



## **UNIFIED SCHOOL DISTRICT NO. 321**

FINANCIAL STATEMENT WITH REGULATORY-REQUIRED  
SUPPLEMENTARY INFORMATION TOGETHER WITH  
INDEPENDENT AUDITOR'S REPORT

**JUNE 30, 2021**

# Table of Contents

	<b>Page Number</b>
Independent Auditor's Report	1 - 4
<b>FINANCIAL STATEMENT:</b>	
<b>STATEMENT 1</b>	
Summary Statement of Receipts, Expenditures, and Unencumbered Cash (Regulatory Basis)	5 - 6
Notes to the Financial Statement	7 – 14
<b>SCHEDULE 1</b>	
Summary of Expenditures – Actual and Budget (Regulatory Basis)	15
<b>SCHEDULE 2</b>	
Schedule of Receipts and Expenditures – Actual and Budget (Regulatory Basis)	
General Fund	16
Supplemental General Fund	17
Capital Outlay Fund	18
Driver Training Fund	19
Food Service Fund	20
Professional Development Fund	21
Parent Education Fund	22
Special Education Fund	23
Career and Postsecondary Education Fund	24
At Risk (4 Year Old) Fund	25
At Risk (K-12) Fund	26
KPERS Special Retirement Contribution Fund	27
Contingency Reserve Fund	28
Textbook and Student Material Revolving Fund	29
Title I Fund	30
Title II-A Fund	31
Title IV-A Student Services	32
Title V Innovative Programs	33
Title VI-B Discretionary Fund	34
Title VI-B Pass Thru Fund	35
Title VI-B Preschool Fund	36
ESSER CARES Fund	37
DLC Grant Fund	38
Gifts and Grants Fund	39
Construction Fund	40
Bond and Interest Fund	41
Scholarship Fund	42

**SCHEDULE 3**

Summary of Receipts and Disbursements – (Regulatory Basis) Agency Funds	43 - 44
---	---------

**SCHEDULE 4**

Schedule of Receipts, Expenditures, and Unencumbered Cash – (Regulatory Basis) District Activity Funds	45
---	----

**SINGLE AUDIT SECTION:**

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 <i>Government Auditing Standards</i>	46 -47
---	--------

Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	48 -49
---	--------

Schedule of Findings and Questioned Costs	50 - 51
---	---------

Summary Schedule of Prior Year Audit Findings	52
---	----

**OTHER INFORMATION:**

Schedule of Expenditures of Federal Awards	53
--	----

Notes to Schedule of Expenditures of Federal Awards	54
---	----



# Independent Auditor's Report

To the Board of Education  
Unified School District No. 321  
St. Marys, Kansas

## Report on the Financial Statements

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of Unified School District No. 321, St. Marys, Kansas, 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.

## 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 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 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 the 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 2 of the financial statement, the financial statement is prepared by Unified School District No. 321 to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 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 Unified School District No. 321, as of June 30, 2021, or changes in financial position and cash flows thereof for the year then ended.

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

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of Unified School District No. 321, 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 (basic financial statement) as a whole. The summary of regulatory basis expenditures - actual and budget, individual fund schedules of regulatory basis receipts and expenditures - actual and budget, summary of receipts and disbursements - agency funds, and schedule of receipts, expenditures, and unencumbered cash - district activity funds (Schedules 1, 2, 3, and 4 as listed in the table of contents) are presented for the purposes of additional analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. 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.

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. 321, St. Marys, Kansas as of and for the year ended June 30, 2020 (not presented herein), and have issued our report thereon dated September 14, 2021, which contained an unmodified opinion on the basic financial statement. The 2020 basic financial statement and our accompanying report are not presented herein but are available in electronic form from the website of the Kansas Department of Administration at the following [link](http://www.admin.ks.gov/offices/chief-financial-officer/municipal-services) http://www.admin.ks.gov/offices/chief-financial-officer/municipal-services. The 2020 actual column (2020 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures—actual and budget for the year ended June 30, 2021 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2020 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2020 basic financial statement. The 2020 comparative information was subjected to the auditing procedures applied in the audit of the 2020 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2020 basic financial statement or to the 2020 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2020 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended June 30, 2020, on the basis of accounting described in Note 2.

#### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statement as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the 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 financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the 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 financial statement as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June XX, 2022, on our consideration of Unified School District No. 321'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 to describe the scope of our testing of internal controls 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. 321'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. 321's internal control over financial reporting and compliance.

SSC CPAs, P.A.

SSC CPAs, P.A.  
Topeka, Kansas  
August 11, 2022

**UNIFIED SCHOOL DISTRICT NO. 321**

## STATEMENT 1

**SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH (REGULATORY BASIS)****FOR THE YEAR ENDED JUNE 30, 2021**

Fund	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Encumbrances and Accounts Payable	Ending Cash Balance
<b>General Funds:</b>							
General	\$ -	\$ -	\$ 8,920,676	\$ 8,920,676	\$ -	\$ 100,095	\$ 100,095
Supplemental General	360,546	-	3,022,384	2,974,283	408,647	82,081	490,728
<b>Special Purpose Funds:</b>							
Capital Outlay	170,793	-	3,545,219	3,484,644	231,368	129,171	360,540
Driver Training	38,888	-	13,856	18,284	34,460	-	34,460
Food Service	140,431	-	1,165,506	1,211,513	94,424	35,268	129,692
Professional Development	-	-	15,116	12,805	2,311	-	2,311
Parent Education	-	-	51,420	51,420	-	-	-
Special Education	1,518	-	2,919,768	2,920,849	437	3,115	3,553
Career and Post Secondary Education	392	-	378,129	377,821	700	-	700
At Risk (4 Year Old)	-	-	11,000	11,000	-	-	-
At Risk (K-12)	-	-	631,000	630,698	302	-	302
KPERS Special Retirement Contribution	-	-	1,321,878	1,321,878	-	-	-
Contingency Reserve	229,979	-	-	229,000	979	-	979
Textbook and Student Material	2,417	-	45,517	45,194	2,740	-	2,740
Title I	-	-	173,162	173,162	-	8,511	8,511
Title II-A	-	-	50,682	50,682	-	2,160	2,160
Title IV-A Student Services	-	-	17,971	17,971	-	-	-
Title V Innovative Programs	-	-	-	-	-	-	-
Title VI-B Discretionary	-	-	12,978	12,978	-	1,023	1,023
Title VI-B Pass Thru	-	-	282,299	282,299	-	10,049	10,049
Title VI-B Preschool	-	-	12,830	10,119	2,711	1,765	4,476
ESSER CARES Funds	-	-	287,920	287,920	-	-	-
DLC Grant	-	-	113,140	113,140	-	-	-
Gifts and Grants	2,260	-	17,934	18,865	1,329	131	1,460
District Activity Funds	128,160	-	366,139	344,149	150,150	-	150,150

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



**UNIFIED SCHOOL DISTRICT NO. 321****STATEMENT 1****SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH (REGULATORY BASIS)****FOR THE YEAR ENDED JUNE 30, 2021**

Fund	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Encumbrances and Accounts Payable	Ending Cash Balance
<b>Capital Project Fund:</b>							
Construction	\$ 102	\$ -	\$ -	\$ -	\$ 102	\$ -	\$ 102
<b>Bond and Interest Fund:</b>							
Bond and Interest	96	-	-	-	96	-	96
<b>Trust Fund:</b>							
Scholarships	2,615	-	500	300	2,815	-	2,815
<b>Total Reporting Entity (Excluding Agency Funds)</b>	<b>\$ 1,078,197</b>	<b>\$ -</b>	<b>\$ 23,377,025</b>	<b>\$ 23,521,649</b>	<b>\$ 933,572</b>	<b>\$ 373,369</b>	<b>\$ 1,306,941</b>
<b>Composition of Cash:</b>							
Checking and Savings Accounts						\$	1,422,197
Agency Funds per Schedule 3							(115,256)
<b>Total Reporting Entity (Excluding Agency Funds)</b>						\$	1,306,941

**UNIFIED SCHOOL DISTRICT NO. 321**  
**NOTES TO THE FINANCIAL STATEMENT**

**1. REPORTING ENTITY**

Unified School District No. 321 (the District) is a municipal corporation governed by a citizen-elected seven-member Board of Education.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*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.

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

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

Special Purpose Fund - Used to account for the proceeds of specific tax levies and other specific regulatory sources (other than Capital Project and tax levies for long-term debt) that are intended for a specified purpose.

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

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

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 Fund – Used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, county treasurer tax collection accounts, etc.).

**UNIFIED SCHOOL DISTRICT NO. 321**  
**NOTES TO THE FINANCIAL STATEMENT**

**3. BUDGETARY INFORMATION**

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

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

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

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each 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 revenues are recognized when cash is received and expenditures include disbursements, accounts payable and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

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

Contingency Reserve Fund	Title IV-A Student Services Fund	DLC Grant Fund
Textbook and Student	Title VI-B Discretionary Fund	Gifts and Grants Fund
Material Revolving Fund	Title VI-B Pass Thru Fund	District Activity Funds
Title I Fund	Title VI-B Preschool Fund	Title V- Innovative Programs Fund
Title II-A Fund	ESSER CARES Fund	

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

**UNIFIED SCHOOL DISTRICT NO. 321**  
**NOTES TO THE FINANCIAL STATEMENT**

**4. 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 deposits with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices.

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

*Custodial credit risk - deposits.* Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may 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 District, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The District has not designated a "peak period." All deposits were legally secured at June 30, 2021.

*Deposits.* At June 30, 2021, the District's carrying amount of deposits was \$1,422,197 and the bank balance was \$2,504,306. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$250,000 was covered by federal depository insurance and the remaining \$2,254,306 was collateralized with securities held by the pledging financial institutions agents in the District's name.

**5. IN-SUBSTANCE RECEIPT IN TRANSIT**

The District received \$75,724 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.

**UNIFIED SCHOOL DISTRICT NO. 321**  
**NOTES TO THE FINANCIAL STATEMENT**

**6. INTERFUND TRANSFERS**

Operating transfers were as follows:

	From	To	Statutory Authority	Amount
General Fund	Special Education	K.S.A. 72-5167	\$	2,312,702
General Fund	At Risk (K-12)	K.S.A. 72-5167		331,000
General Fund	Career and Postsecondary Education	K.S.A. 72-5167		178,500
General Fund	Parent Education	K.S.A. 72-5167		20,000
General Fund	Special Reserves	K.S.A. 72-6478		842,400
General Fund	Professional Development	K.S.A. 72-5167		12,805
Supplemental General Fund	Special Education	K.S.A. 72-5143		534,000
Supplemental General Fund	At Risk (K-12)	K.S.A. 72-5143		300,000
Supplemental General Fund	Career and Postsecondary Education	K.S.A. 72-5143		195,000
Supplemental General Fund	Special Reserves	K.S.A. 72-5143		215,000
Supplemental General Fund	At Risk (4 Year Old)	K.S.A. 72-5143		11,000

**7. DEFINED BENEFIT PENSION PLAN**

General Information about the Pension Plan

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

*Contributions.* K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2, or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 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 rate (not including the 1% contribution rate for 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

**UNIFIED SCHOOL DISTRICT NO. 321**  
**NOTES TO THE FINANCIAL STATEMENT**

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 House Bill 2002 authorized delay of \$194.0 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.

Senate 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 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 \$1,321,878 for the year ended June 30, 2021.

Net Pension Liability

At June 30, 2021, the District's proportionate share of the net pension liability reported by KPERS was \$14,295,227. 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](http://www.kpers.org) or can be obtained as described above.

**8. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS**

*Sick Leave.* The District provides sick leave for classified and certified staff. Classified staff are allowed 12 days of sick leave per year after two consecutive months of employment. These may be accumulated to 60 days, with the use of the additional 12 days allowed for those with maximum accumulation of leave. Certified staff are also allowed 12 sick days per year, but may accumulate to 100 days, with the use of the additional 12 days allowed for those with maximum accumulation. Teachers using one or fewer sick leave days during the school year will receive a bonus of \$100. Payment for non-used sick leave is based on a minimum accumulation 20 days to become eligible for payment. Payments to the individual is to be made upon retirement, reduction in force, resignation (prior to June 1 of contract year), death, or long-term disability. The payment rate is based on 100% of accumulated days at the rate of \$20 per day.

**UNIFIED SCHOOL DISTRICT NO. 321**  
**NOTES TO THE FINANCIAL STATEMENT**

*Vacation Leave.* The District provides vacation leave to classified personnel after one year of service and does not accumulate. Employees leaving the District shall be paid for accrued vacation time at their regular daily rate. This leave is earned at the following rates:

<u>Years of Service</u>	<u>Vacation Time</u>
1-5 Years	2 Weeks
6-15 Years	3 Weeks
Over 15 Years	4 Weeks

*Personal Leave.* The District provides personal leave to classified and certified staff. Classified staff are allowed two days per year, accumulative to three days. Certified staff are allowed two days per year and will be accumulated as sick leave when they reach more than four days accumulated.

*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.

*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.

*Termination Benefits.* The District provides an early retirement program for certain eligible employees. An employee is eligible for early retirement if such employee (a) is currently a full-time employee of the school district, (b) is not eligible to receive full social security benefits and is retired or disabled according to the provisions of KPERs, (c) has ten or more years of full time employment service with USD 321, (d) has fully terminated contractual employment with USD 321, and (e) files an application to receive early retirement benefits in writing which shall be submitted on or before the January 5<sup>th</sup>, preceding the anticipated retirement date and includes all of the information required to be include. Those eligible under this program may receive benefits for up to five years.

The District provides a retirement plan for eligible employees. Written notification must be given to the Superintendent on or before January 5<sup>th</sup> of the current contract year for certified staff to be eligible for this retirement benefit. Teachers and classified staff retiring from service to the district will receive a retirement supplement of not less than 30 days salary and not more than 50 days salary, based on years of service to the district. In order to be eligible for this benefit, employees must have served the district for at least 10 years and be eligible for KPERs full retirement or permanent disability benefits and, in addition, actually be receiving disability or retirement benefits according to KPERs.

**UNIFIED SCHOOL DISTRICT NO. 321**  
**NOTES TO THE FINANCIAL STATEMENT**

**9. RISK MANAGEMENT AND UNCERTAINTIES**

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has purchased commercial insurance to protect themselves from these risks.

The District is self-insured to provide group medical coverage. A third party administers the group medical coverage for the District. The District funds its losses based on actual claims. A stop-loss insurance contract executed with an insurance carrier covers individual claims in excess of a set amount per plan year. There were no significant changes in insurance coverage from the prior year and the amount of settlements did not exceed insurance coverage for the last three years.

In 2020, a pandemic was declared due to the outbreak of the COVID-19 coronavirus. As a result of significant disruption in the U.S. economy due to the outbreak, uncertainties have arisen which are likely to negatively impact future operating results. The duration and extent to which COVID-19 may impact financial performance is unknown at this time.

**10. RELATED PARTIES**

During the year ended June 30, 2021, there was one employee related to a board member.

**11. COMPLIANCE WITH KANSAS STATUTES**

The Supplemental General Fund expenditures exceeded budgeted expenditures by \$13,237. The District is aware of no other statutory violations.

**12. SUBSEQUENT EVENTS**

The District's management has evaluated events and transactions occurring after June 30, 2021 through August 11, 2022, the date the financial statement was available to be issued, and determined that no subsequent events have occurred that would require recognition in the financial statement.



**UNIFIED SCHOOL DISTRICT NO. 321****NOTES TO THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2021****13. LONG-TERM DEBT**

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

Issue	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
Temporary Note:									
Capital Outlay Note									
Series 2020	1.43%	4/24/2020	\$ 2,500,000	9/1/2022	\$ 2,500,000	\$ -	\$ 625,000	\$ 1,875,000	\$ 30,487
<b>Total</b>					\$ 2,500,000	\$ -	\$ 625,000	\$ 1,875,000	\$ 30,487

Current maturities of long-term debt and interest for the next two years are as follows:

	2022	2023	Total
<b>Principal:</b>			
Capital Outlay Note Series 2020	\$ 1,250,000	\$ 625,000	\$ 1,875,000
<b>Interest:</b>			
Capital Outlay Note Series 2020	22,344	4,469	26,813
<b>Total Principal and Interest</b>	<b>\$ 1,272,344</b>	<b>\$ 629,469</b>	<b>\$ 1,901,813</b>

**UNIFIED SCHOOL DISTRICT NO. 321**

**REGULATORY – REQUIRED  
SUPPLEMENTARY INFORMATION  
JUNE 30, 2021**

**UNIFIED SCHOOL DISTRICT NO. 321**
**SCHEDULE 1**
**SUMMARY OF EXPENDITURES – ACTUAL AND BUDGET (REGULATORY BASIS)**
**FOR THE YEAR ENDED JUNE 30, 2021**

Fund	Certified Budget	Adjustment to Comply with Legal Max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
<b>General Funds:</b>						
General	\$ 9,180,949	\$ (487,589)	\$ 227,316	\$ 8,920,676	\$ 8,920,676	\$ -
Supplemental General	3,050,453	(89,407)	-	2,961,046	2,974,283	13,237
<b>Special Purpose Funds:</b>						
Capital Outlay	3,519,212	-	-	3,519,212	3,484,644	(34,568)
Driver Training	44,513	-	-	44,513	18,284	(26,229)
Food Service	978,505	-	233,008	1,211,513	1,211,513	-
Professional Development	27,500	-	-	27,500	12,805	(14,695)
Parent Education	51,420	-	-	51,420	51,420	-
Special Education	3,369,799	-	-	3,369,799	2,920,849	(448,950)
Career and Post Secondary Education	470,392	-	-	470,392	377,821	(92,571)
At Risk (4 Year Old)	11,000	-	-	11,000	11,000	-
At Risk (K-12)	700,678	-	-	700,678	630,698	(69,980)
KPERS Special Retirement						
Contribution	1,535,093	-	-	1,535,093	1,321,878	(213,215)
Bond and Interest	-	-	-	-	-	-

**UNIFIED SCHOOL DISTRICT NO. 321****SCHEDULE 2****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)**

	Current Year			Variance Over (Under)
	Prior Year Actual	Actual	Budget	
<b>Receipts</b>				
State Aid:				
General State Aid	\$ 6,850,215	\$ 6,912,658	\$ 7,342,668	\$ (430,010)
Special Education Services Aid	1,783,093	1,780,702	1,838,281	(57,579)
Reimbursements and Other	231,499	227,316	-	227,316
<b>Total Receipts</b>	<b>\$ 8,864,807</b>	<b>\$ 8,920,676</b>	<b>\$ 9,180,949</b>	<b>\$ (260,273)</b>
<b>Expenditures</b>				
Instruction	\$ 5,034,634	\$ 3,861,162	\$ 5,276,446	\$ (1,415,284)
Student Support Services	395	-	-	-
Instructional Support Staff	249,397	184,988	245,148	(60,160)
General Administration	347,096	282,817	283,264	(447)
School Administration	659,258	744,096	679,310	64,786
Operations and Maintenance	75,789	2,939	10,000	(7,061)
Vehicle Operating Service	189,133	147,267	195,000	(47,733)
Operating Transfers	2,309,105	3,697,407	2,491,781	1,205,626
Adjustment to Comply with Legal Max	-	-	(487,589)	487,589
Legal General Fund Budget	8,864,807	8,920,676	8,693,360	227,316
Adjustment for Qualifying Budget Credits	-	-	227,316	(227,316)
<b>Total Expenditures</b>	<b>8,864,807</b>	<b>8,920,676</b>	<b>\$ 8,920,676</b>	<b>\$ -</b>
Receipts Over (Under) Expenditures	-	-		
<b>Unencumbered Cash, Beginning</b>	-	-		
<b>Unencumbered Cash, Ending</b>	<b>\$ -</b>	<b>\$ -</b>		

## UNIFIED SCHOOL DISTRICT NO. 321

## SCHEDULE 2

## 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)

		Current Year		
	Prior Year			Variance
	Actual	Actual	Budget	Over
				(Under)
<b>Receipts</b>				
Taxes and shared Revenue:				
Ad Valorem Property Tax	\$ 3,054,419	\$ 2,925,268	\$ 2,606,450	\$ 318,818
Delinquent Tax	10,866	7,764	6,885	879
Motor Vehicle Tax	83,578	85,651	73,668	11,983
16/20 Tax	2,702	2,273	993	1,280
Recreational Vehicle Tax	1,363	1,428	1,913	(485)
<b>Total Receipts</b>	<b>3,152,928</b>	<b>3,022,384</b>	<b>\$ 2,689,909</b>	<b>\$ 332,475</b>
<b>Expenditures</b>				
Instruction	\$ 1,189,705	\$ 1,104,414	\$ 1,278,481	\$ (174,067)
Student Support Services	1,190	8,786	-	8,786
Operations and Maintenance	567,228	606,083	623,794	(17,711)
Operating Transfers	1,237,223	1,255,000	1,148,178	106,822
Adjustment to Comply with Legal Max	-	-	(89,407)	89,407
<b>Total Expenditures</b>	<b>2,995,346</b>	<b>2,974,283</b>	<b>\$ 2,961,046</b>	<b>\$ 13,237</b>
Receipts Over (Under) Expenditures	157,582	48,101		
<b>Unencumbered Cash, Beginning</b>	<b>202,964</b>	<b>360,546</b>		
<b>Unencumbered Cash, Ending</b>	<b>\$ 360,546</b>	<b>\$ 408,647</b>		

**UNIFIED SCHOOL DISTRICT NO. 321****SCHEDULE 2****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)**

	Prior Year Actual	Actual	Budget	Over (Under)
<b>Receipts</b>				
Taxes and Shared Revenue:				
Ad Valorem Property Tax	\$ 3,042,242	\$ 3,455,386	\$ 3,269,996	\$ 185,390
Delinquent	9,846	7,207	6,860	347
Motor Vehicle Tax	72,627	79,893	68,847	11,046
16/20 Tax	2,320	1,398	-	1,398
Recreational Vehicle Tax	1,185	1,335	1,787	(452)
Commercial Vehicle Tax	-	-	928	(928)
<b>Total Receipts</b>	<b>3,128,220</b>	<b>3,545,219</b>	<b>\$ 3,348,418</b>	<b>\$ 196,801</b>
<b>Expenditures</b>				
Instruction	\$ 22,454	\$ 414,801	\$ 355,000	\$ 59,801
General Administration	-	1,862	-	1,862
Operations and Maintenance	1,591,862	1,586,696	2,304,212	(717,516)
Transportation	182,433	336,512	300,000	36,512
Architectural and Engineering Services	216,256	489,286	35,000	454,286
Debt Service - Capital Outlay Note	1,029,250	655,487	525,000	130,487
<b>Total Expenditures</b>	<b>3,042,255</b>	<b>3,484,644</b>	<b>\$ 3,519,212</b>	<b>\$ (34,568)</b>
Receipts Over (Under) Expenditures	85,965	60,575		
<b>Unencumbered Cash, Beginning</b>	<b>84,828</b>	<b>170,793</b>		
<b>Unencumbered Cash, Ending</b>	<b>\$ 170,793</b>	<b>\$ 231,368</b>		

## UNIFIED SCHOOL DISTRICT NO. 321

## SCHEDULE 2

## DRIVER TRAINING 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)

		Current Year			Variance
	Prior Year				Over
	Actual	Actual	Budget		(Under)
<b>Receipts</b>					
State Aid:					
State Safety Aid	\$ 6,240	\$ 4,794	\$ 5,625	\$	(831)
Other	6,806	9,062	-		9,062
<b>Total Receipts</b>	13,046	13,856	\$ 5,625	\$	8,231
<b>Expenditures</b>					
Instruction	201	5,000	\$ 21,650	\$	(16,650)
Vehicle Operations and Maintenance	5,856	13,284	22,863		(9,579)
<b>Total Expenditures</b>	6,057	18,284	\$ 44,513	\$	(26,229)
Receipts Over (Under) Expenditures	6,989	(4,428)			
<b>Unencumbered Cash, Beginning</b>	31,899	38,888			
<b>Unencumbered Cash, Ending</b>	\$ 38,888	\$ 34,460			

**UNIFIED SCHOOL DISTRICT NO. 321****SCHEDULE 2****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)**

	Current Year			Variance
	Prior Year			Over
	Actual	Actual	Budget	(Under)
<b>Receipts</b>				
State Aid:				
Food Service Aid	\$ 5,585	\$ -	\$ 6,448	\$ (6,448)
Federal Aid:				
Child Nutrition Cluster	546,399	1,122,332	380,572	741,760
Local Receipts	211,276	29,589	351,055	(321,466)
Other	37,123	13,585	100,000	(86,415)
<b>Total Receipts</b>	<b>800,383</b>	<b>1,165,506</b>	<b>\$ 838,075</b>	<b>\$ 327,431</b>
<b>Expenditures</b>				
Operations and Maintenance	4,160	30,513	\$ 7,000	\$ 23,513
Food Service Operation	772,612	1,181,000	971,505	209,495
Adjustment for Qualifying Budget Credits	-	-	233,008	(233,008)
<b>Total Expenditures</b>	<b>776,772</b>	<b>1,211,513</b>	<b>\$ 1,211,513</b>	<b>\$ -</b>
Receipts Over (Under) Expenditures	23,611	(46,007)		
<b>Unencumbered Cash, Beginning</b>	<b>116,820</b>	<b>140,431</b>		
<b>Unencumbered Cash, Ending</b>	<b>\$ 140,431</b>	<b>\$ 94,424</b>		



**UNIFIED SCHOOL DISTRICT NO. 321****SCHEDULE 2****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)**

	<div>Current Year</div>				Variance
	Prior Year				Over
	Actual	Actual	Budget		(Under)
<b>Receipts</b>					
State Aid	\$ -	\$ 2,311	\$ 7,500	\$	(5,189)
Operating Transfers	20,625	12,805	20,000		(7,195)
<b>Total Receipts</b>	20,625	15,116	\$ 27,500	\$	(12,384)
<b>Expenditures</b>					
Instructional Support Staff	20,625	12,805	\$ 27,500	\$	(14,695)
Receipts Over (Under) Expenditures	-	2,311			
<b>Unencumbered Cash, Beginning</b>	-	-			
<b>Unencumbered Cash, Ending</b>	\$ -	\$ 2,311			

UNIFIED SCHOOL DISTRICT NO. 321

SCHEDULE 2

PARENT 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)

		Current Year				Variance		
		Prior Year				Over		
		Actual	Actual	Budget		(Under)		
<b>Receipts</b>								
Federal Aid:								
Temp. Assistance for Needy Families	\$	31,420	\$	31,420	\$	31,420	\$	-
Operating Transfers		3,118		20,000		20,000		-
<b>Total Receipts</b>		34,538		51,420	\$	51,420	\$	-
<b>Expenditures</b>								
Student Support Services		34,538		51,420	\$	51,420	\$	-
Receipts Over (Under) Expenditures		-	-					
<b>Unencumbered Cash, Beginning</b>		-	-					
<b>Unencumbered Cash, Ending</b>	\$	-	\$	-				

**UNIFIED SCHOOL DISTRICT NO. 321****SCHEDULE 2****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)**

	Prior Year Actual	Actual	Budget	Over (Under)
<b>Receipts</b>				
Federal Aid:				
Medical Assistance Program (Medicaid)	\$ 58,565	\$ 57,700	\$ 100,000	\$ (42,300)
Other Federal Funds	-	-	800,000	(800,000)
Other Revenue from Local Sources	1,301	5,188	-	5,188
Interest	26,261	10,178	30,000	(19,822)
Operating Transfers	2,960,629	2,846,702	2,438,281	408,421
<b>Total Receipts</b>	<b>3,046,756</b>	<b>2,919,768</b>	<b>\$ 3,368,281</b>	<b>\$ (448,513)</b>
<b>Expenditures</b>				
Instruction	2,200,765	2,089,257	\$ 2,439,089	\$ (349,832)
Student Support Services	392,200	346,147	405,500	(59,353)
Instructional Support Staff	148,746	130,875	157,250	(26,375)
School Administration	199,150	211,391	207,910	3,481
Student Transportation Service	108,952	143,179	160,050	(16,871)
<b>Total Expenditures</b>	<b>3,049,813</b>	<b>2,920,849</b>	<b>\$ 3,369,799</b>	<b>\$ (448,950)</b>
Receipts Over (Under) Expenditures	(3,057)	(1,081)		
<b>Unencumbered Cash, Beginning</b>	<b>4,575</b>	<b>1,518</b>		
<b>Unencumbered Cash, Ending</b>	<b>\$ 1,518</b>	<b>\$ 437</b>		

**UNIFIED SCHOOL DISTRICT NO. 321****SCHEDULE 2****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)**

	Current Year			Variance
	Prior Year			Over
	Actual	Actual	Budget	(Under)
Receipts				
Federal Aid:				
State Aid and Other	\$ 24,494	\$ 4,629	\$ 20,000	\$ (15,371)
Operating Transfers	355,141	373,500	450,000	(76,500)
Total Receipts	379,635	378,129	\$ 470,000	\$ (91,871)
Expenditures				
Instruction	379,243	377,821	\$ 470,392	\$ (92,571)
Receipts Over (Under) Expenditures	392	308		
Unencumbered Cash, Beginning	-	392		
Unencumbered Cash, Ending	\$ 392	\$ 700		

**UNIFIED SCHOOL DISTRICT NO. 321****SCHEDULE 2****AT RISK (4 YEAR OLD) 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)**

	Current Year				Variance
	Prior Year				Over
	Actual	Actual	Budget		(Under)
<b>Receipts</b>					
Federal Aid:					
Operating Transfers	\$ 12,000	\$ 11,000	\$ 11,000	\$	-
<b>Expenditures</b>					
Instruction	12,000	11,000	\$ 11,000	\$	-
Receipts Over (Under) Expenditures	-	-			
<b>Unencumbered Cash, Beginning</b>	-	-			
<b>Unencumbered Cash, Ending</b>	\$ -	\$ -			

**UNIFIED SCHOOL DISTRICT NO. 321****SCHEDULE 2****AT RISK (K-12) 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)**

	Current Year				Variance
	Prior Year				Over
	Actual	Actual	Budget		(Under)
<b>Receipts</b>					
Operating Transfers	\$ 549,553	\$ 631,000	\$ 700,678	\$	(69,678)
<b>Expenditures</b>					
Instruction	549,553	630,698	\$ 700,678	\$	(69,980)
Receipts Over (Under) Expenditures	-	302			
<b>Unencumbered Cash, Beginning</b>	-	-			
<b>Unencumbered Cash, Ending</b>	\$ -	\$ 302			

**UNIFIED SCHOOL DISTRICT NO. 321****SCHEDULE 2****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)**

	Current Year			Variance
	Prior Year			Over
	Actual	Actual	Budget	(Under)
<b>Receipts</b>				
KPERS State Aid	\$ 1,419,411	\$ 1,321,878	\$ 1,535,093	\$ (213,215)
<b>Expenditures</b>				
KPERS Retirement	1,419,411	1,321,878	\$ 1,535,093	\$ (213,215)
Receipts Over (Under) Expenditures	-	-		
<b>Unencumbered Cash, Beginning</b>	-	-		
<b>Unencumbered Cash, Ending</b>	\$ -	\$ -		

**UNIFIED SCHOOL DISTRICT NO. 321****SCHEDULE 2****CONTINGENCY 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)**

	Prior Year Actual	Current Year Actual
<b>Receipts</b>		
Operating Transfers	\$ -	\$ -
<b>Expenditures</b>		
Operating Transfers	354,738	229,000
Receipts Over (Under) Expenditures	(354,738)	(229,000)
<b>Unencumbered Cash, Beginning</b>	584,717	229,979
<b>Unencumbered Cash, Ending</b>	\$ 229,979	\$ 979



**UNIFIED SCHOOL DISTRICT NO. 321****SCHEDULE 2****TEXTBOOK AND STUDENT MATERIAL REVOLVING 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)**

	Prior Year Actual	Current Year Actual
<b>Receipts</b>		
Rental Fees	\$ 51,785	\$ 45,517
<b>Expenditures</b>		
Instruction	49,506	45,194
Receipts Over (Under) Expenditures	2,279	323
<b>Unencumbered Cash, Beginning</b>	138	2,417
<b>Unencumbered Cash, Ending</b>	\$ 2,417	\$ 2,740

**UNIFIED SCHOOL DISTRICT NO. 321****SCHEDULE 2****TITLE I 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)**

	Prior Year Actual	Current Year Actual
<b>Receipts</b>		
Federal Aid:		
Title I Grants to Local Educational Agencies	\$ 160,958	\$ 173,162
<b>Expenditures</b>		
Instruction	160,958	173,162
Receipts Over (Under) Expenditures	-	-
<b>Unencumbered Cash, Beginning</b>	-	-
<b>Unencumbered Cash, Ending</b>	\$ -	\$ -

**UNIFIED SCHOOL DISTRICT NO. 321****SCHEDULE 2****TITLE II-A 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)**

	Prior Year Actual	Current Year Actual
<b>Receipts</b>		
Federal Aid:		
Improving Teacher Quality State Grants	\$ 50,827	\$ 50,682
<b>Expenditures</b>		
Instructional Support Services	50,827	50,682
Receipts Over (Under) Expenditures	-	-
<b>Unencumbered Cash, Beginning</b>	-	-
<b>Unencumbered Cash, Ending</b>	\$ -	\$ -

**UNIFIED SCHOOL DISTRICT NO. 321****SCHEDULE 2****TITLE IV-A STUDENT SERVICES 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)**

	Prior Year Actual	Current Year Actual
<b>Receipts</b>		
Federal Aid:		
Title IV-A Student Services	\$ 16,133	\$ 17,971
<b>Expenditures</b>		
Instruction	16,133	17,971
Receipts Over (Under) Expenditures	-	-
<b>Unencumbered Cash, Beginning</b>	-	-
<b>Unencumbered Cash, Ending</b>	\$ -	\$ -

**UNIFIED SCHOOL DISTRICT NO. 321****SCHEDULE 2****TITLE V INNOVATIVE PROGRAMS 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)**

	Prior Year Actual	Current Year Actual
<b>Receipts</b>		
Federal Aid:		
Title V Innovative Programs	\$ -	\$ -
<b>Expenditures</b>		
Instruction	396	-
Receipts Over (Under) Expenditures	(396)	-
<b>Unencumbered Cash, Beginning</b>	396	-
<b>Unencumbered Cash, Ending</b>	\$ -	\$ -

**UNIFIED SCHOOL DISTRICT NO. 321****SCHEDULE 2****TITLE VI-B DISCRETIONARY 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)**

	Prior Year Actual	Current Year Actual
<b>Receipts</b>		
Federal Aid:		
Special Education Grants to States	\$ 12,978	\$ 12,978
<b>Expenditures</b>		
Instruction	12,978	12,978
Receipts Over (Under) Expenditures	-	-
<b>Unencumbered Cash, Beginning</b>	-	-
<b>Unencumbered Cash, Ending</b>	\$ -	\$ -

**UNIFIED SCHOOL DISTRICT NO. 321****SCHEDULE 2****TITLE VI-B PASS THRU 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)**

	Prior Year Actual	Current Year Actual
<b>Receipts</b>		
Federal Aid:		
Special Education Grants to States	\$ 242,905	\$ 282,299
<b>Expenditures</b>		
Student Support Services	242,905	282,299
Receipts Over (Under) Expenditures	-	-
<b>Unencumbered Cash, Beginning</b>	-	-
<b>Unencumbered Cash, Ending</b>	\$ -	\$ -

**UNIFIED SCHOOL DISTRICT NO. 321****SCHEDULE 2****TITLE VI-B PRESCHOOL 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)**

	Prior Year Actual	Current Year Actual
<b>Receipts</b>		
Federal Aid:		
Special Education Preschool Grants	\$ 16,919	\$ 12,830
<b>Expenditures</b>		
Instruction	16,919	10,119
Receipts Over (Under) Expenditures	-	2,711
<b>Unencumbered Cash, Beginning</b>	-	-
<b>Unencumbered Cash, Ending</b>	\$ -	\$ 2,711



**UNIFIED SCHOOL DISTRICT NO. 321****SCHEDULE 2****ESSER CARES 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)**

	Prior Year Actual	Current Year Actual
<b>Receipts</b>		
Federal Aid	\$ -	\$ 287,920
<b>Expenditures</b>		
Instruction	-	131,808
Other Support Services	-	156,112
<b>Total Expenditures</b>	-	287,920
Receipts Over (Under) Expenditures	-	-
<b>Unencumbered Cash, Beginning</b>	-	-
<b>Unencumbered Cash, Ending</b>	\$ -	\$ -

**UNIFIED SCHOOL DISTRICT NO. 321****SCHEDULE 2****DLC GRANT 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)**

	Prior Year Actual	Current Year Actual
<b>Receipts</b>		
Headstart Grant	\$ 113,159	\$ 113,140
<b>Expenditures</b>		
Instruction	111,887	112,905
Student Transportation Service	2,420	235
<b>Total Expenditures</b>	<b>114,307</b>	<b>113,140</b>
Receipts Over (Under) Expenditures	(1,148)	-
<b>Unencumbered Cash, Beginning</b>	<b>1,148</b>	<b>-</b>
<b>Unencumbered Cash, Ending</b>	<b>\$ -</b>	<b>\$ -</b>

**UNIFIED SCHOOL DISTRICT NO. 321****SCHEDULE 2****GIFTS AND GRANTS 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)**

	Prior Year Actual	Current Year Actual
<b>Receipts</b>		
Other Grants	\$ 15,448	\$ 17,934
<b>Expenditures</b>		
Instruction	14,948	18,865
Receipts Over (Under) Expenditures	500	(931)
<b>Unencumbered Cash, Beginning</b>	1,760	2,260
<b>Unencumbered Cash, Ending</b>	\$ 2,260	\$ 1,329

**UNIFIED SCHOOL DISTRICT NO. 321****SCHEDULE 2****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)**

	Year Actual	Year Actual
<b>Receipts</b>		
Loan Proceeds	\$ 2,499,992	\$ -
<b>Expenditures</b>		
Construction	2,499,890	-
Receipts Over (Under) Expenditures	102	-
<b>Unencumbered Cash, Beginning</b>	-	102
<b>Unencumbered Cash, Ending</b>	\$ 102	\$ 102

**UNIFIED SCHOOL DISTRICT NO. 321****SCHEDULE 2****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)**

	Current Year			Variance
	Prior Year			Over
	Actual	Actual	Budget	(Under)
<b>Receipts</b>				
Taxes and Shared Revenue:				
Delinquent Taxes	\$ -	\$ -	\$ -	\$ -
<b>Expenditures</b>				
Debt Payments	-	-	\$ -	\$ -
Receipts Over (Under) Expenditures	-	-		
<b>Unencumbered Cash, Beginning</b>	96	96		
<b>Unencumbered Cash, Ending</b>	\$ 96	\$ 96		

**UNIFIED SCHOOL DISTRICT NO. 321****SCHEDULE 2****SCHOLARSHIP 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)**

	Prior Year Actual	Current Year Actual
<b>Receipts</b>		
Interest	\$ 200	\$ 500
<b>Expenditures</b>		
Scholarships	2,477	300
Receipts Over (Under) Expenditures	(2,277)	200
<b>Unencumbered Cash, Beginning</b>	4,892	2,615
<b>Unencumbered Cash, Ending</b>	\$ 2,615	\$ 2,815

**UNIFIED SCHOOL DISTRICT NO. 321****SCHEDULE 3****AGENCY FUNDS****SUMMARY OF RECEIPTS AND DISBURSEMENTS – REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2021**

Student Organization Funds	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
<b>Rossville High School</b>				
FFA	\$ 4,049	\$ 49,375	\$ 39,200	\$ 14,224
FCCLA	2,015	3,161	3,827	1,348
High School Stuco	1,437	2,321	2,237	1,521
Junior High Stuco	1,168	6,126	6,558	736
FBLA	8,263	2,387	3,717	6,932
National Honor Society	3	-	-	3
FCA	64	1,050	1,050	64
Step / Sadd	55	-	17	37
Senior	357	5,208	5,314	252
Junior	721	12,424	13,047	99
Sophomore	3,408	2,577	2,281	3,704
Freshman	1,669	91	-	1,760
HS Cheer	7,828	21,892	27,306	2,413
Jr. High Cheerleaders	4,081	2,680	3,843	2,918
Dance	4,917	9,309	8,737	5,488
Band	931	100	340	691
Scholar's Bowl	134	-	85	49
Exchange Activities	508	-	-	508
Metal Shop	-	438	438	-
Choir	710	200	874	36
FBLA JH	-	80	56	24
RHS Activity Fee	3,220	12,613	9,226	6,607
RJH Activity Fee	-	1,760	1,600	160
<b>St. Marys High School</b>				
FFA	2,734	24,582	21,706	5,611
FCCLA	609	3,256	3,738	126
High School Stuco	5,930	4,850	3,348	7,433
Junior High Stuco	826	3,880	4,446	260
FBLA	1,486	1,480	1,138	1,829
National Honor Society	1,732	3,713	2,805	2,640
FCA	1,247	2,418	2,621	1,044
Step / Sadd	1,858	4,948	6,067	739
Senior	4,561	(228)	1,979	2,354
Junior	968	7,406	5,717	2,657
Sophomore	788	2,182	2,741	230
HS Cheer	5,994	6,883	12,179	698
Jr. High Cheerleaders	1,719	4,172	4,131	1,761

**UNIFIED SCHOOL DISTRICT NO. 321****SCHEDULE 3****AGENCY FUNDS****SUMMARY OF RECEIPTS AND DISBURSEMENTS – REGULATORY BASIS  
FOR THE YEAR ENDED JUNE 30, 2021**

Student Organization Funds	Beginning Cash Balance	Receipts	Disbursements	Ending Cash Balance
Band	\$ 247.08	\$ 1,906.80	\$ 1,808.94	\$ 344.94
Choir	-	1,860	457	1,403
Scholar's Bowl	656	-	-	656
Foreign Language	351	237	(281)	869
Theater	727	993	320	1,400
SMJSHS Activity	2,905	2,503	1,649	3,760
Senior Composite	845	1,659	-	2,504
Newspaper	16	-	-	16
<b>Rossville Grade School</b>				
Parents as Teachers	710	-	-	710
Wellness	534	1,000	109	1,425
Walmart Foundation	1,300	-	-	1,300
Science	173	-	-	173
Carol Jory Donation	5,000	-	-	5,000
Library	1,090	1,826	1,826	1,090
Lambotte Donations	-	915	-	915
RGS Student Bank	369	2,066	2,383	51
Aubert Playground Donations	-	15,079	3,256	11,823
Kelling Family	2,092	-	-	2,092
Art	313	-	-	313
<b>St. Marys Grade School</b>				
Student Council	762	-	-	762
Library	866	40	-	906
Social Committee	1,738	495	1,490	743
<b>Special Reserves</b>	6,583	2,968,217	2,974,754	46
<b>Total Agency Funds</b>	\$ 103,271	\$ 3,202,129	\$ 3,190,138	\$ 115,256



UNIFIED SCHOOL DISTRICT NO. 321

SCHEDULE 4

DISTRICT ACTIVITY FUNDS

SCHEDULE OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH (REGULATORY BASIS)

FOR THE YEAR ENDED JUNE 30, 2021

District Activity Funds	Beginning Unencumbered Cash Balance	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Current Year Ending Cash Balance
<b>Athletics and Other</b>						
Rossville High School	\$ 58,861	\$ 179,615	\$ 183,042	\$ 55,435	\$ -	\$ 55,435
St. Marys High School	43,679	131,216	118,408	56,487	-	56,487
Rossville Grade School	4,364	16,733	15,700	5,397	-	5,397
St. Marys Grade School	4,314	8,911	8,550	4,674	-	4,674
<b>Total Athletics and Other</b>	<b>111,218</b>	<b>336,475</b>	<b>325,699</b>	<b>121,993</b>	<b>-</b>	<b>121,993</b>
<b>School Projects</b>						
Rossville High School	6,175	12,195	8,916	9,454	-	9,454
St. Marys High School	6,194	11,613	4,807	13,000	-	13,000
Rossville Grade School	1,514	2,455	1,592	2,377	-	2,377
St. Marys Grade School	3,059	3,402	3,134	3,326	-	3,326
<b>Total School Projects</b>	<b>16,942</b>	<b>29,665</b>	<b>18,450</b>	<b>28,157</b>	<b>-</b>	<b>28,157</b>
<b>Total District Activity Funds</b>	<b>\$ 128,160</b>	<b>\$ 366,139</b>	<b>\$ 344,149</b>	<b>\$ 150,150</b>	<b>\$ -</b>	<b>\$ 150,150</b>

**UNIFIED SCHOOL DISTRICT NO. 321**

**SINGLE AUDIT SECTION  
FOR THE YEAR ENDED JUNE 30, 2021**



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*

To the Board of Education of Unified School District No. 321  
St. Marys, 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, and the *Kansas Municipal Audit and Accounting Guide*, the financial statement of Unified School District No. 321, as of and for the year ended June 30, 2021, and the related notes to the financial statement, which collectively comprise the District's basic financial statement, and have issued our report thereon dated August 11, 2022.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statement, we considered Unified School District No. 321'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 our opinion on the effectiveness of Unified School District No. 321's internal control. Accordingly, we do not express an opinion on the effectiveness of Unified School District No. 321's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charge 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Unified School District No. 321's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results

of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

SSC CPAs, P.A.

SSC CPAs, P.A.

Topeka, Kansas

August 11, 2022



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

To the Board of Education Unified School District No. 321  
St. Marys, Kansas

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

We have audited Unified School District No. 321'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 Unified School District No. 321's major federal programs for the year ended June 30, 2021. Unified School District No. 321'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. 321's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Unified School District No. 321'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. 321's compliance.

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

In our opinion, Unified School District No. 321 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.

**Report on Internal Control over Compliance**

Management of Unified School District No. 321 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 Unified School District No. 321'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 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 Unified School District No. 321'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. 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.

Unified School District No. 321's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Unified School District No. 321'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.

SSC CPAs, P.A.

SSC CPAs, P.A.

Topeka, Kansas

August 11, 2022

**UNIFIED SCHOOL DISTRICT NO. 321  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2021**

**SUMMARY OF AUDITOR'S RESULTS**

1. The auditor's report expresses an unmodified opinion on whether the financial statement of Unified School District No. 321 was prepared on the regulatory basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.
2. No material weaknesses were identified, and no significant deficiencies were reported in the design or operation of internal control over financial reporting.
3. No instances of noncompliance material to the financial statements of Unified School District No. 321, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. A significant deficiency was identified in the design or operation of internal control over compliance. No material weaknesses were identified.
5. The auditor's report on compliance for each major federal program for Unified School District No. 321 expresses an unmodified opinion on all major federal programs.
6. No 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 program were:  
  
Child Nutrition Cluster, Assistance Listing Number:  
10.553 School Breakfast Program  
10.554 National School Lunch Program  
10.555 Summer Food Service Program for Children
8. The threshold for distinguishing Type A and Type B programs was \$750,000 for major Federal programs.
9. Unified School District No. 321 was determined to not be a low-risk auditee.

**UNIFIED SCHOOL DISTRICT NO. 321  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2021**

**FINDINGS – FINANCIAL STATEMENT**

None.

**FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL PROGRAM**

**2021-001 Preparation of Schedule of Expenditures of Federal Awards (Significant Deficiency)**

**Criteria:** The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards 2 CFR 200 (Uniform Guidance) requires auditees to prepare a schedule of expenditures of federal awards (SEFA) for the period covered by the auditee's financial statements.

**Condition:** We have determined that there was an inadequate design of internal control over compliance with Uniform Guidance for the preparation of a schedule of expenditures of federal awards for the year ended June 30, 2021.

**Cause:** The District's policies and procedures were not designed to prepare the SEFA in conformity with Uniform Guidance.

**Effect:** The District did not have policies and procedures in place to ensure the preparation of a complete and accurate SEFA, which increases the likelihood of material misstatement and noncompliance with laws and regulations.

**Recommendation:** We recommend the Board of Education and management review the Uniform Guidance related to SEFA preparation. Once this review is complete, the District should then perform a risk assessment to determine the best way to implement appropriate internal controls over the preparation of the SEFA.

**Views of Responsible Officials and Planned Corrective Actions:** Management agrees with the finding and plans to develop proper written policies and procedures for internal control over the preparation of the SEFA to ensure conformity with the Uniform Guidance.



**UNIFIED SCHOOL DISTRICT NO. 321  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2021**

**FINDINGS – FINANCIAL STATEMENT**

None.

**FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL PROGRAM**

None.

## **OTHER INFORMATION**

**UNIFIED SCHOOL DISTRICT NO. 321**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2021**

<b>Federal Grantor/Program or Cluster Title</b>	<b>Assistance Listing</b>	<b>Pass-through Grantor and Number</b>	<b>Federal Expenditures</b>
<b>Child Nutrition Cluster-Cluster</b>			
United States Department of Agriculture National School Lunch Program			
National School Lunch Program (COVID-19)	10.555	KSDE,Section 4/Cash for Commodities \$	298,033
Total National School Lunch Program			298,033
Summer Food Service Program for Children			
Summer Food Service Program for Children	10.559	KSDE,2020 and 2021 SFS	911,176
Summer Food Service Program for Children	10.559	KSDE,2020 and 2021 SFS	
Summer Food Service Program for Children	10.559	Sponsor Admin	75,626
Summer Food Service Program for Children	10.559	KSDE,2020 and 2021 SFS CFC	4,865
Total Summer Food Service Program for Children			991,667
Total United States Department of Agriculture			1,289,700
<b>Total Child Nutrition Cluster-Cluster</b>			1,289,700
<b>Special Education Cluster (IDEA)-Cluster</b>			
Department of Education			
Special Education_Grants to States			
Special Education_Grants to States	84.027	KSDE,H027A180031	292,819
Total Special Education_Grants to States			292,819
Special Education_Preschool Grants			
Special Education_Preschool Grants	84.173	KSDE,H173A190034/H173A200034	15,288
Total Special Education_Preschool Grants			15,288
Total Department of Education			308,107
<b>Total Special Education Cluster (IDEA)-Cluster</b>			308,107
<b>Other Programs</b>			
Department of Education			
Title I Grants to Local Educational Agencies			
Title I Grants to Local Educational Agencies	84.010	KSDE,S010A200016	173,162
Total Title I Grants to Local Educational Agencies			173,162
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)			
Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)	84.367	KSDE,S367A180015	50,682
Total Supporting Effective Instruction State Grants (formerly Improving Teacher Quality State Grants)			50,682
Student Support and Academic Enrichment Program			
Student Support and Academic Enrichment Program	84.424	KSDE,S424A190017	17,379
Total Student Support and Academic Enrichment Program			17,379
Elementary and Secondary School Emergency Relief Fund			
Elementary and Secondary School Emergency Relief Fund (COVID-19)	84.425D	KSDE,S425D200002	97,867
Total Elementary and Secondary School Emergency Relief Fund			97,867
Total Department of Education			339,090
Department of the Treasury			
Coronavirus Relief Fund			
Coronavirus Relief Fund (COVID-19)	21.019	KSDE,Z00423	7,560
Coronavirus Relief Fund (COVID-19)	21.019	Shawnee County	95,723
Coronavirus Relief Fund (COVID-19)	21.019	Pottawatomie County	86,770
Total Coronavirus Relief Fund			190,053
Total Department of the Treasury			190,053
<b>Total Other Programs</b>			529,143
<b>Total Expenditures of Federal Awards</b>			\$ 2,126,949

## **UNIFIED SCHOOL DISTRICT NO. 321**

### **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

#### **1. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Unified School District No. 321 (the District) and is presented on the regulatory basis of accounting. 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). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the aggregate cash and unencumbered cash balance and the aggregate receipts and expenditures of the District as described in Note 2 to the District's financial statement.

#### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

#### **3. DE MINIMIS INDIRECT COST RATE**

In accordance with Section 2 U.S. *Code of Federal Regulations* Part 200.412 the District is allowed to elect to use the ten percent de minimis indirect cost rate. The District did not elect to use the 10% de minimis indirect cost rate.