UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS

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

YEAR ENDED JUNE 30, 2021

TABLE OF CONTENTS

Page

Independent Auditor's Report 1

FINANCIAL SECTION

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

Notes to the Financial Statement 6

REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

Schedule 1
Summary of Expenditures - Actual and Budget 14

Schedule 2
Schedule of Receipts and Expenditures:

General Funds

2-1 General Fund 15
2-2 Supplemental General Fund 16

Special Purpose Funds

2-3 Bilingual Education Fund 17
2-4 Capital Outlay Fund 18
2-5 Driver Training Fund 19
2-6 Food Service Fund 20
2-7 Professional Development Fund 21
2-8 Parents as Teachers Fund 22
2-9 Special Education Fund 23
2-10 Career and Postsecondary Education Fund 24
2-11 Preschool-Aged At-Risk Fund 25
2-12 At-Risk (K-12) Fund… 26
2-13 KPERS Special Retirement Contribution Fund 27
2-14 Recreation Commission Fund 28
2-15 Recreation Commission Employee Benefits Fund 29
2-16 Non-Budgeted Special Purpose Funds 30

Bond and Interest Fund

2-17 Bond and Interest Fund 31

Schedule 3
Schedule of Receipts, Expenditures and Unencumbered Cash - District Activity Funds 32

Schedule 4
Summary of Receipts and Disbursements - Agency Funds 33

TABLE OF CONTENTS (CONTINUED)

Page

APPENDICES

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* 35

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance 37

Schedule of Expenditures of Federal Awards 39

Notes to the Schedule of Expenditures of Federal Awards 41

Schedule of Findings and Questioned Costs 42

Kennedy
McKee & Company LLP Certified Public Accountants

1100 W. Frontview
P. O. Box 1477
Dodge City, Kansas 67801
Tel. (620) 227-3135
Fax (620) 227-2308
www.kmc-cpa.com

JAMES W. KENNEDY, CPA
PATRICK M. FRIESS, CPA
JOHN W. HENDRICKSON, CPA
JEREMY J. APPEL, CPA

INDEPENDENT AUDITOR'S REPORT

Board of Education
Unified School District No. 363
Holcomb, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash of Unified School District No. 363, as of and for the year ended June 30, 2021, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

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

As described in Note A, the financial statement is prepared by Unified School District No. 363 on the basis of the financial reporting provisions of *the Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

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

Adverse Opinion 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. 363 as of June 30, 2021, or changes in financial position and cash flows thereof for the year then ended.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balances of Unified School District No. 363 as of June 30, 2021, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note A.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash (basic financial statement) as a whole. The summary of regulatory basis expenditures – actual and budget, individual fund schedules of regulatory basis receipts and expenditures, schedule of regulatory basis receipts, expenditures and unencumbered cash – district activity funds, and summary of regulatory basis receipts and disbursements – agency funds (Schedules 1, 2, 3, and 4 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. The schedule of expenditures of federal awards is presented for additional analysis as required by the Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note A.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of Unified School District No. 363 as of and for the year ended June 30, 2020 (not presented herein), and have issued our report thereon dated February 4, 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: https://admin.ks.gov/offices/oar/municipal-services/municipal-audits. The 2020 actual column (2020 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures for the year ended June 30, 2021 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2020 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2020 basic financial statement. The 2020 comparative information was subjected to the auditing procedures applied in the audit of the 2020 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2020 basic financial statement or to the 2020 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2020 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole, for the year ended June 30, 2020, on the basis of accounting described in Note A.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 9, 2022, on our consideration of Unified School District No. 363's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Unified School District No. 363'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. 363's internal control over financial reporting and compliance.

Kennedy McKee & Company LLP

February 9, 2022

UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH
REGULATORY BASIS

For the Year Ended June 30, 2021

Fund	Beginning unencumbered cash balance (deficit)	Prior year canceled encumbrances
General funds:		
General	$ -	$ -
Supplemental general	124,531	28
Total general funds	124,531	28
Special purpose funds:		
Bilingual education	28,480	-
Capital outlay	2,021,864	5,780
Driver training	30,025	-
Food service	104,077	-
Professional development	69,317	455
Parents as teachers	45,000	-
Special education	593,862	-
Career and postsecondary education	198,714	401
Preschool-aged at-risk	12,141	-
At-risk (K-12)	25,218	-
KPERS special retirement contribution	-	-
Recreation commission	-	-
Recreation commission employee benefits	-	-
Non-budgeted special purpose funds:		
Title II-A	-	-
Gift	4,741	-
Title I-A	-	-
Federal grants	(604)	-
Holowach estate	599,382	-
Health council	6,728	-
Contingency reserve	747,918	-
Student materials	125,747	-
Title III ESL	-	-
District activity funds	18,611	-
Total special purpose funds	4,631,221	6,636
Bond and interest fund:		
Bond and interest	860,156	-
Total Unified School District No. 363 (excluding agency funds)	$ 5,615,908	$ 6,664

Receipts	Expenditures	Ending unencumbered cash balance (deficit)	Add encumbrances and accounts payable	Ending cash balance (deficit)
$ 7,203,942	$ 7,203,942	$ -	$ 290,568	$ 290,568
2,489,312	2,395,954	217,917	35,139	253,056
9,693,254	9,599,896	217,917	325,707	543,624
185,206	186,505	27,181	9,446	36,627
863,855	485,201	2,406,298	132,670	2,538,968
15,793	10,230	35,588	4,939	40,527
560,499	560,495	104,081	20,370	124,451
64,064	34,519	99,317	5,248	104,565
95,000	75,000	65,000	3,337	68,337
926,275	926,275	593,862	-	593,862
199,737	200,138	198,714	9,661	208,375
85,871	85,871	12,141	5,931	18,072
843,060	843,060	25,218	45,858	71,076
856,841	856,841	-	-	-
386,922	386,922	-	-	-
107,473	107,473	-	-	-
21,542	21,542	-	1,749	1,749
162,120	143,453	23,408	27,481	50,889
186,280	186,280	-	7,677	7,677
1,026,432	1,050,800	(24,972)	7,073	(17,899)
1,825	3,000	598,207	-	598,207
-	-	6,728	-	6,728
82,200	10,496	819,622	10,496	830,118
67,838	38,072	155,513	5,335	160,848
12,364	12,364	-	1,023	1,023
132,674	129,273	22,012	-	22,012
6,883,871	6,353,810	5,167,918	298,294	5,466,212
335,251	340,575	854,832	-	854,832
$ 16,912,376	$ 16,294,281	$ 6,240,667	$ 624,001	$ 6,864,668

UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH REGULATORY BASIS

For the Year Ended June 30, 2021

	Ending cash balance
Composition of cash:	
Demand deposits	$ 6,232,709
Certificates of deposit	750,000
	6,982,709
Agency funds	(118,041)
Total Unified School District No. 363 (excluding agency funds)	$ 6,864,668

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

UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS

NOTES TO THE FINANCIAL STATEMENT

June 30, 2021

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. Municipal Financial Reporting Entity

   Unified School District No. 363 is a municipal corporation governed by an elected seven-member board. A related municipal entity is an entity established to benefit the District and/or its constituents. This financial statement does not include the following related municipal entity:

   Holcomb Recreation Commission. The Commission oversees recreational activities. Four of the five members of the governing board are appointed by the Board of Education. The Commission operates as a separate governing body, but the District levies the taxes for the Commission and the Commission has only the powers granted by K.S.A. 12-1928. The Commission cannot purchase real property but can acquire real property by gift.

2. Basis of Presentation – Fund Accounting

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

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

   REGULATORY BASIS FUND TYPES

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

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

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

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

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

4. Budgetary Information

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

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

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

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

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

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

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Budgetary Information (Continued)

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

A legal operating budget is not required for state and federal grant funds, agency funds, and the following special purpose funds:

Gift	Contingency Reserve
Holowach Estate	Student Materials
Health Council	District Activity Funds

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

5. In-Substance Receipt in Transit

The District received $447,838 subsequent to June 30, 2021 and, as required by K.S.A. 72-5135 and 72-5145, the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2021.

B. COMPLIANCE WITH KANSAS STATUTES

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

The cash basis law provided by K.S.A. 10-1113 prohibits the creation of indebtedness in any fund in excess of monies available in that fund. Although the Federal Grants fund overspent its cash by $24,972, according to K.S.A. 12-1664, the District is not prohibited from financing the federal share of a local program from current funds, if available.

C. DEPOSITS AND INVESTMENTS

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

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

C. DEPOSITS AND INVESTMENTS (CONTINUED)

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

At June 30, 2021, the District's carrying amount of deposits was $6,982,709, and the bank balance was $7,135,424. Of the bank balance, $500,000 was covered by federal depository insurance and $6,635,424 was collateralized with securities held by the pledging financial institutions' agents in the District's name.

D. CAPITAL PROJECTS

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

	Project commitments authorized	Cash disbursements and accounts payable to date	Remaining financial commitment
HHS Additions and Renovations	$ 4,268,086	$ 4,268,086	$ -
Wiley Elementary Playground	124,971	-	124,971
	$ 4,393,057	$ 4,268,086	$ 124,971

E. LONG-TERM DEBT

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

Issue	Balance beginning of year	Additions/ net change	Reductions/ net change	Balance end of year	Interest paid
General obligation bonds:					
Series 2017					
Issued December 28, 2017					
In the amount of $4,040,000					
At interest rate of 3.00%					
Maturing September 1, 2033,	$3,965,000	$ -	$ 225,000	$3,740,000	$ 115,575
Weather event loan:					
Wheatland Electric:					
Issued April 5, 2021					
In the amount of $43,808					
At the interest rate of 0%					
Maturing March 5, 2022	-	43,808	10,952	32,856	-
Total contractual indebtedness	$3,965,000	$ 48,808	$ 235,952	$3,772,856	$ 115,575

E. LONG-TERM DEBT (CONTINUED)

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

	Principal due	Interest due	Total due
2022	$ 230,000	$ 108,750	$ 338,750
2023	240,000	101,700	341,700
2024	250,000	94,350	344,350
2025	260,000	86,700	346,700
2026	270,000	78,750	348,750
2027-2031	1,480,000	265,200	1,745,200
2032-2034	1,010,000	46,200	1,056,200
Total	$ 3,740,000	$ 781,650	$ 4,521,650

Current maturity of the loan is as follows:

	Principal due	Interest due	Total due
2022	$ 32,856	$ -	$ 32,856

F. 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, by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

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

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate and the statutory contribution rate (not including the 1% contribution rate for the Death and Disability Program) was 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.

F. DEFINED BENEFIT PENSION PLAN (CONTINUED)

General Information about the Pension Plan (Continued)

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 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 $856,841 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 $8,813,070. 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.

G. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

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

G. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS (CONTINUED)

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

Section 125 plan. The District offers a Section 125 Flexible Benefit Plan to employees electing to participate. It is used for unreimbursed medical and dependent care expenses. The plan is administered by an independent company.

Compensated absences. The District's policy is to recognize the costs of compensated absences when actually paid. District policies address vacation for employees on twelve-month contracts and sick leave for all full-time employees. Employees on twelve-month contracts receive two weeks of vacation per year. After an employee has worked for the District for five years, they receive an additional day of vacation for each year until they receive a maximum of fifteen days of vacation. The Superintendent's vacation is noted in his contract and is normally twenty days. Vacation may be accumulated to twice the employee's annual allotment and if not used it will be lost. Upon retirement, termination, or resignation, the District pays for any accumulated vacation days. Certified employees on salary receive fifteen days of sick leave annually. Classified employees receive one sick day per month worked. An employee may not carry over more than one hundred sick days from year to year. Policies permit unused sick leave to be reimbursed if the employee has been with the District for more than fifteen years and retires or resigns at the end of the school year. The District pays for accumulated sick leave at a rate of $1.00 per day per year of service. After twenty-five years of service the rate increases to $1.50 per day per year of service.

The potential liability for vacation and sick leave for the years ended June 30, 2021 and 2020 was $74,043 and $67,521, respectively.

H. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Amount	Regulatory authority
General fund	Capital outlay fund	$ 289,432	K.S.A. 72-5167
General fund	Special education fund	730,578	K.S.A. 72-5167
General fund	Contingency reserve fund	82,200	K.S.A. 72-5167
Total general fund		1,102,210	
Supplemental general fund	Bilingual education fund	185,206	K.S.A. 72-5143
Supplemental general fund	Food service fund	91,639	K.S.A. 72-5143
Supplemental general fund	Professional development fund	57,129	K.S.A. 72-5143
Supplemental general fund	Parents as teachers fund	40,380	K.S.A. 72-5143
Supplemental general fund	Special education fund	174,014	K.S.A. 72-5143
Supplemental general fund	Career and postsecondary education fund	199,737	K.S.A. 72-5143
Supplemental general fund	Preschool-aged at-risk fund	85,871	K.S.A. 72-5143
Supplemental general fund	At-risk (K-12) fund	843,060	K.S.A. 72-5143
Total supplemental general fund		1,677,036	
Total operating transfers		$2,779,246	

I. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases commercial insurance to cover these risks. There have been no significant reductions in coverage from the prior year. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three years.

J. CONTINGENCIES

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

K. CORONAVIRUS (COVID-19)

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

L. SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 9, 2022, and does not believe any events have occurred which affect the financial statement as presented except for the ongoing concern regarding the novel strain of coronavirus (COVID-19) as discussed in Note K above.

REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

For the Year Ended June 30, 2021

Fund	Certified budget	Adjustment to comply with legal maximum budget	Total budget for comparison	Expenditures chargeable to current year	Variance favorable (unfavorable)
General funds:					
General	$ 7,430,565	$ (226,623)	$ 7,203,942	$ 7,203,942	$ -
Supplemental general	2,471,260	(75,306)	2,395,954	2,395,954	-
Special purpose funds:					
Bilingual education	208,263	-	208,263	186,505	21,758
Capital outlay	2,467,509	-	2,467,509	485,201	1,982,308
Driver training	11,780	-	11,780	10,230	1,550
Food service	580,188	-	580,188	560,495	19,693
Professional development	38,000	-	38,000	34,519	3,481
Parents as teachers	75,000	-	75,000	75,000	-
Special education	1,025,880	-	1,025,880	926,275	99,605
Career and postsecondary education	330,405	-	330,405	200,138	130,267
Preschool-aged at-risk	86,482	-	86,482	85,871	611
At-risk (K-12)	861,683	-	861,683	843,060	18,623
KPERS special retirement contribution	1,026,832	-	1,026,832	856,841	169,991
Recreation commission	389,700	-	389,700	386,922	2,778
Recreation commission employee benefits	108,200	-	108,200	107,473	727
Bond and interest fund:					
Bond and interest	340,575	-	340,575	340,575	-
Total	$ 17,452,322	$ (301,929)	$ 17,150,393	$ 14,699,001	$ 2,451,392

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS

GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

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

		2021		
	2020	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Taxes:				
In lieu of tax	$ 3,795	$ 3,534	$ -	$ 3,534
State sources:				
State aid	6,551,549	6,615,636	6,762,565	(146,929)
Special education aid	553,851	563,199	608,000	(44,801)
State aid - reimbursement	3,007	-	-	-
Mineral production tax	50,065	21,573	60,000	(38,427)
Total receipts	7,162,267	7,203,942	$ 7,430,565	$ (226,623)
Expenditures:				
Instruction	3,457,705	3,497,646	$ 3,720,120	$ 222,474
Student support services	15,720	15,650	16,000	350
Instructional support staff	154,065	148,201	142,962	(5,239)
General administration	306,824	324,100	338,605	14,505
School administration	570,646	650,408	663,428	13,020
Central services	337,391	363,129	366,609	3,480
Operations and maintenance	918,929	756,020	1,026,984	270,964
Student transportation services:				
Supervision	33,314	34,466	34,620	154
Vehicle operating services	206,519	200,826	243,757	42,931
Vehicle and maintenance services	98,775	111,286	117,085	5,799
Operating transfers	1,062,379	1,102,210	760,395	(341,815)
Adjustment to comply with legal maximum budget	-	-	(226,623)	(226,623)
Total expenditures	7,162,267	7,203,942	$ 7,203,942	$ -
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning of year	-	-		
Unencumbered cash, end of year	$ -	$ -		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS

SUPPLEMENTAL GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

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

		2021		
	2020	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Taxes:				
Ad valorem	$ 2,197,776	$ 2,135,367	$ 2,053,208	$ 82,159
Delinquent	17,155	22,241	22,687	(446)
Motor vehicle	73,600	85,537	61,333	24,204
Recreational vehicle	1,391	1,667	1,192	475
In lieu of tax	3,998	3,707	-	3,707
State sources:				
Supplemental state aid	101,500	240,793	248,362	(7,569)
Total receipts	2,395,420	2,489,312	$ 2,386,782	$ 102,530
Expenditures:				
Instruction	87,742	77,882	$ 92,801	$ 14,919
Student support services	105,867	110,795	110,803	8
School administration	1,752	3,384	3,200	(184)
Central services	-	300	1,000	700
Operations and maintenance	379,089	526,557	639,256	112,699
Operating transfers	1,847,985	1,677,036	1,624,200	(52,836)
Adjustment to comply with legal maximum budget	-	-	(75,306)	(75,306)
Total expenditures	2,422,435	2,395,954	$ 2,395,954	$ -
Receipts over (under) expenditures	(27,015)	93,358		
Unencumbered cash, beginning of year	147,146	124,531		
Prior year canceled encumbrances	4,400	28		
Unencumbered cash, end of year	$ 124,531	$ 217,917		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS

BILINGUAL EDUCATION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

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

		2021		
	2020	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Transfer from general	$ 100	$ -	$ -	$ -
Transfer from supplemental general	181,016	185,206	183,000	2,206
Total receipts	181,116	185,206	$ 183,000	$ 2,206
Expenditures:				
Instruction	154,817	186,505	$ 208,263	$ 21,758
Receipts over (under) expenditures	26,299	(1,299)		
Unencumbered cash, beginning of year	2,181	28,480		
Unencumbered cash, end of year	$ 28,480	$ 27,181		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS

CAPITAL OUTLAY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

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

		2021		
	2020	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Taxes:				
Ad valorem	$ 495,639	$ 485,141	$ 464,501	$ 20,640
Delinquent	7,731	6,696	5,108	1,588
Motor vehicle	33,087	31,829	22,529	9,300
Recreational vehicle	625	654	438	216
In lieu of tax	900	842	-	842
Interest	9,553	7,373	15,000	(7,627)
Miscellaneous	36,282	41,888	45,000	(3,112)
Transfer from general	280,000	289,432	-	289,432
Total receipts	863,817	863,855	$ 552,576	$ 311,279
Expenditures:				
Instruction	99,353	114,059	$ 218,000	$ 103,941
Student support services	130	7,495	30,000	22,505
General administration	681	2,591	20,000	17,409
School administration	-	-	50,000	50,000
Central services	5,064	95	20,000	19,905
Operations and maintenance	175,161	150,235	240,000	89,765
Transportation	2,574	59,786	100,000	40,214
Facility acquisition and construction services	291,324	150,940	1,789,509	1,638,569
Total expenditures	574,287	485,201	$ 2,467,509	$ 1,982,308
Receipts over (under) expenditures	289,530	378,654		
Unencumbered cash, beginning of year	1,701,286	2,021,864		
Prior year canceled encumbrances	31,048	5,780		
Unencumbered cash, end of year	$ 2,021,864	$ 2,406,298		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS

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)

		2021		
	2020	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
State aid	$ 5,070	$ 3,978	$ 3,750	$ 228
Other	6,195	11,815	8,000	3,815
Total receipts	11,265	15,793	$ 11,750	$ 4,043
Expenditures:				
Instruction	11,387	10,230	$ 11,780	$ 1,550
Receipts over (under) expenditures	(122)	5,563		
Unencumbered cash, beginning of year	30,147	30,025		
Unencumbered cash, end of year	$ 30,025	$ 35,588		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS

FOOD SERVICE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

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

		2021		
	2020	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Federal aid	$ 349,350	$ 452,510	$ 370,450	$ 82,060
State aid	4,633	4,580	4,280	300
Charges for services	114,300	11,581	132,052	(120,471)
Other	232	189	5,000	(4,811)
Transfer from general	-	-	50,000	(50,000)
Transfer from supplemental general	123,606	91,639	75,000	16,639
Total receipts	592,121	560,499	$ 636,782	$ (76,283)
Expenditures:				
Food service operations	572,121	560,495	$ 580,188	$ 19,693
Receipts over (under) expenditures	20,000	4		
Unencumbered cash, beginning of year	84,077	104,077		
Unencumbered cash, end of year	$ 104,077	$ 104,081		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS

PROFESSIONAL DEVELOPMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

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

		2021		
	2020	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
State aid	$ 3,861	$ 6,935	$ 7,350	$ (415)
Transfer from supplemental general	46,995	57,129	45,000	12,129
Total receipts	50,856	64,064	$ 52,350	$ 11,714
Expenditures:				
Instructional support staff	30,856	34,519	$ 38,000	$ 3,481
Receipts over (under) expenditures	20,000	29,545		
Unencumbered cash, beginning of year	49,317	69,317		
Prior year canceled encumbrances	-	455		
Unencumbered cash, end of year	$ 69,317	$ 99,317		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS

PARENTS AS TEACHERS

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

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

		2021		
	2020	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
State aid	$ 50,000	$ 50,000	$ 50,000	$ -
Miscellaneous	-	4,620	-	4,620
Transfer from supplemental general	45,000	40,380	5,000	35,380
Total receipts	95,000	95,000	$ 55,000	$ 40,000
Expenditures:				
Student support services	69,374	71,147	$ 69,600	$ (1,547)
Instructional support staff	5,626	3,853	5,400	1,547
Total expenditures	75,000	75,000	$ 75,000	$ -
Receipts over (under) expenditures	20,000	20,000		
Unencumbered cash, beginning of year	25,000	45,000		
Unencumbered cash, end of year	$ 45,000	$ 65,000		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS

SPECIAL EDUCATION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

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

		2021		
	2020	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Federal aid	$ -	$ 9,997	$ 9,997	$ -
Interest	12,255	11,686	10,000	1,686
Transfer from general	721,279	730,578	710,395	20,183
Transfer from supplemental general	178,268	174,014	178,000	(3,986)
Total receipts	911,802	926,275	$ 908,392	$ 17,883
Expenditures:				
Instruction	878,326	923,160	$ 1,020,524	$ 97,364
Student transportation services	3,476	3,115	5,356	2,241
Total expenditures	881,802	926,275	$ 1,025,880	$ 99,605
Receipts over (under) expenditures	30,000	-		
Unencumbered cash, beginning of year	563,862	593,862		
Unencumbered cash, end of year	$ 593,862	$ 593,862		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS

CAREER AND POSTSECONDARY EDUCATION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

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

		2021		
	2020	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Transfer from supplemental general	$ 324,331	$ 199,737	$ 195,000	$ 4,737
Expenditures:				
Instruction	193,959	200,138	$ 200,405	$ 267
Operations and maintenance	-	-	130,000	130,000
Total expenditures	193,959	200,138	$ 330,405	$ 130,267
Receipts over (under) expenditures	130,372	(401)		
Unencumbered cash, beginning of year	68,342	198,714		
Prior year canceled encumbrances	-	401		
Unencumbered cash, end of year	$ 198,714	$ 198,714		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS

PRESCHOOL-AGED AT-RISK FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

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

		2021		
	2020	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Transfer from supplemental general	$ 93,264	$ 85,871	$ 93,200	$ (7,329)
Expenditures:				
Instruction	83,264	85,871	$ 86,482	$ 611
Receipts over (under) expenditures	10,000	-		
Unencumbered cash, beginning of year	2,141	12,141		
Unencumbered cash, end of year	$ 12,141	$ 12,141		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS

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)

		2021		
	2020	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Transfer from supplemental general	$ 845,505	$ 843,060	$ 850,000	$ (6,940)
Expenditures:				
Instruction	568,832	561,364	$ 600,680	$ 39,316
Student support services	266,673	281,696	261,003	(20,693)
Total expenditures	835,505	843,060	$ 861,683	$ 18,623
Receipts over (under) expenditures	10,000	-		
Unencumbered cash, beginning of year	15,218	25,218		
Unencumbered cash, end of year	$ 25,218	$ 25,218		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS

KPERS SPECIAL RETIREMENT CONTRIBUTION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

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

		2021		
	2020	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
State aid	$ 890,111	$ 856,841	$ 1,026,832	$ (169,991)
Expenditures:				
Instruction	543,949	521,655	$ 630,332	$ 108,677
Student support services	55,880	53,167	61,160	7,993
Instructional support staff	14,826	14,485	10,469	(4,016)
General administration	31,387	30,509	35,607	5,098
School administration	69,700	72,174	85,421	13,247
Central services	40,364	39,869	46,246	6,377
Operations and maintenance	76,702	72,876	92,652	19,776
Student transportation services	28,009	26,287	34,868	8,581
Food service operations	29,294	25,819	30,077	4,258
Total expenditures	890,111	856,841	$ 1,026,832	$ 169,991
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning of year	-	-		
Unencumbered cash, end of year	$ -	$ -		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS

RECREATION COMMISSION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

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

		2021		
	2020	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Taxes:				
Ad valorem	$ 375,877	$ 365,512	$ 350,959	$ 14,553
Delinquent	3,480	4,061	3,877	184
Motor vehicle	14,892	16,390	11,708	4,682
Recreational vehicle	281	324	228	96
In lieu of tax	684	635	-	635
Other	-	-	22,928	(22,928)
Total receipts	395,214	386,922	$ 389,700	$ (2,778)
Expenditures:				
Community service operations	395,214	386,922	$ 389,700	$ 2,778
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning of year	-	-		
Unencumbered cash, end of year	$ -	$ -		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS

RECREATION COMMISSION EMPLOYEE BENEFITS FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

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

		2021		
	2020	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Taxes:				
Ad valorem	$ 104,457	$ 101,524	$ 97,434	$ 4,090
Delinquent	966	1,128	1,077	51
Motor vehicle	4,141	4,555	3,255	1,300
Recreational vehicle	78	90	63	27
In lieu of tax	190	176	-	176
Other	-	-	6,371	(6,371)
Total receipts	109,832	107,473	$ 108,200	$ (727)
Expenditures:				
Community service operations	109,832	107,473	$ 108,200	$ 727
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning of year	-	-		
Unencumbered cash, end of year	$ -	$ -		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS

NON-BUDGETED SPECIAL PURPOSE FUNDS

SCHEDULE OF RECEIPTS AND EXPENDITURES
REGULATORY BASIS

For the Year Ended June 30, 2021

	Title II-A	Gift	Title I-A	Federal grants
Receipts:				
Federal aid	$ 21,542	$ 75,767	$ 186,280	1,026,432
State aid	-	21,595	-	-
Interest	-	-	-	-
Rental fees and books	-	-	-	-
Other grants and donations	-	64,758	-	-
Transfer from general	-	-	-	-
Total receipts	21,542	162,120	186,280	1,026,432
Expenditures:				
Instruction	21,542	25,235	186,280	971,592
Student support services	-	43,190	-	-
Instructional support staff	-	32,115	-	-
Food service operation	-	21,929	-	-
Operations and maintenance	-	-	-	79,208
Facility acquisition and construction services	-	20,984	-	-
Scholarships	-	-	-	-
Total expenditures	21,542	143,453	186,280	1,050,800
Receipts over (under) expenditures	-	18,667	-	(24,368)
Unencumbered cash (deficit), beginning of year	-	4,741	-	(604)
Unencumbered cash (deficit), end of year	$ -	$ 23,408	$ -	$ (24,972)

See Independent Auditor's Report.

Holowach estate	Health council	Contingency reserve	Student materials	Title III ESL	Total
$ -	$ -	$ -	$ -	$ 12,364	$ 1,322,385
-	-	-	-	-	21,595
1,825	-	-	-	-	1,825
-	-	-	67,838	-	67,838
-	-	-	-	-	64,758
-	-	82,200	-	-	82,200
1,825	-	82,200	67,838	12,364	1,560,601
-	-	-	38,072	8,098	1,250,819
-	-	-	-	-	43,190
-	-	-	-	4,266	36,381
-	-	-	-	-	21,929
-	-	10,496	-	-	89,704
-	-	-	-	-	20,984
3,000	-	-	-	-	3,000
3,000	-	10,496	38,072	12,364	1,466,007
(1,175)	-	71,704	29,766	-	94,594
599,382	6,728	747,918	125,747	-	1,483,912
$ 598,207	$ 6,728	$ 819,622	$ 155,513	$ -	$ 1,578,506

UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS

BOND AND INTEREST FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS

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

		2021		
	2020	Actual	Budget	Variance favorable (unfavorable)
Receipts:				
Taxes:				
Ad valorem	$ 326,302	$ 317,267	$ 304,897	$ 12,370
Delinquent	2,567	2,936	3,367	(431)
Motor vehicle	3,145	14,216	10,157	4,059
Recreational vehicle	42	281	197	84
In lieu of tax	593	551	-	551
Total receipts	332,649	335,251	$ 318,618	$ 16,633
Expenditures:				
Debt service:				
Principal	75,000	225,000	$ 225,000	$ -
Interest	120,075	115,575	115,575	-
Total expenditures	195,075	340,575	$ 340,575	$ -
Receipts over (under) expenditures	137,574	(5,324)		
Unencumbered cash, beginning of year	722,582	860,156		
Unencumbered cash, end of year	$ 860,156	$ 854,832		

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS

DISTRICT ACTIVITY FUNDS

SCHEDULE OF RECEIPTS, EXPENDITURES, AND UNENCUMBERED CASH
REGULATORY BASIS

For the Year Ended June 30, 2021

Fund	Beginning unencumbered cash balance	Receipts	Expenditures	Ending unencumbered cash balance	Add encumbrances and accounts payable	Ending cash balance
Gate receipts:						
High school:						
Gate receipts	$ 120	$ 26,019	$ 26,138	$ 1	$ -	$ 1
Activities director	529	693	1,083	139	-	139
MS gate receipts	4	7,126	6,906	224	-	224
Subtotal high school	653	33,838	34,127	364	-	364
School projects:						
High school:						
Fees	-	33,266	33,266	-	-	-
363 degree design	516	14,905	14,968	453	-	453
Yearbook	6,217	11,306	9,845	7,678	-	7,678
Concession	6,233	21,172	20,493	6,912	-	6,912
All sports tournament	1,645	4,982	3,483	3,144	-	3,144
Holcomb coaches	446	-	362	84	-	84
Subtotal high school	15,057	85,631	82,417	18,271	-	18,271
Middle school:						
Fees	-	7,905	7,905	-	-	-
School store	1,043	-	-	1,043	-	1,043
Morning stepper	140	-	-	140	-	140
MS concessions	1,718	-	1	1,717	-	1,717
Unity shirt athletics	-	5,300	4,823	477	-	477
Subtotal middle school	2,901	13,205	12,729	3,377	-	3,377
Subtotal school projects	17,958	98,836	95,146	21,648	-	21,648
Total district activity funds	$ 18,611	$ 132,674	$ 129,273	$ 22,012	$ -	$ 22,012

See Independent Auditor's Report.

UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS

AGENCY FUNDS

SUMMARY OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS

For the Year Ended June 30, 2021

Fund	Beginning cash balance	Receipts	Disbursements	Ending cash balance
Student organization funds:				
High school:				
Class of 2015	$ 192	$ -	$ -	$ 192
Class of 2016	724	-	-	724
Class of 2017	800	-	-	800
AP test	153	85	85	153
CBI SB	1,589	-	485	1,104
Girls swim	1,128	870	1,564	434
Art club	919	-	-	919
JAG	3,232	1,427	1,309	3,350
Girls basketball	225	95	-	320
Class of 2020	625	-	181	444
Class of 2021	1,109	148	849	408
Class of 2022	1,710	102	844	968
Track	819	-	819	-
FFA	30,941	26,259	20,577	36,623
FCCLA	1,559	56	-	1,615
Chorus	3,860	3,266	683	6,443
Band	2,009	705	1,558	1,156
Boys golf fundraiser	553	-	348	205
Girls golf fundraiser	6,165	-	1	6,164
RIA metal	1,780	-	-	1,780
Drama club	4,935	520	625	4,830
Cheerleaders	1,198	-	429	769
Dance	1,760	-	75	1,685
FCA fundraiser	1,701	1	-	1,702
Bowling fundraiser	872	817	761	928
Gifted resource	59	-	59	-
Photo journalism	228	-	-	228
Anime	316	131	48	399
Odyssey of the Mind	416	-	-	416
CBI JA	511	-	507	4
Student council	2,493	1,501	599	3,395
KAY club	953	-	-	953
Class of 2012	345	-	231	114
Class of 2014	185	-	185	-
Class of 2011	379	-	268	111
Football fundraiser	201	1,224	230	1,195
HALO	1,355	1,829	938	2,246
Student activity fund	1,850	796	1,590	1,056
SADD	1,263	-	357	906
Forensics	707	-	-	707
Science club	3,640	1,769	2,509	2,900
Cross country	1,182	903	100	1,985
Baseball fundraiser	267	174	-	441
Wrestling fundraiser	143	-	-	143
Boys basketball fundraiser	-	4,974	4,974	-
Softball fundraiser	829	559	-	1,388
Foreign language	5,834	-	-	5,834
Scholars Bowl	-	120	120	-
Subtotal high school	93,714	48,331	43,908	98,137

UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS

AGENCY FUNDS

SUMMARY OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS

For the Year Ended June 30, 2021

Fund	Beginning cash balance	Receipts	Disbursements	Ending cash balance
Student organization funds (continued):				
Middle school:				
Cheerleaders	$ 120	$ -	$ -	$ 120
Student council	1,240	1,483	1,141	1,582
HMS art club	1,060	-	-	1,060
Middle school kay club	356	263	107	512
W.A.W.	2,240	-	-	2,240
7th grade class	3	-	-	3
A.R. reading	317	-	-	317
Middle school math	39	-	-	39
Poetry slam	30	-	-	30
National history day	264	-	-	264
MS track club	495	-	-	495
MS track	598	30	-	628
MS girls basketball	65	1,679	1,642	102
MS weights	195	48	186	57
MS volleyball	-	241	-	241
Crafting club	274	-	-	274
8th grade lock-in	167	-	-	167
SAP	299	-	-	299
Geography club	73	-	-	73
Subtotal middle school	7,835	3,744	3,076	8,503
Elementary school:				
2nd grade teacher	17	-	-	17
Elementary fun	3,549	2,399	3,662	2,286
4th grade account	165	378	363	180
Elementary STUCO	3,746	116	-	3,862
Elementary craft fair	542	-	-	542
5th grade special projects	2,666	2,208	1,667	3,207
Elementary PTO book fair	759	-	1	758
First grade account	-	2,335	1,831	504
Subtotal elementary school	11,444	7,436	7,524	11,356
Total student organization funds	112,993	59,511	54,508	117,996
Clearing funds:				
High school sales tax	10	5,127	5,105	32
Middle school sales tax	-	515	507	8
Middle school interest income	-	7	2	5
Total clearing funds	10	5,649	5,614	45
Total agency funds	$ 113,003	$ 65,160	$ 60,122	$ 118,041

See Independent Auditor's Report.

APPENDICES

Kennedy
McKee & Company LLP Certified Public Accountants

1100 W. Frontview
P. O. Box 1477
Dodge City, Kansas 67801
Tel. (620) 227-3135
Fax (620) 227-2308
www.kmc-cpa.com

JAMES W. KENNEDY, CPA
PATRICK M. FRIESS, CPA
JOHN W. HENDRICKSON, CPA
JEREMY J. APPEL, CPA

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

Board of Education
Unified School District No. 363
Holcomb, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of Unified School District No. 363, Holcomb, Kansas as of and for the year ended June 30, 2021, and the related notes to the financial statement, and have issued our report thereon dated February 9, 2022. Our report on the financial statement disclosed that, as described in Note A to the financial statement, the District has prepared this financial statement on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered Unified School District No. 363's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Unified School District No. 363's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Unified School District No. 363's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Kennedy McKee & Company LLP

February 9, 2022

Kennedy
McKee & Company LLP Certified Public Accountants

1100 W. Frontview
P. O. Box 1477
Dodge City, Kansas 67801
Tel. (620) 227-3135
Fax (620) 227-2308
www.kmc-cpa.com

JAMES W. KENNEDY, CPA
PATRICK M. FRIESS, CPA
JOHN W. HENDRICKSON, CPA
JEREMY J. APPEL, CPA

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

Board of Education
Unified School District No. 363
Holcomb, Kansas

Report on Compliance for Each Major Federal Program

We have audited Unified School District No. 363's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Unified School District No. 363's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and the *Kansas Municipal Audit and Accounting Guide*. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Unified School District No. 363's compliance.

Opinion on Each Major Federal Program

In our opinion, Unified School District No. 363 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. 363 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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.

Kennedy McKee & Company LLP

February 9, 2022

UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2021

Federal grantor/ pass-through grantor/ program title	Federal CFDA number	Pass-through grantor's number	Unencumbered cash (deficit) beginning of year	Canceled encumbrances	Receipts	Expenditures	Unencumbered cash (deficit) end of year
U.S. Department of Agriculture							
Passed through Kansas Department of Education:							
COVID-19 - National School Lunch Program	10.555	D0363	$ -	$ -	$ 19,432	$ 19,432	$ -
COVID-19 - Summer Food Service Program for Children	10.559	D0363	-	-	433,078	433,078	-
			-	-	452,510	452,510	-
U.S. Department of the Treasury							
Passed through Kansas Governor's Office:							
Passed through Finney County:							
COVID-19 - Strengthening People and Revitalizing Kansas	21.019	N/A	(6,150)	-	817,323	811,173	-
U.S. Department of Education							
Passed through Kansas Department of Education:							
Title I	84.010A	D0363	$ -	$ -	$ 168,775	$ 168,775	$ -
Student Support and Academic Enrichment	84.424A	D0363	-	-	17,505	17,505	-
Supporting Effective Instruction	84.367A	D0363	-	-	21,542	21,542	-
Title III - English Language Acquisition	84.365A	D0363	-	-	12,364	12,364	-
COVID-19 - Elementary & Secondary School Emergency Relief	84.425D	D0363	(604)	-	136,051	160,418	(24,971)
COVID-19 - Elementary & Secondary School Emergency Relief SPED	84.425D	D0363	-	-	9,997	9,997	-
			(604)	-	366,234	390,601	(24,971)
Passed through The Curators of the University of Missouri:							
Supporting Effective Educator Development Program	84.423A	C00063283-16	6,728	-	47,329	52,057	2,000
			6,124	-	413,563	442,658	(22,971)
U.S. Department of Health and Human Services							
Passed through Kansas Department of Education:							
Temporary Assistance for Needy Families	93.558	D0363	(5,629)	-	18,288	21,595	(8,936)

UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

For the Year Ended June 30, 2021

Federal grantor/ pass-through grantor/ program title	Federal CFDA number	Pass-through grantor's number	Unencumbered cash (deficit) beginning of year	Canceled encumbrances	Receipts	Expenditures	Unencumbered cash (deficit) end of year
U.S. Department of Homeland Security							
Passed through Kansas Adjutant General:							
COVID-19 Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	N/A	$ (3,999)	$ -	$ 83,208	$ 79,209	$ -
Total federal assistance			$ (9,654)	$ -	$ 1,784,892	$ 1,807,145	$ (31,907)

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

UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2021

A. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Unified School District No. 363 under programs of the federal government for the year ended June 30, 2021. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the District. The Schedule is presented using a regulatory basis of accounting prescribed by the *Kansas Municipal Audit and Accounting Guide* (as described in Note A to the financial statement), which is the same basis of accounting as the financial statement accompanying this schedule.

B. BASIS OF ACCOUNTING

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

C. INDIRECT COST RATE

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

D. AWARDS PASSED THROUGH TO SUBRECIPIENTS

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

UNIFIED SCHOOL DISTRICT NO. 363
HOLCOMB, KANSAS

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended June 30, 2021

A. SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an adverse opinion on whether the financial statement of Unified School District No. 363 was prepared in accordance with GAAP.

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

3. No instances of noncompliance material to the financial statement of Unified School District No. 363, which would be required to be reported in accordance with *Government Auditing Standards,* were disclosed during the audit.

4. No significant deficiencies or material weaknesses in internal control over major federal programs were reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.

5. The auditor's report on compliance for the major federal award programs for Unified School District No. 363 expresses an unmodified opinion on all major federal programs.

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

7. The program tested as a major program included:

   Coronavirus Relief Fund CFDA 21.019

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

9. Unified School District No. 363 did not qualify as a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENT AUDIT

None noted.

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS

None noted.