

SHAWNEE HEIGHTS UNIFIED SCHOOL DISTRICT NO. 450
TECUMSEH, KANSAS

FINANCIAL STATEMENT
YEAR ENDED JUNE 30, 2021

SHAWNEE HEIGHTS UNIFIED SCHOOL DISTRICT NO. 450
TECUMSEH, KANSAS
FINANCIAL STATEMENT
Year Ended June 30, 2021

TABLE OF CONTENTS

	Schedule	Page
Independent Auditors' Report		1 - 2
Financial Statement:		
Summary Statement of Receipts, Expenditures, and Unencumbered Cash		3 - 4
Notes to Financial Statement		5 - 14
Supplementary Information:		
Summary of Expenditures - Budget and Actual	1	15
Schedule of Receipts and Expenditures – Budget and Actual	2	
General Fund		16
Supplemental General Fund		17
Special Education Fund		18
Driver Education Fund		19
Food Service Fund		20
Capital Outlay Fund		21
Vocational Education Fund		22
Professional Development Fund		23
Bilingual Fund		24
At-Risk K-12 Fund		25
At-Risk 4 Year Old Fund		26
Virtual Education Fund		27
KPERS Special Retirement Contribution Fund		28
Bond and Interest Fund		29
Federal Grant Funds		30
Other Gifts and Grants Fund		31
Textbook Rental Fund		32
Contingency Reserve Fund		33
Summary of Receipts and Disbursements Agency Funds	3	34 - 36
Schedule of Receipts, Expenditures, and Unencumbered Cash	4	
Gate Receipts		37
School Projects		38 - 39
District Activity Funds		40 - 41

SHAWNEE HEIGHTS UNIFIED SCHOOL DISTRICT NO. 450
TECUMSEH, KANSAS
FINANCIAL STATEMENT
Year Ended June 30, 2021

TABLE OF CONTENTS
(Continued)

	Page
Schedule of Expenditures of Federal Awards	42
Notes to Schedule of Expenditures of Federal Awards	43
Schedule of Findings and Questioned Costs	44 - 45
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statement Performed in Accordance with *Government Auditing Standards*	46 - 47
Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance	48 - 49

BT & Co. P.A.
Certified Public Accountants

4301 SW Huntoon St. Topeka, KS 66604 | t:785.234.3427 | toll-free: 800.530.5526 | f: 785.233.1768 | w: btandcocpa.com

INDEPENDENT AUDITORS' REPORT

Board of Education
Shawnee Heights Unified School District No. 450:

Report on the Financial Statement

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Shawnee Heights Unified School District No. 450 (the District) as of and for the year ended June 30, 2021 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 2; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

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

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

As described in Note 2 of the financial statement, the financial statement is prepared by the District 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.

An Independently Owned Member, RSM US Alliance

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

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balances of the District as of June 30, 2021, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 2.

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 balances (the basic financial statement) as a whole. The schedules listed under supplementary information in the accompanying table of contents, including the schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards,* are presented for analysis and are not a required part of the basic financial statement, however, are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. 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 2.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 13, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

BT&Co, P.A.

January 13, 2022
Topeka, Kansas

SHAWNEE HEIGHTS UNIFIED SCHOOL DISTRICT NO. 450
TECUMSEH, KANSAS
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
Year Ended June 30, 2021

FUNDS	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts
General fund	$ -	$ -	$ 24,930,078
Supplemental general fund	360,957	-	8,404,522
Special purpose funds:			
Special education	950,357	-	8,420,048
Driver education	102,503	3,888	49,390
Food service	225,816	-	2,004,853
Capital outlay	3,557,578	155,566	2,909,148
Vocational education	90,091	-	371,968
Professional development	271,903	995	206,285
Bilingual	65,222	-	85,700
At-risk K-12	401,147	-	2,670,000
At-risk 4 year old	27,480	-	350,000
Virtual education	61,685	-	85,000
KPERS special retirement contribution	-	-	3,473,837
Federal grant funds	(220,088)	-	1,658,648
Other gifts and grants	41,305	2,356	66,230
Textbook rental	249,298	43	443,362
Contingency reserve	1,465,579	-	231,470
District activity funds - gate receipts	51,342	-	52,435
District activity funds - school projects	71,855	-	58,286
District activity funds	16,859	-	133,379
Bond and interest fund	3,803,327	-	3,712,372
Total reporting entity (excluding agency funds)	$ 11,594,216	$ 162,848	$ 60,317,011

(Continued)

SHAWNEE HEIGHTS UNIFIED SCHOOL DISTRICT NO. 450
TECUMSEH, KANSAS
SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
Year Ended June 30, 2021
(Continued)

FUNDS	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
General fund	$ 24,930,078	$ -	$ 1,856,292	$ 1,856,292
Supplemental general fund	8,258,249	507,230	193,469	700,699
Special purpose funds:				
Special education	7,711,537	1,658,868	750,280	2,409,148
Driver education	77,714	78,067	5,287	83,354
Food service	1,817,186	413,483	255,109	668,592
Capital outlay	2,502,240	4,120,052	1,189,000	5,309,052
Vocational education	303,562	158,497	27,687	186,184
Professional development	21,709	457,474	2,308	459,782
Bilingual	77,136	73,786	7,774	81,560
At-risk K-12	2,693,125	378,022	269,114	647,136
At-risk 4 year old	323,344	54,136	34,771	88,907
Virtual education	53,844	92,841	-	92,841
KPERS special retirement contribution	3,473,837	-	-	-
Federal grant funds	1,853,336	(414,776)	196,057	(218,719)
Other gifts and grants	56,416	53,475	5,025	58,500
Textbook rental	301,721	390,982	23,246	414,228
Contingency reserve	237,594	1,459,455	42,666	1,502,121
District activity funds - gate receipts	86,267	17,510	-	17,510
District activity funds - school projects	57,094	73,047	-	73,047
District activity funds	94,321	55,917	-	55,917
Bond and interest fund	3,464,910	4,050,789	-	4,050,789
Total reporting entity (excluding agency funds)	$ 58,395,220	$ 13,678,855	$ 4,858,085	$ 18,536,940
Composition of cash:				
Checking accounts				$ 18,383,586
Petty cash funds				6,880
Activity funds - checking accounts				372,678
Total cash				18,763,144
Agency funds per schedule 3				(226,204)
Total reporting entity (excluding agency funds)				$ 18,536,940

See accompanying notes to financial statement.

SHAWNEE HEIGHTS UNIFIED SCHOOL DISTRICT NO. 450
TECUMSEH, KANSAS
NOTES TO FINANCIAL STATEMENT
Year Ended June 30, 2021

1 - Municipal Financial Reporting Entity

Shawnee Heights Unified School District No. 450 (the District) is a municipal corporation governed by an elected seven-member board. This financial statement includes all the accounts for which the District is considered to be financially accountable. The District has no related municipal entities.

2 - Summary of Significant Accounting Policies

Fund Descriptions

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

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

GOVERNMENTAL FUNDS

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

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

Bond and Interest Fund is used to account for the accumulation of resources for and the payment of interest, principal, and related costs of long-term debt.

FIDUCIARY FUNDS

Agency Funds are used to account for assets held by the District as an agent for individuals, private organizations, other governmental units, and/or other funds. Agency funds are custodial in nature and do not involve measurements of operations.

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

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

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

Budgetary Information

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

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

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

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 District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

A legal operating budget is not required for the fiduciary funds and the following special purpose funds:

Textbook Rental Fund, Contingency Reserve Fund, Gate Receipts, School Projects, and 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 using internal spending limits established by the governing body.

Inventories and Prepaid Expenses

Inventories and prepaid expenses which benefit future periods are recorded as an expenditure during the year of purchase.

Annual Personal and Sick Leave Benefits

Under the terms of the District's personnel policy, District employees are granted annual personal and sick leave in varying amounts depending on whether the employee is hourly or contracted.

Use of Estimates

The preparation of the financial statement in compliance with the regulatory basis requires management to make estimates and assumptions that affect the reported amounts of encumbrances at the date of the financial statement and the reported amounts of expenditures during the reporting period. Actual results could differ from those estimates.

3 - Deposits and Investments

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an 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; US government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices.

Concentration of credit risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. At June 30, 2021, the District did not have any investments.

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

4 - In-Substance Receipt in Transit

The District received $ 1,772,001 subsequent to June 30, 2021 and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2021.

5 - Long-Term Debt

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

Issue	Interest Rate	Date of Issue	Original Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Net Change	Balance End of Year	Interest Paid
General obligation bonds:										
Series 2011	2.25-3.10%	09/01/11	$ 9,985,000	09/01/24	$ 6,120,000	$ -	$ 1,095,000	$ -	$ 5,025,000	$ 162,568
Series 2012	2.00-3.50%	12/15/12	9,990,000	09/01/33	6,575,000	-	380,000	-	6,195,000	171,743
Series 2013	2.00-3.50%	03/05/13	9,995,000	09/01/33	7,915,000	-	400,000	-	7,515,000	245,225
Series 2014	3.00%	09/01/13	8,055,000	09/01/24	4,950,000	-	875,000	-	4,075,000	135,374
Total general obligation bonds					25,560,000	-	2,750,000	-	22,810,000	714,910
Energy conservation lease	2.35%	03/19/20	4,341,534	03/01/40	4,341,534	-	178,922	-	4,162,612	95,224
Apple equipment lease	0.00%	04/26/21	695,594	04/26/24	-	695,594	173,900	-	521,694	-
Early retirement benefits					421,120	-	-	(52,578)	368,542	-
Total contractual indebtedness					$ 30,322,654	$ 695,594	$ 3,102,822	$ (52,578)	$ 27,862,848	$ 810,134

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

	2022	2023	2024	2025	2026	2027-2031	2032-2036	2037-2040	Total
Principal:									
General obligation bonds	$ 2,885,000	$ 3,025,000	$ 3,190,000	$ 3,365,000	$ 2,045,000	$ 4,970,000	$ 3,330,000	$ -	$ 22,810,000
Energy conservation lease	176,325	180,468	184,709	189,050	193,493	1,037,845	1,165,659	1,035,063	4,162,612
Apple equipment lease	173,898	173,898	173,898	-	-	-	-	-	521,694
Early retirement benefits	98,600	77,400	62,800	48,725	27,475	53,542	-	-	368,542
	3,333,823	3,456,766	3,611,407	3,602,775	2,265,968	6,061,387	4,495,659	1,035,063	27,862,848
Interest:									
General obligation bonds	631,835	546,166	454,473	354,383	270,318	848,584	150,935	-	3,256,694
Energy conservation lease	97,821	93,678	89,437	85,096	80,653	332,885	205,071	61,518	1,046,159
	729,656	639,844	543,910	439,479	350,971	1,181,469	356,006	61,518	4,302,853
Total principal and interest	$ 4,063,479	$ 4,096,610	$ 4,155,317	$ 4,042,254	$ 2,616,939	$ 7,242,856	$ 4,851,665	$ 1,096,581	$ 32,165,701

6 - Operating Leases

The District has a five-year operating lease for seven 24 + 2 passenger buses. As of June 30, 2021, the future annual minimum lease payment is $ 93,520 for the remaining year. This lease ends in June of 2022. Lease expense related to this lease for the current year was $ 98,196.

The District has a four-year operating lease for copiers. This lease has been extended through 2022. As of June 30, 2021, future annual minimum lease payments are $77,052 in FY 2022 and $ 25,684 in FY 2023. Lease expense related to this lease for the current year was $ 86,521.

7 - Interfund Transfers

The District made the following interfund transfers during the fiscal year 2021. The transfers were approved by the Board of Education.

From	To	Regulatory Authority	Amount
General	Special Education	K.S.A. 72-5167	$ 5,476,989
General	Contingency Reserve	K.S.A. 72-5167	231,470
General	Vocational Education	K.S.A. 72-5167	350,000
General	Professional Development	K.S.A. 72-5167	200,000
General	Bilingual	K.S.A. 72-5167	60,000
General	At-Risk K-12	K.S.A. 72-5167	1,820,000
General	At-Risk 4 Year Old	K.S.A. 72-5167	350,000
General	Virtual Education	K.S.A. 72-5167	85,000
Supplemental General	Special Education	K.S.A. 72-5143	1,744,984
Supplemental General	Bilingual	K.S.A. 72-5143	25,700
Supplemental General	At-Risk K-12	K.S.A. 72-5143	850,000

8 - Defined Benefit Pension Plan

General Information about the Pension Plan

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

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether

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

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

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

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

The State of Kansas is required to contribute the statutory required employer's share except for retired district employees. The District is responsible for the employer's portion of the cost for retired district employees. The District received and remitted amounts equal to the statutory contribution rate, which totaled $ 3,566,237 for the year ended June 30, 2021.

Net Pension Liability

At June 30, 2021, the District's proportionate share of the collective net pension liability reported by KPERS was $ 37,392,016. 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 this financial statement.

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

9 - 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 premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

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

10 - Death and Disability Other Post-Employment Benefits

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

11 - Early Retirement Benefits

The District has a plan that provides early retirement benefits to certain eligible employees. To be eligible for early retirement benefits, employees must have been employed by the District for a minimum of ten years, must not be age sixty-five or older, and must meet one of the following criteria: full retirement qualifications as required by KPERS, have accumulated a minimum of 160 days of sick leave in the District and be at least fifty-nine years of age, or be at least sixty years of age.

Benefits for eligible participants include receiving the longevity payments for which he/she was eligible during the last year of employment and the opportunity to remain in the District's group health insurance plan at his/her own cost. These benefits will continue until the participant reaches age sixty-five.

12 - Risk Management

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

13 - Stewardship, Compliance and Accountability

The District exceeded its cash authority by $ 414,776 in the Federal Grants Fund as a result of expenditures incurred prior to federal reimbursements. The District exceeded its budgetary authority in the Federal Grants Fund as a result of spending unanticipated grants received during the year. Additionally, expenditures exceeded the available budget in the Special Education Fund. This was the result of additional expenditures in response to COVID-19.

14 - Risks and Uncertainties

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

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

15 - Commitments and Contingencies

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

SUPPLEMENTARY INFORMATION

SHAWNEE HEIGHTS UNIFIED SCHOOL DISTRICT NO. 450
TECUMSEH, KANSAS
SUMMARY OF EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
Year Ended June 30, 2021

FUNDS	Certified Budget	Adjustments to Comply with Legal Max	Adjustments for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
General fund	$ 25,273,477	$ (442,689)	$ 99,290	$ 24,930,078	$ 24,930,078	$ -
Supplemental general fund	8,278,577	(20,328)	-	8,258,249	8,258,249	-
Special purpose funds:						
Special education	7,693,267	-	-	7,693,267	7,711,537	18,270
Driver education	152,809	-	-	152,809	77,714	(75,095)
Food service	1,848,343	-	-	1,848,343	1,817,186	(31,157)
Capital outlay	3,523,000	-	-	3,523,000	2,502,240	(1,020,760)
Vocational education	351,806	-	-	351,806	303,562	(48,244)
Professional development	245,971	-	-	245,971	21,709	(224,262)
Bilingual	93,208	-	-	93,208	77,136	(16,072)
At-risk K-12	2,770,104	-	-	2,770,104	2,693,125	(76,979)
At-risk 4 year old	325,646	-	-	325,646	323,344	(2,302)
Virtual education	80,136	-	-	80,136	53,844	(26,292)
KPERS special retirement contribution	3,870,269	-	-	3,870,269	3,473,837	(396,432)
Federal grant funds	830,489	-	608,187	1,438,676	1,853,336	414,660
Other gifts and grants	65,242	-	-	65,242	56,416	(8,826)
Bond and interest fund	3,464,910	-	-	3,464,910	3,464,910	-
Totals	$ 58,867,254	$ (463,017)	$ 707,477	$ 59,111,714	$ 57,618,223	

SHAWNEE HEIGHTS UNIFIED SCHOOL DISTRICT NO. 450
TECUMSEH, KANSAS
GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
Year Ended June 30, 2021

	Budget	Actual	Variance - Over (Under)
Cash receipts:			
State equalization aid	$ 21,757,697	$ 21,047,748	$ (709,949)
State special education fund	3,515,780	3,783,040	267,260
Reimbursed expenses	-	99,290	99,290
Total cash receipts	$ 25,273,477	24,930,078	$ (343,399)
Expenditures, encumbrances, and transfers:			
Instruction	$ 8,150,657	7,569,229	$ (581,428)
Student support services	336,526	301,759	(34,767)
Instructional support staff	1,648,893	1,586,314	(62,579)
General administration	652,094	562,352	(89,742)
School administration	2,060,606	1,894,662	(165,944)
Central services	356,278	313,866	(42,412)
Operations and maintenance	3,254,772	3,087,035	(167,737)
Transportation	1,297,760	1,036,833	(260,927)
Transfers to other funds	7,515,891	8,573,459	1,057,568
Other expense	-	4,569	4,569
Adjustment to comply with legal max	(442,689)		442,689
Adjustment for qualifying budget credits	99,290		(99,290)
Total expenditures, encumbrances, and transfers	$ 24,930,078	24,930,078	$ -
Cash receipts over expenditures, encumbrances, and transfers		-	
Unencumbered cash, beginning		-	
Unencumbered cash, ending		$ -	

(Continued)

SHAWNEE HEIGHTS UNIFIED SCHOOL DISTRICT NO. 450
TECUMSEH, KANSAS
SUPPLEMENTAL GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended June 30, 2021

	Budget	Actual	Variance - Over (Under)
Cash receipts:			
Ad valorem tax in process	$ 50,313	$ 88,814	$ 38,501
Ad valorem current tax	2,737,061	3,173,437	436,376
Ad valorem delinquent tax	40,835	43,299	2,464
Motor vehicle tax	417,447	433,200	15,753
Recreational vehicle tax	6,303	7,394	1,091
Commercial vehicle tax	10,422	14,765	4,343
Supplemental state aid	4,655,044	4,643,613	(11,431)
Total cash receipts	$ 7,917,425	8,404,522	$ 487,097
Expenditures, encumbrances, and transfers:			
Instruction	$ 5,637,565	5,637,565	$ -
Transfers to other funds	2,641,012	2,620,684	(20,328)
Adjustment to comply with legal max	(20,328)		20,328
Total expenditures, encumbrances, and transfers	$ 8,258,249	8,258,249	$ -
Cash receipts over expenditures, encumbrances, and transfers		146,273	
Unencumbered cash, beginning		360,957	
Unencumbered cash, ending		$ 507,230	

(Continued)

SHAWNEE HEIGHTS UNIFIED SCHOOL DISTRICT NO. 450
TECUMSEH, KANSAS
SPECIAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended June 30, 2021

	Budget	Actual	Variance - Over (Under)
Cash receipts and transfers:			
Federal aid	$ 777,201	$ 807,732	$ 30,531
Medicaid	316,835	246,420	(70,415)
CARES Act	57,452	51,603	(5,849)
Local revenues	85,000	92,320	7,320
Transfer from general fund	4,530,780	5,476,989	946,209
Transfer from supplemental general fund	1,700,772	1,744,984	44,212
Total cash receipts and transfers	$ 7,468,040	8,420,048	$ 952,008
Expenditures and encumbrances:			
Instruction	$ 5,590,202	5,532,041	$ (58,161)
Student support services	1,451,585	1,513,906	62,321
Instructional support staff	34,044	45,850	11,806
General administration	132,938	143,007	10,069
School administration	7,700	7,987	287
Transportation	476,798	468,746	(8,052)
Total expenditures and encumbrances	$ 7,693,267	7,711,537	$ 18,270
Cash receipts and transfers over expenditures and encumbrances		708,511	
Unencumbered cash, beginning		950,357	
Unencumbered cash, ending		$ 1,658,868	

(Continued)

SHAWNEE HEIGHTS UNIFIED SCHOOL DISTRICT NO. 450
TECUMSEH, KANSAS
DRIVER EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended June 30, 2021

	Budget	Actual	Variance - Over (Under)
Cash receipts:			
State aid	$ 127,580	$ 21,352	$ (106,228)
Local revenues	-	28,038	28,038
Total cash receipts	$ 127,580	49,390	$ (106,228)
Expenditures and encumbrances:			
Instruction	$ 144,389	65,661	$ (78,728)
Operations and maintenance	8,420	12,053	3,633
Total expenditures and encumbrances	$ 152,809	77,714	$ (75,095)
Cash receipts under expenditures and encumbrances		(28,324)	
Unencumbered cash, beginning		102,503	
Prior year canceled encumbrances		3,888	
Unencumbered cash, ending		$ 78,067	

(Continued)

SHAWNEE HEIGHTS UNIFIED SCHOOL DISTRICT NO. 450
TECUMSEH, KANSAS
FOOD SERVICE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended June 30, 2021

	Budget	Actual	Variance - Over (Under)
Cash receipts and transfers:			
State aid	$ 11,340	$ 18,142	$ 6,802
Federal aid	1,139,325	1,796,438	657,113
Local revenues	534,026	190,273	(343,753)
Transfer from general fund	150,000	-	(150,000)
Total cash receipts and transfers	$ 1,834,691	2,004,853	$ 170,162
Expenditures and encumbrances:			
Operations and maintenance	$ 51,001	47,391	$ (3,610)
Food service	1,797,342	1,769,795	(27,547)
Total expenditures and encumbrances	$ 1,848,343	1,817,186	$ (31,157)
Cash receipts and transfers over expenditures and encumbrances		187,667	
Unencumbered cash, beginning		225,816	
Unencumbered cash, ending		$ 413,483	

(Continued)

SHAWNEE HEIGHTS UNIFIED SCHOOL DISTRICT NO. 450
TECUMSEH, KANSAS
CAPITAL OUTLAY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended June 30, 2021

	Budget	Actual	Variance - Over (Under)
Cash receipts:			
Ad valorem tax in process	$ 24,548	$ 49,028	$ 24,480
Ad valorem current tax	1,394,583	1,574,176	179,593
Ad valorem delinquent tax	22,152	18,168	(3,984)
Motor vehicle tax	244,692	250,200	5,508
Recreational vehicle tax	3,694	4,193	499
Commercial vehicle tax	6,109	7,951	1,842
Interest on idle funds	-	124,285	124,285
Other	-	100,845	-
State aid	780,302	780,302	-
Total cash receipts	$ 2,476,080	2,909,148	$ 332,223
Expenditures and encumbrances:			
Instruction	$ 511,500	366,689	$ (144,811)
General administration	50,000	118,423	68,423
Central services	750,000	100,579	(649,421)
Operations and maintenance	1,035,250	433,011	(602,239)
Transportation	10,550	6,200	(4,350)
Other support services	15,700	8,381	(7,319)
Site and building improvements	1,150,000	1,468,957	318,957
Total expenditures and encumbrances	$ 3,523,000	2,502,240	$ (1,020,760)
Cash receipts over expenditures and encumbrances		406,908	
Unencumbered cash, beginning		3,557,578	
Prior year canceled encumbrances		155,566	
Unencumbered cash, ending		$ 4,120,052	

(Continued)

SHAWNEE HEIGHTS UNIFIED SCHOOL DISTRICT NO. 450
TECUMSEH, KANSAS
VOCATIONAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended June 30, 2021

	Budget	Actual	Variance - Over (Under)
Cash receipts and transfers:			
Federal aid	$ 20,083	$ 21,968	$ 1,885
Transfer from general fund	350,000	350,000	-
Total cash receipts and transfers	$ 370,083	371,968	$ 1,885
Expenditures and encumbrances:			
Instruction	$ 349,509	303,462	$ (46,047)
Instructional support staff	2,297	100	(2,197)
Total expenditures and encumbrances	$ 351,806	303,562	$ (48,244)
Cash receipts and transfers over expenditures and encumbrances		68,406	
Unencumbered cash, beginning		90,091	
Unencumbered cash, ending		$ 158,497	

(Continued)

SHAWNEE HEIGHTS UNIFIED SCHOOL DISTRICT NO. 450
TECUMSEH, KANSAS
PROFESSIONAL DEVELOPMENT FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended June 30, 2021

	Budget	Actual	Variance - Over (Under)
Cash receipts and transfers:			
Supplemental state aid	$ 30,000	$ 6,135	$ (23,865)
Local revenues	-	150	150
Transfer from general fund	200,000	200,000	-
Total cash receipts and transfers	$ 230,000	206,285	$ (23,715)
Expenditures and encumbrances:			
Instructional support staff	$ 245,971	21,709	$ (224,262)
Cash receipts and transfers over expenditures and encumbrances		184,576	
Unencumbered cash, beginning		271,903	
Prior year canceled encumbrances		995	
Unencumbered cash, ending		$ 457,474	

(Continued)

SHAWNEE HEIGHTS UNIFIED SCHOOL DISTRICT NO. 450
TECUMSEH, KANSAS
BILINGUAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended June 30, 2021

	Budget	Actual	Variance - Over (Under)
Transfers:			
Transfer from general fund	$ 60,000	$ 60,000	$ -
Transfer from supplemental general fund	30,740	25,700	(5,040)
Total transfers	$ 90,740	85,700	$ (5,040)
Expenditures and encumbrances:			
Instruction	$ 21,936	37,046	$ 15,110
Instructional support staff	71,272	40,090	(31,182)
Total expenditures and encumbrances	$ 93,208	77,136	$ (16,072)
Transfers over expenditures and encumbrances		8,564	
Unencumbered cash, beginning		65,222	
Unencumbered cash, ending		$ 73,786	

(Continued)

SHAWNEE HEIGHTS UNIFIED SCHOOL DISTRICT NO. 450
TECUMSEH, KANSAS
AT-RISK K-12 FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended June 30, 2021

	Budget	Actual	Variance - Over (Under)
Transfers:			
Transfer from general fund	$ 1,810,111	$ 1,820,000	$ 9,889
Transfer from supplemental general fund	909,500	850,000	(59,500)
Total transfers	$ 2,719,611	2,670,000	$ (49,611)
Expenditures and encumbrances:			
Instruction	$ 2,106,382	1,975,602	$ (130,780)
Student support services	663,722	717,523	53,801
Total expenditures and encumbrances	$ 2,770,104	2,693,125	$ (76,979)
Transfers under expenditures and encumbrances		(23,125)	
Unencumbered cash, beginning		401,147	
Unencumbered cash, ending		$ 378,022	

(Continued)

SHAWNEE HEIGHTS UNIFIED SCHOOL DISTRICT NO. 450
TECUMSEH, KANSAS
AT-RISK 4 YEAR OLD FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended June 30, 2021

	Budget	Actual	Variance - Over (Under)
Transfers:			
Transfer from general fund	$ 330,000	$ 350,000	$ 20,000
Expenditures and encumbrances:			
Instruction	$ 325,646	322,714	$ (2,932)
Central services	-	630	630
Total expenditures and encumbrances	$ 325,646	323,344	$ (2,302)
Transfers over expenditures and encumbrances		26,656	
Unencumbered cash, beginning		27,480	
Unencumbered cash, ending		$ 54,136	

(Continued)

SHAWNEE HEIGHTS UNIFIED SCHOOL DISTRICT NO. 450
TECUMSEH, KANSAS
VIRTUAL EDUCATION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended June 30, 2021

	Budget	Actual	Variance - Over (Under)
Transfers:			
Transfer from general fund	$ 85,000	$ 85,000	$ -
Expenditures:			
Instruction	$ 80,136	53,844	$ (26,292)
Transfers over expenditures		31,156	
Unencumbered cash, beginning		61,685	
Unencumbered cash, ending		$ 92,841	

(Continued)

SHAWNEE HEIGHTS UNIFIED SCHOOL DISTRICT NO. 450
TECUMSEH, KANSAS
KPERS SPECIAL RETIREMENT CONTRIBUTION FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended June 30, 2021

	Budget	Actual	Variance - Over (Under)
Cash receipts:			
State aid	$ 3,870,269	$ 3,473,837	$ (396,432)
Expenditures:			
Instruction	$ 2,579,620	2,309,755	$ (269,865)
Student support services	300,972	267,205	(33,767)
Instructional support staff	189,775	167,270	(22,505)
General administration	75,867	70,234	(5,633)
School administration	231,223	218,836	(12,387)
Operations and maintenance	177,129	169,640	(7,489)
Central services	42,836	39,325	(3,511)
Transportation	157,361	134,954	(22,407)
Food service	115,486	96,618	(18,868)
Total expenditures	$ 3,870,269	3,473,837	$ (396,432)
Cash receipts over expenditures		-	
Unencumbered cash, beginning		-	
Unencumbered cash, ending		$ -	

(Continued)

SHAWNEE HEIGHTS UNIFIED SCHOOL DISTRICT NO. 450
TECUMSEH, KANSAS
BOND AND INTEREST FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended June 30, 2021

	Budget	Actual	Variance - Over (Under)
Cash receipts:			
Ad valorem tax in process	$ 30,507	$ 49,193	$ 18,686
Ad valorem current tax	1,409,106	1,586,919	177,813
Ad valorem delinquent tax	24,746	26,027	1,281
Motor vehicle tax	286,364	308,448	22,084
Recreational vehicle tax	4,324	34	(4,290)
Commercial vehicle tax	7,149	9,296	2,147
State aid	1,732,455	1,732,455	-
Total cash receipts	$ 3,494,651	3,712,372	$ 217,721
Expenditures:			
Principal	$ 2,750,000	2,750,000	$ -
Interest expense	714,910	714,910	-
Total expenditures	$ 3,464,910	3,464,910	$ -
Cash receipts over expenditures		247,462	
Unencumbered cash, beginning		3,803,327	
Unencumbered cash, ending		$ 4,050,789	

(Continued)

SHAWNEE HEIGHTS UNIFIED SCHOOL DISTRICT NO. 450
TECUMSEH, KANSAS
FEDERAL GRANT FUNDS
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended June 30, 2021

	Title I	Title II	Title IV	CARES Act	Total Actual	Budget	Variance - Over (Under)
Cash receipts:							
Federal aid	$ 533,421	$ 67,235	$ 41,001	$ 1,016,991	$ 1,658,648	$ 1,050,461	$ 608,187
Expenditures and encumbrances:							
Instruction	322,196	78,524	-	407,352	808,072	$ 809,337	$ (1,265)
Instructional support staff	-	-	45,240	-	45,240	14,058	31,182
Student support services	-	-	-	775,040	775,040	-	775,040
Site and building improvements	-	-	-	38,596	38,596	-	38,596
Food service	-	-	-	122,416	122,416	-	122,416
Operations and maintenance	-	-	-	63,972	63,972	7,094	56,878
Budget adjustment for qualifying budget credits - federal aid over amount budgeted						608,187	(608,187)
Total expenditures and encumbrances	322,196	78,524	45,240	1,407,376	1,853,336	$ 1,438,676	$ 414,660
Cash receipts over (under) expenditures and encumbrances	211,225	(11,289)	(4,239)	(390,385)	(194,688)		
Unencumbered cash, beginning	(217,002)	(540)	4,210	(6,756)	(220,088)		
Unencumbered cash, ending	$ (5,777)	$ (11,829)	$ (29)	$ (397,141)	$ (414,776)		

(Continued)

SHAWNEE HEIGHTS UNIFIED SCHOOL DISTRICT NO. 450
TECUMSEH, KANSAS
OTHER GIFTS AND GRANTS FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - BUDGET AND ACTUAL
REGULATORY BASIS
(Continued)
Year Ended June 30, 2021

	Budget	Actual	Variance - Over (Under)
Cash receipts:			
Local revenues	$ 65,653	$ 66,230	$ 577
State aid	8,500	-	(8,500)
Total cash receipts	$ 74,153	66,230	$ (7,923)
Expenditures and encumbrances:			
Instruction	$ 45,242	49,203	$ 3,961
General administration	15,000	6,493	(8,507)
Central services	5,000	720	(4,280)
Total expenditures and encumbrances	$ 65,242	56,416	$ (8,826)
Cash receipts over expenditures and encumbrances		9,814	
Unencumbered cash, beginning		41,305	
Prior year canceled encumbrances		2,356	
Unencumbered cash, ending		$ 53,475	

(Continued)

SHAWNEE HEIGHTS UNIFIED SCHOOL DISTRICT NO. 450
TECUMSEH, KANSAS
TEXTBOOK RENTAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
(Continued)
Year Ended June 30, 2021

Cash receipts:		
Fees	$	257,341
Other revenue		186,021
Total cash receipts		443,362
Expenditures and encumbrances:		
Instruction		298,359
Student support services		3,362
Total expenditures		301,721
Cash receipts over expenditures and encumbrances		141,641
Unencumbered cash, beginning		249,298
Prior year canceled encumbrances		43
Unencumbered cash, ending	$	390,982

(Continued)

SHAWNEE HEIGHTS UNIFIED SCHOOL DISTRICT NO. 450
TECUMSEH, KANSAS
CONTINGENCY RESERVE FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS
(Continued)
Year Ended June 30, 2021

Transfers:		
Transfer from general fund	$	231,470
Expenditures and encumbrances:		
Student support services		237,594
Transfers under expenditures and encumbrances		(6,124)
Unencumbered cash, beginning		1,465,579
Unencumbered cash, ending	$	1,459,455

SHAWNEE HEIGHTS UNIFIED SCHOOL DISTRICT NO. 450
TECUMSEH, KANSAS
AGENCY FUNDS
SUMMARY OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS
Year Ended June 30, 2021

Funds	Balance, July 1	Cash Receipts	Cash Disbursements	Transfers	Balance, June 30
Shawnee Heights High:					
Academic club	$ 52	$ -	$ -	$ -	$ 52
Anime club	130	-	-	-	130
Art club	319	100	256	-	163
Baseball club	1,152	6,100	3,581	381	4,052
Black student union	53	-	-	-	53
Bowling	1,585	-	-	466	2,051
Boys basketball	(196)	3,533	4,466	1,140	11
Boys golf	864	1,444	1,368	-	940
Boys soccer club	26	-	1,010	1,704	720
Boys swimming	1,497	-	106	-	1,391
Broadcast journalism	517	-	-	-	517
Cheerleaders	8,171	13,276	15,589	104	5,962
Choraliers	3,328	-	694	-	2,634
Class of 2020	1,882	295	-	-	2,177
Class of 2021	1,646	1,939	587	(850)	2,148
Class of 2022	2,091	1,943	-	(900)	3,134
Class of 2023	1,266	2,250	-	(1,070)	2,446
Class of 2024	-	2,016	-	(900)	1,116
Coffee shop	1,010	-	-	(164)	846
Concessions	12,598	8,902	1,925	(12,544)	7,031
Cookie Shack	1,269	1,174	-	(209)	2,234
Cross country club	5,742	-	74	207	5,875
Debate	1,311	1,787	2,236	289	1,151
Drum line	17	-	-	-	17
FBLA	343	45	45	-	343
FCA	874	-	-	-	874
FCCLA	3,103	-	574	(92)	2,437
FFA	5,151	9,119	9,549	(340)	4,381
Football	915	8,144	5,853	-	3,206
Garden club	169	-	-	-	169
Girls basketball	1,145	10	933	296	518
Girls golf	768	-	-	151	919
Girls soccer club	1,309	2,040	2,235	551	1,665
Girls swimming	2,451	-	120	287	2,618
Graduated classes	3,235	-	551	-	2,684
GSA	429	213	201	-	441
Subtotal forward	$ 66,222	$ 64,330	$ 51,953	$ (11,493)	$ 67,106

(Continued)

SHAWNEE HEIGHTS UNIFIED SCHOOL DISTRICT NO. 450
TECUMSEH, KANSAS
AGENCY FUNDS
SUMMARY OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS
(Continued)
Year Ended June 30, 2021

Funds	Balance, July 1	Cash Receipts	Cash Disbursements	Transfers	Balance, June 30
Shawnee Heights High:					
Subtotal forward	$ 66,222	$ 64,330	$ 51,953	$ (11,493)	$ 67,106
Hall of fame	2,235	-	-	-	2,235
Halo	423	-	-	-	423
International club	1,957	-	-	-	1,957
iPad insurance	-	3,526	2,864	-	662
J.A.G.	51	-	35	-	16
Junior civitan club	2,158	491	890	(348)	1,411
Junior/senior prom	1,708	2,716	3,633	(156)	635
Key club	914	200	-	-	1,114
Math club	160	150	185	-	125
Metals	(625)	-	-	969	344
Model U.N.	185	88	88	-	185
National honor society	1,373	5,695	5,420	-	1,648
Newspaper	1,491	21,247	6,121	3,730	20,347
NJROTC unit maintenance	5,073	-	-	-	5,073
Orchestra	19,514	33,617	9,041	(513)	43,577
Parent teacher organization	10,217	149	11,894	1,677	149
Parking	2,185	2,245	1,161	-	3,269
Project account	3,522	4,363	6,861	434	1,458
Random drug testing	5,752	16,980	30	(2,770)	19,932
Regional music	320	-	157	-	163
Renaissance	18	-	-	-	18
Royals ticket vouchers	7	-	-	-	7
SADD	841	-	-	-	841
S.A.E.	585	-	-	-	585
Softball	4,235	810	2,251	254	3,048
Spirit club	579	-	408	234	405
Stage band	319	-	-	268	587
Student council	1,587	407	1,393	-	601
Teen topics	500	-	-	-	500
Tennis	107	-	89	151	169
Testing funds	526	2,246	505	-	2,267
Thunderettes	5,716	-	4,904	155	967
TMH classroom	247	-	100	-	147
Track club	2,343	300	208	414	2,849
Volleyball	2,612	323	-	94	3,029
Weights	5,960	8,005	6,120	-	7,845
Wrestling	4,076	565	584	762	4,819
Wood project	193	15	-	-	208
Subtotal Shawnee Heights High	$ 155,286	$ 168,468	$ 116,895	$ (6,138)	$ 200,721

(Continued)

SHAWNEE HEIGHTS UNIFIED SCHOOL DISTRICT NO. 450
TECUMSEH, KANSAS
AGENCY FUNDS
SUMMARY OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS
(Continued)
Year Ended June 30, 2021

Funds	Balance, July 1	Cash Receipts	Cash Disbursements	Transfers	Balance, June 30
Shawnee Heights Middle:					
Blue team 7th	$ 80	$ -	$ 389	$ 320	$ 11
Blue team 8th	374	-	-	26	400
Dance	1,217	3,693	4,451	160	619
Outdoor club	436	-	105	-	331
Performing arts	2,281	493	150	(462)	2,162
Red team 7th	167	-	109	73	131
Red team 8th	588	-	165	(188)	235
Special education fund	384	-	-	-	384
Spirit club	937	-	-	-	937
Student agenda	-	304	290	-	14
Student council	5,175	243	46	(155)	5,217
T-Birds pride	9,786	237	1,478	(1,215)	7,330
White team 7th	300	-	314	15	1
White team 8th	384	-	68	16	332
Subtotal Shawnee Heights Middle	22,109	4,970	7,565	(1,410)	18,104
Tecumseh South Elementary:					
Student council	5,278	11,996	9,895	-	7,379
Total agency funds	$ 182,673	$ 185,434	$ 134,355	$ (7,548)	$ 226,204

SHAWNEE HEIGHTS UNIFIED SCHOOL DISTRICT NO. 450
TECUMSEH, KANSAS
GATE RECEIPTS
SCHEDULE OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
REGULATORY BASIS
Year Ended June 30, 2021

Funds	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Cash Disbursements	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Gate receipts:							
Shawnee Heights High	$ 38,025	$ -	$ 42,176	$ 72,382	$ 7,819	$ -	$ 7,819
Shawnee Heights Middle	13,317	-	10,259	13,885	9,691	-	9,691
Total gate receipts	$ 51,342	$ -	$ 52,435	$ 86,267	$ 17,510	$ -	$ 17,510

(Continued)

SHAWNEE HEIGHTS UNIFIED SCHOOL DISTRICT NO. 450
TECUMSEH, KANSAS
SCHOOL PROJECTS
SCHEDULE OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
REGULATORY BASIS
(Continued)
Year Ended June 30, 2021

Funds	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Cash Disbursements	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Shawnee Heights High projects:							
Counselor assistance fund	$ 39	$ -	$ -	$ -	$ 39	$ -	$ 39
Faculty activities	2,406	-	1,185	793	2,798	-	2,798
Gym pop	1,869	-	693	2,261	301	-	301
Interest	3,032	-	1,335	103	4,264	-	4,264
Memorial contributions	2,764	-	-	-	2,764	-	2,764
Miscellaneous	494	-	-	162	332	-	332
Sales tax account	851	-	3,568	3,568	851	-	851
SHHS scholarship	2,158	-	1,000	1,000	2,158	-	2,158
Student activity	59	-	-	-	59	-	59
Technology fee	11	-	14,439	13,144	1,306	-	1,306
Total Shawnee Heights High projects	13,683	-	22,220	21,031	14,872	-	14,872
Shawnee Heights Middle projects:							
Counseling	161	-	-	100	61	-	61
Faculty activities	183	-	202	49	336	-	336
Interest	3,489	-	345	189	3,645	-	3,645
Miscellaneous	17,290	-	1,505	3,763	15,032	-	15,032
Sales tax account	915	-	666	640	941	-	941
Student pop	3,882	-	3	123	3,762	-	3,762
X-tech fund	-	-	1,655	1,655	-	-	-
Total Shawnee Heights Middle projects	25,920	-	4,376	6,519	23,777	-	23,777
Berryton Elementary projects:							
Contributions	1,195	-	-	250	945	-	945
Educational funding group	11,993	-	948	3,237	9,704	-	9,704
Miscellaneous	1,940	-	4,291	3,290	2,941	-	2,941
POP	226	-	-	154	72	-	72
Sales tax account	-	-	7	35	(28)	-	(28)
Technology fee	40	-	2,079	1,886	233	-	233
Total Berryton Elementary projects	$ 15,394	$ -	$ 7,325	$ 8,852	$ 13,867	$ -	$ 13,867

(Continued)

SHAWNEE HEIGHTS UNIFIED SCHOOL DISTRICT NO. 450
TECUMSEH, KANSAS
SCHOOL PROJECTS
SCHEDULE OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
REGULATORY BASIS
(Continued)
Year Ended June 30, 2021

Funds	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Cash Disbursements	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Shawnee Heights Elementary projects:							
Donations	$ 1,522	$ -	$ -	$ 314	$ 1,208	$ -	$ 1,208
EFG	2,040	-	330	585	1,785	-	1,785
Memorial	405	-	3,494	800	3,099	-	3,099
Miscellaneous	-	-	5,344	5,124	220	-	220
POP	341	-	119	222	238	-	238
Sales tax account	-	-	34	34	-	-	-
Technology fee	-	-	2,055	2,055	-	-	-
Total Shawnee Heights Elementary projects	4,308	-	11,376	9,134	6,550	-	6,550
Tecumseh North projects:							
Donations	1,223	-	1,600	1,556	1,267	-	1,267
EFG	7,708	-	-	3,615	4,093	-	4,093
Miscellaneous	1,058	-	2,502	2,411	1,149	-	1,149
POP	979	-	32	68	943	-	943
Ryan Cochran memorial	533	-	-	-	533	-	533
Sales tax account	-	-	25	25	-	-	-
Technology fee	-	-	1,115	1,115	-	-	-
Total Tecumseh North projects	11,501	-	5,274	8,790	7,985	-	7,985
Tecumseh South projects:							
Donations	746	-	1,075	91	1,730	-	1,730
Library at school	-	-	313	313	-	-	-
POP	37	-	-	37	-	-	-
Sales tax account	-	-	27	27	-	-	-
Stahel memorial	266	-	-	-	266	-	266
Martin family garden grant	-	-	4,000	-	4,000	-	4,000
Technology fee	-	-	2,300	2,300	-	-	-
Total Tecumseh South projects	1,049	-	7,715	2,768	5,996	-	5,996
Total school projects	$ 71,855	$ -	$ 58,286	$ 57,094	$ 73,047	$ -	$ 73,047

(Continued)

SHAWNEE HEIGHTS UNIFIED SCHOOL DISTRICT NO. 450
TECUMSEH, KANSAS
DISTRICT ACTIVITY FUNDS
SCHEDULE OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
REGULATORY BASIS
(Continued)
Year Ended June 30, 2021

Funds	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Transfers	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Shawnee Heights High:								
AP funds	$ 3,966	$ -	$ 18,562	$ 1,920	$ -	$ 20,608	$ -	$ 20,608
Class fees	-	-	9,481	8,994	-	487	-	487
Driver education	-	-	20,918	-	-	20,918	-	20,918
Equipment replacement	-	-	921	664	-	257	-	257
Instrument rental	-	-	284	214	-	70	-	70
Justice Mitchell scholarship	383	-	-	-	-	383	-	383
Library book replacement	(17)	-	37	20	-	-	-	-
Lunch account	300	-	3,787	3,787	-	300	-	300
Petty cash #1	1,500	-	3,593	3,643	50	1,500	-	1,500
Petty cash #2	1,500	-	2,021	2,021	-	1,500	-	1,500
Sports participation fees	-	-	7,300	7,135	-	165	-	165
Textbook rental	-	-	8,176	6,907	-	1,269	-	1,269
Yearbook	-	-	6,362	4,675	-	1,687	-	1,687
Subtotal Shawnee Heights High	7,632	-	81,442	39,980	50	49,144	-	49,144
Shawnee Heights Middle:								
Class fees	-	-	3,544	3,283	-	261	-	261
Cross country	2,786	-	-	-	-	2,786	-	2,786
Instrument rental	-	-	537	537	-	-	-	-
Ipad protection plan	-	-	2,039	1,964	-	75	-	75
Library book replacement	-	-	41	41	-	-	-	-
Lunch account	201	-	317	318	-	200	-	200
PE uniforms	-	-	1,562	1,549	-	13	-	13
Petty cash	1,500	-	7,520	770	(6,750)	1,500	-	1,500
Sports participation fees	-	-	1,755	1,755	-	-	-	-
Technology fee	-	-	918	878	-	40	-	40
Textbook rental	-	-	3,185	3,045	-	140	-	140
Yearbook	-	-	1,118	1,254	136	-	-	-
Subtotal Shawnee Heights Middle	4,487	-	22,536	15,394	(6,614)	5,015	-	5,015
Berryton Elementary:								
Band/orchestra	1	-	20	89	-	(68)	-	(68)
Class fees	270	-	2,903	3,173	-	-	-	-
Library book replacement	(30)	-	168	185	-	(47)	-	(47)
Lunch account	1,791	-	3,498	5,289	-	-	-	-
Petty cash	300	-	382	308	(74)	300	-	300
Yearbook	-	-	113	111	(1)	1	-	1
Textbook rental	70	-	1,693	1,763	-	-	-	-
Subtotal Berryton Elementary	$ 2,402	$ -	$ 8,777	$ 10,918	$ (75)	$ 186	$ -	$ 186

(Continued)

SHAWNEE HEIGHTS UNIFIED SCHOOL DISTRICT NO. 450
TECUMSEH, KANSAS
DISTRICT ACTIVITY FUNDS
SCHEDULE OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
REGULATORY BASIS
(Continued)
Year Ended June 30, 2021

Funds	Beginning Unencumbered Cash Balance	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Transfers	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Shawnee Heights Elementary:								
Band/orchestra	$ -	$ -	$ 330	$ 330	$ -	$ -	$ -	$ -
Class fees	-	-	3,020	3,020	-	-	-	-
Library book replacement	-	-	173	173	-	-	-	-
Lunch account	-	-	3,587	3,587	-	-	-	-
Petty cash	300	-	272	272	-	300	-	300
Textbook fees	-	-	1,799	1,799	-	-	-	-
Yearbook	-	-	573	573	-	-	-	-
Subtotal Shawnee Heights Elementary	300	-	9,754	9,754	-	300	-	300
Tecumseh North:								
Band/orchestra	-	-	320	320	-	-	-	-
Library book replacement	-	-	231	231	-	-	-	-
Lunch account	-	-	2,661	2,661	-	-	-	-
Petty cash	300	-	418	313	(105)	300	-	300
Textbook rental	-	-	2,196	2,196	-	-	-	-
Class fees	-	-	3,768	3,768	-	-	-	-
Yearbook	-	-	325	325	-	-	-	-
Subtotal Tecumseh North	300	-	9,919	9,814	(105)	300	-	300
Tecumseh South:								
Band/orchestra	-	-	260	260	-	-	-	-
Class fees	(90)	-	2,786	2,751	55	-	-	-
Lunch account	-	-	884	884	-	-	-	-
Miscellaneous	1,528	-	1,165	2,021	-	672	-	672
Petty cash	300	-	831	831	-	300	-	300
Textbook fees	-	-	1,371	1,336	(35)	-	-	-
Yearbook	-	-	378	378	-	-	-	-
Subtotal Tecumseh South	1,738	-	7,675	8,461	20	972	-	972
Total District funds	$ 16,859	$ -	$ 140,103	$ 94,321	$ (6,724)	$ 55,917	$ -	$ 55,917

SHAWNEE HEIGHTS UNIFIED SCHOOL DISTRICT NO. 450
TECUMSEH, KANSAS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Grant Award	Unencumbered Cash Balance July 1, 2020	Amount Received	Disbursements, Accounts Payable, Encumbrances, and Transfers	Prior-Year Canceled Encumbrances	Unencumbered Cash Balance June 30, 2021
United States Department of Agriculture:							
Passed through Kansas State Department of Education:							
Child Nutrition Cluster:							
COVID-19 National School Lunch Program	10.555	$ 249,390	$ -	$ 249,390	$ 249,390	$ -	$ -
Cash for Commodities	10.558	1,722	-	1,722	1,722	-	-
Summer Food Service Program for Children	10.559	1,545,326	-	1,545,326	1,545,326	-	-
Total Child Nutrition Cluster			-	1,796,438	1,796,438	-	-
United States Department of Treasury:							
Passed through Shawnee County of Kansas:							
COVID-19 Coronavirus Relief Fund	21.019	837,730	-	837,730	837,730	-	-
United States Department of Education:							
Passed through Kansas State Department of Education:							
Special Education Cluster (IDEA):							
Grants to States	84.027	784,631	-	772,852	772,852	-	-
Preschool Grants	84.173	35,536	-	34,880	34,880	-	-
Total Special Education Cluster (IDEA)			-	807,732	807,732	-	-
Grants not clustered:							
Title I, Grants to Local Educational Agencies	84.010	370,944	(217,002)	533,421	322,196	-	(5,777)
Career and Technical Education Basic Grants to States	84.048	21,968	-	21,968	21,968	-	-
Supporting Effective Instruction	84.367	136,809	(540)	67,235	78,524	-	(11,829)
Student Support and Academic Enrichment	84.424	72,482	4,210	41,001	45,240	-	(29)
COVID-19 Elementary and Secondary School Emergency Relief Fund	84.425D	1,671,046	(6,756)	230,864	621,249	-	(397,141)
Total grants not clustered			(220,088)	894,489	1,089,177	-	(414,776)
Total United States Department of Education			(220,088)	1,702,221	1,896,909	-	(414,776)
United States Department of Health and Human Services:							
Passed through Kansas State Department of Education:							
Youth Risk Behavior Survey	93.938	200	-	200	200	-	-
Total expenditures of federal awards			$ (220,088)	$ 4,336,589	$ 4,531,277	$ -	$ (414,776)

See accompanying notes to Schedule of Expenditures of Federal Awards

SHAWNEE HEIGHTS UNIFIED SCHOOL DISTRICT NO. 450
TECUMSEH, KANSAS
NOTES TO SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS
Year Ended June 30, 2021

1 - General

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Shawnee Heights Unified School District No. 450 (the District) under programs of the federal government for the year ended June 30, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statement. Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position of the District.

2 - Basis of Accounting

Expenditures reported on the Schedule are reported on the regulatory basis of accounting as described in Note 2 to the District's financial statement. The expenditures on the Schedule 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.

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

SHAWNEE HEIGHTS UNIFIED SCHOOL DISTRICT NO. 450
TECUMSEH, KANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2021

Section I - Summary of Auditors' Results

Financial Statements

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

Federal Awards

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

Identification of major programs:

Assistance Listing Number	Name of Federal Program
10.555/10.558/10.559	Child Nutrition Cluster
21.019	COVID-19 Coronavirus Relief Fund

Dollar threshold used to distinguish between type A and type B programs	$ 750,000
Auditee qualified as a low-risk auditee	No

(Continued)

Section II - Financial Statement Findings

None.

Section III - Federal Award Findings and Questioned Costs

None.

BT & Co. P.A.
Certified Public Accountants

4301 SW Huntoon St. Topeka, KS 66604 | t:785.234.3427 | toll-free: 800.530.5526 | f: 785.233.1768 | w: btandcocpa.com

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

Board of Education
Shawnee Heights Unified School District No. 450:

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 Shawnee Heights Unified School District No. 450 (the District) which comprises the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash 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 13, 2022. Our report contained an adverse opinion because the financial statement was presented using accounting practices prescribed or permitted by the State of Kansas.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

An Independently Owned Member, RSM US Alliance

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statement is free 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 the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BT&Co., P.A.

January 13, 2022
Topeka, Kansas

BT & Co. P.A.
Certified Public Accountants

4301 SW Huntoon St. Topeka, KS 66604 | t:785.234.3427 | toll-free: 800.530.5526 | f: 785.233.1768 | w: btandcocpa.com

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

Board of Education
Shawnee Heights Unified School District No. 450:

Report on Compliance for Each Major Federal Program

We have audited Shawnee Heights Unified School District No. 450's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulation* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

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

An Independently Owned Member, RSM US Alliance

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

Report on Internal Control Over Compliance

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

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

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

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

BT&Co., P.A.

January 13, 2022
Topeka, Kansas