

CAPITAL OUTLAY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

		2021		
	2020	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Taxes and shared receipts:				
Tax in process	$ 50,926	$ 108,466	$ 143,011	$ (34,545)
Current tax	1,700,282	1,776,196	1,657,833	118,363
Delinquent tax	41,800	69,402	33,444	35,958
Motor vehicle tax	183,813	272,395	157,211	115,184
Recreational vehicle tax	1,081	1,725	970	755
Interest	213,571	24,087	500,000	(475,913)
State aid	1,399,417	1,391,055	1,391,055	-
Other	458,090	329,279	500,000	(170,721)
Transfer from general fund	5,443,033	6,733,076	2,767,254	3,965,822
Total receipts	9,492,013	10,705,681	$ 7,150,778	$ 3,554,903
Expenditures:				
Instruction	-	90,563	$ 1,000,000	$ 909,437
General administration	-	4,382	500,000	495,618
School administration	198,809	-	1,000,000	1,000,000
Central services	34,172	141,606	200,000	58,394
Operations and maintenance	653,568	974,784	4,250,000	3,275,216
Other support services	560,103	-	750,000	750,000
Facility acquisition and construction services:				
Architectural and engineering services	106,857	200,548	2,000,000	1,799,452
Building additions	-	6,895	-	(6,895)
Site acquisition	-	-	400,000	400,000
Site improvement	361,211	579,110	5,000,000	4,420,890
Building improvements	566,054	2,281,608	5,000,000	2,718,392
Total expenditures	2,480,774	4,279,496	$ 20,100,000	$ 15,820,504
Receipts over (under) expenditures	7,011,239	6,426,185		
Unencumbered cash, beginning of year	6,678,852	13,950,277		
Prior year canceled encumbrances	260,186	100,167		
Unencumbered cash, end of year	$ 13,950,277	$ 20,476,629		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS

FOOD SERVICE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

		2021		
	2020	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Federal aid	$ 3,748,364	$ 5,814,294	$ 4,030,625	$ 1,783,669
State aid	50,968	54,733	38,447	16,286
Interest	34	34	-	34
Charges for services	491,513	123,839	693,979	(570,140)
Other	9,919	11,299	50,000	(38,701)
Transfer from general fund	704,706	11,477	1,500,000	(1,488,523)
Total receipts	5,005,504	6,015,676	$ 6,313,051	$ (297,375)
Expenditures:				
Operations and maintenance	42,754	42,817	$ 50,000	$ 7,183
Food service operations	4,573,565	5,092,493	6,763,029	1,670,536
Total expenditures	4,616,319	5,135,310	$ 6,813,029	$ 1,677,719
Receipts over (under) expenditures	389,185	880,366		
Unencumbered cash, beginning of year	110,795	499,980		
Prior year canceled encumbrances	-	163		
Unencumbered cash, end of year	$ 499,980	$ 1,380,509		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS

PROFESSIONAL DEVELOPMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

		2021		
	2020	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
State aid	$ 30,483	$ 32,655	$ 83,090	$ (50,435)
Other	250	-	-	-
Transfer from general fund	467,500	234,382	173,505	60,877
Total receipts	498,233	267,037	$ 256,595	$ 10,442
Expenditures:				
Instruction	36,913	44,531	$ -	$ (44,531)
Student support services	4,411	550	-	(550)
Instructional support staff	246,966	221,956	756,648	534,692
Total expenditures	288,290	267,037	$ 756,648	$ 489,611
Receipts over (under) expenditures	209,943	-		
Unencumbered cash, beginning of year	290,356	500,303		
Prior year canceled encumbrances	4	-		
Unencumbered cash, end of year	$ 500,303	$ 500,303		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS

SPECIAL EDUCATION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

		2021		
	2020	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Federal aid	$ -	$ 94,683	$ 94,683	$ -
Transfer from:				
General fund	6,149,922	7,428,629	6,239,613	1,189,016
Supplemental general fund	1,124,955	608,175	942,716	(334,541)
Total receipts	7,274,877	8,131,487	$ 7,277,012	$ 854,475
Expenditures:				
Instruction	7,008,852	7,947,956	$ 7,279,600	$ (668,356)
Student support services	720	480	2,500	2,020
Student transportation services:				
Vehicle operating service	235,210	165,308	445,145	279,837
Vehicle services and maintenance services	30,095	17,743	-	(17,743)
Total expenditures	7,274,877	8,131,487	$ 7,727,245	$ (404,242)
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning of year	1,809,230	1,809,230		
Unencumbered cash, end of year	$ 1,809,230	$ 1,809,230		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS

AT RISK FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

		2021		
	2020	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Transfer from:				
General fund	$10,001,329	$ 9,393,657	$11,933,997	$ (2,540,340)
Supplemental general fund	4,022,580	4,735,915	3,500,000	1,235,915
Total receipts	14,023,909	14,129,572	$15,433,997	$ (1,304,425)
Expenditures:				
Instruction	12,677,213	12,691,850	$14,034,875	$ 1,343,025
Student support services	1,027,914	1,124,114	1,088,784	(35,330)
School administration	296,423	313,608	310,338	(3,270)
Operations and maintenance	23,915	-	-	-
Total expenditures	14,025,465	14,129,572	$15,433,997	$ 1,304,425
Receipts over (under) expenditures	(1,556)	-		
Unencumbered cash, beginning of year	6,540	5,000		
Prior year canceled encumbrances	16	415		
Unencumbered cash, end of year	$ 5,000	$ 5,415		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS

VIRTUAL EDUCATION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

		2021		
	2020	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Transfer from general fund	$ -	$ 87,814	$ -	$ 87,814
Expenditures:				
Instruction	-	143,681	$ 143,681	$ -
Receipts over (under) expenditures	-	(55,867)		
Unencumbered cash, beginning of year	143,681	143,681		
Unencumbered cash, end of year	$ 143,681	$ 87,814		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS

SUMMER SCHOOL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

		2021		
	2020	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Fees	$ 71,237	$ 72,654	$ -	$ 72,654
Transfer from general fund	200,000	-	200,000	(200,000)
Total receipts	271,237	72,654	$ 200,000	$ (127,346)
Expenditures:				
Instruction	235,988	4,278	$ 545,005	$ 540,727
Student support services	4,612	-	10,800	10,800
Student transportation services	26,070	-	55,858	55,858
Total expenditures	266,670	4,278	$ 611,663	$ 607,385
Receipts over (under) expenditures	4,567	68,376		
Unencumbered cash, beginning of year	778,106	782,673		
Unencumbered cash, end of year	$ 782,673	$ 851,049		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS

CAREER AND POSTSECONDARY EDUCATION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

		2021		
	2020	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
State aid	$ 277	$ -	$ -	$ -
Transfer from general fund	1,477,099	1,894,563	1,611,762	282,801
Total receipts	1,477,376	1,894,563	$ 1,611,762	$ 282,801
Expenditures:				
Instruction	1,313,526	1,732,473	$ 1,746,091	$ 13,618
Student support services	61,595	63,915	79,395	15,480
School administration	34,546	40,025	36,295	(3,730)
Operations and maintenance	56,129	58,150	66,284	8,134
Student transportation services	179	-	-	-
Total expenditures	1,465,975	1,894,563	$ 1,928,065	$ 33,502
Receipts over (under) expenditures	11,401	-		
Unencumbered cash, beginning of year	304,931	316,332		
Prior year canceled encumbrances	-	179		
Unencumbered cash, end of year	$ 316,332	$ 316,511		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS

KPERS SPECIAL RETIREMENT CONTRIBUTION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

		2021		
	2020	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
State aid	$ 7,689,566	$ 7,367,812	$ 8,712,278	$(1,344,466)
Expenditures:				
Instruction	4,536,843	4,278,488	$ 5,140,244	$ 861,756
Student support services	552,880	534,166	626,413	92,247
Instructional support staff	202,236	207,772	229,133	21,361
General administration	196,853	219,561	223,034	3,473
School administration	705,902	657,209	799,787	142,578
Central services	292,972	287,345	331,938	44,593
Operations and maintenance	678,989	681,523	769,294	87,771
Student transportation services	214,539	205,562	243,073	37,511
Other support services	6,921	-	7,841	7,841
Food service operations	301,431	296,186	341,521	45,335
Total expenditures	7,689,566	7,367,812	$ 8,712,278	$ 1,344,466
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning of year	-	-		
Unencumbered cash, end of year	$ -	$ -		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS

PRESCHOOL-AGED AT RISK FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

		2021		
	2020	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Transfer from general fund	$ 337,136	$ 518,581	$ 518,581	$ -
Expenditures:				
Instruction	390,151	280,582	$ 357,679	$ 77,097
Student support services	99,749	93,262	90,358	(2,904)
Instructional support staff	-	809	2,500	1,691
General administration	8,232	21,345	-	(21,345)
School administration	20,092	18,554	68,044	49,490
Operations and maintenance	1,802	102,354	-	(102,354)
Food service operations	9,199	1,675	-	(1,675)
Total expenditures	529,225	518,581	$ 518,581	$ -
Receipts over (under) expenditures	(192,089)	-		
Unencumbered cash, beginning of year	192,089	-		
Unencumbered cash, end of year	$ -	$ -		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS

NON-BUDGETED SPECIAL PURPOSE FUNDS

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the Year Ended June 30, 2021

	Coke Donation Agreement	Textbook and Student Materials Revolving	Civic Center
Receipts:			
Donations	$ 13,269	$ -	$ -
State aid	-	-	-
Fees	-	172,101	440
Transfer from:			
General fund	-	2,830,021	-
Total receipts	13,269	3,002,122	440
Expenditures:			
Instruction	16,136	2,192,139	-
Student support services	-	-	-
Instructional support staff	-	-	-
General administration	13	-	-
School administration	-	-	-
Central services	-	-	-
Operations and maintenance	-	-	-
Student transportation services	-	-	-
Civic Center operations	-	-	440
Other support services	-	4,807	-
Facility acquisition and construction services	-	-	-
Food service operations	-	-	-
Community service operations	-	-	-
Total expenditures	16,149	2,196,946	440
Receipts over (under) expenditures	(2,880)	805,176	-
Unencumbered cash (deficit), beginning of year	24,494	3,000,713	-
Prior year canceled encumbrances	-	3,029	-
Unencumbered cash, end of year	$ 21,614	$ 3,808,918	$ -

See Independent Auditor's Report.

Building Blocks Grant	Gifts and Grants	Contingency Reserve	Total
$ -	$ 159,887	$ -	$ 173,156
105,275	-	-	105,275
-	-	-	172,541
-	-	127,788	2,957,809
105,275	159,887	127,788	3,408,781
32,403	588,811	783,867	3,613,356
-	57,334	-	57,334
-	13,538	-	13,538
-	9,774	-	9,787
-	41,189	13,561	54,750
-	31,949	-	31,949
-	81,704	1,005,365	1,087,069
33,597	29,938	-	63,535
-	-	-	440
-	1,673	-	6,480
-	3,210	-	3,210
-	48,640	-	48,640
-	6,200	-	6,200
66,000	913,960	1,802,793	4,996,288
39,275	(754,073)	(1,675,005)	(1,587,507)
(39,275)	2,777,170	7,617,366	13,380,468
-	210	-	3,239
$ -	$ 2,023,307	$ 5,942,361	$ 11,796,200

UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS

SPECIAL PURPOSE FEDERAL GRANT FUNDS

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the Year Ended June 30, 2021

	Pre-K Pilot Program	Title IV 21st Century Community Learning Center	Link Grant	Title I	Title I Migrant
Receipts:					
Federal aid	$ 15,325	$ 74,032	$ 1,646,993	$ 1,489,162	$ 395,665
State aid	17,250	-	-	-	-
Third party in-kind match	-	-	-	-	-
Total receipts	32,575	74,032	1,646,993	1,489,162	395,665
Expenditures:					
Instruction	34,500	65,148	704,341	673,186	260,516
Student support services	-	-	-	433,030	24,814
Instructional support staff	-	5,687	423,723	39,364	32,208
General administration	-	2,161	-	189,307	179,581
School administration	-	-	-	-	-
Central services	-	-	-	-	-
Operations and maintenance	-	-	-	-	-
Student transportation services	-	-	-	-	13,047
Other support services	-	-	-	-	-
Food service operations	-	-	-	-	-
Community service operations	-	-	-	-	-
Refund to state	-	-	-	-	-
Total expenditures	34,500	72,996	1,128,064	1,334,887	510,166
Receipts over (under) expenditures	(1,925)	1,036	518,929	154,275	(114,501)
Unencumbered cash (deficit), beginning of year	(3,171)	(8,787)	(518,929)	(154,275)	(81,753)
Prior year canceled encumbrances	-	12	-	-	512
Unencumbered cash (deficit), end of year	$ (5,096)	$ (7,739)	$ -	$ -	$ (195,742)

Head Start	Kansas Early Head Start	Title III English Language Acquisition	Title IIA Teacher Quality	Program Improvement/ Carl Perkins	Title IV
$ 2,105,482	$ 709,517	$ 287,269	$ 239,559	$ 59,780	$ 91,182
-	319,902	-	-	-	-
519,534	-	-	-	-	-
2,625,016	1,029,419	287,269	239,559	59,780	91,182
1,536,364	589,367	154,390	42,046	56,791	63,633
507,325	411,052	65,152	153,625	-	5,795
88,653	3,035	30,702	34,111	-	9,325
235,612	95,820	6,208	4,492	2,989	5,994
129,046	-	-	-	-	-
33,248	22,166	-	-	-	-
132,007	-	-	-	-	-
28,352	-	8,391	-	-	-
-	-	-	-	-	-
28,462	9,541	-	-	-	-
-	-	-	-	-	-
945	-	-	-	-	-
2,720,014	1,130,981	264,843	234,274	59,780	84,747
(94,998)	(101,562)	22,426	5,285	-	6,435
(399,550)	(81,129)	(86,772)	(48,042)	-	(6,435)
750	-	-	-	-	-
$ (493,798)	$ (182,691)	$ (64,346)	$ (42,757)	$ -	$ -

UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS

SPECIAL PURPOSE FEDERAL GRANT FUNDS

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the Year Ended June 30, 2021

	ESSER I CARES Act	Head Start CARES Act	SPARKS	ESSER II CARES Act	Total
Receipts:					
Federal aid	$ 1,141,504	$ 218,444	$ 2,746,410	$ -	$ 11,220,324
State aid	-	-	-	-	337,152
Third party in-kind match	-	-	-	-	519,534
Total receipts	1,141,504	218,444	2,746,410	-	12,077,010
Expenditures:					
Instruction	1,119,419	155,651	2,679,908	2,269,433	10,404,693
Student support services	-	-	-	2,452	1,603,245
Instructional support staff	-	13,463	15	-	680,286
General administration	-	-	403	138	722,705
School administration	6,843	24,467	1,239	7,715	169,310
Central services	383	-	-	868	56,665
Operations and maintenance	10,748	5,525	46,538	66,364	261,182
Student transportation services	4,111	-	95	2,098	56,094
Other support services	-	-	-	1,225	1,225
Food service operations	-	10,527	18,212	596,083	662,825
Community service operations	-	12,541	-	-	12,541
Refund to state	-	-	-	-	945
Total expenditures	1,141,504	222,174	2,746,410	2,946,376	14,631,716
Receipts over (under) expenditures	-	(3,730)	-	(2,946,376)	(2,554,706)
Unencumbered cash (deficit), beginning of year	-	-	-	-	(1,388,843)
Prior year canceled encumbrances	-	-	-	-	1,274
Unencumbered cash (deficit), end of year	$ -	$ (3,730)	$ -	$ (2,946,376)	$ (3,942,275)

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS

SPECIAL ASSESSMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

		2021		
	2020	Actual	Budget	Variance favorable (unfavorable)
Receipts	$ -	$ -	$ -	$ -
Expenditures:				
Site improvement services	7	7	$ 30,414	$ 30,407
Receipts over (under) expenditures	(7)	(7)		
Unencumbered cash, beginning of year	30,421	30,414		
Unencumbered cash, end of year	$ 30,414	$ 30,407		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS

BOND AND INTEREST FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

		2021		
	2020	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Taxes and shared receipts:				
Tax in process	$ 76,485	$ 140,325	$ 185,276	$ (44,951)
Current tax	2,199,023	2,074,918	1,938,690	136,228
Delinquent tax	60,863	95,567	43,260	52,307
Motor vehicle tax	272,092	393,263	225,298	167,965
Recreational vehicle tax	1,600	2,497	1,390	1,107
In lieu of tax	23,583	20,504	-	20,504
State aid	4,918,950	4,951,216	4,951,216	-
Total receipts	7,552,596	7,678,290	$ 7,345,130	$ 333,160
Expenditures:				
Debt service:				
Principal	3,540,000	3,655,000	$ 3,655,000	$ -
Interest	3,198,288	3,127,488	3,127,488	-
Total expenditures	6,738,288	6,782,488	$ 6,782,488	$ -
Receipts over (under) expenditures	814,308	895,802		
Unencumbered cash, beginning of year	5,677,029	6,491,337		
Unencumbered cash, end of year	$ 6,491,337	$ 7,387,139		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS

CERTIFICATES OF PARTICIPATION P & I 2010 FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

	2020	2021
Receipts	$ -	$ -
Expenditures	-	-
Receipts over (under) expenditures	-	-
Unencumbered cash, beginning of year	2	2
Unencumbered cash, end of year	$ 2	$ 2

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS

CONSTRUCTION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

	2020	2021
Receipts:		
Interest	$ 6,058	$ 35
Expenditures:		
Instruction	52,580	-
General administration	5,830	3,350
Site improvement	230,277	-
Debt issuance costs	3,000	3,000
Total expenditures	291,687	6,350
Receipts over (under) expenditures	(285,629)	(6,315)
Unencumbered cash, beginning of year	298,929	208,367
Prior year canceled encumbrances	195,067	-
Unencumbered cash, end of year	$ 208,367	$ 202,052

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS

HEALTH CARE SERVICES RESERVE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

	2020	2021
Receipts:		
Interest	$ 2,630	$ 2,779
Employee withholdings	5,764,497	5,999,555
Cobra/retirees	46,788	63,684
Health forfeitures	562,633	625,366
Reinsurance	408,856	364,350
Total receipts	6,785,404	7,055,734
Expenditures:		
Insurance premiums	1,479,009	1,486,352
Payment of claims	4,780,958	4,935,039
Other	2,337	440
Total expenditures	6,262,304	6,421,831
Receipts over (under) expenditures	523,100	633,903
Unencumbered cash, beginning of year	8,206,531	8,729,631
Unencumbered cash, end of year	$ 8,729,631	$ 9,363,534

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS

MARILYN SHIPLEY CHILDREN LITERACY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the Year Ended June 30, 2021
(With Comparative Actual Totals for the Prior Year Ended June 30, 2020)

	2020	2021
Receipts:		
Gain (loss) on investments	$ (13)	$ 1,239
Expenditures:		
Grants paid	530	275
Receipts over (under) expenditures	(543)	964
Unencumbered cash, beginning of year	5,818	5,275
Unencumbered cash, end of year	$ 5,275	$ 6,239

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS

DISTRICT ACTIVITY FUNDS

SCHEDULE OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
REGULATORY BASIS

For the Year Ended June 30, 2021

Funds	Beginning unencumbered cash balance	Receipts	Expenditures	Ending unencumbered cash balance	Add encumbrances and accounts payable	Ending cash balance
Gate receipts:						
Dodge City High School:						
Athletics	$ 56,730	$ 61,652	$ 51,588	$ 66,794	$ -	$ 66,794
Coffee club	1,182	1,696	1,573	1,305	-	1,305
Club services	164	-	-	164	-	164
Advertising	49,140	45,995	26,797	68,338	-	68,338
Tournament of Champions	47,634	20,084	6,395	61,323	-	61,323
WAC medals	2,500	5,000	5,971	1,529	-	1,529
Baseball	370	-	250	120	-	120
Boys basketball	706	-	-	706	-	706
Girls basketball	1,721	1,689	2,023	1,387	-	1,387
Boys cross country	1,023	4,401	4,190	1,234	-	1,234
Girls cross country	244	2,141	1,630	755	-	755
Golf	3,599	1,182	2,851	1,930	-	1,930
Softball	119	2,574	2,579	114	-	114
Soccer	3,163	7,013	7,945	2,231	-	2,231
Boys tennis	247	-	-	247	-	247
Girls tennis	643	251	350	544	-	544
Track	478	153	631	-	-	-
Volleyball	-	152	17	135	-	135
Wrestling	3,642	6,268	5,104	4,806	-	4,806
Weight room	1,709	654	1,470	893	-	893
Athletic training	135	490	511	114	-	114
Gate receipts	-	68,049	68,049	-	-	-
Honors banquet	3,581	-	-	3,581	-	3,581
Subtotal High School	178,730	229,444	189,924	218,250	-	218,250
Dodge City Middle School:						
Athletics	2,066	21,753	22,989	830	-	830
Comanche Middle School:						
Coyote athletics	3,805	23,624	26,821	608	-	608
Total gate receipts	184,601	274,821	239,734	219,688	-	219,688
School projects:						
District-wide:						
Mechanics	3,454	823	-	4,277	-	4,277
Floral design	10,163	223	108	10,278	-	10,278
Greenhouse	1,405	1,651	-	3,056	-	3,056
Livestock	19,903	3,320	3,974	19,249	-	19,249
Woodworking	11,911	1,126	1,312	11,725	-	11,725
Building trades - house	19,207	250,036	132,586	136,657	-	136,657
Building trades - non/house	5,911	9,648	12,142	3,417	-	3,417
Pass tuition	2,126	-	-	2,126	-	2,126
Food service	2,741	-	-	2,741	-	2,741
Comanche business partner	1,883	500	1,498	885	-	885
DCHS - Drama/Forensics	1,294	-	853	441	-	441
Bright Beginnings courtesy	2,467	207	2,375	299	-	299
Bright Beginnings-United Way	5,818	-	5,169	649	-	649
Migrant	1,446	-	59	1,387	-	1,387
The Learning Center	7,451	5,816	8,330	4,937	-	4,937
Money market interest	23,727	81	-	23,808	-	23,808
DCHS - Alumni Association	4,303	-	-	4,303	-	4,303
Subtotal District-wide	125,210	273,431	168,406	230,235	-	230,235

UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS

DISTRICT ACTIVITY FUNDS

SCHEDULE OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
REGULATORY BASIS

For the Year Ended June 30, 2021

Funds	Beginning unencumbered cash balance	Receipts	Expenditures	Ending unencumbered cash balance	Add encumbrances and accounts payable	Ending cash balance
School projects (continued):						
Dodge City High School:						
Basketball scoring table	$ 1,000	$ 5,000	$ -	$ 6,000	$ -	$ 6,000
ID	1,009	910	-	1,919	-	1,919
Scholar bowl	32	5,336	5,268	100	-	100
Yearbook	1,684	13,244	11,775	3,153	-	3,153
Activity improvements 2017	3,560	6,613	7,442	2,731	-	2,731
Concessions	13,468	7,506	8,686	12,288	-	12,288
Demon Bean	3,335	8,213	6,821	4,727	-	4,727
Lost equipment	362	-	-	362	-	362
Subtotal High School	24,450	46,822	39,992	31,280	-	31,280
Dodge City Middle School:						
Library/book fair	54	-	-	54	-	54
Students & building needs	1,079	-	-	1,079	-	1,079
Art smart	78	-	-	78	-	78
KS school health survey	236	-	-	236	-	236
Partners in education	183	-	-	183	-	183
Students in need	8	70	-	78	-	78
T-shirts	754	-	-	754	-	754
Learning tree	24	-	-	24	-	24
Student testing rewards	87	-	-	87	-	87
Information technology	344	-	-	344	-	344
Newcomers	543	-	-	543	-	543
Special activities	1,170	529	-	1,699	-	1,699
Yearbook	2,117	2,740	2,696	2,161	-	2,161
Subtotal Middle School	6,677	3,339	2,696	7,320	-	7,320
Comanche Middle School:						
Library/book fair	332	224	131	425	-	425
T-shirts	441	10,478	10,068	851	-	851
Subtotal Comanche	773	10,702	10,199	1,276	-	1,276
Soule Elementary	1,356	330	931	755	-	755
Beeson Elementary	262	92	70	284	-	284
Central Elementary	5,084	2,184	1,146	6,122	-	6,122
Linn Elementary	4,170	1,191	1,120	4,241	-	4,241
Miller Elementary	380	1,849	1,397	832	-	832
Northwest Elementary	6,973	2,220	3,289	5,904	-	5,904
Sunnyside Elementary	363	1,318	1,354	327	-	327
Wilroads Elementary	40	-	-	40	-	40
Ross Elementary	2,031	949	1,718	1,262	-	1,262
Total school projects	177,769	344,427	232,318	289,878	-	289,878
Total district activity funds	$ 362,370	$ 619,248	$ 472,052	$ 509,566	$ -	$ 509,566

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS

AGENCY FUNDS

SUMMARY OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS

For the Year Ended June 30, 2021

Funds	Beginning cash balance	Receipts	Disbursements	Ending cash balance
Student activity funds:				
Dodge City High School:				
Art club	$ 1,401	$ -	$ 522	$ 879
Board game club	49	-	-	49
Band	49,183	84,580	76,567	57,196
Student band account	16,352	6,345	-	22,697
Broadcasting	3,798	-	1,215	2,583
FBLA	3,841	400	516	3,725
Cheerleaders	667	48,566	48,521	712
Chorus	8,791	20,180	20,610	8,361
Class of 2020	1,773	-	1,773	-
Class of 2021	3,375	1,200	4,575	-
Class of 2022	2,400	1,200	2,485	1,115
Class of 2023	1,200	1,200	-	2,400
Class of 2024	-	1,200	-	1,200
Color guard	24	-	-	24
Debate	1,908	2,615	2,943	1,580
Drama club	1,562	1,418	128	2,852
Drill team	11,062	18,101	17,823	11,340
International club	152	-	-	152
FFA	6,566	3,913	5,518	4,961
FCCLA	6,787	719	735	6,771
Forensics	3,001	2,189	3,303	1,887
HOSA	667	1,545	1,027	1,185
Heritage panel	5	1,220	50	1,175
NHS	2,737	400	352	2,785
Orchestra	1,028	4,987	5,345	670
Orchestra student accounts	441	1,781	854	1,368
Outdoor club	3,131	-	2,638	493
SADD	2,591	400	-	2,991
Student council	203	2,054	2,010	247
Demon designs	1,380	10,687	10,547	1,520
FCA	1,134	476	795	815
Skills USA	1,582	400	1,181	801
Gay-straight alliance	289	-	38	251
Hero club	618	-	-	618
Science family outreach club	58	-	58	-
T.A.L.C.	14	-	-	14
Herpetology club	29	58	-	87
Subtotal High School	139,799	217,834	212,129	145,504

UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS

AGENCY FUNDS

SUMMARY OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS

For the Year Ended June 30, 2021

Funds	Beginning cash balance	Receipts	Disbursements	Ending cash balance
Student activity funds (continued):				
Dodge City Middle School:				
Student council	$ 2,272	$ 3,928	$ 4,117	$ 2,083
DCMS heritage panel	389	-	179	210
Drill team	3,292	13,920	12,842	4,370
Wrestling	-	306	-	306
Pep club	26	-	6	20
Spirit club	6,500	8,618	11,802	3,316
NJHS	1,184	-	-	1,184
Scholars bowl	148	337	312	173
Chorus	50	-	-	50
Drama club	191	-	75	116
Subtotal Middle School	14,052	27,109	29,333	11,828
Comanche Middle School:				
Student council	2,064	334	447	1,951
Drill team	439	7,921	7,668	692
Spirit club	2,770	11,274	11,236	2,808
JR NHS	416	-	-	416
Buddy group	277	-	-	277
Chorus	2,378	2,225	2,777	1,826
Miscellaneous student income	11	-	-	11
Library/book fair	17	-	-	17
Student and building needs	324	-	-	324
MS-WAC music festival	1,710	-	190	1,520
Students in need	-	71	-	71
Subtotal Comanche	10,406	21,825	22,318	9,913
Subtotal student activity funds	164,257	266,768	263,780	167,245
Clearing funds:				
Sales tax	-	2,493	2,314	179
Total agency funds	$ 164,257	$ 269,261	$ 266,094	$ 167,424

See Independent Auditor's Report.

APPENDICES

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

Board of Education
Unified School District No. 443
Dodge City, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of Unified School District No. 443, Dodge City, Kansas as of and for the year ended June 30, 2021, and the related notes to the financial statement, and have issued our report thereon dated January 20, 2022. Our report on the financial statement disclosed that, as described in Note A to the financial statement, the District has prepared this financial statement 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.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered Unified School District No. 443's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Unified School District No. 443's 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 results of that testing, and not to provide an opinion on the effectiveness of Unified School District No. 443's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kennedy McKee & Company LLP

January 20, 2022

Kennedy
McKee & Company LLP Certified Public Accountants

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

Board of Education
Unified School District No. 443
Dodge City, Kansas

Report on Compliance for Each Major Federal Program

We have audited Unified School District No. 443's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Unified School District No. 443's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the *Kansas Municipal Audit and Accounting Guide*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Unified School District No. 443's compliance.

Opinion on Each Major Federal Program

In our opinion, Unified School District No. 443 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questions costs as item 2021-001. Our opinion on each major federal program is not modified with respect to these matters.

The District's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of Unified School District No. 443 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, described in the accompanying schedule of findings and questioned costs as item 2021-001, that we consider to be a significant deficiency.

The District's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Kennedy McKee & Company LLP

January 20, 2022

UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2021

Federal grantor/ pass-through grantor/ program title	Federal CFDA number	Pass-through grantor's number	Unencumbered cash (deficit) beginning of year	Canceled encumbrances	Receipts	Expenditures	Unencumbered cash (deficit) end of year
U.S. Department of Agriculture							
Passed through Kansas Department of Education:							
Child Nutrition Cluster:							
COVID-19 - National School Lunch Program	10.555	D0443	$ -	$ -	$ 1,261,825	$ 1,261,825	$ -
COVID-19 - Summer Food Service Program for Children	10.559	D0443	-	-	4,279,897	4,279,897	-
			-	-	5,541,722	5,541,722	-
Child and Adult Care Food Program	10.558	D0443	-	-	68,443	68,443	-
Fresh Fruit and Vegetables Program	10.582	D0443	-	-	204,128	204,128	-
Total U.S. Department of Agriculture			-	-	5,814,293	5,814,293	-
U.S. Department of Treasury							
Passed through Kansas Governor's Office:							
Passed through Ford County Kansas:							
COVID-19 Coronavirus Relief	21.019	N/A	-	-	2,746,410	2,746,410	-
U.S. Department of Education							
Passed through Kansas Department of Education:							
Title I:							
Title I - 2019-20	84.010A	D0443	(154,275)	-	154,275	-	-
Title I - 2020-21 Carryover	84.010A	D0443	-	-	177,498	177,498	-
Title I - 2020-21	84.010A	D0443	-	-	1,157,389	1,157,389	-
			(154,275)	-	1,489,162	1,334,887	-
Migrant Programs:							
Migrant - 2020-21	84.011A	D0443	-	-	300,258	496,000	(195,742)
Migrant - 2019-20	84.011A	D0443	(81,753)	512	81,241	-	-
Migrant - 2020-21 Carryover	84.011A	D0443	-	-	14,166	14,166	-
			(81,753)	512	395,665	510,166	(195,742)
Carl Perkins - Program Improvement	84.048A	D0443	-	-	59,780	59,780	-
21st Century Community Learning Center:							
21st Century Community Learning Center 2018-19	84.287C	D0443	(744)	-	744	-	-
21st Century Community Learning Center 2019-20	84.287C	D0443	(8,043)	12	23,339	7,824	7,484
21st Century Community Learning Center 2020-21	84.287C	D0443	-	-	49,949	65,172	(15,223)
			(8,787)	12	74,032	72,996	(7,739)
Title III:							
English Language Acquisition 2019-20	84.365A	D0443	(86,772)	-	86,772	-	-
English Language Acquisition 2020-21	84.365A	D0443	-	-	183,222	226,005	(42,783)
English Language Acquisition 2020-21 Carryover	84.365A	D0443	-	-	14,013	14,013	-
English Language Acquisition 2020-21 Carryover	84.365A	D0443	-	-	3,262	24,825	(21,563)
			(86,772)	-	287,269	264,843	(64,346)

UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

For the Year Ended June 30, 2021

Federal grantor/ pass-through grantor/ program title	Federal CFDA number	Pass-through grantor's number	Unencumbered cash (deficit) beginning of year	Canceled encumbrances	Receipts	Expenditures	Unencumbered cash (deficit) end of year
U.S. Department of Education (Continued)							
Passed through Kansas Department of Education (Continued):							
Title IIA:							
Teacher Quality - 2020-21 Carryover	84.367A	D0443	$ -	$ -	$ 37,383	$ 37,383	$ -
Teacher Quality - 2020-21	84.367A	D0443	-	-	154,134	196,891	(42,757)
Teacher Quality - 2019-20	84.367A	D0443	(48,042)	-	48,042	-	-
Teacher Quality	84.367A	D0443	-	-	8,675	8,675	-
			(48,042)	-	248,234	242,949	(42,757)
Striving Readers Comprehensive Literacy Programs:							
Striving Readers Comprehensive Literacy Program 2020-21	84.371C	D0443	-	-	1,075,000	1,075,000	-
Striving Readers Comprehensive Literacy Program 2019-20	84.371C	D0443	(518,929)	-	571,993	53,064	-
			(518,929)	-	1,646,993	1,128,064	-
Title IV:							
Student Support and Academic Enrichment 2020-21 Carryover	84.424A	D0443	-	-	11,775	11,775	-
Student Support and Academic Enrichment 2019-20	84.424A	D0443	(6,435)	-	6,435	-	-
Student Support and Academic Enrichment 2020-21	84.424A	D0443	-	-	72,972	72,972	-
			(6,435)	-	91,182	84,747	-
COVID-19 Elementary and Secondary School Emergency Relief:							
COVID-19 ESSER SPED	84.425D	D0443	-	-	94,683	94,683	-
COVID-19 ESSER I	84.425D	D0443	-	-	1,141,504	1,141,504	-
COVID-19 ESSER II	84.425D	D0443	-	-	-	2,946,376	(2,946,376)
			-	-	1,236,187	4,182,563	(2,946,376)
Total U.S. Department of Education			(904,993)	524	5,528,504	7,880,995	(3,256,960)
U.S. Department of Health and Human Services							
Direct Program:							
Head Start - 2020-21	93.600	N/A	-	-	1,687,935	2,179,500	(491,565)
Head Start T/TA - 2020-21	93.600	N/A	-	-	17,603	19,836	(2,233)
Head Start - 2019-20	93.600	N/A	(399,348)	750	398,797	199	-
Head Start T/TA - 2019-20	93.600	N/A	(202)	-	202	-	-
			(399,550)	750	2,104,537	2,199,535	(493,798)
COVID-19 - Head Start CARES Act	93.600	N/A	-	-	218,444	222,175	(3,731)
Passed through Kansas Department of Education:							
Temporary Assistance for Needy Families:							
Pre-K Pilot 2020-21	93.558	D0443	-	-	12,154	17,250	(5,096)
Pre-K Pilot 2019-20	93.558	D0443	(3,171)	-	3,171	-	-
			(3,171)	-	15,325	17,250	(5,096)

UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

For the Year Ended June 30, 2021

Federal grantor/ pass-through grantor/ program title	Federal CFDA number	Pass-through grantor's number	Unencumbered cash (deficit) beginning of year	Canceled encumbrances	Receipts	Expenditures	Unencumbered cash (deficit) end of year
U.S. Department of Health and Human Services (Continued)							
Passed through Kansas Department for Children and Families:							
Temporary Assistance for Needy Families:							
Kansas Early Head Start Visitation 2020-21	93.558	EES-2021-KEHSHV-01	$ -	$ -	$ 275,553	$ 339,686	$ (64,133)
Kansas Early Head Start Visitation 2019-20	93.558	EES-2020-KEHSHV-01	(39,327)	-	39,327	-	-
			(39,327)	-	314,880	339,686	(64,133)
Child Care and Development Fund:							
Kansas Early Head Start - 2020-21	93.596	EES-2021-KEHSCCP-01	-	-	352,834	471,391	(118,557)
Kansas Early Head Start - 2019-20	93.596	EES-2020-KEHSCCP-01	(41,802)	-	41,802	-	-
			(41,802)	-	394,636	471,391	(118,557)
Total U.S. Department of Health and Human Services			(483,850)	750	3,047,822	3,250,037	(685,315)
Total federal assistance			$ (1,388,843)	$ 1,274	$ 17,137,029	$ 19,691,735	$ (3,942,275)

The accompanying Notes to the Schedule of Expenditures of Federal Awards are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2021

A. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Unified School District No. 443 under programs of the federal government for the year ended June 30, 2021. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the District. The Schedule is presented using a regulatory basis of accounting prescribed by the *Kansas Municipal Audit and Accounting Guide* (as described in Note A to the financial statement), which is the same basis of accounting as the financial statement accompanying this schedule.

B. BASIS OF ACCOUNTING

Expenditures reported on the Schedule are prepared using the regulatory basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances.

C. INDIRECT COST RATE

The District has not elected to use the 10% de minimis cost rate as allowed under the Uniform Guidance.

D. AWARDS PASSED-THROUGH TO SUBRECIPIENTS

The District did not pass-through any awards to subrecipients.

UNIFIED SCHOOL DISTRICT NO. 443
DODGE CITY, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended June 30, 2021

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an adverse opinion on whether the financial statement of Unified School District No. 443 was prepared in accordance with GAAP.

2. No significant deficiencies or material weaknesses relating to the audit of the financial statement are reported in the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards.*

3. No instances of noncompliance material to the financial statement of Unified School District No. 443, which would be required to be reported in accordance with *Government Auditing Standards,* were disclosed during the audit.

4. One significant deficiency relating to the audit of internal control over major federal award programs were reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance. No material weaknesses were reported.

5. The auditor's report on compliance for the major federal award programs for Unified School District No. 443 expresses an unmodified opinion on all major federal programs.

6. Audit findings that are required to be reported in accordance with 2 CFR section 200.516(a) are reported in this Schedule.

7. The programs tested as a major programs included:

Elementary and Secondary	
School Emergency Relief Fund	CFDA 84.425D
Coronavirus Relief Fund	CFDA 21.019
Child Nutrition Program Cluster:	
National School Lunch Program	CFDA 10.555
Summer Food Service Program	
For Children	CFDA 10.559

8. The threshold for distinguishing Type A and B programs was $750,000.

9. Unified School District No. 443 did not qualify as a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

None noted.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS

U.S. Department of Education
Significant Deficiency

2021-001: Elementary and Secondary School Emergency Relief Fund
CFDA 84.425D
Grant Period: Year Ended June 30, 2021

Condition and Context: The District purchased equipment greater than the Uniform Guidance capitalization threshold and failed to complete a listing of equipment containing all pertinent data. The lack of compliance did not result in any material noncompliance, fraud, or abuse with respect to the major program.

Criteria: The Uniform Guidance requires entities to follow equipment procedures set out at 2 CFR Sections 200.313(c) through (e). Entities must retain a listing of equipment greater than or equal to the capitalization policy of either the entity or Uniform Guidance with relevant data including, a description of the property, a serial number or other identification number, the source of funding for the property (including the federal award number), who holds title, acquisition date, cost of the property, percentage of federal participation in the project costs for the federal award under which the property was acquired, location, use and condition of the property, and any ultimate disposition data including the date of disposal and sales price of the property.

Cause: The District was unaware of the requirements set out by the Uniform Guidance.

Effect: An important component of equipment policies is retaining information to ensure that the award is used for authorized purposes, complies with the terms and conditions of the award, and achieves performance goals. Without equipment policies, there is a higher risk of noncompliance with program requirements.

Recommendation: Management should determine procedures for equipment purchases and apply them to all equipment purchases equal to or exceeding the threshold to comply with the Uniform Guidance.

Grantee Response: Management agrees with the finding and recommendation. The District will establish policies and procedures for future grant awards to comply with Uniform Guidance requirements.